

City of Chester, Illinois

Housing Needs Assessment 2023

Conducted by:  **Steadfast city**
Economic & Community Partners



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Introduction



Purpose

This Housing Needs Assessment was performed to analyze the existing housing stock and identify the deficiencies in the residential market for the City of Chester. With housing being a basic requirement for living, it becomes essential to have the ability to secure housing to fit a population's needs.

Appropriate housing options allow a community to retain and attract residents and employees. Although it may seem like an impressive undertaking and perhaps out of the city's control, there are numerous actions Chester can take to better develop and improve their housing stock. For example, new housing options can be created through the encouragement and support of development projects. Through targeted programming, Chester can address more pressing social issues pertaining to housing, such as implementation of various housing rehabilitation programs and landlord oversight.

Through decent and affordable housing opportunities, Chester can thrive as a well-functioning community that offers the necessary and suitable fundamentals of shelter to its residents, current and future.

Goals

The goal of this housing needs assessment is to provide a framework for future implementation that will guide Chester's efforts in enhancing housing opportunities. By allowing better utilization of resources, Chester neighborhoods will be strengthened overall through targeted and cohesive planning efforts. The actionable steps outlined in this report provide strategies to address complex housing needs with an overarching goal of sustaining the population of Chester. Additionally, this needs assessment strives to improve the existing housing stock, align long-term development goals to fit current gaps and market needs, and attract and retain investments.

Through partnership with the City of Chester, the Heartlands Conservancy and Steadfast City Economic & Community Partners conducted a thorough evaluation of the city's housing market and its current challenges, such as a recent decline in population, to provide actionable recommendations reversing these trends.



Key Findings Summary



Demand for single-family homes: Due to low housing stock availability, potential homebuyers new to the region must look for housing options in neighboring areas, such as Perryville. A Housing Gap Analysis matching household income to corresponding home values found there is an inadequate supply of moderate to high value homes in the city (\$150,000 - \$450,000 home value).

Demand for short-term rental units: There is great demand among working professionals, specifically in the health care and construction industries, for short-term rentals. Stakeholder outreach revealed that work professionals working temporarily in Chester must look elsewhere for short-term rental units. Additional research found no listed Airbnb units in the entire city. As a result, the 46-room Best Western Hotel at 2150 State Street is Chester's only option for temporary overnight lodging.

Aging housing stock: Over **58%** of Chester's housing stock was built before 1969. As a result, these homes may require major capital investments to maintain modern day household standards. Since the year 2000, Chester has experienced a lower percentage of residential development in comparison to the region and United States. Homes built after the year 2000 account for just **11%** of Chester housing stock. In comparison, homes built after 2000 account for **20%** of Randolph County and **19.8%** of United States' housing stock.

Increasing demand for senior housing: Chester's senior population is projected to grow **6.1%** by 2034. This will increase demand for housing that is suitable for independent and assisted senior living.

Growth in Hispanic Population: Chester has experienced growth in their Hispanic population, from **3.2% (164)** in 2010 to **5.5% (251)** in 2020. This population sub-group presents an opportunity to stabilize and grow Chester's population.

Infill Development Opportunities: Undeveloped parcels in existing subdivisions are owned by adjacent property owners which may impede opportunities for new residential infill development.

Land for new development: Chester's topography presents challenges for new development in some areas. However, an analysis based on road access, flood risk, topography, and land-use compatibility identified several areas potentially suitable for new residential development.

Potential for mixed-use development: Chester's urban centers, Downtown and Uptown, present multiple opportunities for mixed-use, multi-unit residential redevelopment projects. The historic significance, architectural design, and overall character of Chester's Downtown and Uptown buildings gives the potential to utilize Historic Tax Credits to finance these developments.

Adequate low-income housing supply: A Housing Gap Analysis revealed Chester has an adequate supply of low-income housing and surplus of low to moderate value homes. The Randolph County Housing Authority further confirmed there is no demand for additional low-income housing in Chester.

Windshield Survey: The Windshield Survey conducted in October 2022 found a large majority of Chester's low-density homes to be in good to excellent condition. Homes in poor or very poor condition only accounted for **6%** of Chester's housing stock.

Recommendations Summary



Appoint a Special Committee: The City of Chester should appoint a special committee to determine priorities and facilitate implementation of the Housing Needs Assessment recommendations.

Market Chester: Use the Chester Housing Needs Assessment to communicate market demand to prospective real estate developers, investors, lenders, and other financial partners.

Encourage Senior Living Development: Chester's senior population is projected to grow **6.1%** by 2034. Currently, 29% of Chester housing units are owned by residents over the age of 65. Encourage development of units for independent senior living. Chester provides one facility for assisted senior living. Currently, they maintain a healthy capacity with typically 4 to 5 available units for new residents. Chester should regularly assess need for assisted senior living as the senior population grows.

Encourage Mixed-Use Development: Encourage and support redevelopment of existing buildings in Downtown and Uptown Chester into mixed-use buildings with ground floor retail amenities, market-rate apartments, short-term rentals and/or quality extended stay hotels for work professionals, and/or independent senior living.

Encourage Short-Term Residential Development: Encourage and support creation of short-term housing options in Chester. This may be in the form of short-term rental units (e.g., Airbnb) and/or quality extended stay hotels.

Build Relationships: Build relationships with entities that share similar goals and objectives such as the Illinois Housing Development Authority and Western Egyptian Economic Opportunity Council, Inc.

Incentivize and Finance Development: Utilize incentive tools such as Historic Tax Credits, New Markets Tax Credits, Tax Increment Financing, municipal bonds, and cost-share to incentivize and support development in Chester.

Raise Awareness: Marketing of existing programs, as well as any new programs, will raise awareness of funding opportunities, tax incentives, and fee waivers, helping to spark reinvestment in both single-family, multi-family, and mixed-use development projects.

Infill Development: Use outreach, assistance programs, and incentives to encourage development of vacant residential parcels.

New Residential Development: Identify and market areas suitable for new single-family residential development.

City Code: Consider the addition of City Code language to allow for the short-term rental units (e.g., Airbnb) and accessory dwelling units.

Grant Funding: Use local resources and professional technical assistance to identify and write grants that will assist in developing or improving Chester infrastructure, amenities, and/or municipal assets.

IL Main Street Program: Use the IL Main Street program, services, and resources to bring economic vitality back to Chester's, celebrate its historic character, and bring your community together.

Environmental Planning and Beautification: Implement strategies that support the vitality and desirability of both existing neighborhoods and future development.

Plan for the Future: Update comprehensive plan and prepare to update resource inventories, needs assessments, and comprehensive planning documents every 5 years.

Chester Background



History

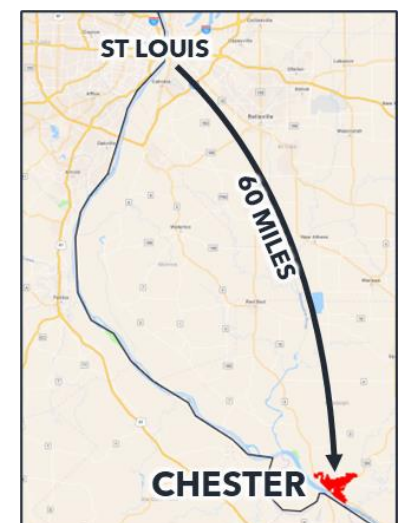
Chester is the descendant community of nearby Kaskaskia, Illinois' first capital and the original Randolph County seat. The Chester area was settled in the early 1800s as merchants and developers from Kaskaskia sought a better site for commercial access to the Mississippi River, a few miles south of the old French village. Chester was situated at the only site between Alton and Alexander County where the Mississippi touches the Illinois bluffs.

The City of Chester has a rich history of production and manufacturing. Castor oil, being the earliest main commodity of the city, helped the area prosper and attract new industries. Chester became home to a machine shop, an iron foundry, and a flour mill which would transform into Con Agra. The draw to Chester was built on its access to river transportation, allowing Chester's production to reach areas as close as St. Louis and as distant as England.

Identity

The river access allowed Chester the opportunity to serve maritime travelers, as it was perfectly situated as a stopping point along the Mississippi River. Chester is also regarded as the home of "Popeye the Sailor Man." The creator of the cartoon, Elzie Segar, based the characters on his experiences with Chester residents when he worked in the city during his youth. Throughout Chester you will find statues of Popeye cartoon characters, which make up the iconic Character Trail.

In addition to this famous connection to pop culture, the residents and business owners of Chester have a desire to see their community flourish. Chester has an extensive history and pride can be felt throughout the city. With industrial roots, this identity is still prominent today. With two major areas for industrial production, the city has secured regional economic distinctiveness. Built on hard work and determination, Chester is dedicated to creating a future by focusing on improving for coming generations.



Regional Development



Beautification

Several beautification programs have been implemented under the guidance of the Chester Beautification and Tourism Commission. These projects include ongoing planter and lamp post flags, which help to create a sense of identity and connectivity across the city. Additionally, the Anti-Litter Program was established to increase awareness in grade school students of the importance of keeping Chester's sidewalks, streets, and parks trash-free. Chester also encourages property owners, both residential and commercial, to keep their properties beautiful through the Take Pride Award.

Tourism

The Chester area is home to Fort Kaskaskia State Historic Site, the historic Mary's River Covered Bridge, and the Pierre Menard Home, one of the nation's best surviving examples of French Colonial Architecture. Chester's bridge provides access to Missouri's Ozark region, and the Northwestern boundaries of the Shawnee National Forest are just a few miles south at the Jackson County Line. The Turkey Bluff State Fish and Wildlife area is also on Route 3 just south of the City. Other tourist attractions include the City Steps and Old Stone Cottage. Community-wide efforts preserve and protect these sites, as well as promote them through banner campaigns. The Popeye Character Trail and related annual festival is another large attraction. Chester maintains the "Home of Popeye" identity through these events and activities. Tourists can learn about these attractions by visiting the [Welcome Center of Chester](#).

