



# Homes for a Changing Region: Town of Cicero Action Plan April 2023



Chicago Metropolitan  
Agency for Planning



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Mayors  
*Caucus*



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# Action Plan: Executive Summary

April 2023

*Homes for a Changing Region* (“Homes”) is a program supported by the Metropolitan Mayors Caucus and the Chicago Metropolitan Agency for Planning (CMAP) and is funded by the Illinois Housing Development Authority (IHDA). *Homes* is designed to help localities in the greater Chicago region analyze, diagnose, and develop market and evidence-based solutions for the housing challenges each locality faces. Over the last six months, the *Homes* team has studied specific housing trends. The *Homes* team identified several key challenges which form the basis of recommendations that the Village can follow to achieve a balanced and healthy housing stock. These challenges are as follows:

- **Cicero’s houses, 2-flats, and apartment buildings all need rehabilitation.** 80% of Cicero’s housing stock was constructed before 1959, and many homes have long-deferred maintenance and upkeep needs. The Town operates a rehab program, but only homeowners are eligible.
- **Almost half of Cicero renters struggle with their housing costs.** 45 percent of Cicero renters pay at least 30% of their monthly income on housing. 20 percent pay more than half.
- **Cicero lacks affordable rental units for lower income households.** More than 2,000 Cicero renters earn less than \$20,000 per year, but the Town only has 738 rental units considered affordable at that income level. This leaves Cicero with a gap of nearly 1,500 affordable rental units.
- **There are many illegal and hazardous basement and attic units.** Some Cicero renters live in illegally converted attics or basements. These units provide crucial housing for new migrants and extended families, but also create health and safety hazards for tenants.
- **Cicero is mostly built out, but has identified infill sites through other planning.** The Town has identified sites near its CTA and Metra lines that could serve as locations for new, infill housing.



# Action Plan: Executive Summary

April 2023

Based on this analysis, the *Homes* team recommends the following actions for the Town to consider:

- **Implement a comprehensive rehabilitation strategy for single-family homes, 2 flats, and apartment buildings:** The Town could pair its CDBG-funded rehab program for homeowners with other programs available through IHDA, the Chicago Bungalow Association, and Elevate Energy.
- **Support health and safety concerns in accessory dwelling units:** The Town has reduced some code requirements to allow for habitability in areas less than the International Residential Code, and could initiate outreach programs to educate property owners about these changes.
- **Add affordable housing at infill locations:** The Town can market its municipally owned land to attract a developer skilled in affordable housing via the Low Income Housing Tax Credit program.

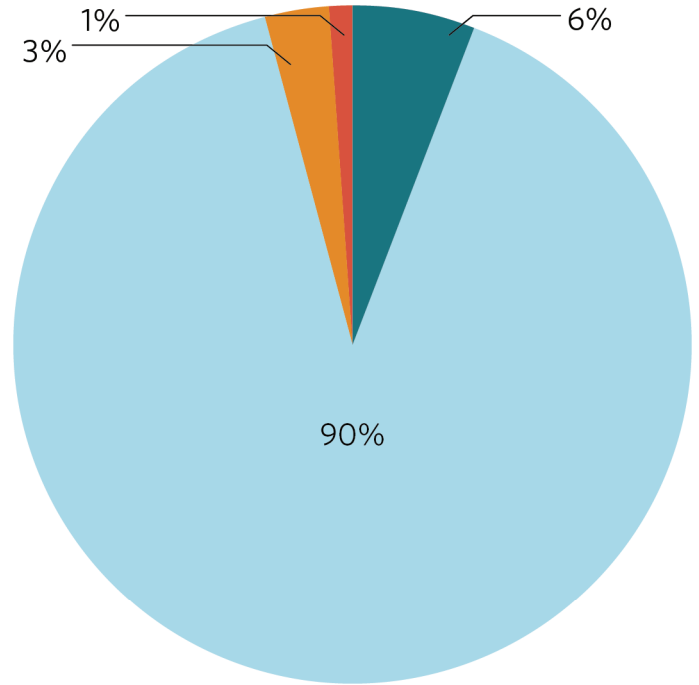


Photo: Steven Martin, Flickr Creative Commons

# Housing Needs Analysis

This section summarizes the quantitative and qualitative findings of the housing needs analysis, initially presented to a stakeholder group in Cicero in 2022. The complete data workup developed by the *Homes* team can be found in Appendix A. Most of the data sources used by the *Homes* team come from the US Census Bureau and the American Community Survey. Such official federal data sources have been subject to undercounts of marginalized groups, especially those with lower incomes, and immigrants. While this report uses US Census data to understand local housing dynamics, these undercount concerns should also be considered when interpreting the results, especially considering the magnitude of local needs.

Cicero is located due west of Chicago, an inner-ring community in Cook County. Since 2010 Cicero's population has grown slowly, like that of the region. In 2020, Cicero's US Census reported population was 85,268 but local officials believe that the true population may be over 100,000. Household growth since 2010 has been far stronger, closer to 10 percent growth, as fewer people live in each household. Such household growth drives up demand for housing. Cicero's population mostly identifies as Latino (90%).



