

Uncovering the Hidden Assets of Established Communities

The City of Oak Forest, IL

Housing + Transportation Affordability Report



Prepared by the Center for Neighborhood Technology
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Oak Forest is poised to re-imagine its assets through a new Comprehensive Plan, which is currently under development. The Background Report for Oak Forest’s new Comprehensive Plan, and especially the Station Sub-Area Plan, provide important context for this report. Many of the ideas offered here for increasing the value of the housing and transportation assets in Oak Forest parallel the direction in which the Comprehensive Plan seems to be moving.

Oak Forest provides above average opportunity for households to reap the dual benefits of low transportation costs and solid housing value. The benefits are clearly illustrated by a new tool developed by the Center for Neighborhood Technology and the Center for Transit Oriented Development. The **Housing + Transportation Affordability Index (H+T Index)**¹ is a new way of evaluating housing affordability by including the variation in transportation costs by location. Transportation is, on average, the second largest household budget item, after housing.

The H+T Index estimates housing and transportation costs as a percentage of average total income using the following simple equation:

$$\text{H+T Affordability Index} = \frac{(\text{Housing Costs} + \text{Transportation Costs})}{\text{Income}}$$

H+T affordability comes from the relationship between transportation costs and neighborhood characteristics: compact neighborhoods with frequent transit service, proximity to jobs, and access to nearby services and amenities within walking distance tend to have lower transportation costs. These characteristics are very similar to the design characteristics of transit-oriented development (TOD). The H+T formula includes the variables listed below. The area within a half mile of a transit station typically shows lower combined housing and transportation costs than the surrounding area.

Oak Forest Characteristics		
	City-wide	Station Area (1/2 Mile Radius)
Local Characteristics		
Households/residential acre	4.3	5.6
Households/total acre	2.6	2.6
Avg block size in acres	14	12
Distance to nearest major employment center	15 miles	15 Miles
Access to jobs dispersed throughout region	Fair	Fair
Transit Characteristics		
Transit Service Available	Pace Bus/ Metra Rail	Pace Bus/ Metra Rail
Overall Transit Access*	Minimal	Moderate
Metra Trains Available/Day (weekday, one direction)	-	19
Pace Buses Available (weekday, one direction)	63	50
Household Characteristics		
Average Household income	\$67,153	\$51,558
Average Household size	2.8	2.3
Average Number of vehicles per household	1.6	.8

*** General Description of Overall Transit Access**

Extensive: 20+ hours a day/7 day a week service; multiple choices, some service at 10 minute intervals.

Substantial: Daytime, evening and weekend service; at least half hour intervals during some non-peak hours

Moderate: Rush hour service, with limited evening and weekend service; one hour headways (or more) during non-peak hours

Minimal: Primarily rush hour service; little or no weekend service

(The Transit Access variable is actually expressed as a numeric value in the H+T analysis, but because that value would have no meaning to the reader, these descriptions are given to roughly approximate the definitions)

¹ The Center for Neighborhood Technology co-developed the H+T Index, based on a set of inputs about households and neighborhoods, from 2000 Census Data.

