Chicago Metropolitan Agency for Planning

Chicago Southland Housing and Community Development Collaborative

SSMMA South Suburban Mayors & Managers Association

Chicago Southland Economic Development Corporation

Housing Investment Tool

Program Manual

TABLE OF CONTENTS

Chicago Metropolitan Agency for Planning

Chicago Southland Housing and Community Development Collaborative

SSMMA South Suburban Mayors & Managers Association

Chicago Southland Economic Development Corporation

The Housing Investment Tool

The Chicago Southland Housing and Community Development Collaborative has created a multifunctional Housing Investment Tool to help evaluate and prioritize proposed projects submitted for possible funding support from the Collaborative and its partners. This tool serves four main functions:

1. Quantitatively rank and prioritize housing projects to guide funding decisions.
2. Create inventories of housing projects.
3. Educate communities, the Collaborative, and the Collaborative's partners about the strengths, weaknesses, and trends of housing projects in the Southland.
4. Leverage investment from regional and national funders.

The South Suburban Mayors and Managers Association (SSMMA) through its Chicago Southland Housing and Community Development Collaborative (Collaborative) and partner organization the Chicago Southland Economic Development Corporation (CSEDC), work together on planning initiatives in Chicago's southern suburbs. SSMMA provides technical transportation, housing, economic growth, and development assistance to 42 municipalities in the southern suburbs of Chicago. The CSEDC focuses on economic development and growth and the Collaborative concentrates on regional housing issues and development in the Southland. This work is guided by the SSMMA's redevelopment strategy, the Green TIME Zone.

Part of the Collaborative's responsibilities is to apply for and distribute public and private funding for housing investment. For example, the Collaborative will apply and be rewarded funding periodically made available from HUD for rehabilitation, construction or demolition of housing projects. To help evaluate and prioritize proposed projects, the Collaborative sought the assistance of the Chicago Metropolitan Agency for Planning's (CMAP) Local Technical Assistance Program (LTA) to create a multifunctional evaluation tool that would prioritize projects and serve as a guide in rewarding funding. In June 2011, CMAP's LTA Program partnered with SSMMA and the Collaborative to create such a tool, called the Housing Investment Tool (HIT). The tool was approved by the Collaborative and SSMMA in May 2012.

Below are further details of the tool and its functions, along with information about how and why it was created.

Housing Investment Tool Functions

Prioritizing Housing Projects. The tool's main function is to evaluate and rank housing projects in the Southland. To start the process, the Collaborative will put out a call for housing projects either prior to or upon the arrival of funding sources. Interested south suburban communities with a proposed housing project would submit an application (see the sample application in Appendix A). The Collaborative staff will then input the proposed project and its corresponding data into the Housing Investment Tool. The tool would then evaluate, score, and rank all inputted projects. Results would be discussed by the Collaborative Steering Committee or a sub-committee to determine which projects should be submitted to funding sources or which should receive funding sources. By teaming together, the Southland communities and the Collaborative are working efficiently and effectively within their limited resources to apply and distribute limited funding sources.

Creating Inventories of Housing Projects. The tool also functions as an inventory or database of housing projects and sites in the south suburbs. This inventory can be used to develop a greater understanding of the housing projects and trends in the Southland (described more below) and also helps the Collaborative effectively respond to potential developers interested in projects in the Southland.

Educating the Collaborative, Regional Partners, and the Southland Communities. The tool is also an educational tool for the Collaborative, regional partners, and the Southland communities. The Collaborative can analyze the database of housing sites and identify key characteristics and trends in the housing projects. With this information, the Collaborative and its partners can more effectively provide technical and financial assistance needed in the south suburbs.

The tool is also an educational opportunity for all Southland communities that submit a project for evaluation. Once a community submits a project to be entered into the tool, it will receive a series of scores and a composite of score based upon various criteria. The Collaborative can work with the communities to explain the project's scores, point out the project's strengths and weaknesses, and ultimately recommend and assist in actions and plans to help make the community's proposed project more competitive. Appendix B lists general recommendations and action steps for an applicant to improve its score.

Leveraging Investment from Funders. The Housing Investment Tool can also leverage investment from regional and national funding agencies as well as the private sector. For example, when the Collaborative applies to regional and national agencies for project financing, the Collaborative can explain that the presented projects are classified as high priority projects based upon a detailed evaluation process of multiple Southland projects. The evaluation process utilizes principles for growth and development that have been recognized, established and endorsed by these agencies.

Overview of the Housing Investment Tool

The tool was developed so that it would retain the following characteristics:

- Transparent and simple methodology
- Not onerous on the community
- As objective as possible
- Efficient
- Universally applicable

Transparent and simple methodology. The tool's methodology is transparent and relatively simple. It does not involve complex formulas or equations so communities and other regional leaders can easily understand the ranking system.

Not onerous on the community. Understanding that many communities in the southern suburbs have limited resources and staff, the tool requires minimum effort on behalf of the community submitting a proposed project.