**Figure 1.**  
**Race and Ethnicity**

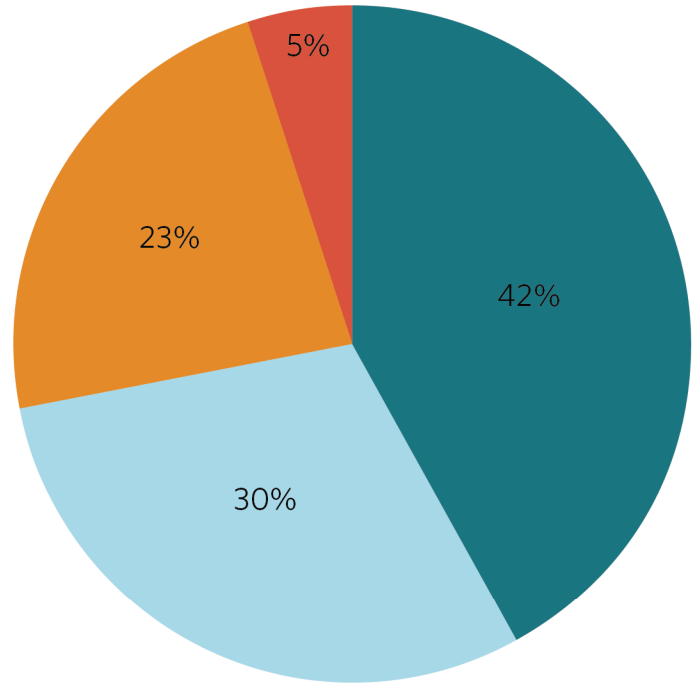
- White
- Hispanic or Latino
- Black
- Asian
- Multiple Races or Some Other Race (0%)

Source: American Community Survey 2016-2020

# Housing Needs Analysis

Cicero is a moderate-income community. The median household income is currently \$49,367 approximately 27 percent less than the regional median of \$65,174. The median income for homeowners is \$70,026 and for renters is \$40,803. Approximately 51 percent of households in Cicero earn less than \$50,000 per year. 16 percent of the population is below the poverty line.

Unlike many other Cook County suburban communities, Cicero is home to a diverse housing stock (see Figure 2). As of 2020, 42 percent of all residential units are single-family homes, 30 percent are in duplexes, 23 percent are in small multi-family buildings (3-9 units), and 5 percent are in large multi-family buildings. Overall, housing units are nearly split between owners and renters. Half of households own and half of households rent.



**Figure 2.**  
**Housing Stock**

- Single-Family
- 2-Unit
- Small Multifamily (3-9 Units)
- Large Multifamily (10+ Units)

Source: American Community Survey 2016-2020

# Housing Needs Analysis

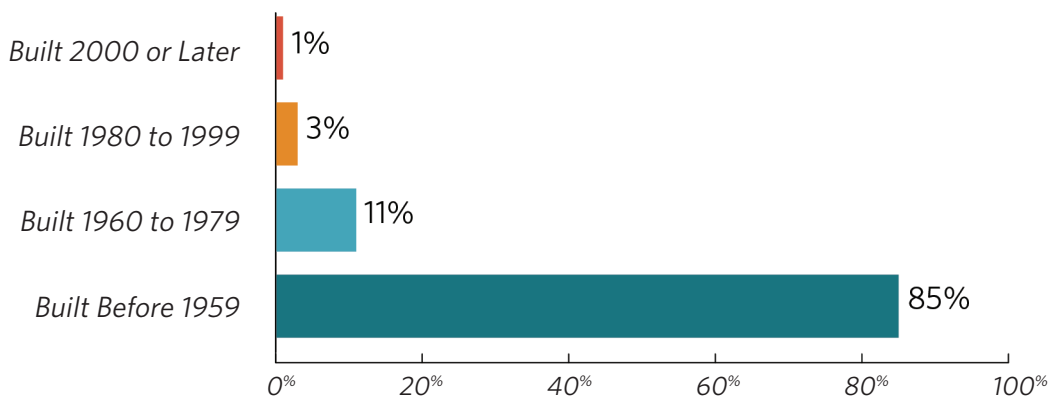
## 1. Cicero needs more resources to maintain its older housing units

Beyond the above baseline information, a review of housing data and discussions with local stakeholders has identified the following three key takeaways regarding housing in Cicero.

Cicero residents live in old and aging buildings, regardless of whether they own or rent. More than eight out of every ten homes were built before 1959. With older homes come many challenges and opportunities. Some buildings may not have seen major improvements in many years with deferred maintenance on important systems like plumbing, electrical, and roofs. Many homes and apartments have lead paint that must be abated or removed. Stakeholders described local apartment buildings that operate on a single boiler, long obsolete and in need of replacement. This results in such high energy costs that the building owner often has little leftover to address other deferred maintenance and upgrades.

