

Memorandum

To: Plan Commission

From: Kimberly Flom, Development Services Assistant Director

Date: April 9, 2013

Subject: New Petitions & Appearance Reviews



Below, please find a summary of recently petitioned projects and appearance reviews. Petitioned projects are currently under review by staff and may or may not be on a future Plan Commission agenda. These projects have been petitioned to the Village but may not have obtained all the approvals required to begin work. Projects sometimes are terminated without moving forward for a variety of reasons. Appearance reviews are reviewed and approved administratively. The below list also does not include cell tower co-location or expansion projects. Please contact me with any questions regarding the below projects.

This memo also, as an attachment, includes a recent article from Planning Magazine discussing demographics and housing market trends.

Appearance Review Projects

Fox's Patio – SEC 143rd Street and Ravinia Avenue ()
Proposal to add outdoor patio along 143rd Street. Also must add landscaping in parking lot to balance lot coverage.

Indra's Thai Restaurant – 15880 Wolf Road
Proposal to add additional door to provide fire exit per occupancy as required by Code.

Ravinia Professional Center – 9961 143rd Street
Proposal to make minor entryway improvements and landscape improvements to existing building.

Certificate of Appropriateness

Ulverton New Home – 9831 144th Place
New home in the historic district.

House Hunting

Are demographics destiny?
Developers and others are betting
yes

DEMO-
GRAPHICS

By Jeffrey Spivak

IN

A LEAFY, AFFLUENT SUBURB OF KANSAS CITY, MISSOURI, an elementary school was closed and put up for sale, offering a rare multiacre development opportunity. In years past, such properties usually turned out pretty much the same in the city of Prairie Village: small-scale, high-priced subdivisions with cul-de-sacs, one with a colonial Williamsburg theme, and another with three-story homes on narrow lots. But not anymore, not in this day and age.

This time, the company that bought the 6.5-acre school site is building something different, something tailored to the older, aging suburb: a senior housing project. Benton House will open this year as a 59-unit assisted living facility specializing in Alzheimer's care. And it will become the sixth senior housing community within about a two-mile radius.

"We don't have a lot of parcels that big and open, but the ones we have had open seem to attract senior housing," says Dennis Enslinger, AICP, Prairie Village's assistant city administrator and head of the city's community development department. "It's the changing demographics."

As the U.S. housing industry begins to rebound, demographics are beginning to drive new development opportunities. "Demography is destiny," declared a housing report last year from Rutgers University's Edward J. Bloustein School of Planning and Public Policy.

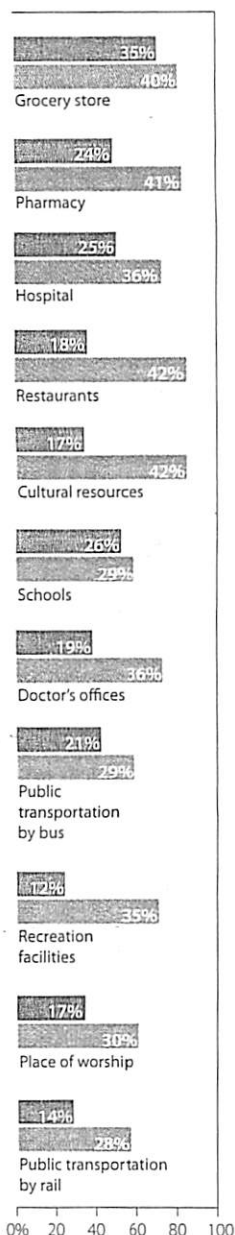
We have met the future . . .