As objective as possible. To ensure objectiveness and fairness, the tool was developed to mostly utilize variables that were from third party sources or the Collaborative' s records which not only minimizes the efforts of the applicant, but also ensures objectivity.

Efficient. The tool was developed to be time and data efficient given that the Collaborative staff would be operating and managing the tool and they too face limited staff and time resources.

Universally applicable to various funding sources. The tool is intended to be universally applicable to various funding sources, however the tool can be added or tailored to certain funding sources if deemed appropriate.

Limitations of the Tool

As with all evaluation tools, the tool does have limitations, most of which are data limitations. For example, the tool heavily relies upon third party data for several of its evaluation criteria. CMAP and Collaborative cannot guarantee the 100% accuracy of the third party data. As the data and the tool evolve over time, many of these limitations could be minimized.

Tool Format and Mechanics

The Housing Investment Tool is a series of Microsoft Excel worksheets. The tool requires data input from the user, which will be a Collaborative staff member. The Collaborative Staff will utilize third-party data, Geographic Information Systems (GIS), information from applications, as well as data owned and recorded by the Collaborative Staff. Table 1 below shows all the data sources for all the criteria and indicators.

Once the data is inputted the tool will give the project a score and will compare its score to the other projects inputted into the tool.

Table 1. Criteria, Indicators, and Points

Criteria	Criteria Weight	Indicators	Type of Indicator	User Input	Possible Points	Points Awarded Structure	Geography/Project Measured	Data Source
Expresses what we want to achieve.	Expresses the importance of the goal via weight of High, Medium, Low.	Expresses what we are using to measure the attainment of the goal.	Expresses whether the type of indicator.	Expresses the input the user enters into the tool for each indictor.	Expresses the range of possible points.	Expresses how points are awarded	Expresses what the indicator is measuring- either type of geography or the proposed project.	Expresses the data or other sources utilized in measuring the indicators.
Livability	High	Proximity to Employment	Ratio - Direct	Input the number of jobs within 1 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	D and B/ GIS Data
		Proximity to Public Schools	Ratio - Direct	Input the number of public schools within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	GIS Data
		Proximity to Parks	Ratio - Direct	Input the number of parks within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	GIS Data
		Proximity to Retail	Ratio - Direct	Input the number of retail establishments within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	GIS Data
		H+T Index	Ratio - Direct	Input the average H + T Index score for the area within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	GIS Data
		Transit Connectivity Index	Ratio - Direct	Input the average transit connectivity score for the area within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	D and B/ GIS Data
		Walkability	Ratio - Direct	Input the average walkability score for the area within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	CNT
		Residential Density	Ratio - Direct	Input the residential density for the area within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	CNT
		Bike Trails	Ratio - Direct	Input the number of bike trails within a 1/2 mile radius of the site.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	CNT
Infill development.	Medium	Parcel Density	Ratio - Direct	Input the parcel density within a 1/2 mile radius of the site. Will accommodate co-op parcels.	0-3	Q_1 = 0 points...Q_4 = 3 points	Area	Parcel Data - GIS Data
		Incorporated Areas	Nominal Binary	Input whether the site is in an incorporated or unincorporated area.	0 or 2	Incorporated = 2 points, Unincorporated = 0 points	Site	GIS Data
Competitive housing market.	Medium	Vacancy Rate	Ratio - Inverse	Input the percentage of vacant housing units within a 1/2 mile radius of the site.	0-3	Q_1 = 3 points...Q_4 = 0 points	Area	ESRI Data and GIS Data
		Market Value Over 5 Years	Ratio - Direct	Input the percentage change in the city's average sales price over the past five years.	0-3	Q_1 = 0 points...Q_4 = 3 points	City	Trulia
Meeting standards	Low	Energy-efficiency	Nominal Binary	Input whether the city is in conformance with 2009 The Illinois Energy Conservation Code (IECC).	0 or 2	In conformance = 2 points Not In conformance = 0 points	City	Collaborative Data Records
		Fair Housing Standards	Ordinal	Input the level of city's efforts in promoting fair housing.	0-3	No action taken = 0 points Ordinance approved = 1 point Ordinance and implementation strategy approved = 2 points Ordinance, implementation strategy, and action steps taken 3 points	City	Collaborative Data Records
		International Building Code	Nominal Binary	Input whether the city is in conformance with 2009 International Building Code.	0 or 2	In conformance = 2 points Not In conformance = 0 points	City	Collaborative Data Records
Active Participation	Medium	Active Participation	Oridinal	Input the city's participation level in the Housing Collaborative in the past year.	0-3	No participation = 0 points Passed resolution = 1 point Passed Resolution and Attended 40% of Meetings in past year = 2 points Passed Resolution and Attended 70% of Meetings in past year = 3 points	City	Collaborative Data Records