Recreation

The tourism industry of the Chester area is closely tied into recreational resources, as many of Chester's sports and outdoor leisure and recreation options attract visitors from the region. Nearby is the 1,100 acre Randolph County State Recreation Area. Within Chester, public parks offer trails, multi-purpose fields, disc golf, and play areas. Chester is also home to the Cohen Recreational Complex. This sports and recreation center serves as the primary location for baseball and softball in the area, along with tennis courts and a soccer field. For those interested in golf, the Chester County Club is an option for hitting the green on a 9-hole course. The Mississippi River offers scenic views, fishing, and boating.

Infrastructure

Chester's roads are on the docket for improvement. There are street and intersection reconstruction projects slated for the coming years that will improve drivability, safety, and ADA compliance. Additionally, the Chester Bridge, which connects Perryville, MO, to Chester, IL, has received attention from the Missouri Highways and Transportation Commission and has received funding for replacement. This project is expected to be completed by the end of 2026.

Source: <https://www.chesterill.com/>. 2014 City of Chester, Illinois.

Incentives and Programs



Current Incentives and Programs

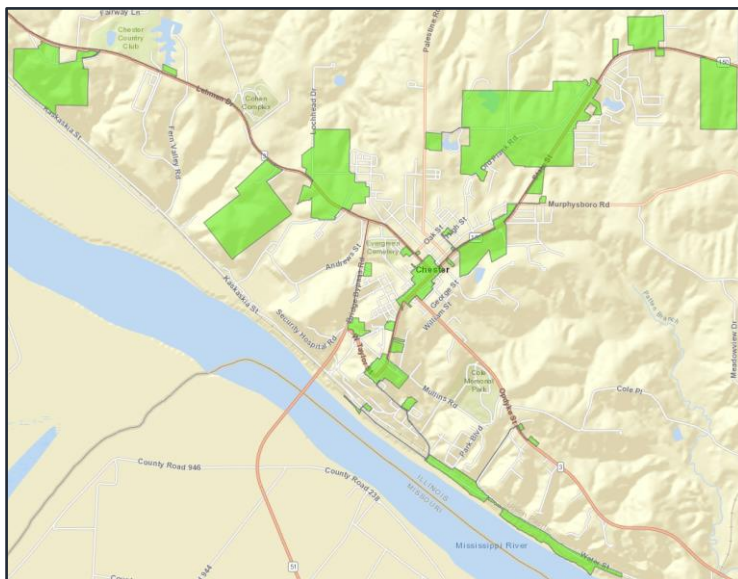
City of Chester:

Chester currently offers the following incentives and programs to support the growth and development of commercial businesses:

- Building Permit Fee Waivers: City may waive building permit fees for commercial and industrial projects.
- Tapping Fee Waivers: City may waive tapping fees for new natural gas services at properties where the total project cost exceeds \$50,000. The fee waived is \$500.
- Enterprise Zone Fee Pickup: City may cover up to \$250 in Enterprise Zone application fees. These fees are used for administration of the program.
- Property Tax Abatement: City may offer property tax abatement to businesses making an investment with a total project cost exceeding \$50,000. This abatement would negate any increases to the city's section of the tax bill attributable to improvement of the property up to 10 years. The abatement only affects the city's portion of the bill and would amount to a 24.2% reduction in the property tax attributed to the improvement.
- Facade Improvements Loan: Buena Vista National Bank offers 0% interest loans up to \$5,000 for building facade improvements.

Monroe County-Randolph County Enterprise Zone:

- Investment Tax Credit: A state investment tax credit of .5% is allowed a taxpayer who invests in qualified property in a zone. Qualified property includes machinery, equipment, and buildings. The credit may be carried forward for up to five years. Credit is applied toward the 5.25% State Corporate Income Tax
- Sales Tax Exemption: Sales tax exemption for building materials used for remodeling, rehabilitation, or new construction in the EZ. The minimum qualifying investment for this exemption is \$10,000 in building material costs.



[Link: Interactive Monroe/Randolph County EZ Map](#)

Incentives and Programs



Current Incentives and Programs

Randolph County:

[Link: Randolph County Assessor Forms and Publications](#)

- General Homestead Exemption: Property assessment reduction up to \$6,000 for owner-occupied property for new improvements to existing structures on homestead property or the rebuilding of residential structures following a catastrophic event.
- Homestead Improvement Exemption: A 4-year exemption on the increase in assessed property value due to the new improvement up to \$25,000 per year.
- Senior Citizen's Homestead Exemption: Property Assessment reduction up to \$5,000. Qualifications: 65+, owner-occupied property.
- Senior Citizen's Property Assessment Freeze: Property Assessment is frozen at its value in the year prior to the initial application. Qualifications: owner-occupied, 65+, and have an annual household income less than \$65,000.
- Disabled Person's Homestead Exemption: \$2,000 property assessment reduction for disabled, owner-occupied property.
- Disabled Veterans' Standard Homestead Exemption: Property assessment reductions as follows: \$2,500 (30% - 49%), \$5,000 (50% - 69%), Tax Exempt (70% - 100%). Qualifications: owner-occupied property, served as member of US Armed Forces on active duty, IL National Guard, or US Reserve Forces, and not dishonorably discharged. Have at least 30% service-connected disability.
- Returning Veteran's Homestead Exemption: A one-time \$5,000 assessment reduction for the assessment year the veteran returns and the following year. Qualifications: Owner-occupied property, a veteran who returns from active duty in armed conflict involving US armed forces.
- Veteran's Organization Freeze: Property assessment will be frozen at 15% of that property's assessed value. Qualifications: Property owned and used by a veteran's organization on which is located the principal building for the post, camp or charter.
- Fraternal Organizational Freeze (pending established charter dates): Property assessment will be frozen at 15% of that property's assessed value. Qualifications: Property owned and used by a fraternal organization whose members provide financial support for charitable works.

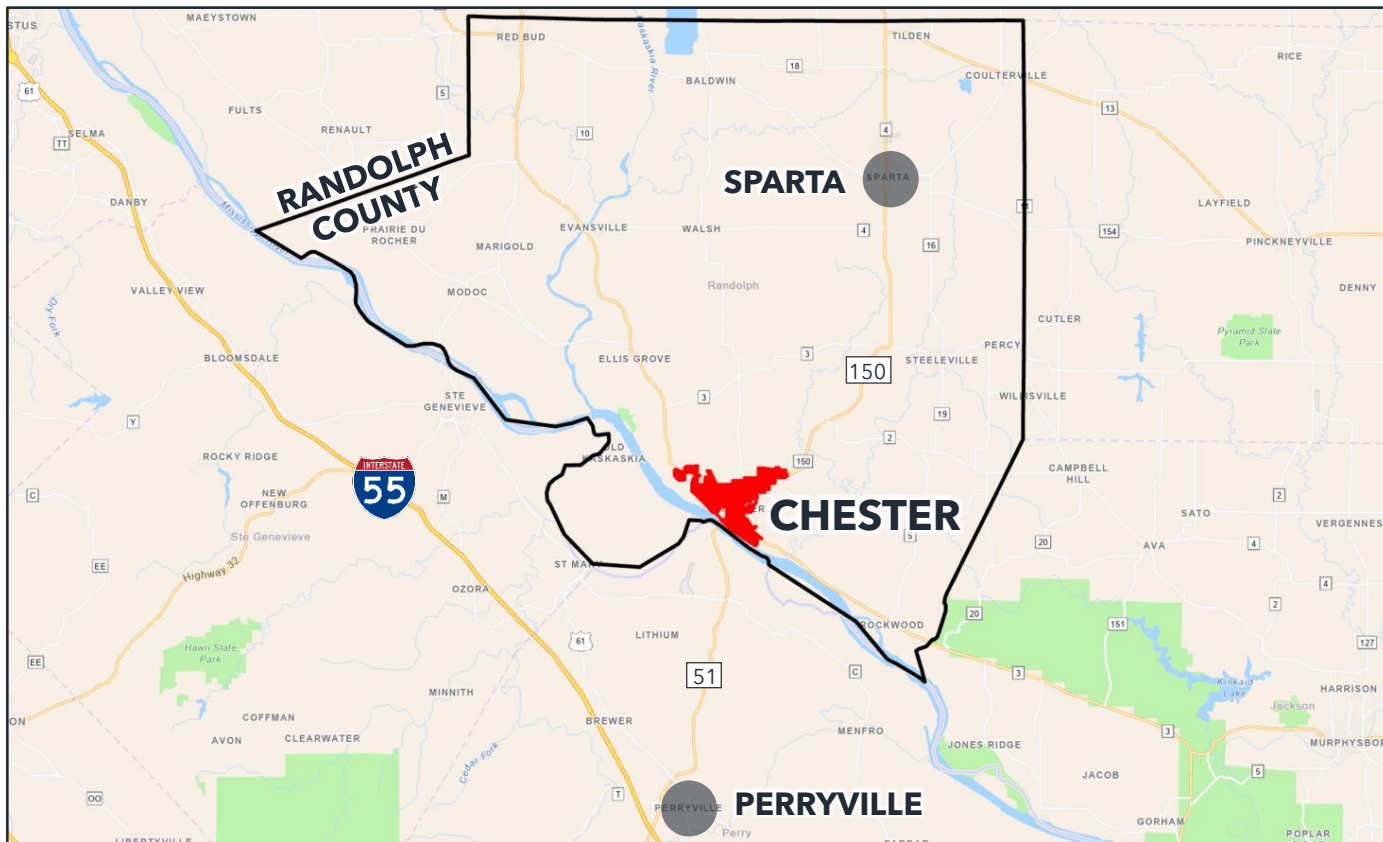
Western Egyptian Economic Opportunity Council, Inc. (WEEOC)

Western Egyptian Economic Opportunity Council, Inc. (WEEOC) provides regional programming, including housing rehabilitation assistance through their Energy Assistance Program and Weatherization Program. WEEOC's Crisis Based Assistance Program can assist renters and homeowners with financial support for utilities and/or rent to qualified low-income households. WEEOC also incorporates service-based programming, such as Head Start, Food Pantries, Senior Nutrition Programming, and a Volunteer Program for retirees.

