

Staff presented the Draft 2020-2024 Consolidated Plan for Federal funding at the 1/21/2020 Committee of the Whole meeting. Aldermen requested additional narrative on the current state of affordable housing in the City of Aurora as well as surrounding communities.

The City began an intensive community participation process in the summer of 2019 and requested guidance from City residents, businesses, non-profits, and other stakeholder groups. As a result of this public engagement effort, the City received input from 230 Aurora residents as well as nine stakeholder groups, representing 20 agencies that included the Aurora Housing Authority, non-profits, and business owners. In each of these consultations, the need to preserve and create affordable housing was identified as a high priority. Data tables provided by HUD also demonstrated that the need to preserve and create affordable housing was a high need with up to 30% of the City population facing a cost burden of greater than 30% of household income going towards housing costs. The affordability factor of housing has many variables and is often unique for each family or individual in need of affordable housing. Based upon the City's collected data and public input, the City's proposed 2020-2024 Consolidated Plan establishes the following affordable housing goals:

1. Expand the Affordable Housing Stock (Affordability for the purpose of providing decent housing).
2. Strengthen Homeownership among Low- and Moderate-Income Households (Affordability for the purpose of providing decent housing).
3. Ensure the Housing Stock is Safe, Healthy, and Accessible for all residents (Accessibility for the purpose of creating a suitable living environment).

The following table taken from the Illinois Housing and Development Authority's (IHDA) 2018 Overall Affordable Housing List outlines the City of Aurora, surrounding communities, and comparable sized cities to identify the percentage of local housing stock at an amount available to homebuyers at 80% and renters at 60% of the median household income.