Despite these maintenance and investment needs, Cicero's numerous brick houses, flats, and apartment buildings have good "bones". Their rehabilitation could boost property values and encourage other owners to follow suit. Stakeholders described a significant wave of such work that occurred prior to the 2008 recession. This work has picked back up in the past few years, in response to increasing home prices since

**Figure 3. Year Residential Structures Built**



Source: American Community Survey 2016-2020

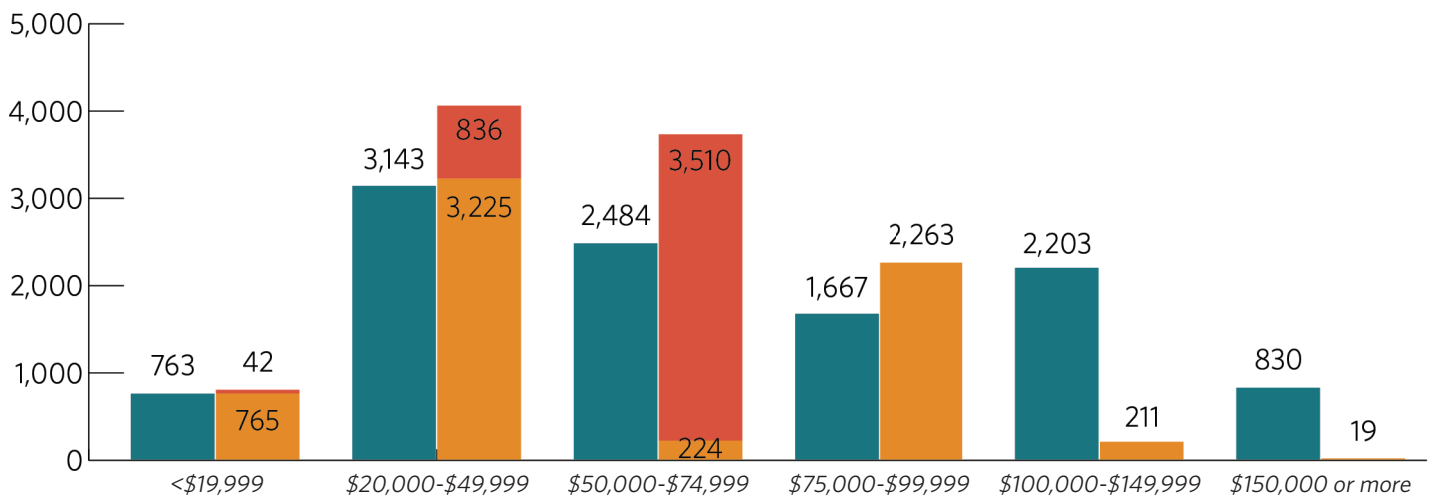


# Housing Needs Analysis

2012 and especially since the onset of the COVID-19 pandemic. In February 2012, the median home sales price in Cicero was roughly \$65,000.<sup>1</sup> By February 2023, it was \$243,000. In February 2012, Cicero's median sales price was less than half of the metro area median. By November 2021, it peaked at \$288,000 and almost matched the median of the region.

For property owners, these home value increases potentially translate into additional equity that could be used for rehab. However, many Cicero owners may not have the regular income to do this. 7 percent of Cicero owners earn less than \$20,000 a year and 35 percent earn less than \$50,000. Additionally, many of the units affordable to these households are owned without a mortgage. These are the long-term owners in Cicero who could use assistance with housing rehabilitation.

**Figure 4.**  
**Cicero Comparison of Owner Household Incomes with Occupied Units Affordable at Each Income Level**



- Estimated Occupied Housing Units Affordable at Income Level (with Mortgage)
- Estimated Occupied Housing Units Affordable at Income Level (without Mortgage)
- Actual Households at Income Level

Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2016-2020

<sup>1</sup> CMAP analysis of Redfin data. <https://www.redfin.com/news/data-center/>

# Housing Needs Analysis

Cicero already devotes resources to helping homeowners fix up their houses. The Town offers four programs, all funded with local CDBG funds and supporting low- and moderate-income households. Unlike many suburban municipalities with CDBG funds, the Town manages these programs internally and oversees all income verification and oversight of contractors through the Department of Housing:

- The Home Repair Program (HRP) is a grant to address obsolete electrical and plumbing systems and replacement of roofs, windows, porches, and concrete. The maximum grant is \$4,999.00.
- The Emergency Assistance Program (EAP) provides grants for immediate fix issues that can make a home uninhabitable like defective heating units, restore air conditioning, plumbing (burst piping), roofing (collapsed), or electrical emergencies. The program provides financial assistance to owner-occupants of one- and two-unit residential properties.
- The Home Improvement Program (HIP) provides a maximum grant of \$24,999 to bring the entire property into code compliance. Both one- and two-unit owner-occupied properties are eligible.
- Emergency Access Grant for People with Disabilities Program (EAG) provides a maximum grant of \$24,999 to eliminate physical barriers that inhibit the use of the dwelling unit by a person with disabilities.

Between October 2021 and September 2022, the Town spent more than \$294,000 on housing rehabilitation. These funds assisted 41 households across 43 units, plus an additional 29 units that were under repair as of October 2022. About 1 in 4 assisted households were seniors, 1 in five were female-headed, and one in ten had a disability. The Town also offers resources to address lead-paint, a common challenge with an older housing stock. Between October 2021 and September 2022 the Town spent \$12,250 on lead hazard abatement, reducing lead hazards in 10 homes.