The demographic drivers involve three dominant trends: the giant group of Generation Y young adults entering the housing market, the continued influx of ethnic immigrants into the U.S., plus the baby boom generation passing into retirement age. The U.S. Cen-

"For city planners, this is a great opportunity to look at portions of their communities that have walkable attributes and figure out how to create mixed use ordinances and flexible planning and zoning tools to accommodate creative developers." Mitch Brown, chief development officer for Kisco Senior Living

Importance of walkability

■ Very important
■ Somewhat important



Source: The 2011 Community Preference Survey, National Association of Realtors

sus Bureau predicts 12 percent growth in 25-to-35-year-olds this decade and a 39 percent surge of people over the age of 65, with numbers of Asians and Hispanics of all ages forecasted to jump by more than 25 percent each.

This could lead to construction of one-third more housing units during this decade than during the last decade, according to the University of Washington's Runstad Center for Real Estate Studies. Housing experts believe this housing recovery will unfold differently than previous ones, with rentals driving the initial phase until 2015 before paving the way for more home sales after that. So this decade's residential growth will likely involve more apartments, smaller houses, new multigenerational designs, and an array of housing choices for seniors.

"Demographics," says Steve Melman, director of economic services for the National Association of Home Builders, "are going to shape the housing market for years to come."

A primary question, though, is where—urban cities or the suburbs?

Some housing analysts envision a new era for the housing market, one that involves a historic shift away from large-lot suburban subdivisions and toward smaller home sizes and higher density, multifamily urban developments. This so-called "reurbanism" counts on aging baby boomers giving up their suburban homes for downtown condos and college graduates gravitating to the bright lights of city life and never leaving.

However, many demographic analysts and real estate professionals doubt there will be a new era. They acknowledge that preferences for downtown and city living are growing slightly, as evidenced by rising downtown populations during the 2000s. But they also point to a host of studies and surveys that show people of all ages, even younger people, still prefer suburban living by wide margins.

"People look at the demographics and jump to the conclusion that everything has changed, and that's just wrong," says Gregg Logan, managing director of Robert Charles Lesser & Co., a national real estate consulting company headquartered in Washington, D.C. "Let's not be so quick to write off the suburbs."

What is changing is what younger and older people want in suburbia. When Logan's company analyzed consumer surveys asking people where they would like to live, a suburban mixed use, walkable environment was the top choice for all generations, from Gen Yers to seniors. Such choices are already playing out in the marketplace. Developers are trying to build denser, walkable residential-commercial projects in both inner and outer suburbs, and unit sizes are shrinking in many new home and apartment projects, as young and old buyers and renters show a willingness to live in smaller spaces that are closer to amenities they desire,

from nightlife to parks.

As Robert Sharpe, managing partner of the master planned community Rancho Sahuarita in Tucson, Arizona, observes: "The predominant feeling is, people want an urbanized suburbia."

Are we ready for all this?

When Robert Charles Lesser surveyed suburbs and small towns about whether they were prepared to accommodate the housing desires of Gen Y and of seniors, the most common response was "no." But some communities are getting ahead of the age wave, sometimes by adopting new zoning standards.

In 2006, the District of Columbia suburb of Arlington County, Virginia, approved an Elder Readiness Plan that allowed above-garage apartments, so-called "granny flats." The unincorporated Atlanta suburb of Mableton in 2010 adopted a smart code that included wider sidewalks and doorways and even longer traffic signal timing in walkable areas.

"More flexible building and zoning regulations could create a more diverse mix of housing types," the Center for Housing Policy, the research affiliate of the nonprofit National Housing Conference, stated in a report last year.

"For city planners, this is a great opportunity to look at portions of their communities that have walkable attributes and figure out how to create mixed use ordinances and flexible planning and zoning tools to accommodate creative developers," says Mitch Brown, chief development officer for Kisco Senior Living, which develops senior communities.

Gen Y

Generation Y—also known as the Millennials—now comprises one-quarter of the population. People in this group were born between 1978 and 1995. Since they are now between the ages of 17 and 34, they

have a greater interest in and appetite for urban living than current Generation Xers or baby boomers. In the National Association of Realtors' 2011 National Community Preference Survey, 31 percent of Gen Yers said they preferred to live in a city location, compared to 18 percent for Gen Xers (ages 30–39).