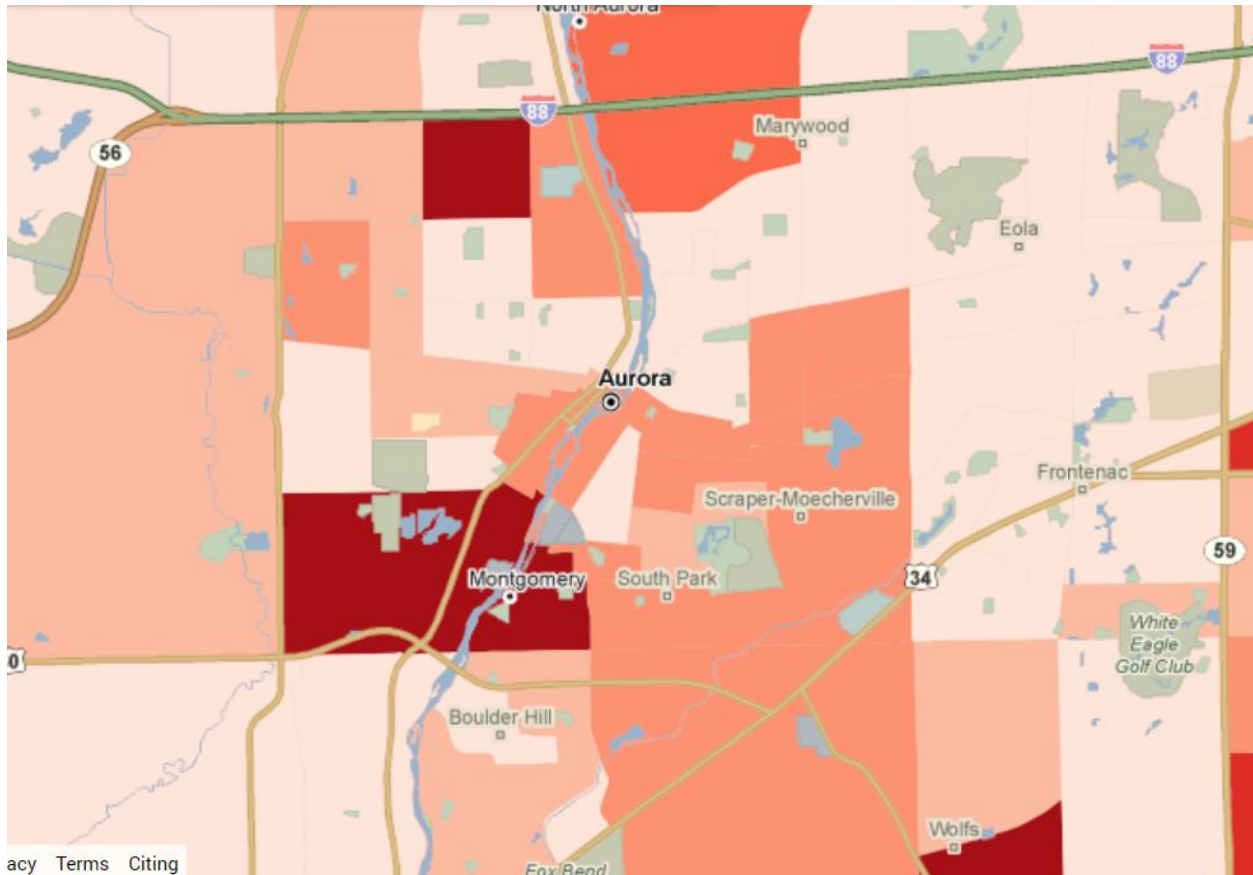
| <b>Ranking<br/>(out of<br/>1298)</b> | <b>Place</b>  | <b>County</b> | <b>Population</b> | <b>Total Year-Round Units</b> | <b>Total Affordable Units</b> | <b>Affordable Housing Share</b> |
|--------------------------------------|---------------|---------------|-------------------|-------------------------------|-------------------------------|---------------------------------|
| 42                                   | Naperville    | DuPage        | 145,789           | 50,410                        | 3,778                         | 7.5%                            |
| 75                                   | Oswego        | Kendall       | 33,245            | 10,885                        | 1,906                         | 17.5%                           |
| 113                                  | North Aurora  | Kane          | 17,612            | 6,068                         | 1,731                         | 28.5%                           |
| 775                                  | Montgomery    | Kane          | 19,055            | 6,039                         | 2,306                         | 38.2%                           |
| <b>201</b>                           | <b>Aurora</b> | <b>Kane</b>   | <b>200,907</b>    | <b>61,226</b>                 | <b>32,349</b>                 | <b>52.8%</b>                    |
| 230                                  | Elgin         | Kane          | 111,919           | 35,044                        | 20,462                        | 58.4%                           |
| 297                                  | Joliet        | Will          | 147,515           | 46,766                        | 31,689                        | 67.8%                           |
| 313                                  | Peoria        | Peoria        | 115,990           | 46,006                        | 31,800                        | 69.1%                           |
| 326                                  | Rockford      | Winnebago     | 149,597           | 57,802                        | 40,767                        | 70.5%                           |
| 371                                  | Springfield   | Sangamon      | 116,745           | 49,580                        | 36,661                        | 73.9%                           |

<https://www.ihda.org/wp-content/uploads/2015/07/2018-Statewide-AHPAA-List.pdf>

In each affordable housing share percentage, the number would drop significantly for homebuyers below 80% (currently \$73,100 for a family of four) and renters below the 60% threshold (currently \$53,460 for a family of four).

Additionally, IHDA released a 2017 Affordability Risk Index Tool to demonstrate the need to preserve affordability in areas that are becoming less affordable at a faster rate. Census tracts where affordability loss risk is greatest receive the highest scores in this index out of 5 and are shown in shades of red, with the darkest shades most vulnerable for affordability loss. IHDA's tool uses the U.S. Census Bureau's American Community Survey data (ACS data is also used by HUD to determine the City's CDBG/HOME/ESG funding allocations) to measure change over time (between 2012 and 2017) across various factors that indicate

affordability loss including income, home values, families below the poverty line, vacancies, renter tendencies, and other factors. Below is an overview of Aurora and surrounding communities.