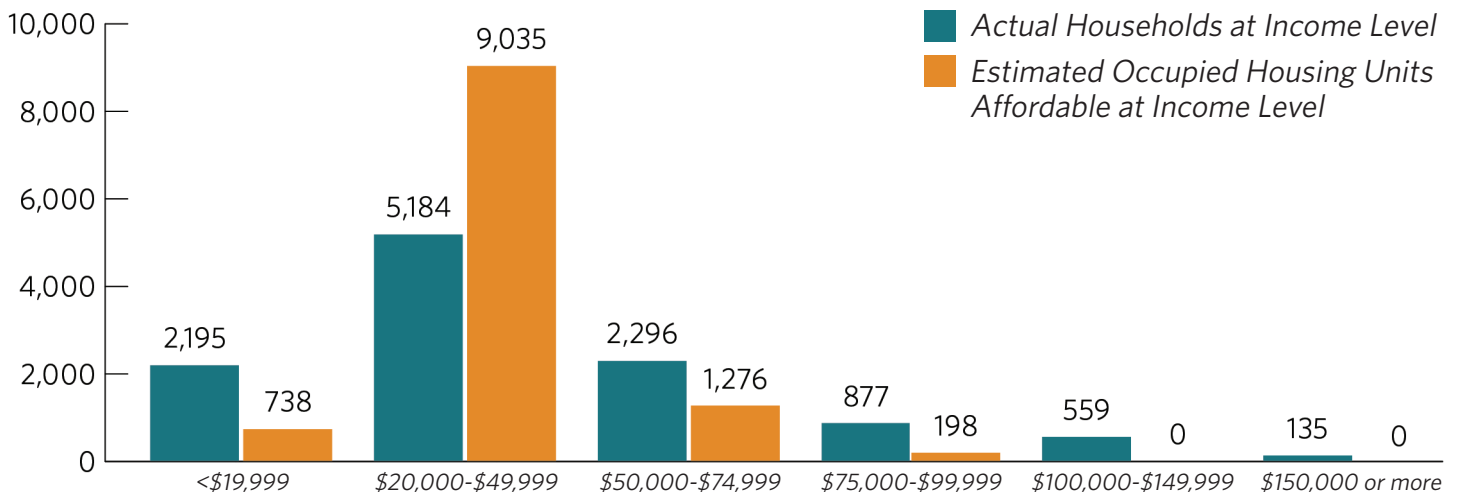
# Housing Needs Analysis

## 2. Cicero needs additional affordable rental housing units

Many of the programs noted above support low- and moderate-income homeowners or owner-occupants of two flats. However, a greater share of Cicero households making below \$50,000 per year are renters. Most apartments in Cicero rent at prices affordable to households earning between \$20,000 and \$50,000 per year. Despite this, many renters struggle with affordability. 45 percent of renters pay at least 30 percent of their income toward housing costs and 20 percent pay more than half.

Many of those renters struggling with housing costs earn less than \$20,000 per year, and Cicero does not have enough rental units affordable at this income level. Roughly 2,195 Cicero renter households earn below \$20,000, but the Town only possesses 738 rental units that would be considered affordable at that income level. The Town would need to add nearly 1,500 new affordable housing units to fill this gap and help its renter households better meet their housing needs.

**Figure 5.**  
**Cicero comparison of Rental Household Incomes with Occupied Units Affordable at Each Income Level**



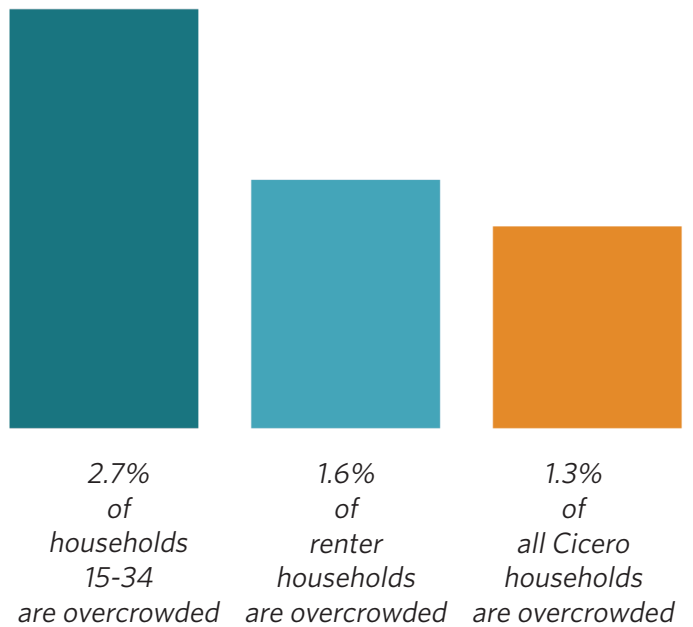
Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2016-2020

# Housing Needs Analysis

The shortage of affordable rental housing likely contributes to overcrowding in existing housing units. Due to underreporting issues, Census data may underestimate the level of overcrowding in Cicero. However, from the information available, renters generally, and younger renters in particular, are more likely to be living in overcrowded homes in Cicero.