Criteria	Criteria Weight	Indicators	Type of Indicator	User Input	Possible Points	Points Awarded Structure	Geography/Project Measured	Data Source
Expresses what we want to achieve.	Expresses the importance of the goal via weight of High, Medium, Low.	Expresses what we are using to measure the attainment of the goal.	Expresses whether the type of indicator.	Expresses the input the user enters into the tool for each indictor.	Expresses the range of possible points.	Expresses how points are awarded	Expresses what the indicator is measuring- either type of geography or the proposed project.	Expresses the data or other sources utilized in measuring the indicators.
Efficient Development Process	Low	Efficient Development Process	Cumulative	Input the sum of points earned for providing the three elements of the Efficient Development Process (accessibility, efficiency, and relevancy).	0-3	Accessibility of information = 1 point *Readily available Webpage or Packet contains all of the following information:* • Overview of development process • All necessary forms and description of the required plans and information to be submitted. • Village Zoning Code and Map • Construction/Building Permit process • Municipal contact person Efficiency of Process = 1 point • Development review process is streamlined – potential developer goes must seek approval of no more than 3 boards. Relevancy of zoning maps and codes to current conditions = 1 point • Maps have been updated since January 2011. • Zoning Code has been updated since 2006.	City	Collaborative Data Records
Implementing an Existing Plan	Medium	Housing Study/Plan	Ordinal	Input how well the proposed project achieves objectives as laid out in plan/study.	0-3	No Plan = 0 points Plan exists = 1 point Plan is within the past 5 years OR it has specific housing recommendations = 2 points Plan is within the past 5 years AND it has specific housing recommendations = 3 points	Project/Site/Area/City	Housing Investment Tool Application
Neighborhood Investment	High	Percentage Change in EAV	Ratio - Inverse	Input percentage change in EAV in the municipality over the past 5 years.	0-3	Q_1 = 3 points...Q_4 = 0 points	City	Illinois Department of Revenue Data
		EAV/Capita	Ratio	Input EAV per capita	0-3	Q_1 = 3 points...Q_4 = 0 points	City	Illinois Department of Revenue Data
Project Readiness	High	Progress	Ordinal	Input the level of project or shovel readiness.	0-3	No physical plan = 0 points Conceptual Plan = 1 point Conceptual Plan, Developer identified = 2 points Conceptual Plan, Developer, and further market/environmental etc. analysis = 3 points	Site/Project	Housing Investment Tool Application
		Project Density is Permissible Under Site's Current Zoning	Nominal Binary	Input if the project's proposed density is permissible under the site's current zoning	0 or 2	Proposed project's density is permissible in site's current zoning = 2 points Proposed project's density is not permissible in site's current zoning = 0 points	Site/Project	Zoning and GIS Data
Project Evaluation	High	Project Evaluation	Ordinal	Project Evaluation	0-3	Average Project = 0 points Satisfactory Project = 1 point Good Project = 2 points Excellent Project = 3 points	Project	Collaborative Board or Collaborative Committee Evaluation of Project

Housing Investment Tool Methodology

Evaluation Criteria, Indicators, and Scoring
The tool evaluates housing projects based upon a set of ten criteria, which was developed utilizing the principles, goals, and recommendations from key regional and national plans, studies, and documents. These plans, studies, and documents include:

- GO TO 2040
- Federal Livability Principles
- Metropolitan Mayors Caucus' Housing Endorsement Criteria
- *Homes for a Changing Region*
- Chicago Southland's Green TIME Zone

The ten criteria are listed below:

- **Livability.** Housing investment in livable neighborhoods that are walkable and compact as well as accessible to employment, schools, parks, retail services, public transportation and bike trails increases the quality of life for all residents.
- **Infill development.** Housing investment that is a part of infill development promotes an efficient use of municipal services and sustainability.
- **Competitive housing market.** Housing investment in neighborhoods that have market demand for additional housing prevents an oversupply of housing, vacant housing units, depressed housing values, and disinvestment.
- **Meeting standards.** Housing investment in municipalities that meet the most recent energy-efficiency, fair housing, and building codes standards promotes sustainable, equitable, and safe housing.
- **Active participation.** Housing investment in municipalities that are active in South Suburban Housing Collaborative promotes regional planning and partnerships.
- **Efficient development process.** Housing investment in municipalities that have a streamlined development process and staff capacity to work with developers facilitates development.
- **Implementing an existing plan.** Housing investment that already achieves previously established objectives in a plan or study promotes efficiency and well-planned development.
- **Need for investment.** Housing investment in areas where investment is needed may help spur further investment and promote revitalization.
- **Project readiness.** Housing investment in developments that have already been planned or analyzed promotes efficient use of development funds.
- **Project evaluation.** Housing investment that is feasible and has a positive impact on the area and community promotes investment and viability in the community.

The tool classifies the ten criteria into varying weights of high, medium, and low, which expresses the criterion's relative importance. A criterion's weight is used in scoring process which is further explained below.

Indicators

All of the ten criteria have indicator(s) which measure the fulfillment of the criteria. Some criteria have nine indicators while some have only one. All indicators are described in Table 1.