Demographic Overview



Chester is the largest city in Randolph County and is home to over 5,900* people. Their demographics are similar in comparison to Randolph County and the largest nearby cities (Sparta, IL, and Perryville, MO). For purposes of analyzing Chester's traditional housing stock, the above population figure was calculated by omitting Chester's institutionalized population from Chester's total population.



 Population	Chester 5,961*	Sparta 4,302	Perryville 8,500	Randolph County 30,163
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Median Age	Chester 40.9	Sparta 41.1	Perryville 39.8	Randolph County 42.2
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Chester Population by Race	White 86.3%	Hispanic/Latin 5.5%	Black/African-American 5.4%
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Source: Jobs EQ - American Community Survey 2020 - S0101

* Demographics statistics do not include IDOC individuals in custody.

Demographic Trends

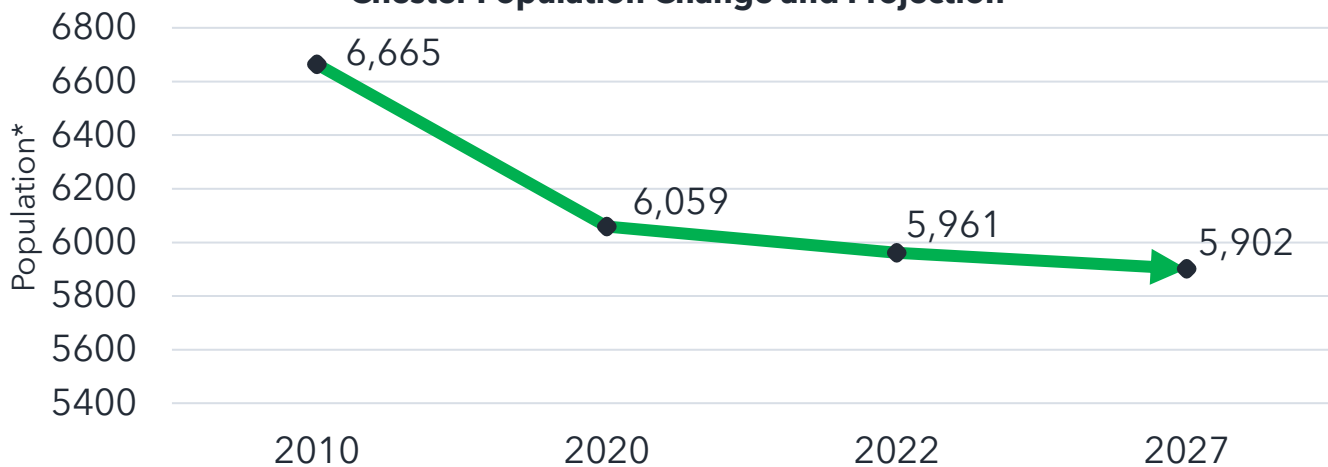


Chester experienced a **10.1%** decline in population between 2010 - 2020. This is comparable to Randolph County which lost **9.9%** of its population during the same time period. Despite this trend, population decline for Chester has slowed in recent years. By 2027, Chester's population is projected to decrease by only **0.99%**. With this information, Chester can implement strategies that will retain and stabilize the existing population and attract new residents for growth.

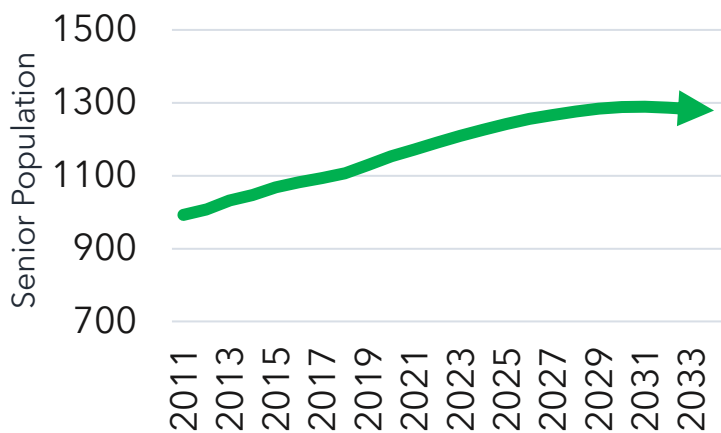
Though Chester's population is mostly white, the city has experienced growth in their Hispanic population, from **3.2% (164 People)** in 2010 to **5.5% (251 People)** in 2020. This population sub-group presents an opportunity to stabilize and grow Chester's population.

In addition, Chester's senior population is projected to grow **6.1%** by 2034. Chester must ensure adequate senior housing is provided to retain and support the needs of this population.

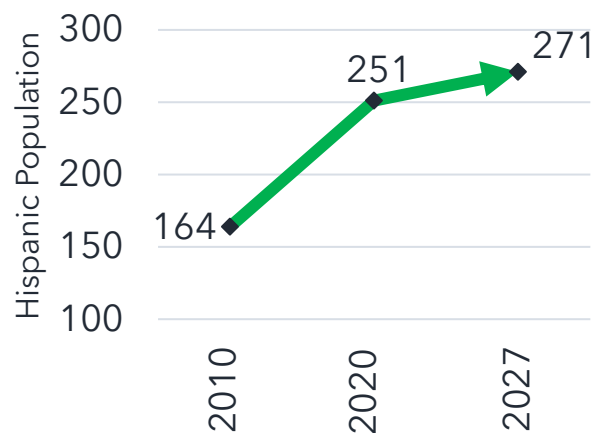
Chester Population Change and Projection



Chester Senior Population Change and Projection, Ages 65+



Chester Hispanic Population Change and Projection



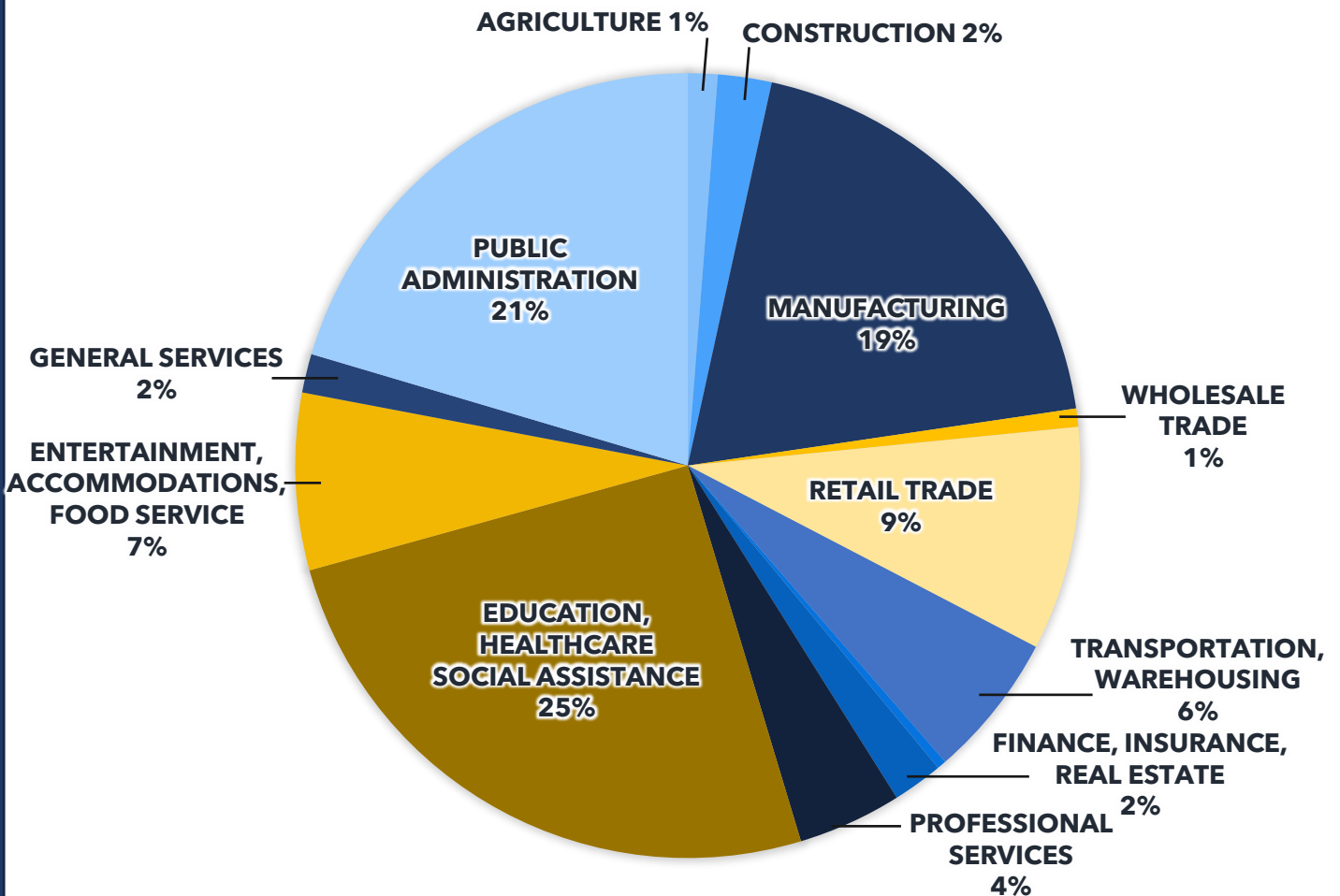
Sources: Jobs EQ - American Community Survey 2020 - S0101 and Esri forecasts for 2022 and 2027. U.S. Census Bureau 2010 decennial Census data converted by Esri into 2020 geography.