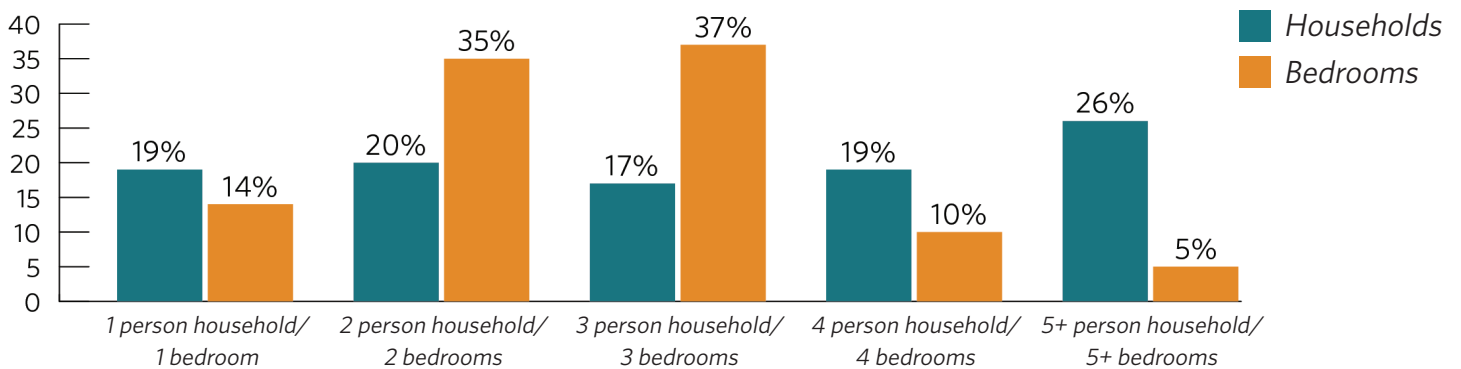
Overcrowding likely occurs because of the mismatch between the size of families and the size of local homes. Almost 7 in 10 Cicero homes have two or three bedrooms. Yet almost a quarter of Cicero households have more than 5 people as members, pushing some families to need additional space. This includes supporting the multi-generational households common in Cicero.

**Figure 6.**  
**Who Struggles with Overcrowding in Cicero?**



Source: American Community Survey 2016-2020

**Figure 7. Comparison of Cicero Household Sizes and Number of Bedrooms**



Source: Chicago Metropolitan Agency for Planning analysis of Fregonese Envision Tomorrow Balanced Housing Model using American Community Survey 2016-2020



# Housing Needs Analysis

The shortage of affordable housing likely also drives residents to rent illegally subdivided housing units, such as apartments in the basement or attic. Historically, these units provided low cost or even free housing to those putting down roots in Cicero. Stakeholders described the historical importance of these units to the Town's role as an immigration gateway, as new residents from Eastern Europe and Mexico frequently used this housing to establish themselves in the United States.

Despite this long-standing importance to the local housing stock, these units may be unsafe for occupants because of fire hazards or other safety issues. A major fire occurred on Valentine's Day in 2010. Residents in one of the attic units could not evacuate, and 7 people died, including three children. Basement units can also be subject to frequent water infiltration as the stormwater system overflows during extreme weather events, or in compromised foundations.

The scale of the issue is difficult to measure because the units are not registered. Stakeholders identified numerous housing issues as underlying causes of the problem. The rapid increase in home values has led to an escalating property tax burden that incentivizes owners to convert their basements or attics into apartments for extra income. Additionally, building codes have become stricter in the decades since these units were first established. The Town has enacted several changes to the international building code in recognition that these units cannot conform to these standards and these changes include a reduced ceiling height (excluding plumbing, electrical, and heating/cooling considerations), so long as the units have two methods of ingress/egress. However, property owners have largely continued to keep units secret from local building inspectors.

# Housing Needs Analysis

## 3. New affordable rental housing can help Cicero address affordability issues and meet key Town goals

Cicero has long understood that additional rental housing could help address the rental affordability issues noted above. Cicero is a transit-rich community with two Pink Line stations, a Metra station, and many Pace and CTA bus routes. Between the 2014 *Cicero Connections Transit Area Implementation Plan* and the 2017 *Cicero Comprehensive Plan*, the Town laid out a vision of leveraging these transit stations to add more apartments and condominiums.

Since then, development of these key sites has moved slowly. Many of the housing recommendations from the *Comprehensive Plan* were addressed through a new *Unified Development Ordinance* adopted in fall 2022.

With zoning addressed, Cicero now has the opportunity to explore how other financial resources, including *Low Income Housing Tax Credits*

(described below) can help support the development of new rental affordable housing to both implement the community vision and meet local housing needs.