Indicators can be categorized as a ratio, ordinal, cumulative, or a nominal binary indicator. Ratio indicators are quantitative in nature and their inputs are numeric values that are taken directly from data sources. Examples of these ratio indicators include all the Livability criterion's indicators such as proximity to employment, transit connectivity index, and proximity to bike trails.

To receive points from a ratio indicator, the user will input a numeric value (i.e. the number of jobs) for a proposed project and the tool will then place the project into one of four fixed quartiles. If numeric values have a direct relationship with the criterion/desired outcome (i.e. the more jobs in an area, the more livable it is), the tool will assign 3 points to projects in the fixed fourth quartile, 2 points to those in the fixed third quartile, 1 point to those in the fixed second quartile, land 0 points in the fixed first quartile. If numeric values have an inverse relationship with goal/desired outcome (i.e. the higher the percentage of vacant sites the less competitive the housing market is), the tool will assign 0 points to projects in the fixed fourth quartile, 1 point for those in the fixed third quartile, 1 point for those placed in the fixed second quartile, and 0 points for those project placed in the fixed first quartile. Tables 2 and 3 below provide more information on the direct and inverse indicators.

Table 2. Scoring Methodology for Ratio Indicators

	Direct Indicators	Inverse Indicators
Definition	The numeric value of the input has a direct relationship with the criteria/desired outcome.	The numeric value of the input has an inverse relationship with the criteria/desired outcome.
Examples	Proximity to Employment (Livability), Market Value over 5 Years (Competitive Housing Market)	Vacancy Rate (Competitive Housing Market) Percent Change in EAV (Need for Investment)
Scoring	X = Input X < Threshold #1 = 0 points Threshold #1 <= X< Threshold #2 = 1 point Threshold #2 <= X< Threshold #3 = 2 points X >= Threshold #3 = 3 points	X = Input X <= Threshold #1 = 3 points Threshold #1 <X< =Threshold #2 = 2 points Threshold #2 <X< =Threshold #3 = 1 point X > Threshold #3 = 0 points

Table 3. Sample Scores for Ratio Indicators

		Livability		Competitive Housing Market	
		Proximity to Employment		Vacancy Rate	
		Input the number of jobs within 1 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the percentage of vacant housing units that are within a 1/2 mile radius of subject site.	Points Assigned Based Upon Thresholds
			0 points		3 points
Threshold #1		500	↓	6%	↑
Threshold #2		1,500		8%	
Threshold #3		2,500		10%	
			3 points		0 points
Site A		100 jobs	0 points	6%	3 points
Site B		375 jobs	0 points	7%	2 points
Site C		500 jobs	1 point	8%	2 points
Site D		550 jobs	1 Point	11%	0 points
Site E		1000 jobs	1 point	10%	1 point
Site F		1500 jobs	2 points	7%	2 points
Site G		1600 jobs	2 points	13%	0 points
Site H		2500 jobs	3 points	5%	3 points
Site I		3000 jobs	3 points	9%	1 point

As mentioned above, the quartiles used in ratio indicators are fixed quartiles, they are not statistical quartiles. The Collaborative Board approved thresholds which delineate the fixed quartiles. All of the thresholds can be found in Appendix C.

Ordinal indicators measure the progression of the criterion using an ordinal measurement of scale. An example of an ordinal indicator is the Fair Housing Standards indicator under the Meeting Standards criterion. For an ordinal indicator, the user will input a score of 0, 1, 2, 3, or 4 for each proposed project. This score corresponds with the project's level of attainment of the desirable outcome. Requirements needed to reach each level of attainment for each ordinal indicator are described in Table 1. Sample scores for ordinal indicators are found in Table 4.

The Project Evaluation indicator under the Project Evaluation criterion is the only ordinal indicator where requirements needed to reach each level of attainment are not defined. This indicator was included to capture those project characteristics that are challenging to explicitly quantify and measure. At the time of the tool's approval, it was decided that the Collaborative Board or a subcommittee would score this indicator by assigning 0 points to an average project, 1 point to a satisfactory project, 2 points to a good project, or 3 points to an excellent project. It is encouraged that Collaborative or subcommittee use an evaluation form similar to the one presented in Appendix D.

Cumulative indicators have inputs that represent the sum of points earned from the attaining any of the indicator's three elements. The only cumulative indicator is the Efficient Development Process indicator under the Efficient Development Process criterion. For this indicator the user will input the sum of points earned for the municipality having any of the following elements: accessible information (1 point), efficient development process (1 point), and updated development materials (1 point). Table 1 has more information on this indicator.

Nominal binary indicators classify the inputs into two categories. An example of a nominal indicator is Energy Efficiency indicator under the Meeting Standards criterion. The user will classify the proposed project as one of two categorizes (i.e. in conformance with the 2009 Illinois Energy Conservation Code (IECC) or not in conformance with the IECC). The tool will then assign 0 or 2 points based upon the desirable characteristic. Table 1 provides further details on all nominal binary indicators and sample scoring for nominal binary indicators are shown in Table 4.