* Chester demographics statistics do not include IDOC individuals in custody.

Economic Overview



Top industries and occupations are a driving force within a community and demonstrate community vitality. The industries listed below are expected in any community with the exception of "Manufacturing." Chester has a high concentration of workers in manufacturing which is also connected to "Transportation and Warehousing" as a related industry. Overall, Chester is economically balanced between public administration, education, health care, and manufacturing. This creates diverse workforce opportunities suitable for different levels of educational attainment, skillsets, and professional experience.



Source: American Community Survey 2021 - DP03

Top 5 Industries by Employment	
Educational services, and health care and social assistance	539
Public Administration	434
Manufacturing	409
Retail Trade	196
Entertainment, Arts, Recreation, Accommodations, Food Service	155

Top 5 Occupations by Employment	
Service Occupations	693
Management, business, science, and arts occupations	470
Sales and office occupations	426
Production, transportation, and material moving occupations	414
Natural resources, construction, and maintenance occupations	123

Housing Stock



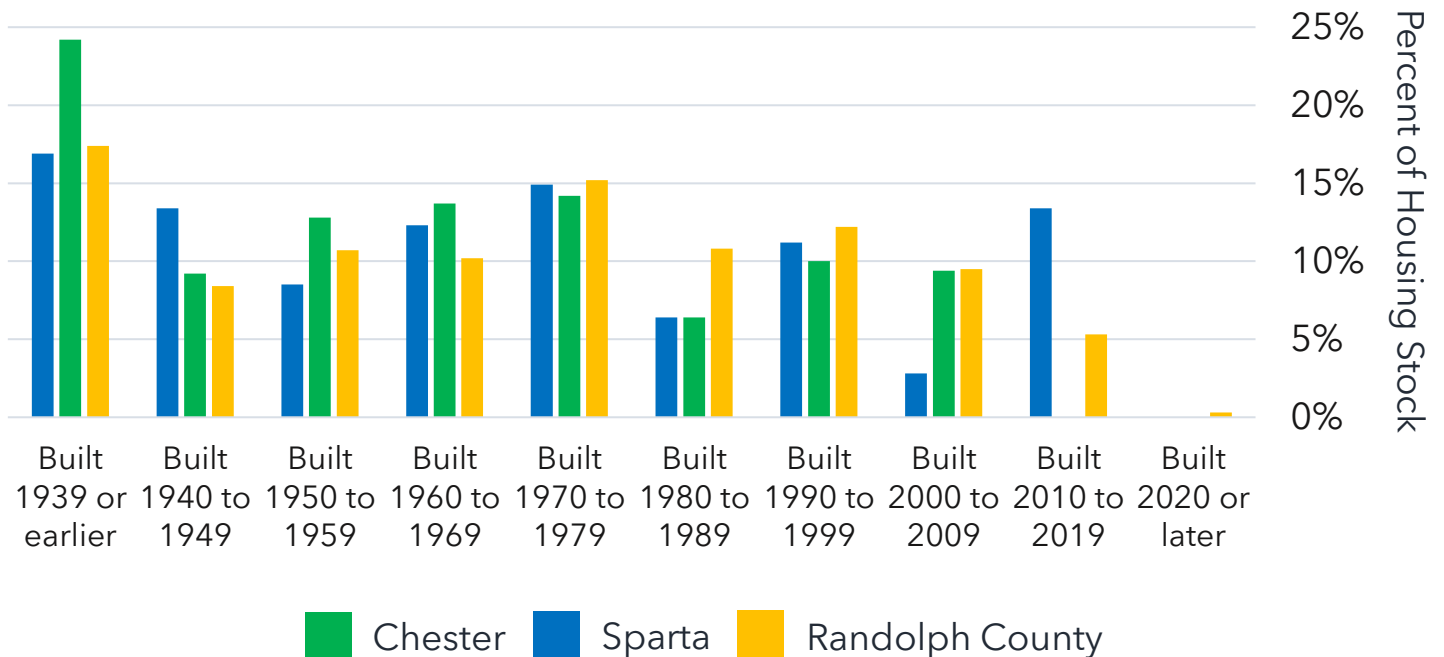
An understanding of Chester's housing stock characteristics can help identify and anticipate issues such as poor housing quality or a mismatch between the types of housing available and the needs of Chester's population.

In Chester, over 58% of the housing stock was built before 1969. As a result, these homes may experience deterioration or require major capital investments to maintain modern day household standards.

<u>Housing Inventory</u>	<u>Units</u>
Total Housing Units	2,508
Single-Family	1,857
Two - Four Family	224
5+ Units	200
Mobile Homes	227

In recent years, Chester has experienced a lower percentage of residential development in comparison to the region and United States. Homes built after the year 2000 accounts for 11% of Chester housing stock. In comparison, homes built after 2000 account for 14% of Sparta, 20% of Randolph County, and 19.8% of United States housing stock. This indicates that Randolph County has experienced an average amount of new residential development, but a disproportionate amount has not been located within Chester city limits. However, this does not mean Chester is less desirable for new development. Since the year 2000, over 150 new homes were built in the Chester area outside of city limits (ZIP code 62233).

Residential Building Age



Source: American Community Survey 2020 - DP04

Housing Occupancy



Since 2015, Chester has experienced a 17.9% decrease in rental unit vacancy rates. As of 2020, the rental vacancy rate in Chester was 5.6% which is lower than both the state of Illinois (5.9%) and United States (6%). This decrease in vacancy rate indicates increasing pressure on Chester's rental housing supply.

The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for-sale." Chester's homeowner vacancy rate of 3% equates to 47 vacant homes. The windshield survey conducted as part of this Housing Needs Assessment revealed only a handful of homes are currently listed for-sale. This indicates the remaining vacant homes are unoccupied and not listed for-sale, possibly as a result of needed improvement or absentee property owners.

These findings are consistent feedback gathered from stakeholder outreach with Chester landlords. Rental property owners in Chester communicated a high demand for rental units, including short-term rental units for work professionals (e.g., contractors, construction workers, skilled laborers, health care workers). Newly available units are quickly leased to new occupants.

Source: US Census Bureau - PolicyMap Housing Needs Assessment Report; JobsEQ American Community Survey 2016-2020

	Chester	Randolph County	Sparta	Perryville
Homeowner Vacancy Rate	3%	2.5%	7.4%	2.7%
Rental Vacancy Rate	5.6%	3.2%	2.8%	6.4%

Source: JobsEQ - American Community Survey 2016-2020

<u>Housing Occupancy</u>	<u>Estimate</u>
Total Housing Units	2,508
Total Households	2,195
Owner-Occupied	1,464
Renter-Occupied	731
Homeowner Vacancy Rate	3%
Rental Vacancy Rate	5.6%

Source: Esri - American Community Survey 2016-2020

Household Income



The City of Chester has a wide distribution of household incomes, with the largest category being \$100,000 to \$149,000 (426 households). Chester's median household income of \$51,800 is comparable to Sparta, IL and Perryville, MO, but lower than Randolph County. This information tells us it is important for Chester to provide a mix of housing options. The Housing Gap Analysis on the following page uses this information to determine if Chester's current housing stock adequately serves their distribution of household income.