"They want to be where the action is, and smaller units are what they can afford," says Bob Champion, a Los Angeles developer. So that's what some developers and cities are building. Champion says his average two-bedroom urban unit built today is 850 square feet, compared to 1,000 to 1,200 square feet a few years ago. And places such as New York and San Jose are proposing 200- and 300-square-foot "micro" apartments, which require amending zoning laws because they are so small.

"Apartments are really the choice of real estate development today because of demographics," says Mark Humphreys, chief executive of Humphreys & Partners Architects, the largest apartment-focused architecture firm in the U.S.

Some planners, though, are taking a more cautious approach to the current apartment boom, because it's likely the high demand won't last as the bulk of Gen Yers move into their 30s—primary ages for starting a family and buying a home. "We have to be very careful in going after multifamily because that might not fit our needs in the next 10 years," says Mickey Rhoades, housing manager for Manassas, Virginia, outside Washington, and a leader of APA's Housing and Community Development Division.

Gen Y may already be following the same path as previous generations in an eventual march toward single-family housing in the suburbs. Researchers at the University of Washington's Runstad Center for Real Estate Studies looked at home ownership rates among different generations at the same ages. Almost half of Gen Yers in their early 30s owned a home, compared to 53 percent of Gen Xers of the same ages in 1997. Moreover, 16 percent of Gen Yers under the age of 25 owned a home, compared to 14 percent of baby boomers of the same age in 1970.

Both the boomers and Xers went on to have home ownership rates above 70 percent, and many housing experts expect Gen Yers to follow suit. And in the National Association of Realtors' latest community preference survey, the largest share of Gen

Y respondents said they preferred a suburban location.

That's what real estate agent Christian Zarif is finding, too. Based in suburban Kansas City, she specializes in Gen Y buyers and observes, "The ones renting in the urban areas are not buying in urban areas. They kind of feel like 'Been there, done that,' and now they want that house with a yard."

One of her clients last year was Matt McCammon, a 28-year-old sports architect. He and his 20-something wife lived in a loft apartment in downtown Kansas City, Missouri, right across the street from where he worked. Yet they gave up that convenience to move to a nearly 100-year-old bungalow home in a close-in suburb. "We had done so much apartment living, it was time to move on," McCammon says. "We grew up in the suburbs, so this was kind of coming back full circle."

But Gen Yers don't want the far-flung, cookie-cutter, cul-de-sac-centric suburbia that some of them grew up in. They want compact, mixed use neighborhoods with nearby stores or restaurants they can walk to and with transit options, too. Robert Charles Lesser & Co.'s own consumer research asked Gen Yers what they most wanted when choosing a place to live, and the top answer was walkability.

Debra Dremann sees this type of development coming. She's an Orlando-based land development strategist who consults with community developers and builders. Her clients, she says, are increasingly looking at smaller homes on suburban infill sites. "Builders say their buyers love urban services but they also want their own plot of land, so they go for suburban infill," says Dremann, owner of Wellyn Land Co.

Immigrants

The 1990s and 2000s saw the largest gains in foreign-born residents in at least a century, according to the Brookings Institution, and this decade is expected to nearly keep pace. New Asian immigrants now outnumber those from North and South America combined, according to census reports. Meanwhile, the flow of people from Mexico has slowed in recent years, but Hispanics are still expected to account for 40 percent of the net new households formed this decade, according to the National Association of Hispanic Real Estate Professionals. "The era of the Hispanic home buyer is upon us," a Hispanic association report proclaimed.

And where are they choosing to live? Increasingly, in the suburbs.

The Brookings Institution reported that suburbs in 2010 increased their share of the U.S. foreign-born population to 51 percent, while the share of foreign-born in cities declined. That means the newest Chinatowns, Koreatowns, and little Indias of America are found today in the inner and outer suburban rings. "Minorities are increasingly part of the shift toward suburban and exurban living," according to Harvard University's State of the Nation's Housing 2012 report.