Once all the indicators under a given criterion are inputted, the tool will calculate the average indicator score for each criterion. This is the criterion's unweighted score. A multiplier reflecting the criterion's weight is then applied to the unweighted score and the product of this calculation is the weighted score. The multiplier for highly weighted criterion is 2, for medium weighted criterion is 1, and for low weighted criterion is 0.5. Table 4 below illustrates this scoring calculation.

Table 4. Sample Scores for Ordinal and Nominal Indicators

	Meeting Standards									
	Fair Housing Standards		Energy Efficiency		International Building Code					
	Input score (0,1,2,3) based upon municipality's efforts to endorse Fair Housing Standards.	Points Assigned Based Ordinal Value	Input if municipality is in conformance with 2009 IECC - Energy Efficiency. (Type In: Nonconformance or In Conformance)	Points Assigned Based on Nominal Value	Input if municipality is in conformance with 2009 International Building Code. (Type In: Nonconformance or In Conformance)	Points Assigned Based on Nominal Value	Total Points for Indicators	**Unweighted Score**	Weight (High = 2, Med = 1, Low = 0.5)	**Weighted Score**
Threshold #1	NA	0 points -3 points	NA	0 points or 2 points	NA	0 points or 2 points				
Threshold #2	NA		NA		NA					
Threshold #3	NA		NA		NA					
Sites										
Community A	2	2	In Conformance	2	Nonconformance	0	4	1.33	0.5	**0.67**
Community B	2	2	Nonconformance	0	In Conformance	2	4	1.33	0.5	**0.67**
Community C	0	0	Nonconformance	0	Nonconformance	0	0	0.00	0.5	**0.00**
Community D	1	1	Nonconformance	0	In Conformance	2	3	1.00	0.5	**0.50**
Community E	3	3	In Conformance	2	In Conformance	2	7	2.33	0.5	**1.17**
Community F	1	1	Nonconformance	0	Nonconformance	0	1	0.33	0.5	**0.17**

The tool produces a final score spreadsheet that features each all the weighted scores from each criterion, the total composite weighted score, and the ranking for each proposed project. Below is an example:

Table 5. Sample Weighted Scores

	WEIGHTED SCORES											
Sites	Livable Neighborhoods	Infill Development	Competitive Housing Market	Meeting Energy-Efficiency, Fair Housing, and Building Standards	Active Participation	Efficient Development Process	Implementing an Existing Plan	Need for Investment	Project Readiness	Project Evaluation	**Total Score**	**Rank**
Max Possible Points	6.00	2.50	3.00	1.17	3.00	3.00	3.00	6.00	5.00	6.00	38.67	
Sites												
Community A	4.44	1.67	2.50	0.00	3.00	1.50	3.00	4.00	5.00	6.00	31.11	1
Community B	3.11	1.00	3.00	0.33	3.00	1.50	3.00	4.00	5.00	6.00	29.94	2
Community C	4.44	1.33	1.50	0.00	3.00	1.50	3.00	4.00	5.00	6.00	29.78	3
Community D	3.78	0.67	2.00	1.17	3.00	1.50	3.00	5.00	5.00	2.00	27.11	4
Community E	3.33	1.00	2.50	0.33	3.00	1.50	3.00	2.00	4.00	6.00	26.67	5
Community F	1.56	1.00	1.00	0.83	3.00	1.50	3.00	3.00	5.00	0.00	19.89	6
Community G	2.67	1.33	3.00	0.00	0.00	1.50	3.00	1.00	5.00	2.00	19.50	7
Community H	5.11	1.33	1.50	0.00	0.00	0.50	1.00	1.00	5.00	4.00	19.44	8
Community I	0.67	0.67	3.00	0.17	0.00	1.00	3.00	2.00	2.00	4.00	16.50	9
Community J	2.67	1.67	0.50	0.17	2.00	0.50	0.00	5.00	4.00	0.00	16.50	9
Community K	2.44	1.00	1.50	0.00	0.00	0.50	0.00	2.00	5.00	0.00	12.44	11
Community L	2.89	1.33	2.00	0.33	0.00	0.50	0.00	2.00	3.00	0.00	12.06	12

How the Housing Investment Tool Was Developed

Developing the tool involved six key steps:

- Project initiation
- Literature review
- Tool development
- Tool evaluation and refinement
- Tool finalization and approval
- Presentation of the tool to southern communities

The Housing Investment Tool was initiated in June of 2011. At this time, the key stakeholders and committees that would contribute to this project were established. The Collaborative Steering Committee served as the approving administrative body for the Housing Investment Tool. CMAP staff presented the tool to the Collaborative Steering Committee at various stages of development to seek input, feedback, and ultimate approval. A Project Advisory Committee (PAC) was also formed to help formulate and guide the conceptual aspects of the tool. The committee was comprised of two members of the Collaborative Steering Committee, and one to two staff members from SSMMA, the Collaborative, Metropolitan Planning Council (MPC), Center for Neighborhood Technology (CNT), Chicago Metropolitan Housing Development Corporation (CMHDC), Metropolitan Mayors Caucus (MMC), and CMAP. In addition to the PAC, a Project Technical Committee (PTC) was also formed. The PTC was a subset of the Project Advisory Committee and included staff members from SSMMA, the Collaborative, CNT, and CMAP. The technical committee advised all technical aspects of the tool which included the tool's methodology, mechanics, evaluation, and refinement.