<https://www.policymap.com/widget?sid=1696&wkey=6YVKJRBZQMVCWKC4IZZYN0GUU4F3N39>

As the City anticipates affordable housing needs for the next five years, the Consolidated Plan details the City's preference for selecting affordable housing projects that integrate neighborhoods racially, ethnically, and economically. In addition, the Plan states that the City will target neighborhood investments that affirmatively further fair housing choice by increasing the number of non-housing investments that increase the desirability of distressed neighborhoods through increasing community amenities, public investments, and economic opportunities. To balance any unintentional housing cost increases as a result of infrastructure or community amenity investments, the Plan affirms the City's goal to promote housing affordability and preservation efforts to keep residents in their homes as property values or rents rise around them.

The need for affordable housing is not isolated to Aurora. Housing Authorities across the State of Illinois have waiting lists sometimes in the thousands, including the Aurora Housing Authority with a current waiting list of 2,600 and DuPage Housing Authority with a waiting list of 1,099 families. Waitlists are sometimes closed for several years and then reopened for a single day to allow applicants the opportunity to apply. To address the affordable housing needs within the past few years, the City and its surrounding communities leveraged HOME funds to approve and/or construct the following affordable housing projects:

| Community                                       | Project                     | Description  | Funding            |
|---|-----------------------------|--|--------------------|
| City of Naperville<br>(through DuPage County)   | Multi Family Senior Housing | Rehabilitation and Construction of 122 affordable senior housing units | \$2,000,000 - HOME |
| Village of Woodridge<br>(through DuPage County) | Multi Family Senior Housing | New construction of 93 affordable senior living apartments             | \$1,200,000 - HOME |

|                |                             |  |                  |
|----------------|-----------------------------|--|------------------|
| City of Aurora | Multi Family Senior Housing | Rehabilitation and creation of 56 affordable senior living apartments (includes 44 project based voucher units) and 4 market rate units                                    | \$500,000 - HOME |
| City of Aurora | Scattered Site Multi Family | Creation of 38 affordable artist lofts and preservation of 38 affordable units (includes 8 project based voucher units and 10 Section 811 units ) located at Coulter Court | \$600,000 - HOME |

Over the last 5 years, the City has partnered with developers and nonprofit agencies to assist in the following activities to preserve, increase, and improve the housing stock for households with an income below the 80% median area income.

| City Program / Initiative       | Project                             | Households Assisted    | Funding          |
|---------------------------------|-------------------------------------|------------------------|------------------|
| Down Payment Assistance Program | First Time Homebuyer Program        | 72 households assisted | \$225,000 - CDBG |
| The Neighbor Project            | Safety First Rehabilitation Program | 87 households assisted | \$450,000 - CDBG |
| Rebuilding Together Aurora      | Safe at Home Rehabilitation Program | 96 households assisted | \$450,000 - CDBG |

The City will continue to utilize CDBG and HOME funding to leverage other resources to identify viable projects for 8 overall priorities established in the 2020-2024 Consolidated Plan.

The following supplemental information is located through various sections of the 2020-2024 Aurora Consolidated Plan that discusses the state of housing in the City.

**Cost of Housing:** Between 2009 and 2015, the median home values declined by 15% - from \$198,900 to \$168,900- while median contract rents rose by 8%. During this same period of time, the median household income slightly increased by 6%, the number of vacant rental units on the market declined by 11%, and the proportion of renters increased by 5%.<sup>1</sup> All of these factors can influence upward prices on the rental market.

**Affordable Housing Needs and Cost Burden:** An estimated 35% of all households in the City of Aurora spend more than 30% of their income on housing costs, including approximately 9,000 households (15% of all households) who spend at least 50% of their income towards housing costs and are considered severely cost burdened. Almost half (45%) of Hispanic households are considered cost burdened, 10 percentage points higher than the cost-burdened rate citywide. Spending a disproportionately high share of income on housing can leave too little for other necessities like food, health care, and transportation. Households burdened by high housing costs also contribute less towards retirement or education and have little money to spend on non-essential goods and services in their communities, which can dampen the local economy. Renters, low-income households, seniors, disabled (estimated at 15,000), and populations with special needs are more likely to experience housing issues than other households in Aurora.