**Figure 8.**  
**Key Opportunity Sites Map from the Cicero Connections Plan**



# Recommendations

This plan has identified three major housing challenges in the Town of Cicero:

- **Need for rehabilitation and reinvestment in all sectors of the housing stock;**
- **Illegal basement and attic units that may pose life or health hazards; and**
- **A market need to add new multifamily housing units for lower-income residents.**

The *Homes* team has developed three strategies to address these challenges. In February 2023, the team convened an expert panel to address the Town's needs for reinvestment in its building stock and illegal units. As a follow up to this conversation, the action plan recommends the following actions for Cicero to encourage a balanced, more affordable, and well-maintained supply of housing for its residents:

- **Link properties to available rehabilitation programs managed by non-profit partners;**
- **Explore pathways to make accessory units livable while protecting the rights of tenants and property owners; and**
- **Pursue a new multifamily investment on municipally owned land.**

Each recommendation is detailed more thoroughly below.

# Recommendations

## Strategy #1:

### **Comprehensively Address Rehab Needs Through Available Funding Programs For Single- and Multifamily Housing**

Housing in Cicero is aging. More than eight out of ten homes were built more than 60 years ago. Homeowners and building owners have not always had the financial resources to continually reinvest in their properties. As a result, houses, 2 flats, and apartment buildings all have varying rehabilitation needs.

The Town already addresses a part of this need through its single-family home rehabilitation program, which it operates using its CDBG allocation. As noted earlier, the Town currently offers four rehabilitation programs in home repair, lead hazard reduction, emergency assistance, and emergency access for those with disabilities. Unlike many suburban municipalities, Cicero is also unique in managing these programs in house, performing income eligibility checks, and directly overseeing the rehabilitation work with a network of contractors. However, the programs are only available to homeowners of single-family properties.

To compliment this program, and expand its reach to other owner- and renter-occupied buildings, Cicero can help residents more fully utilize several other housing rehabilitation and repair resources that are available. At the expert panel, presenters discussed the below programs and how Cicero staff could help residents utilize them throughout the Town:

- The Home Repair and Accessibility Program, administered via the Illinois Housing Development Authority;
- The Home Energy Savings Program, operated via the Chicago Bungalow Association; and
- The Multi-family Energy Savings program, operated via Elevate Energy.

A description of each program, and its applicability to Cicero, is below.



# Recommendations

## Chicago Bungalow Association Home Energy Savings Program

### ***Program Overview***

This program is funded by ComEd to encourage energy-efficient improvements to historic bungalows. Services can include weatherization and energy efficiency improvements on the interior and exterior of the home, side wall insulation to reduce energy leakage, healthy homes improvements that address mold, moisture, and/or toxic materials, and, in some cases, improvements that address health and safety issues in the property. This could potentially include changes such as roof repair, with upwards of \$15,000 in improvements eligible for the program at no cost to the homeowner. The improvements are supported via the utilities, by way of investment in low-income energy efficiency improvements supported by the Clean Energy and Jobs act.

### ***Eligibility***

Single-family homes and two-flats are eligible, so long as they are built before 1980. The property must be owner-occupied, and a household income of 80% of Area Median Income or lower is required to apply.

### ***Implementation Approach in Cicero***

At the February panel, CBA presenter Mary Ellen Guest noted that 50 bungalow retrofits would be available for Cicero residents in 2023. The Town would need to consider relaxing its scofflaw law, which prevents work at properties with past violations. However, the CBA would be interested in forming a direct partnership with the Town to refer residents into the program. During the expert panel, the CBA and the Town discussed a referral system through which the Town would solicit interest and perform income eligibility checks, and then refer bungalow owners directly to the CBA to perform the work.

# Recommendations

## IHDA Home Repair and Accessibility Program

### ***Program Overview***

HRAP helps assist low and very low income homeowners with health, safety, and energy efficiency improvements for homes. The program offers three project types: full rehabilitation of homes, for which the property is eligible for up to \$45,000 in improvements; accessibility improvements, subject to the same \$45,000 cap; and roof only projects, for which up to \$21,500 is eligible in repairs.

### ***Eligibility***

Property eligibility differs for each project type. Full and roof-only rehabilitation funds may only be used in an owner-occupied single family home. For accessibility improvements, the property may be either owner- or renter-occupied so long as there is a documented need. All program participants must have household incomes not exceeding 80% of AMI.

### ***Implementation Approach in Cicero***

IHDA contracts with partners to administer the program. Cicero would be eligible to apply. Eligible applicants must have experience in income verification, housing rehabilitation, grant management, and other housing grants and resources. Because Cicero already manages all of these functions in house with its home repair program, and because of the substantial need among low- and moderate-income residents, the Town may be an extremely competitive applicant once IHDA solicits proposals sometime in 2023.

# Recommendations

## Multi-Family Energy Savings Program

### ***Program Overview***

Administered via Elevate Energy, this program provides multifamily building owners with assessments and direct assistance to make energy-efficiency improvements in the building. These benefits include assessments and low cost energy-efficiency improvements. Of particular value to Cicero's building owners may be its incentives for capital improvements, which can help a building owner replace aging HVAC mechanicals with a new, energy-efficient installation. The program may assist the building owner in replacing up to 50% the cost of a boiler, which can be badly out of date in older multifamily buildings and a big drain on the building's income. Boiler tune ups, parking lighting, and hallway lighting also qualify. As with the CBA program above, the MFES is provided through CEJA, so these substantial investments are available at low cost to building owners and no cost to Cicero taxpayers.