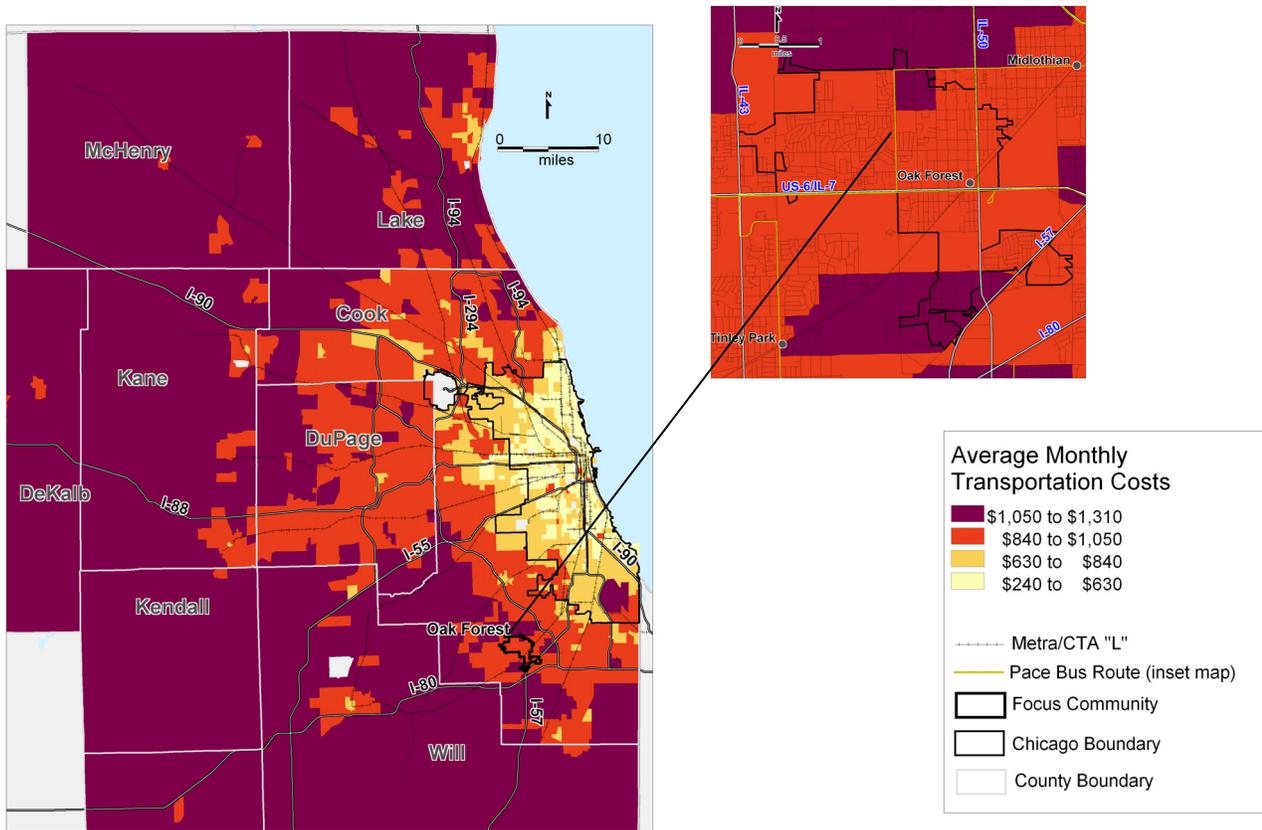
Why is the H+T Index a Better Measure of Value Than Housing Cost Alone?

Nationally, housing is considered affordable if 30% of household income is applied to housing. And nationally, the average household transportation expense is 18%. These two expenses typically consume almost 50% of household income. While much attention has been given to the question of what makes housing “affordable,” little attention has been given to decreasing the second largest household budget item – transportation.

Homebuyers bundle major housing costs, except for energy, into their mortgage and tax bill. This lets them easily calculate, and seek to maximize, their home-purchase dollars. Until the H+T Index, there was no good way to calculate the transportation cost tied to a particular housing location. Because transportation costs are a combination of many small, medium and large monthly expenses, they can easily be hidden in a household budget.

Transportation cost is more than the cost to commute to work (which represents 20% or less of total trips). It includes the full range of costs for all trips, including social, educational, medical, shopping and other trips, combined with commuting costs. Figure 1, **Average Monthly Transportation Costs for the Chicago Region**, shows that many exurban communities with inexpensive housing have high transportation costs.

Figure 1, Average Monthly Transportation Costs for the Chicago Region



²The transportation costs shown above were calculated in 2000 dollars and do not reflect the most recent surge in gas prices. All regional figures are based on the seven-county northeastern Illinois region.

What Does the H+T Index Tell Us About Oak Forest?

Variation within a community (and between adjacent communities) for H+T value is possible and even likely. The variation in the transportation portion of the equation is related to density, distance to transit, walkability of various sections (sidewalk network, block size), and the presence, or lack of, nearby stores and services. Variation in the housing portion of the equation is derived from the market, differences in building size, lot size, construction materials and other traditional housing cost factors.

It is difficult to change the overall physical characteristics of existing housing to create more affordable conditions. However, many of the factors that influence the “T” in the H+T Index can be enhanced to create more livable and sustainable communities, while lowering household transportation costs in the process.

Figure 2, below, shows that Oak Forest households at the Chicago Regional Median income of \$51,680 are in the enviable position of spending between 35% and 50% of income on housing and transportation combined.