Some immigrants prefer multigenerational households, such as adult children living with their older parents and even their grandparents. "Immigrants already tend to come from multigenerational living arrangements, and a lot of them tend to hold on to those family values and cultures when they arrive here," says Thomas Tseng, cofounder of New American Dimensions, a Los Angeles ethnic market research firm that has worked with home builders. (For more on multigenerational housing, see "Making Room for Mom and Dad," October 2012.)

The housing industry is beginning to notice. Several residential building companies have introduced home designs to create separate living quarters for relatives. National home builder Lennar has developed a "Home Within a Home," a studio apartment connected to the rest of a house but with a separate entrance. The Los Angeles-based New Home Company offers not one but four different options for multigen households, including an entirely detached "guest quarters" behind the main house. The National Association of Home Builders has named multigenerational living one of the hottest design trends in new homes.

In the Chicago suburb of Buffalo Grove, interest in multigen housing took developer Jerry James by surprise. His company, Edward R. James Partners, was developing urban-style residences in a suburban setting, with row houses and smaller town homes with detached garages. The project, Waterbury Place, initially targeted empty nesters, but instead it became popular with Asian families. They wanted the highly rated local schools and liked the flexible home designs, which included a basement that some buyers intended to turn into a bedroom for their parents.

"We did not expect that," James says. "They were willing to accept a smaller space

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as a trade-off to being closer to great education and being able to accommodate their relatives.”

Seniors

Boomers—those born between 1946 and 1964—began turning 65 in January 2011. Going forward, the number of retiring boomers each month is expected to equal the population of Anaheim, California, and the number each year is expected to equal the population of Connecticut. According to Harvard’s Joint Center for Housing Studies, by 2020 there will be more single people over the age of 70 than total singles between the ages of 20 and 50.

In a 2012 report called “Coming Surge in Housing Needs for the Older Elderly,” Fannie Mae stated: “The entrance of Baby Boomers into the older elderly age category will increase the need for a variety of specialized housing and supportive services.”

But where? It turns out that more than 70 percent of the 65-plus population in metropolitan areas lives in the suburbs, and in the National Association of Realtors’ community preference survey, people over age 60 said they preferred a suburb to a city or urban location by almost a three-to-one margin.

Of course, many seniors will stay in their homes and “age in place,” as AARP describes it. But according to a survey by The Conference Board, an economic research group, about one-quarter of seniors over 65 intend to move within five years. To accom-

modate them, developers and builders are exploring new ways of senior living, creating a variety of niche markets.

One such niche is an “age-less” master planned community, in which housing is designed for all demographics, such as apartments for young adults, single-family homes for families, and condos for seniors. In these are places seniors can live close to—but not with—their adult children and their grandchildren.

At Daybreak, a giant master planned community created partly out of a reclaimed copper mine in suburban Salt Lake City, Kisco Senior Living picked out a six-acre site in the town center for 200 apartments combining independent and assisted living. “These are the best places for seniors,” says Kisco’s Mitch Brown. “They’re walkable, and seniors love to walk. If you can do it, this is the ideal setting. Embedding different levels of elder housing into an existing community or new master planned community is the future of this industry.”

Another development model that’s gaining momentum is a sort of a reinvention

of senior care centers, those facilities such as nursing homes and continuing care retirement communities for those who need medical attention. Whereas current facilities tend to be isolated, stand-alone, and gated, the new model combines different types of senior housing.

In Foster City, California, south of San Francisco, a consortium of companies is banding together to develop a civic center campus that will include senior housing. Initially, a single community care retirement community was proposed, but it had difficulty obtaining financing. So an alternative developed that was a combination of four different housing products: age-restricted condos, subsidized apartments above retail shops, mixed age town homes, and senior assisted living units.

“We’re seeing a lot more senior housing go into mixed use developments,” says Rodney Harrell, a senior strategic policy advisor at AARP in Washington, D.C., and a vice chair of APA’s Planning and the Black Community Division.