### ***Eligibility***

Properties eligible for the MFES include multi-family properties with 3 or more units. Additionally, properties managed or owned by a PHA, such the Cicero Housing Authority, are also eligible.

### ***Implementation in Cicero***

This program could fill an unmet need for multifamily building owners in Cicero. Multifamily property in Cicero is particularly old. While every property is different, many owners have lacked the operational income to make substantial improvements in their properties for a very long time. Apartment buildings may share a single boiler, which is so energy inefficient that it is a drain on the operational budget of the entire building.

# Recommendations

## Next Steps

Cicero could leverage this array of programs to more comprehensively meet the rehabilitation needs of its residential building stock. Though a referral system may vary by program, the chart below visualizes how Cicero staff can work to match these available publicly funded resources to each class of property in need of reinvestment:

Type of Property	Single Family Home	Owner-Occupied 2 Flat	Larger Apartment Building (3+ units)	Public Housing
<b>Eligible Programs</b>	<ul style="list-style-type: none"> <li>▪ Cicero SF Repair</li> <li>▪ IHDA HRAP</li> <li>▪ CBA Home Energy Savings</li> </ul>	<ul style="list-style-type: none"> <li>▪ CBA Home Energy Savings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Elevate Energy MFES</li> </ul>	<ul style="list-style-type: none"> <li>▪ Elevate Energy MFES</li> </ul>
<b>Staff Strategy</b>	<ul style="list-style-type: none"> <li>▪ Provide direct intake through homeowner application</li> <li>▪ Refer bungalow owners to CBA</li> <li>▪ Apply directly to IHDA to provide HRAP services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide direct intake through homeowner application</li> <li>▪ Refer bungalow owners to CBA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify outdated mechanicals during building inspection</li> <li>▪ Direct referral of owner to MFES program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Directly apply for MFES for PHA owned or managed units</li> </ul>



# Recommendations

## Strategy #2:

### Conduct Outreach To Improve Health and Safety in Basement and Attic Units

Town stakeholders have prioritized the presence of unreported and often unsafe or unhealthy basement and attic units. On the one hand, these units may serve as affordable units or multigenerational housing, and property owners may rent them to help pay off mortgage and property tax expenses. On the other hand, unreported units are much more likely to have health and safety hazards, which include increased fire risk, improper electrical and heating systems, pest infestations, or flooding.

In recognition, the Town Board relaxed some international code standards to encourage property owners invest in these units to make them safer, rather than hide them. The Town reduced the minimum ceiling height to 7 feet, exclusive of plumbing, electrical, and heating/cooling systems, and would consider legalizing nonconforming units if there are two established methods of ingress and egress. However, the high cost of excavation and/or adding entries and exits means that many units may not be able to follow this pathway into compliance. Additionally, property owners continue to hide units and residents remain at a potential risk.

At the February panel, Danni Cosey Gay of Preservation Compact discussed its work to encourage preservation of ADUs. There are two strategies to encourage investment in these units: a grant program to assist with upgrades, and outreach program to encourage more property owners to utilize changes.

# Recommendations

## Approach #1: Provide financial support to invest in substandard ADUs

Last year, the City of Chicago passed an ordinance enabling accessory dwelling units. Since then, more than 300 property owners have applied, and most are owners of 1-4-unit properties. However, the partner organizations realized the very high cost of upgrading a basement unit: the upgrade of an existing unit falls between \$35,000 and \$75,000, while a buildout for a completely vacant building could be as much as \$120,000. It can be extremely expensive to upgrade an existing, substandard unit, because of high plumbing, electrical, basement excavation, and labor costs.

Acknowledging that these improvements would be cost prohibitive for low and moderate homeowners, NHS Chicago initiated a pilot program to encourage more property owners to do so. The program includes the following components: (1) Up to \$10,000 to hire an architect to build the plans for the unit; (2) Up to \$75,000 to construct or upgrade the unit; and (3) 20% of the construction grant is set aside for health and safety repairs in the rest of the property; and (4) Applicants must make within 140% of the Area Median Income to be eligible for the program.

## Approach #2: Develop an outreach program for residents and landlords

The City of Harvard, in McHenry County, has taken a different approach. Like Cicero, its housing stock was largely constructed before the 1950s. As new households have put down their roots in the City, it has seen many illegal conversions into apartments and multigenerational housing. Harvard wanted to improve health and safety conditions, but did not want to displace residents as a result of its efforts.

Harvard decided to allow these non-conforming units but work closely with tenants and landlords to prevent displacement. As in Cicero, the City adjusted local codes to allow units that had been non-conforming to be conforming, if health/safety issues were addressed. Harvard also asked a respected community member to accompany the building inspector and inform eligible property owners and residents of the changes. This helped create trust among residents who may otherwise distrust local inspectors.

# Recommendations

Cicero may choose to pursue both strategies. As noted above, it can be extremely expensive to retrofit existing units, and few grant programs exist to cover the costs. It is possible that grant resources still exist through Cook County via the American Rescue Plan. However, given the high competitiveness of such funds, the Town could consider creating an outreach program based on the Harvard model to encourage landlords to invest in a subset of units to become legal and confirm with code.