Median Household Income

Chester
\$51,800

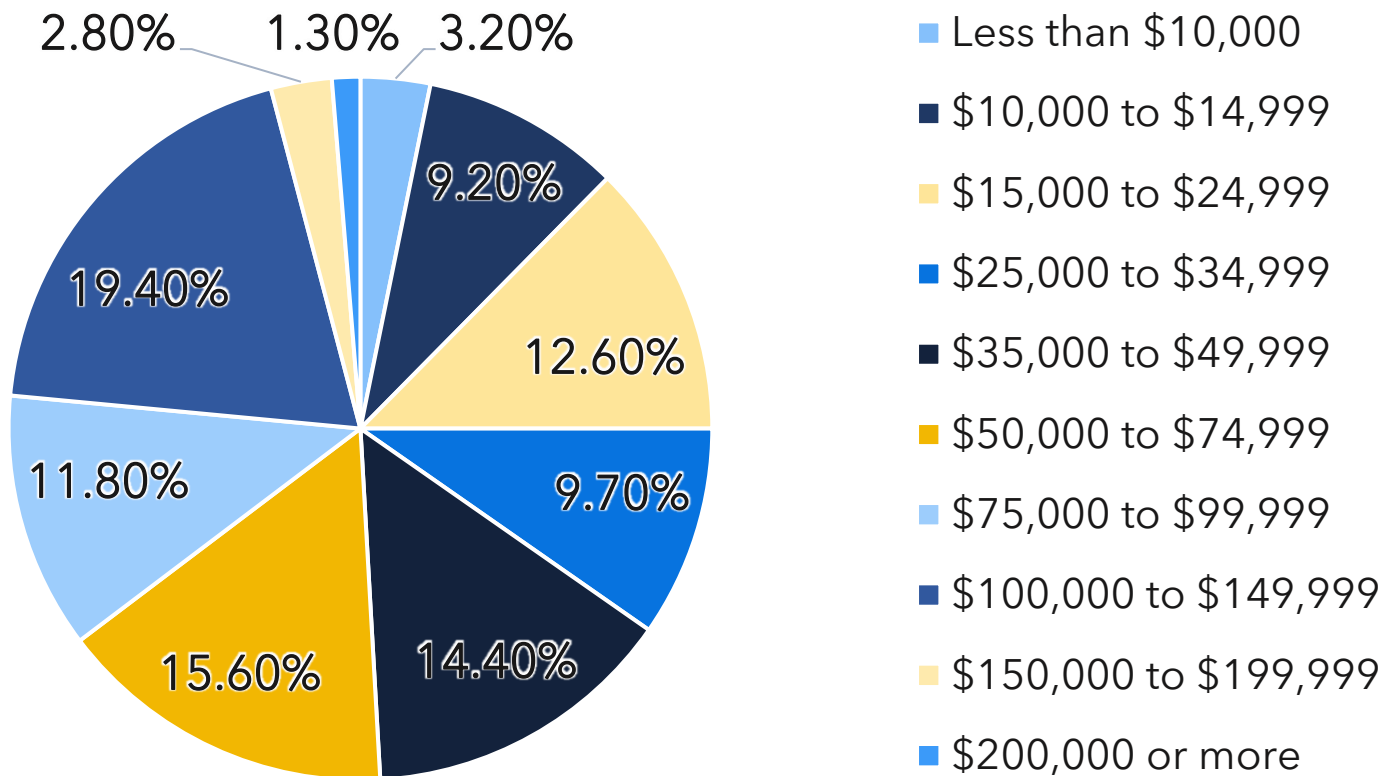
Randolph County
\$55,300

Sparta
\$52,324

Perryville
\$51,601

Source: Jobs EQ - American Community Survey 2016 - 2020

Chester Household Income



Source: American Community Survey 2021 - DP03

Housing Gap Analysis



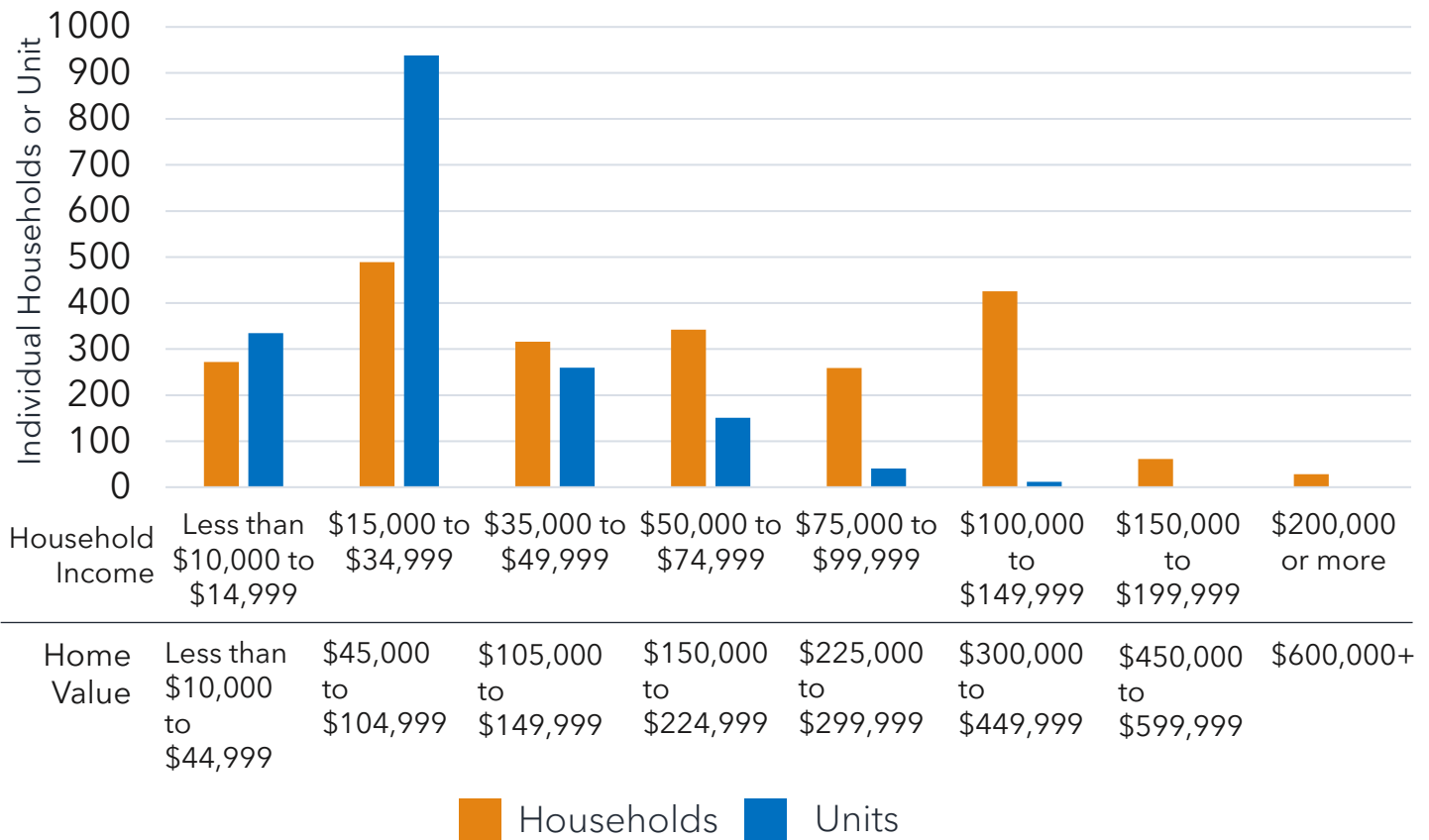
The below chart shows the distribution of Chester home values in comparison to household income. This analysis enables us to determine if the Chester housing stock provides adequate housing options for all income categories. As a general rule, home values should be 3 - 5 times greater than annual household income. The below chart displays home values no greater than 3 times the corresponding household income.

We can see that Chester has an adequate supply of low-income units, a surplus of low to moderate value units (500 more units than households in the corresponding income category), and an inadequate supply of moderate to high value units.

These findings are consistent with qualitative data gathered from stakeholder outreach with Chester government officials, employers, and the Randolph County Housing Authority. Stakeholders commented that Chester provides a more than adequate supply of low-income housing and few options for higher income households. Few options for higher income categories, combined with a low vacancy rate, result in interested home buyers locating in other nearby communities.

In conclusion, the Chester housing market has an appetite for higher value homes.

Chester Housing Gap Analysis for Low-Density Homes (1- 4 Units)



Sources: Randolph County Assessor Parcel Data, American Community Survey 2021 - DP03

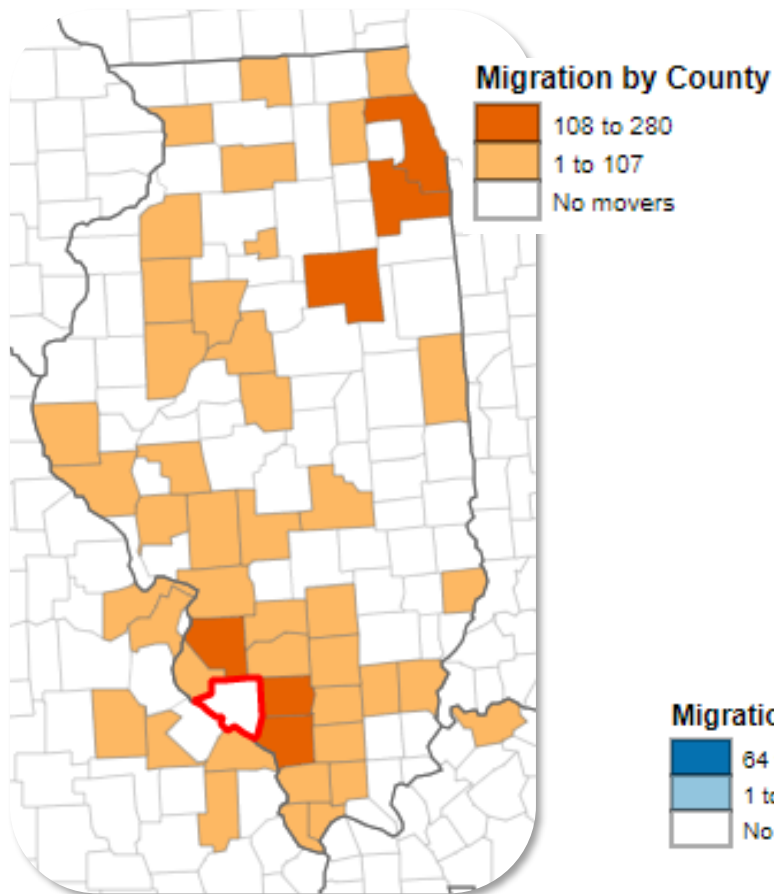
Migration Flow



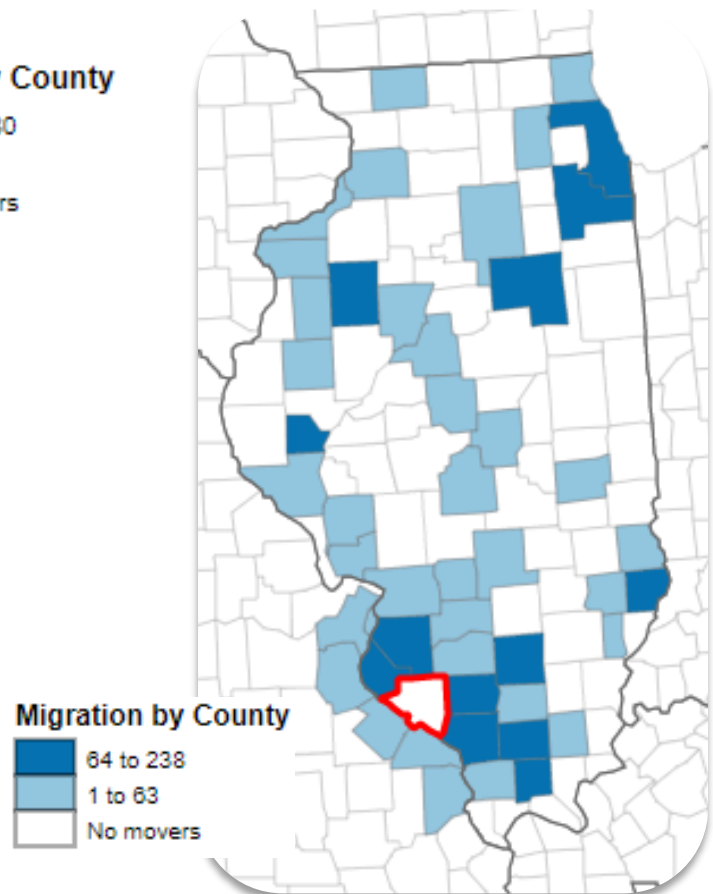
The below maps display migration flows for Randolph County, IL. Orange counties indicate from where Randolph County gains population (Inbound Migration). Blue counties indicate where Randolph County residents relocate when they leave the County (Outbound Migration). When analyzing the significance of this data, it is important to consider the impact of Illinois' Department of Corrections (IDOC). The Menard Correctional Center is located in Chester and is the state's largest maximum security adult male facility with an operational capacity of 2,575 individuals in custody. IDOC's transportation of individuals in custody throughout the state likely accounts for a large portion of migration patterns from high population areas such as Chicago and other Illinois counties with correctional centers: Johnson County, Williamson County, Jefferson County, Schuyler County, Knox County.