Figure 2, H+T Affordability, Oak Forest – Families at 100% of Regional Median Income

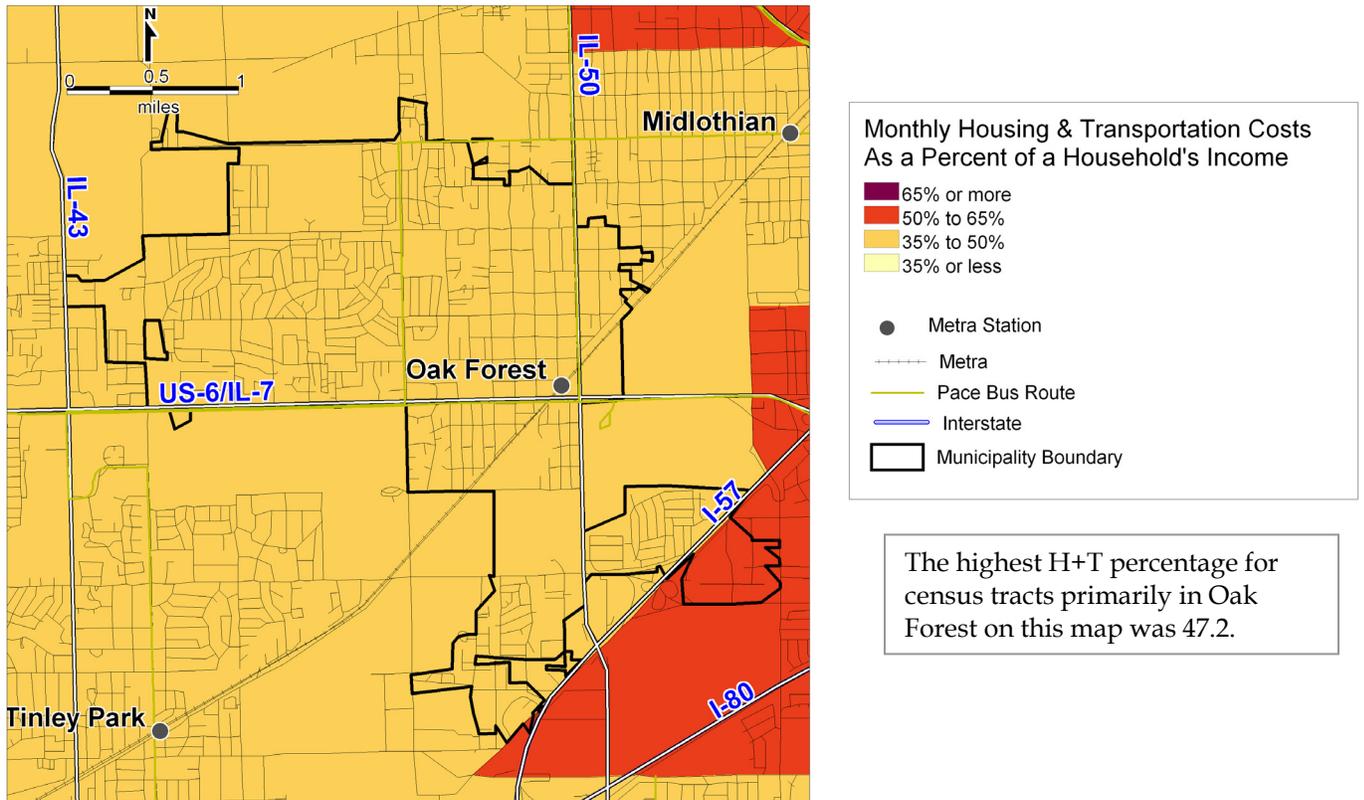
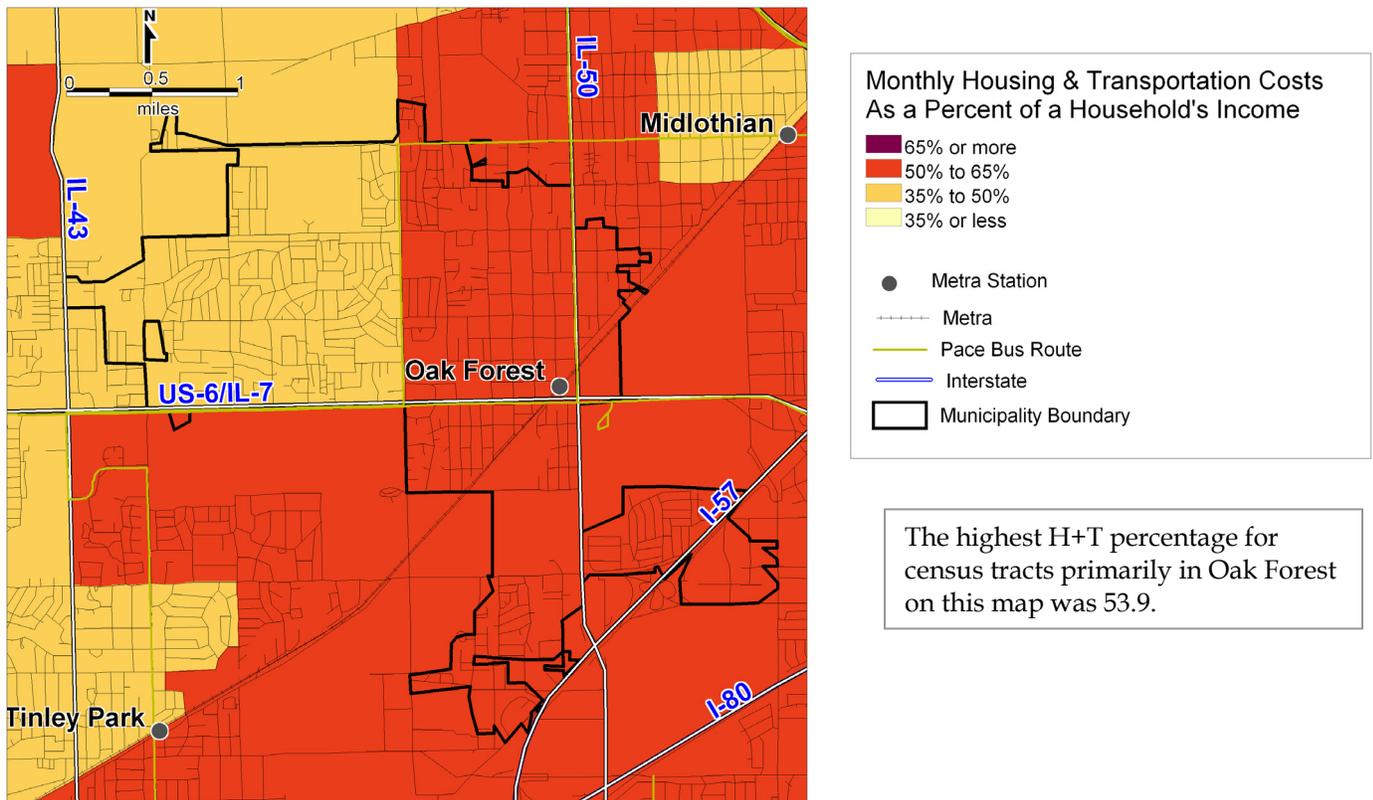