After the project was initiated, a literature review was conducted which examined six other site evaluation tools, including those not specific to housing. The literature review is included in Appendix E. Once the literature review was concluded, the tool development began. Tool development largely entailed identifying goals, criteria, and indicators and finding suitable data and proxies to fulfill these indicators. The tool was then evaluated through testing and review by the various committees. It underwent numerous refinements and further testing until it was deemed suitable for approval in May 2012.

The tool and its progress have been communicated to the southland communities through its newsletters, website, and meetings. The Collaborative will now continue to communicate and present this tool to the municipalities in Southland to educate them about this process and encourage them to participate.

The Future of the Tool

As noted above, the tool was designed to be flexible and universal with various funding sources. The Collaborative can continue to work on and improve the tool, its data sources and efficiency, and tools of measurement as needed. It is recommended that all changes are performed with the approval of the SSMMA Executive Committee based upon recommendations from the Collaborative Steering Committee.

Appendix

Appendix A: Sample Housing Investment Tool Application Form

SAMPLE: Housing Investment Tool Application Form

Please fill out the following:

1) **Project Location and Description.**
   a. Provide the full address of the project.

   b. Describe the project and as appropriate be sure to include:
      - The housing type (single family, 3-flat, 10-story high-rise, mixed -use etc).
      - If the project is new-construction or rehab.
      - If the project is intended to be owner-occupied/rental units or mix.
      - If project is market rate or affordable or a mix (if a mix, indicate the breakdown of market rate and affordable units).
      - If the project has any age and/or income restricted units.
      - Number of total units unit breakdown by unit type (number of bedrooms).
      - Total square footage and square footage breakdown by unit type (number of bedrooms).

      A matrix illustrating many of the above variables is encouraged. See example below.

Example:

Project - Unit Breakdown							
		Number of Units	**Unit Type**	**Square Footage/Unit**	**Owner-Occupied**	**Rental**	**Market Rate/Affordable**
		2	0-Bedroom	750		X	Market Rate
		4	1-Bedroom	1,000 sq ft	X		Market Rate
		4	1-Bedroom	900 Sq ft		X	Affordable - 80% - 100 AMI
		2	2-Bedrooms	1,500 sq ft		X	Affordable - 80% - 100 AMI
	Total	**12**		**12,100 sq ft**			

2) Implementation an existing plan or study.

a. List and attach pertinent pages of any local/regional plans or studies that support the development of this type of project. Examples include but are not limited to comprehensive plans, subarea plans, and housing studies.

3) Project Readiness.

a. List and attach pertinent pages of any site-specific plans, studies, or documents that illustrate the state of the project's progress. Examples include but are not limited to conceptual/detailed site plans, developer commitment letter, market studies, and pro-forma.

4) Project Evaluation.

a. Please describe how the project will impact the surrounding community. Indicate, to the best of your ability, how the project will build on surrounding assets (schools, parks, etc.); whether the project is an infill development or not, and how the project fits into the fabric of surrounding existing development.

b. Please discuss the project's feasibility and attach the project's pro-forma or any other pertinent financial information (if available) which illustrate the project's feasibility.

Appendix B

General Recommendations to Improve Your Housing Investment Tool Score

Described below general recommendations as to how the municipality can improve their score under each of the ten criteria. The Collaborative staff can provide more detailed information regarding the criteria, scoring, strategies and action steps to improve an applicant's score.

Livability
The livability criterion encourages projects to be located in a livable neighborhood. A livable neighborhood is a compact, walkable neighborhood that is accessible to jobs, schools, parks, retail, bike trails, and other transportation options. The Collaborative staff can work with applicants in identifying livable neighborhoods within the municipality and strategies to improve overall livability within the municipality.

Infill
The infill criterion encourages infill development rather than greenfield development. The Collaborative and the municipalities can work together in identifying infill development sites suitable for housing development.

Competitive Housing Market
The competitive housing market criterion encourages development in areas that are considered desirable as measured in market housing trends. Although market housing trends are not within the control of a municipality, a municipality can work towards sustaining and improving the various factors that impact the housing market such as the Village's quality of housing stock, services, and livability characteristics. The Collaborative can be considered a resource in achieving this type of objective.

Meeting Standards
The meeting standards criteria encourages municipalities to adopt and implementing fair housing standards and the most recent energy efficient and building code standards. The Collaborative can present the municipality with 2009 Illinois Energy Conservation Code (IECC) and the 2009 International Building Code and work with the Village in helping implement these codes.

Active Participation
The active participation criterion encourages municipalities to become involved in the Housing Collaborative, so that the region can jointly work together. The Collaborative staff can provide information for becoming more involved.