Randolph County experiences out-bound migration to adjacent and nearby Missouri counties. From 2016 - 2020, Randolph County had negative net migration to the following Missouri Counties: St. Louis City, Jefferson, St. Genevieve, and Cape Girardeau. This indicates it is important that Chester maintain competitive living standards and quality of life. Considerations should include community assets, amenities, preferred housing types, and availability.

Inbound Migration (2016 - 2020)



Outbound Migration (2016 - 2020)



Source: [US Census Flows Mapper](#)

Residential Land-Use

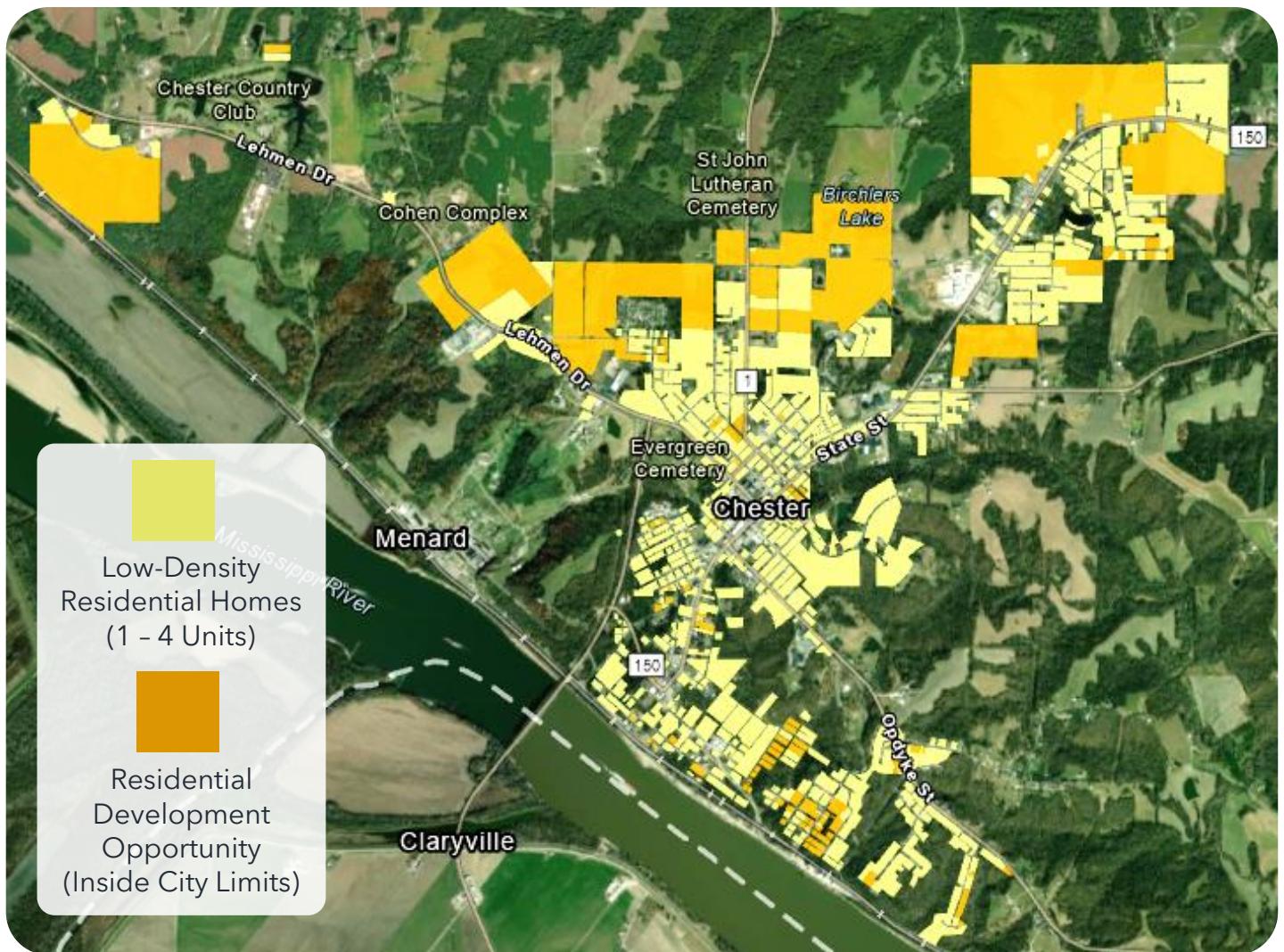


The below map communicates the location of Chester's existing residential land-use and opportunity areas for future development. The following criteria was used to identify parcels potentially suitable for infill and new residential development.

Despite a challenging topography in some areas, Chester provides ample opportunities for both infill and new subdivision development throughout the City.

Residential Opportunity Area Criteria:

- Road access
- Mild changes in elevation throughout the site
- No flood risk
- Zoned residential and/or compatible with adjacent land-uses

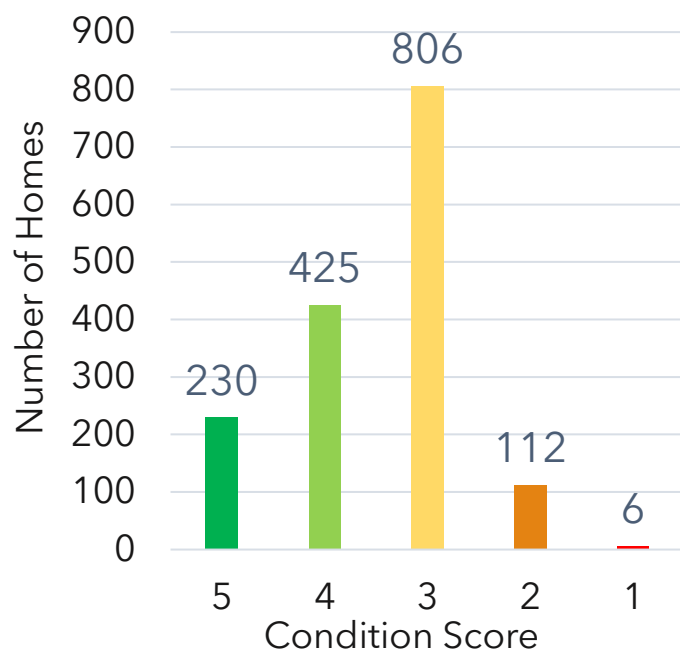


Sources: Esri ArcMap Base Layer Data, FEMA Flood Hazard Maps, Chester Zoning Map, Randolph County Assessor Parcel Data

Windshield Survey



A windshield survey is conducted in-person and provides a visual overview of a specified area's housing stock. Over a two-day period, the condition of Chester's housing stock for single-family homes was scored based on the below criteria. Overall, the survey found a large majority of Chester's single-family homes to be in good to excellent condition. Homes scoring a value of 1 - 2 only accounted for 6% of Chester's single-family homes.



Condition Score

5 Excellent

(Typically new within last few years or recently renovated)

4 Good

(Some wear, but nothing major)

3 Fair

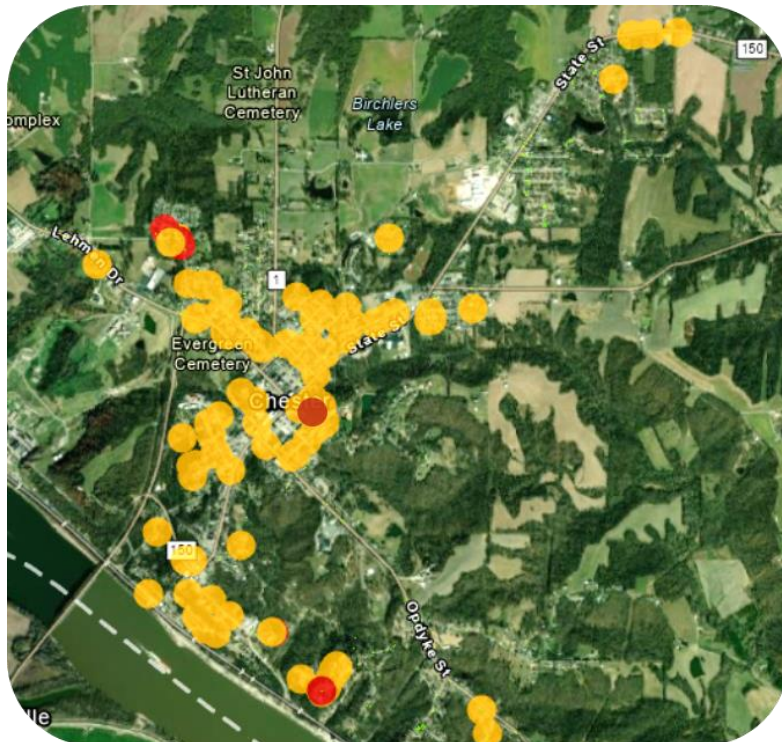
(Minor Improvements Needed)

2 Poor

(In need of significant repair)

1 Very Poor

(Unlivable and at risk of condemnation)



Homes in need of a significant repair or unlivable appear to be evenly distributed in areas of Chester with older housing stock.