Figure 3, below, gives a snapshot of H+T costs for households in Oak Forest with incomes at 80% of the regional median income, or approximately \$41,344. These households might be young families, lower-wage families or retirees. In much of Oak Forest, households at 80% of the regional median income are paying more than 50% of their income for housing and transportation combined. These families are likely struggling to cover their bills and unable to save money. But the implications go beyond individual household budgets. When more than 50% of income must be devoted to housing and transportation, less money is available to spend in the community. This means less business for local restaurants, shops and services and less local sales tax generated by discretionary spending.

Figure 3, H +T for Households at 80% of Regional Median Income



Why Apply Transit-Oriented Development Design Principles to Improve H+T Value?

Transit-oriented developments are station areas surrounded by a vibrant, mixed-use community and multiple transportation choices, including walkable neighborhoods. Because many daily trips can be accomplished without an automobile, the combined H+T cost for the station area is likely to be lower than in other parts of the same community.

Making the Most of Oak Forest's H+T Assets

The H+T Index is a tool that helps establish the economic value of walkability, connectivity and travel choice for local residents. Recommendations derived from the H+T Index don't stand alone, but can enhance other existing or future planning objectives. In the case of Oak Forest, the timing is such that the new Comprehensive Plan can deliberately improve the H+T value of the station area.

The Context

The Background Report for the comprehensive planning process proposes some substantial new directions. Projects such as converting the commuter parking lot at 159th and Cicero to a "Gateway TOD" (Transit-Oriented Development) will provide residents with location efficient housing - housing with access to retail and services, as well as access to transit. The Plan also identifies industrial parcels and County land having potential to expand the Transit-Oriented Development.

A brief field visit was conducted by the South Suburban Mayors and Managers Association and the Center for Neighborhood Technology to uncover "hidden assets" that will enhance the H+T value of Oak Forest. A list of recommendations is offered for consideration by municipal leaders and the citizenry, all of which would require further detailed study. Most support or add to recommendations from Oak Forest's May 2007 Background Report for the Comprehensive Plan.