Efficient Development Process
The efficient development criterion encourages a municipal streamlined development process. Collaborative staff can thoroughly review a municipality's development process and show areas of strengths and weaknesses, and recommend changes or adoption of a model development process.

Implementing an Existing Plan
Implementing an existing plan criterion encourages projects to achieve previously established objectives in a plan or study. This could be a subarea plan, comprehensive plan, housing study or any similar plan. The Collaborative staff can work with municipalities in interpreting previous plans or studies and identifying resources for the development plans and studies.

Need for Investment
The need for investment criterion examines a municipality's current need for reinvestment in the area. The Collaborative staff can share with a municipality indicators used to analyze this criterion.

Project Readiness
The project readiness criterion encourages projects that are progressing in the development process. The Collaborative staff can work with municipalities with their project and help them identify resources for them to progress to the various levels of development.

Project Evaluation
The project evaluation criterion encourages projects that are feasible and that would have a positive impact on the area. The Collaborative staff can work with municipalities on identifying resources to help assess and strengthen the feasibility and impact on the area.

Appendix C: Ratio Indicator Thresholds

Criteria	Livability																	
Indicators	Proximity to Employment		Proximity to Public Schools		Proximity to Parks		Proximity to Retail		H and T Index		Transit Connectivity Index		Walkability		Residential Density		Proximity to Bike Trails	
	Input the number of jobs within 1 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the number of schools within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the number of parks within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the number of retail establishments within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the average H +T Index score the area within a 1/2 mile of the subject site.	Points Assigned Based Upon Thresholds	Input the average transit connectivity score for the area within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the average walkability score for the area within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the residential density for the area within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds	Input the number of bike trails within a 1/2 mile radius of the subject site.	Points Assigned Based Upon Thresholds
		0 points		0 points		0 points		0 points		0 points		0 points		0 points		0 points		0 points
Threshold #1	500		1		1		5		30		50		2		0.75		1.00	
Threshold #2	1,500	↓	2	↓	2	↓	10	↓	45	↓	150	↓	3	↓	1.75	↓	3.00	↓
Threshold #3	2,500		3		3		20		60		250		4		2.75		5.00	
		3 points		3 points		3 points		3 points		3 points		3 points		3 points		3 points		3 points

Criteria	Infill Development		Competitive Market				Need for Investment			
Indicators	Parcel Density		Vacancy Rate		Market Value Over 5 Years		% Change in EAV over 5 Years		EAV/Capita	
	Input the number of parcels within a 1/2 mile radius of site.	Points Assigned Based Upon Thresholds	Input the percentage of vacant housing units for the are that is within a 1/2 mile radius of site.	Points Assigned Based Upon Thresholds	Input the percentage change in Average Sales Price for the city over the past five years.	Points Assigned Based Upon Thresholds	Input percentage change in EAV in the municipality over the past 5 years. (2005-2009)	Points Assigned Based Upon Thresholds	Input EAV/Per Capita for most recent year (2009)	Points Assigned Based Upon Thresholds
		0 points		3 points		0 points		3 points		3 points
Threshold #1	500		6%		-75%		20.00		15,000	
Threshold #2	800	↓	8%	↑	-55%	↓	25.00	↑	20,000	↑
Threshold #3	1200		10%		-35%		30.00		25,000	
		3 points		0 points		3 points		0 points		0 points

Appendix D: Sample Evaluation Form for Project Evaluation

SAMPLE Housing Investment Tool Project Evaluation

This form is meant to guide the Project Evaluation element of the Housing Investment Tool. For this section, evaluators need to examine the project comprehensively and consider aspects of the project that cannot be easily measured quantitatively. Information to be reviewed for this evaluation such as the project scope, proposed impact, and feasibility, shall be provided by the applicant. The evaluator is encouraged to answer the questions in the boxes provided below.

How well would this project increase the viability of the area?

How feasible is this project?

Appendix E: Literature Review

Housing Investment Tool
Literature Review

Through the Local Technical Assistance program, the Chicago Metropolitan Agency for Planning (CMAP) is assisting SSMMA, the Collaborative, and CSEDC in their need to create a Housing Investment Tool to inventory and prioritize potential housing development areas/sites. In developing the Housing Investment Tool, CMAP conducted a literature review of site evaluation tools to explore various methodologies.

Key Lessons Learned:

- Various ways to evaluate sites
- Most evaluations recognized that some criteria are considered more important than others. Evaluations took this into account in two main ways:
    - Weighing criteria differently (using multipliers)
    - Employing various rounds of evaluation's with differing criteria (Most important criteria employed in first round, less important criteria employed in subsequent rounds)
- Simplicity and transparent methodologies showed to be as effective as complex formulas

Summary of Other Site Evaluation Tools:

Low-Income Housing Tax Credit Qualified Allocation Plan (QAP) - 2011
Illinois Housing Development Authority (IHDA)
The QA describes criteria that the Authority will consider in evaluating projects applying for the Allocation of Tax Credits. Applicants self- assign or self-deduct points based on how well their project complies with IHDA's criteria. Point values vary by criteria. For example, a project will earn eight points if they comply with enhanced accessibility requirements, but will earn four points if the project helps to achieve housing goals stated in local revitalization plan. The scores are totaled in the end for a final evaluation. IHDA's criteria includes: architectural design and project amenities, site suitability and marketability, community impact, income targeting, development team characteristics, financial characteristics, housing policy goals and objectives.