2
In need of significant repair

1
Unlivable and at risk of condemnation/demolition

Recommendations



1. Appoint a Special Committee

The City of Chester should appoint a special committee to determine priorities and facilitate implementation of the Housing Needs Assessment recommendations. Committee members should comprise of property owners, government officials, local advocacy groups, employers, and housing related entities. (e.g. Western Egyptian Economic Opportunity Council, Inc., Randolph County Housing Authority, Chester Chamber of Commerce)

Responsibilities of the committee would include status updates to applicable entities/government officials and monitoring progress. Consider a monthly or quarterly update to Chester City Council.

2. Market Chester

Use the Chester Housing Needs Assessment to communicate market demand to prospective real estate developers, investors, lenders, and other financial partners. This document may assist in reducing perceived project risk and securing project financing. To ensure the document is accessible, provide an access link within the City of Chester website. Consider directly sharing the document with housing and economic development related entities (E.g. real estate brokers, banks/housing lenders, residential developers). Social media platforms can also be used to increase awareness to the general public.

3. Encourage Senior Living Development

Chester's senior population is projected to grow 6.1% (100 additional seniors; 1,300 total) by 2034. Using this information, encourage development of residential projects suitable for independent senior living.

4. Encourage Mixed-Use Development

Encourage and support redevelopment of existing buildings in Downtown and Uptown Chester into mixed-use buildings with ground floor retail amenities, market-rate apartments, short-term rentals for work professionals, and/or independent senior living. The below buildings were identified as primary opportunities for mixed-use development through the HNA stakeholder outreach and qualitative research.

Welge Building
953 State Street



Buena Vista Building
(1230 Swanwick Street)



Herschbach Building
(1300 Swanwick Street)



Recommendations



The Chester Housing Needs Assessment can be used as a tool to build relationships with entities that share similar goals and objectives.

5. Illinois Housing Development Authority

Build and maintain a relationship with the Illinois Housing Development Authority. This will enable Chester to improve access to the below Illinois Housing Development Authority programs and explore how they may be a partner in addressing the needs and challenges identified within the Housing Needs Assessment.

Illinois Housing Development Authority Programs:

- Homeownership Loans and Counseling
- Community Revitalization and Repair programs
- Home Repair and Accessibility Program
- Land Bank Capacity Program
- Home Accessibility Program: Up to \$25,000 for rehab of senior and similar homes.
- Strong Communities Program: Funds for municipalities to address community revitalization efforts.

6. Western Egyptian Economic Opportunity Council, Inc.

Build and maintain a relationship with the Western Egyptian Economic Opportunity Council, Inc. This will enable Chester to improve property owner access to the below Western Egyptian programs and explore how they may be a partner in addressing the needs and challenges identified within the Housing Needs Assessment.

Western Egyptian Programs:

- **Energy Assistance (Link)**: Western Egyptian partners with the Illinois Department of Commerce and Economic Opportunity and Ameren to provide a variety of energy assistance programs.
- **Weatherization (Link)**: This program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient.
- **HUD Certified Housing Counseling (Link)**: HUD Certified Housing Counseling includes pre-purchase education, post-purchase education, credit and budget counseling/financial literacy, rental counseling and foreclosure prevention counseling. Services are provided for low- to moderate-income residents.

Recommendations



Development incentives can be a helpful financial tool for financing residential projects.

7. Historic Tax Credits

Historic Tax Credits (HTCs) exist at both the federal and state government levels. Federal HTCs are an indirect subsidy to finance up to 20% of Qualified Rehabilitation Expenses (QREs). Since it began in 1976, Federal HTCs have preserved more than 45,000 buildings and generated over \$102 billion in rehabilitation investment.

In addition to Federal HTCs, the Illinois Historic Preservation Tax Credit Program provides income-tax credit equal to 25% of a project's QREs.

As an example, a mixed-use redevelopment project in Uptown Chester with \$3 million in QREs could receive up to \$600,000 in Federal HTCs and \$750,000 in State HTCs.

A building must satisfy one of the following three requirements to be eligible to receive HTCs.

1. The building is listed individually on the National Register of Historic Places.
2. The building is listed as a contributing building within a National Historic District.
3. The building is listed as a contributing building within a local district that has been certified by the National Park Service for the purposes of taking the federal tax credit.

For more info:

[Tax Incentives for Preserving Historic Properties \(Link\)](#)

[Illinois Historic Preservation Tax Credit Program \(Link\)](#)

8. Historic Districts

The City of Chester should consider the creation of a National Historic District and/or support the listing of individual buildings on the National Register of Historic Places.

Step 1: Determine capacity, build consensus, and garner support for the creation of a National Historic District in Downtown/Uptown Chester or listing of individual buildings on the National Register of Historic Places. Focus on areas and/or buildings which hold historic/cultural importance, represent significant architectural design features, and/or contribute to the overall identity and character of the City of Chester.

Step 2: Establish national historic district or register building(s) as historic places.

Step 3: Support developer applications to receive federal and state historic tax credits.

For more info: [National Park Service - Historic Districts \(Link\)](#)

Recommendations



Development incentives can be a helpful tool for financing projects that include some affordable housing and commercial uses.

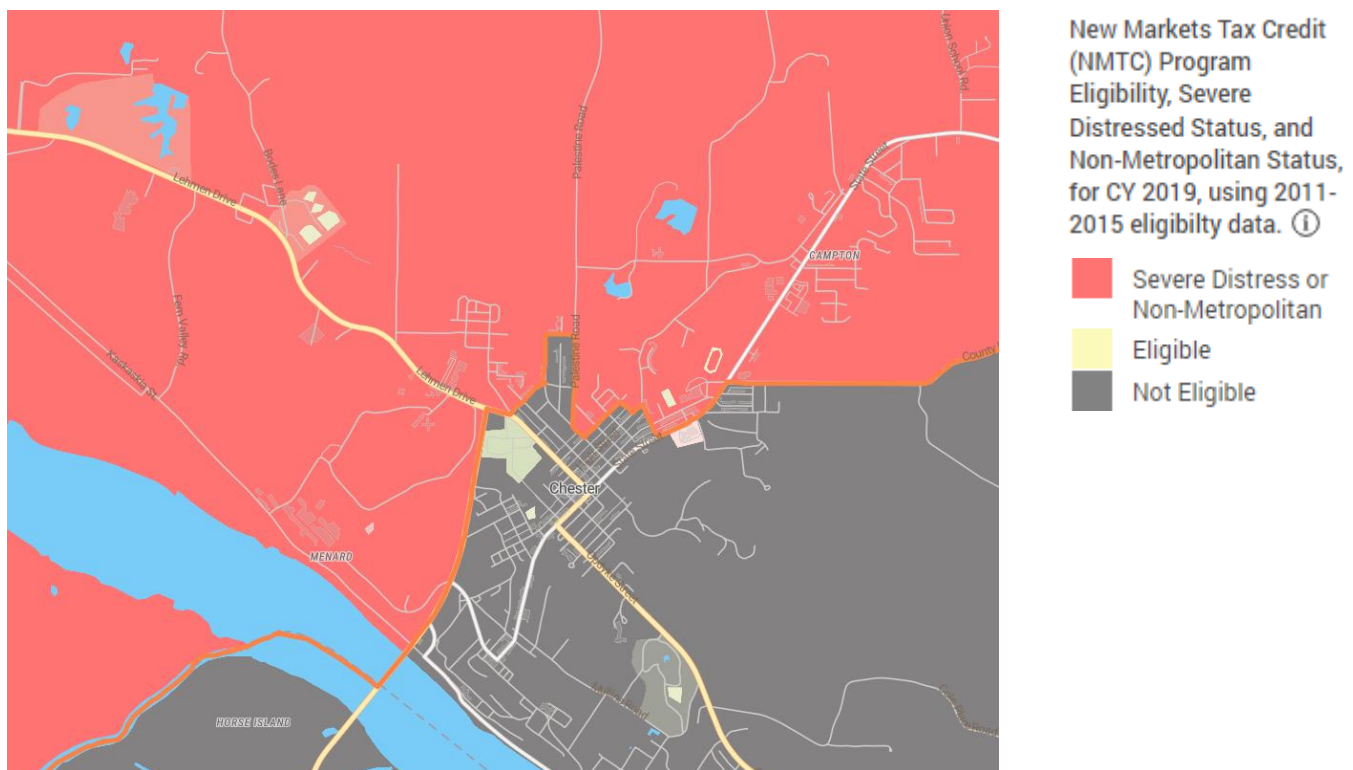
9. New Markets Tax Credits

The New Markets Tax Credit (NMTC) is a proven tool for generating opportunity in low-income communities (LICs). It acts as a gap financing tool which makes a project more economically attractive in underserved markets. NMTCs provide a credit against Federal income taxes for investors (typically banks) that make Qualified Equity Investments (QEIs) in certified financial intermediaries called Community Development Entities (CDEs).

The NMTC is taken over a 7-year period. The credit rate is 5% of the original investment amount in each of the first three years and 6% of the original investment amount in each of the final four years. The total credit equals 39% of the original amount invested in the CDE.

For example, a \$5,000,000 redevelopment project could attract a \$1,950,000 tax credit.

Projects must be located in “Eligible” or Eligible “Severe Distress or Non-Metropolitan” census tracts to qualify for NMTCs. The below map provided by NOVOGRADAC displays the eligible areas within Chester. The following link will direct you to NOVOGRADAC’s interactive NMTC mapping tool: [NOVOGRADAC NMTC Mapping Tool \(Link\)](#)



Recommendations



The City of Chester benefits from numerous programs geared towards homeowner, renter, and business owner assistance. The Housing Needs Assessment can be used to expand upon this existing programming to better respond to housing market needs.