Short Term/Less Expensive Recommendations Pedestrian

Ironically, community input during the development of the Comprehensive Plan indicated that city residents are driving to other towns in order to shop in a pedestrian-friendly environment. Short term steps to prepare the station area for existing and future pedestrian traffic might include striping pedestrian crosswalks at crossings along 159th Street from the viaduct to Cicero Avenue, with particular attention to the parking lot entrance and the Cicero/159th Street intersection. Signage could be added to pedestrian crosswalk signals at 159th and Cicero to indicate which button is to be used for which crossing.



The City's streetscape plans call for new pedestrian lighting on Cicero Avenue and 159th Street to provide illumination at a pedestrian scale. The plan to install decorative pavers in the parkway along Cicero will ultimately provide a wider pedestrian way, but in the short term there are significant gaps in the sidewalk network near the station. Funding to complete the network needs to be secured and completed along with the decorative paving.

Bicycle

Bicycle travel to the station appears to be an underutilized option (The day of the field review was hot and sunny. There were four bicycles at the station.). Although there is a path through the Forest Preserve for those traveling from northeast of the station, there is no other bicycle infrastructure, such as striping or signage on the streets leading to the station. Oak Forest is due to receive a new bicycle and pedestrian plan this month which will address bicycle circulation in the city.

Transit

Since the station area is likely to be dramatically changed in the near future, the existing bus shelter and bench are acceptable for now. Bus shelter upgrades should be considered as part of the City's overall effort to improve the streetscape along 159th Street and Cicero Avenue in the future.

Land Use

Auto-oriented businesses and businesses that depend on off-street parking create a less hospitable environment for pedestrian activity. An update to the Plan, still in draft form in September 2007, suggests new uses for land near the station. Zoning policies to promote a denser, mixed-use station area will be considered in the future. These are opportunities for Oak Forest to increase the station area's attractiveness, promote multi-modal access and increase the H+T value around the station.

Long Term Recommendations

Pedestrian

The pedestrian network within one-half mile of the station area needs to be inventoried and completed or enhanced. At minimum the inventory should list sidewalk gaps, cracked or deteriorated sidewalk, narrow sidewalk, number of auto curb cuts per block, the presence of ADA ramps at corners, marked crosswalks and pedestrian signals at high traffic intersections. Existing problems include the poor condition and narrow width of sidewalks along 159th Street. The sidewalk needs to be continued all the way to Oak Forest Hospital. Potential enhancements such as benches, greenscaping and outdoor cafes are not possible until the sidewalk network is complete and dynamic.

The state highways need to be "calmed" to the extent possible. Insist that the Illinois Department of Transportation follow Context Sensitive Solutions policy in the current project to upgrade pedestrian infrastructure along 159th Street. Request that push-button pedestrian signals (which imply that pedestrians are not expected users of the intersection) be replaced with count-down timer signals at 159th and Cicero.

Bicycle

The Comprehensive Plan is to be followed by a Mobility Framework update for the entire city. As proposed (it is not yet adopted), the Mobility Framework offers a mixture of bike trails and on-street bike lanes. Oak Forest might benefit from adding bicycle encouragement programs in addition to the engineering changes. Encouraging bicycle access to the station area is one of the least expensive travel options, for the user and for the city.

Transit

A truly multi-modal approach in the new Comprehensive Plan will require the option of bus service. Oak Forest is one of few South Suburban communities to gain transit service under Pace's restructuring plan. The #354 bus will no longer travel to Tinley Park. Instead it will be a loop with Cicero Ave. as the western boundary, providing a new option for accessing the Oak Forest station from the north, south and east. Although bus use provides economically efficient access for consumers and the municipality, use of the new routes will be minimal as long as subsidized parking at the station costs less than round-trip transit fare.

Land Use – Transit-Oriented Development

Oak Forest could seize the opportunity to be more intentional about Transit-Oriented Development in the Comprehensive Plan. At present Oak Forest has only 2.2 acres in mixed-use developments. This is

significantly less than the amount of land used for public parking (13.3 acres), institutional uses (295.9 acres) or municipal parkland or open space (320.5 acres). Implementation of the Comprehensive Plan needs to be deliberative about how much more mixed-use development is enough and where it can best be located. Mixed-use developments – places where people can live, shop, recreate and access jobs or transportation to jobs – are the key to reducing household transportation costs.