Preliminary Goals and Housing Location Principles for Potential Housing Sites Selection and Ranking - 2011
City of Pleasanton, California
The City of Pleasanton wanted to identify possible factors to evaluate potential housing sites based on a comprehensive set of principles related to community quality of life. The principles included (1) City of Pleasanton General Plan policies; (2) Smart Growth principles, including regional and sub-regional strategies; (3) criteria important for California Tax Credit Allocations for affordable housing funding; and (4) factors important to HCD in evaluating a site for its readiness and suitability for higher density housing (potential site constraints, current uses, site size, land use designation and zoning, application of development requirements, realistic development potential, etc.). In evaluating these sites they complied a list of statements that reflected the principles they had established. For example, one statement read, "Site is an infill." If the statement correctly described the project site, the project received a "1" if it did not, or if the characteristic was not applicable, it received a "0." The criteria was equally weighted, however some criteria was categorized as "first round criteria" while other criteria was categorized as "second round criteria."

Housing Element Task Force Report
Marin County, California - 2011
Marin County Board of Supervisors directed staff to convene a Housing Element Task Force, for the purpose of identifying potential housing sites in the City–Centered Corridor that might be suitable for increased densities. Over

35 locations were selected for evaluation, according to a combination of quantitative and qualitative criteria. Site evaluation forms contained 25 criteria bundled into four categories: Livability, Mobility and Quality of Paths, Environmental Factors, and Economic/Development Factors. Staff populated the site evaluation forms with information on some of the key criteria to further assist members in their evaluation and reduce their need to research basic information. Each member scored each criterion by assigning it a numerical value of 0 (fails to meet expectations) to 3 (meets highest expectation). Criteria were weighted in accordance to their importance.

Feasibility Study of Downtown Affordable Housing Project - 2003
City of Santa Barbara, California
The City of Santa Barbara wanted to understand the feasibility and policy implications of developing affordable housing on nine City-owned surface parking lots located in its downtown area. A consultant was retained by the City to assist in determining which of the properties were most suitable as affordable housing sites, and under what terms. They conducted a site evaluation and ranked the nine properties according to various feasibility criteria including suitability for residential development, accessibility, parking issues, environmental concerns, and site development potential. The criteria characteristics were assigned a weight 1-5, with 1 indicating it was the least important characteristic and 5 indicating that it is the most important characteristic. Each project site was assigned a value based on its compliance with each criteria characteristic. The project site was assigned a 1 if it complied with the desired characteristic, -1 if it didn't comply with the desirable characteristic, and 0 if it was considered neutral. For example, for the criteria characteristic, "Air, Noise, and Pollution" was weighted with a "5", indicating that it was considered the most important criteria characteristic. A low air noise and pollution level received a "1" score, a medium noise and pollution level received a "0", and a high pollution level received a score of "-1". Lot #12 had a high pollution level, so it received a score on that characteristic of -1, which was then multiplied by 5, and hence received a -5 for the Air Noise and Pollution criteria. All scores were tallied at the end to see which project had the highest score.

Making Smart Choice: Transit-Oriented Development Selector Analysis of South Suburban Corridors - 2009
Center for Neighborhood Technology - Chicago, IL
In an effort to strategize for optimum transit-oriented-development (TOD) in Chicago's southern suburbs, CNT with its partners, created Sector Analysis, a tool which evaluated potential TOD sites. The Selector Analysis relies on a GIS-based statistical device that calibrates different variables such as level of transit service and usage, land use, socioeconomic data, housing characteristics and market potential to describe an "ideal" development type, in this case different TOD typologies. The ideal for each TOD type is derived from TOD typologies discussed in the planning literature to conditions of the built environment in the south suburbs. When applied to individual station areas, the TOD Selector scores and ranks stations based upon how well each one matches the criteria of the TOD type against which it is compared from the perspective of both existing conditions as well as prospective development potential. Variables were not equally weighted.

Integrating Livability Principles into Transit Planning: An Assessment of Bus Rapid Transit Opportunities in Chicago - 2011
Metropolitan Planning Council - Chicago, IL
In an effort to strategize for optimum bus rapid transit (BRT) in Chicago, MPC analyzed BRT routes that can and should be built because they would fill accessibility gaps, support community and economic investments. The BRT evaluated each street segment's capacity for BRT using 14 quantitative criteria that were based on the six federal Livability Principles. These criteria include connectivity to community services, education institutions, major open space, retail; existing transit ridership; employment access and population. Those that scored well among the criteria were further evaluated based upon their connectivity to existing public transit system.