**Special Populations – Senior Housing:** Aurora residents over the age of 65 represent 8% of the population (approximately 16,800 residents).<sup>2</sup> According to the Chicago Metropolitan Agency for Planning On to 2050 Plan, the region’s population aged 65 and older will increase by 80% by 2050. This rise in the number of older adults will only exacerbate the existing need for affordable and accessible housing options, community supports, and health services across the city to allow residents to age in their communities around familiar faces and places.

**Aurora Housing Authority Overview:** The Aurora Housing Authority (AHA) provides housing assistance through its federal Public Housing and Housing Choice Voucher programs to 3,121 Aurora residents among 1,930 households. AHA’s public housing portfolio consists of 502 units at five developments, serving families,

<sup>1</sup> 2005-2009, 2010-2015 American Community Survey

<sup>2</sup> 2013-2017 American Community Survey

seniors and non-elderly disabled individuals. In addition, the agency administers 1,428 federally funded vouchers through its Housing Choice Voucher program.

There are over 2,600 people currently on the Aurora Housing Authority waitlist for public housing with an average wait period of 605 days. Given the low turnover rate and the significant number of people already on the waitlist, the Aurora Housing Authority recently closed the waitlist in July 2019. Of that number, 95% reported household income below 30% AMI.

**Goal Description for Expand Affordable Housing Stock in 2020-2024 City of Aurora Consolidated Plan:**

Expand existing affordable housing stock with newly produced units to meet the current unmet need for affordable housing. Throughout this Consolidated Planning period, housing restricted to households below 80% AMI will be considered; however, RFPs will prioritize projects that increase the stock of permanent supportive housing, family-sized units, housing restricted to households who earn less than 50% of the area median income, and special needs groups, including housing for older adults, persons who are physically and developmentally disabled, persons who are mentally ill, victims of domestic violence, and persons with HIV/AIDS.

**Strategies to Preserve and Increase Affordable Housing:**

**Funding for Affordable Housing Development** – Preserving and increasing the supply of quality affordable housing by targeting a portion of HOME, CDBG, and ESG resources towards new construction or rehabilitation of affordable housing through a request for proposal process. Community Development will work with the development community to continue to reduce barriers for development, including the way proposals are received and evaluated.

**Leverage Greater Public and Private Resources** - Federal resources received under this annual action plan are not enough to substantially increase the affordable housing stock. Given the layers of financing often needed to make housing affordable to special needs populations and lower-income households, the City will proactively leverage other local, state, and federal resources (and assist community organizations doing so). In addition, the City will work with private lenders to develop innovative funding mechanisms to support housing and community development goals. This will ensure developers and organizations interested in building housing in Aurora have adequate resources to increase the supply of affordable housing.

**Homebuyer Programs** - Choose Aurora offers up to \$5,000 forgivable loan to first time homebuyers in City limits. Resources help homeowners who earn below 80% AMI with down payment and closing cost assistance to help increase access to homeownership to low- and moderate-income households. The City will continue to implement this program over this consolidated planning period, and will monitor and augment this program as needed.

**Home Rehabilitation Programs** - The Safety First and the Safe at Home program finances home repairs that address safety issues and remove threats to health and safety and remove accessibility barriers for persons with limited mobility or other physical impairments. The program currently offers forgivable and deferred loans specifically for roof repairs and handicapped improvements. Aurora's Lead Service Line Replacement Program is a pilot program implemented during this consolidated planning process, and will help ensure low- and moderate-income homeowners with young children (under 6) have access to remove lead hazards from their water service lines. The Community Development Division will continue to monitor and augment these programs to ensure low- and moderate-income residents can not only access affordable housing, but maintain safe, stable housing.

**Re-evaluate preference criteria for Housing Choice Vouchers** - The Aurora Housing Authority will be re-evaluating its preference criteria during this consolidated planning period prior to opening the waitlist for Housing Choice Vouchers.