There is an inherent conflict in planning for Transit-Oriented Development (TOD) and planning to increase commuter parking on surface lots at a train station. If parking is visible and ample, the TOD is unlikely to succeed. Pedestrians are integral to mixed-use or TOD areas, but pedestrians avoid areas with large parking lots. Parking needs to be tucked discretely out of sight. In planning and zoning for mixed-use residential developments, parking requirements should be reduced from the norm city-wide. Households in the mixed-use district are likely to own fewer cars and will walk for many routine trips.



Land Use – Parking Pricing

Oak Forest made an attempt to restrict station-area parking to city residents in 2000. The policy was reversed in 2006. Another option is to price parking at the level the market will bear, so that city residents no longer subsidize the purchase and/or maintenance of the property. Another policy approach is to ensure that parking always costs at least as much as a round-trip Pace bus fare. Oak Forest has the potential to shift some auto trips to bus, bicycle or walking, but that shift will never take place as long as the real market cost of parking is disguised by parking subsidies.

Land Use – Special Challenge as an Employment Center

Oak Forest has several large employers, including Oak Forest Hospital with 2,400 employees, who impact congestion, parking and other land use questions. Cook County, which operates the hospital, has recently begun some health-related campaigns to get people to walk more. The City of Blue Island is working with St. Francis Hospital to reduce the impact of employee and visitor parking on the city. These innovative programs, and other conventional programs like van-pooling, have the potential to reduce the impact of daily travelers to the City of Oak Forest and make it a more pedestrian-friendly community.

The hospital grounds, which are diagonally across from the station area, will have an impact on the station redevelopment. There are benefits to the hospital from the mixed-use development that could be leveraged with some advance planning. For instance, if a local bank could be induced to offer “live-near-work” mortgages to hospital employees at a favorable interest rate, more of the employees could walk to work. This has traffic reduction benefits to the city and absenteeism reduction benefits to the hospital – a classic win-win situation.



This report was produced by the Center for Neighborhood Technology and the South Suburban Mayors and Managers Association with resources provided by the Grand Victoria Foundation. It is based on research and tools developed by the Center for Neighborhood Technology and its partners. The H+T Affordability Index was developed by CNT in collaboration with Reconnecting America and the Center for Transit Oriented Development.

Other CNT research and tools relevant to this inquiry include:

Paved Over, Center for Neighborhood Technology, November 2006 -
<http://www.cnt.org/repository/PavedOver-Final.pdf>

Preserving and Promoting Diverse Transit Oriented Neighborhoods, Center for Transit-Oriented Development and Center for Neighborhood Technology, 2006 - http://www.cnt.org/repository/diverseTOD_FullReport.pdf

A Heavy Load: The Combined Housing and Transportation Burdens of Working Families, Center for Housing Policy, October 11, 2006 - http://www.cnt.org/repository/heavy_load_10_06.pdf

Blue Island Plan for Economic Development, Center for Neighborhood Technology, 2005 -
<http://www.cnt.org/repository/BlueIslandExecSummary.pdf>

Housing + Transportation Affordability Index Methodology

The Center for Neighborhood Technology is promoting a new and more comprehensive way of thinking about the cost of housing and affordability by quantifying the impact of transportation costs on the affordability of housing choices.

CNT co-developed a groundbreaking tool, the Housing and Transportation (H+T) Affordability Index, that prices the trade-offs that households make involving housing location choices and transportation costs.

Housing is considered affordable if it accounts for roughly 30 percent or less of a household's monthly budget, yet location costs, and more specifically transportation costs, are often dramatically underestimated or ignored. Nationally, transportation is the second largest household expenditure after housing, ranging from less than 10 percent of the average household's expenditures in transit-rich areas to nearly 25 percent in many other areas.

The index makes it possible to quantify average transportation costs based on a set of inputs about households and neighborhoods from U.S. Census data. The Affordability Index then estimates housing and transportation costs as a percentage of average total income.

CNT research shows a significant relationship between transportation costs and neighborhood characteristics. Neighborhoods with good and frequent transit service, proximity to jobs, and services and amenities within walking distance tend to have lower transportation costs.

The H+T Affordability Index provides consumers, policymakers, lenders, and investors with the information needed to make better decisions about which neighborhoods are truly affordable, and it illuminates the implications of their policy and investment choices.

More information about the methodology of the H + T Affordability Index is available at
www.cnt.org/ht