Construction of senior care facilities plunged during the economic downturn from 30,000 units a year to roughly 10,000. But senior housing experts say even a pre-recession building level is not enough to meet the needs of coming decades. Capital Senior Living Corporation, which has communities in more than 20 states, estimates that the 75-plus age group—when seniors are most likely to move out of their own homes—could by itself support construction of 40,000 units a year.

“I definitely see the senior trend,” says Annemarie Maiorano, AICP, housing program manager for Wake County, North Carolina, and chair of APA’s Housing and Community Development Division. “We can’t build subsidized senior housing fast enough.” ■

Jeffrey Spivak is a senior research analyst at HNTB Corporation, a Kansas City, Missouri-based architecture and engineering firm. He also is a freelance writer who specializes in real estate planning and development issues.

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STUDIES Rutgers “Demographics, Economics and Housing Demand” report from 2012: <http://policy.rutgers.edu/reports/rrr/RRR29apr12.pdf>; “The Shifting Nature of U.S. Housing Demand” report from the Demand Institute, a division of The Conference Board: <http://demandinstitute.org/sites/default/files/blog-uploads/tdihousingdemand.pdf>; The National Association of Realtors’ 2011 Community Preference Survey: www.realtor.org/reports/2011-community-preference-survey; Lennar’s “Home Within a Home”: <http://lennar.nextgen.com>.

The HOUSING MARKET

will be a two-stage recovery.

Seasonally adjusted average house prices will increase by up to 1 PERCENT in the second half of 2012, rising to an annual rate of increase of 2.5 PERCENT BY 2014. Between 2015 and 2017, they will rise by 3 TO 3.5 PERCENT a year on average. ¶ The recovery will be led by demand from buyers for rental properties, rather than, as in previous cycles, demand from buyers and acquiring properties for themselves. More than 50 PERCENT of those planning to move in the next TWO YEARS say they intend to rent. ¶ Young people—who were particularly hard hit by the recession—and immigrants will lead the demand for rental properties. Developers and investors will fulfill it, developers by building multifamily homes for rent (that is, buildings containing two or more units, such as apartment blocks or townhouses), and investors by buying foreclosed single-family properties for the same purpose. ¶ Rental demand will help to clear the huge oversupply of existing homes for sale. In 2011, some 14 PERCENT of all housing units were vacant, while almost 13 PERCENT of mortgages were in foreclosure or delinquent—increases of 12 AND 129 PERCENT respectively over 2005 levels. It will take TWO TO THREE YEARS for this oversupply to be cleared, and at that point home ownership rates will rise and return to historical levels. More than 70 PERCENT of those planning to move THREE TO FIVE YEARS from now say they intend to purchase their home. ¶ The housing market recovery will not be uniform across the country. Some states will see annual price gains of 5 PERCENT or more. Others will not recover for many years. The deciding factors will include the level of foreclosed inventory and rates of unemployment. ¶ There will also be vast differences within states. Here, additional factors count, such as whether local amenities, including access to public transport, are within walking distance of homes. ¶ The average size of the American home will shrink. Many baby boomers who delayed retirement for financial reasons during the recession will downsize. They will not be alone. The majority of Americans have seen little or no wage increase for several years, and many will scale back their housing aspirations. The size of an average new home is expected to continue to fall, reaching MID-1990S levels by 2015. ¶ Consumer spending patterns will reflect the different nature of housing demand during this recovery, in particular, the high demand for rental properties, for smaller homes, and for homes in vibrant communities close to local amenities. Industries including home remodeling, financial services, media, and retail will all experience shifts in demand and new growth opportunities. ¶ Despite the number of Americans who have been hurt financially by the housing crash, the desire to own a home remains strong. No expectation of long-term drop in ownership rates. Indeed, one survey has revealed that more than 80 PERCENT of Americans recently thought buying a home remained the best long-term investment they could make.

Source: The Shifting Nature of U.S. Housing Demand, May 2012, The Demand Institute