Finally, Cicero may wish to connect with other communities testing strategies to address this complex issue. Summit completed a Homes for a Changing Region plan, which recommended a similar outreach strategy.

## Next Steps

Cicero can encourage greater safety in basement and attic units through:

- **Exploring financial strategies to help property owners create code compliant ADUs; and/or**
- **Developing an outreach strategy using identified trusted messengers to communicate all strategies and assist with compliance; and/or**
- **Monitoring other local approaches to unsafe basement and attic units in Chicago, Harvard, Summit, and other communities.**

# Recommendations

## Strategy #3:

### Meet Need For Affordable Rental Housing Through New Multifamily Development

Cicero has a significant lack of rental housing for its lowest income residents. Roughly 2,195 renters earn less than \$20,000 per year, but there are 738 units in the Town that would be considered affordable to them. However, the Town is mostly built out and possesses just a few sites for large scale development, identified in previous plans. As it considers its opportunities for infill at these locations, the Town should consider attracting a developer experienced in affordable rental development.

There are several state sources of financing available for new affordable rental units. The most significant of these programs is the Low Income Housing Tax Credit program. LIHTC is a primarily developer driven program; investors secure properties to be developed into affordable housing and apply to IHDA for credits to finance the developments. LIHTC traditionally serves low-income households, defined as earning 60% of the Area Median Income or less, which this analysis identifies as a substantial and unmet need within the Town of Cicero. LIHTC can serve two different populations, families and seniors, and are allocated directly to developers via two subtypes in the program:

- **9 percent LIHTC credits are allocated to Illinois based on its population and are awarded competitively according to IHDA's Qualified Allocation Plan.** These credits can be used for new construction and are described in more detail below.
- **4 percent LIHTC credits are non-competitive.** Developments that utilize state private activity bonds are eligible. These credits could be a source for the rehabilitation and preservation of existing multifamily properties.

LIHTC is a developer-driven program, so municipalities do not apply for the credits directly from IHDA. A developer instead pursues a project and then applies for LIHTC credits itself. However, a community can proactively court LIHTC developers and ready themselves for investment on either publicly or privately held property.

# Recommendations

As noted earlier, Cicero has identified numerous development sites from prior planning. Throughout the *Homes* process, Cicero focused on two sites in particular: its former Town Hall, on 25<sup>th</sup> Place near the Metra station, as well as a parcel at Laramie and 23<sup>rd</sup> Street, within one half mile of the CTA Pink Line. Cicero can position these properties for affordable investment through the following steps:

**Educating The Community:** Although many in the Town desire more affordable options, LIHTC projects nonetheless can meet community pushback. This *Homes for a Changing Region* document can be helpful to work with the community to identify its housing needs and build support when a development is proposed.

- **Proactively Seeking A Developer:** Municipalities can proactively reach out to developers active in surrounding communities to let them know of their available opportunities. Broadview utilized this strategy for a publicly owned property at Roosevelt Road and 17<sup>th</sup> Avenue that was developed into senior housing. Broadview and other neighboring municipalities may be willing to recommend developers to contact.
- **Preparing A Request for Proposals:** The Town can request affordable housing as it releases an RFP for its publicly held property.

This action plan recommends that Cicero reach out to other municipalities to generate a list of potential affordable housing developers for these properties with a goal of releasing an RFP that generates high quality responses.

# Recommendations

## Next Steps

Cicero should ready itself for additional affordable rental investment by:

- **Finalizing sites for a Low Income Housing Tax Credit development** based on its existing inventory of Town-owned land;
- **Convening and educating residents on housing needs;**
- **Proactively seeking a developer,** starting with those that have built successful projects in neighboring communities; and
- **Releasing a Request for Proposal for affordable rental housing** on one of the target sites.



# Key Contacts

## Chicago Bungalow Association

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# Affordable Housing Trust Fund Alignment

As stated earlier, this action plan was made possible by a \$305,000 two-year allocation of the Illinois Affordable Housing Trust Fund. An estimated \$41,070 of that allocation was spent on personnel and travel costs on the development of this action plan, which aligns with the objectives of the Trust Fund across all three recommendation areas:

- **Pursue Rehabilitation Strategies for All Properties:** Cicero offers ownership opportunities for moderate-income households, but these properties were built before 1959 and many have deferred maintenance and/or are in various states of disrepair. Out of 12,853 owner-occupied units, 5,980 would be considered affordable to occupants earning between \$20,000 and \$50,000 per year. If these properties were rehabilitated using income-eligible programs, it would preserve them as affordable and decent for their moderate-income owner-occupants.
- **Support Improved Health and Safety at Illegal ADUs:** This policy recommendation provides strategies for these existing naturally occurring affordable housing units to become more livable, safe, and decent. Because the Village believes these units go unreported, it is difficult to estimate the number and asking rent of these units, but anecdotal evidence suggests that they supply housing for low and moderate-income households.
- **Add New Affordable Rental Units:** 45% of Cicero renters were cost burdened in 2020. Additionally, 2,195 renter households earn less than \$20,000 per year, but the Town possesses only 738 units affordable at this income level. If Cicero added a new Low-Income Housing Tax Credit building, it could narrow this gap and reduce the cost burden experienced by low-income renters in the community.