10. Senior Housing

Chester, perhaps in partnership with the Western Egyptian Economic Opportunity Council, Inc., may want to pursue a senior-specific housing rehabilitation program focused on accessibility and repair for Chester's aging population. This will help their residents age in place with dignity while improving their quality of life for years to come.

11. Rental Housing

Chester could act as a resource for renters who are seeking housing in the area which may not be widely advertised. The Chester Rental Property Registration could be used to support the City's effort in connecting renters with quality landlords.

12. Raise Awareness

Marketing existing and new programs will raise awareness of funding opportunities and incentives to spark investment in residential development projects. This communicates that Chester is actively committed to growing their city.

- Historic Tax Credits (State and Federal)
- New Markets Tax Credits

City of Chester

- Commercial/Industrial Permit Fee Waived
- Natural Gas Tap Fee Waived
- Commercial/Industrial construction/improvements tax abatement.
- Sales tax exemption on commercial/industrial building materials
- Tax Increment Financing

Randolph County

- Home Improvement Exemption
- Senior Citizen's Assessment Freeze Exemption
- Senior Homestead Exemption
- General Homestead Exemption - Owner-Occupied Exemption
- Veteran's Exemptions

Recommendations



13a. Infill Development

The adjacent image shows an example of an underdeveloped Chester subdivision. The residential development map on page 18 and the [Randolph County parcel map \(Link\)](#) can be used to identify infill development opportunities throughout the city.



Step 1: Conduct outreach to owners of developable vacant parcels in existing subdivisions to determine interest in support for future development.

Step 2: Subject to outreach findings, market infill development opportunities to interested real estate developers and brokers.

Step 3: Consider use of infill development incentives, programs, and other resources.

13b. Illinois Housing Development Authority Land Bank Capacity Program (LBCP) and Technical Assistance Network (TA Network)

The City of Chester may consider use of the Illinois Housing Development Authority Land Bank Capacity Program (LBCP) and Technical Assistance Network (TA Network) for the acquisition of vacant parcels. The LBCP and TA Network was created in 2017 to help communities gain access to funding and technical assistance for land banks in Illinois outside the Chicago Metropolitan Statistical Area (MSA). Grant funds under LBCP may be used to offset the costs of creating and operating land banks. For more info: [IL Housing Development Authority Programs](#)

13c. Community Development Corporations

Encourage establishing a community development corporation to undertake projects that align with community goals and focus on creating housing opportunities. This organization, as an established 501(c)(3), can harness funding opportunities for redevelopment projects that may not be available for the City of Chester directly.

13d. Tax Increment Financing Districts

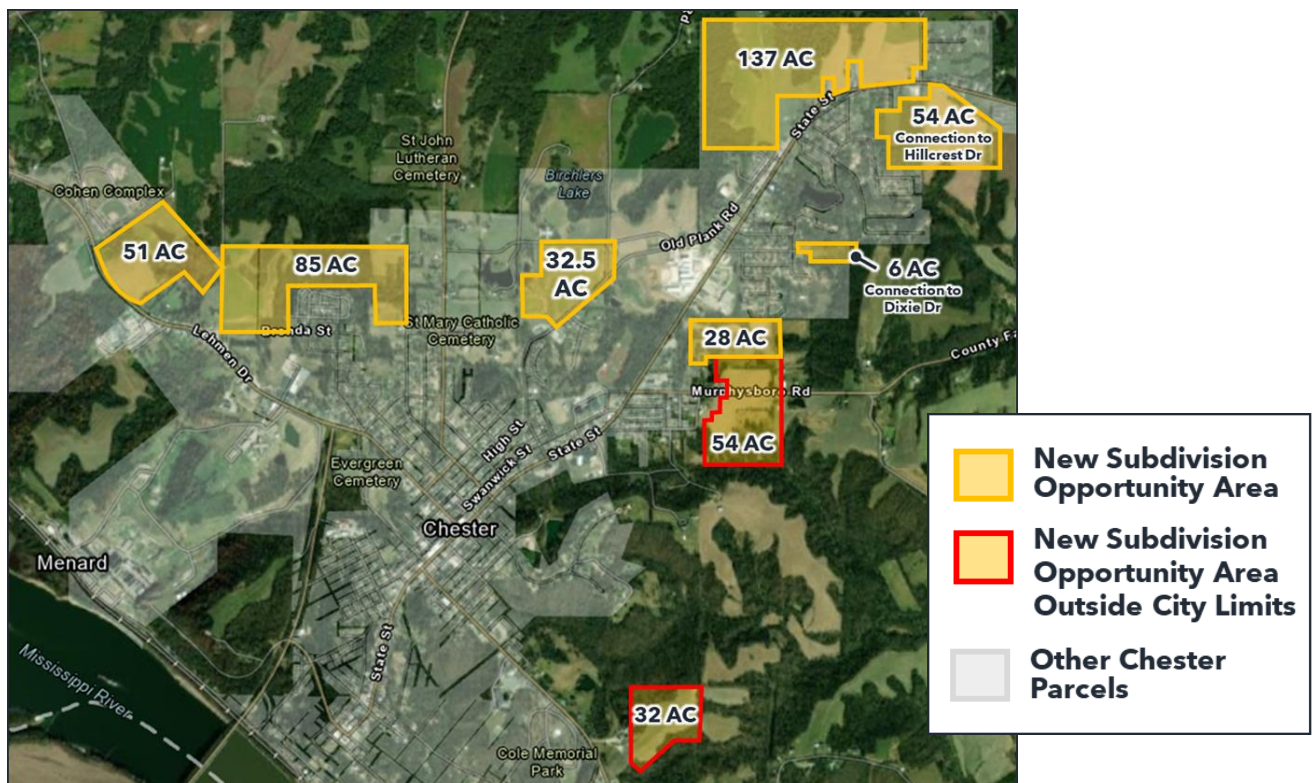
Chester may consider using Tax Increment Financing (TIF) Districts as a tool to incentivize infill redevelopment projects. TIFs do not raise or lower taxes, but instead direct the incremental increase in property tax revenue from when a district is established into a separate fund to be used for project costs. Eligible costs include infrastructure, building renovations, property acquisition, demolition, site preparation, marketing, and professional services. Using TIF to finance these projects allows blighted, declining, or underperforming areas of cities to compete with vacant land at the edge of urban areas. Refer to Illinois' Tax Increment Allocation Redevelopment Act for more information on eligible costs and restrictions. [Link: Tax Increment Allocation Redevelopment Act \(Division 74.4\)](#)

Recommendations



14a. New Residential Development

Step 1: Identify potential locations for new subdivision platting. Consider road access, topography, flood risk, and compatibility with adjacent land uses/zoning. The below map highlights areas that may be suitable for new residential development.



Step 2: Work with utility companies, City engineer, and applicable roadway authorities to determine viability of residential development in identified locations.

Step 3: Market the identified locations as residential development opportunities. Consider the creation of an investor prospectus which highlights the development opportunities along with available incentives and resources.

14b. Incentivize New Development

Chester is limited in its ability to utilize tax abatement for incentivizing new development; however, cost-share and municipal bonds are available tools to support infrastructure improvements and reimburse residential construction related costs.

14c. Annexation

Consider the use of annexation to acquire land adjacent to the City of Chester that is viable for new residential development.

Recommendations



Municipal Zoning Codes can encourage and/or hinder residential development and uses. The below recommendations exemplify how the Chester Zoning Code may be amended to encourage residential development and uses which address the findings of the Housing Needs Assessment.

15. Short-Term Rental Units

Consider addition of City Code language to allow the establishment of short-term rental units (e.g. AirBnB) and define the process for their permitting/licensing and requirements for operation. This use is suitable for both residential and commercial districts. Chester's urban core, Uptown and Downtown area, provides excellent opportunity for mixed-use developments that may incorporate short-term rental options. These areas will provide short-term rental users convenient and walkable access to Chester amenities.

16. Accessory Dwelling Units

To utilize Chester existing housing stock, consider a Zoning Code amendment to establish accessory dwelling units as a "Special Use" in residential and commercial zoning districts.

Current Zoning: 40-3-17 (D) **Use as Dwelling.** "Use of any accessory structure as a dwelling is strictly prohibited throughout the zoning jurisdiction of the City."



Recommendations



17. Grant Funding

Use available local resources and professional technical assistance to identify grant funding opportunities and grant writing support. Chester should pursue grants that assist in developing or improving amenities and/or municipal assets that enhance quality of life.

Additionally, Chester should pursue grants that assist in infrastructure development, including storm sewer, wastewater, and waterline improvements. Such grants may include State or Federal programs focused on assisting municipalities in creating complimentary infrastructure improvements that have the potential to partner with new developments, including:

[CDBG funding](#) if Chester's census tracts were to become qualified low-income and

[EDA Public Works program](#) to help communities upgrade physical infrastructure to improve development opportunities.

18. IL Main Street Program

Chester's urban core, Downtown and Uptown, presents an excellent opportunity to introduce new amenities and assets which will enhance quality of life while celebrating Chester's identity and historic character. The Illinois Main Street Program is designed to assist communities like Chester in accomplishing this exact goal. Their program works to bring economic vitality back to downtown areas, celebrate historic character, and bring communities together. Their services include hands-on training, statewide workshops, networking opportunities, and access to resources of community organizations focused on revitalizing their city center.

The following link will direct you to IL Main Street's webpage detailing their services and trainings: [Link: IL Main Street Services and Trainings](#)

Applications to join the program are competitive. The following link will direct you to IL Main Street's webpage on how to apply. [Link: Join the IL Main Street Program](#)

Below are additional ways to access resources which will assist Chester in realizing the potential of its urban core:

- Sign-up for the [IL Main Street Memo](#) for quarterly virtual and in-person workshops.
- Become a [General Member of Main Street America](#). Membership includes access to hundreds of online resources, a national network of professionals, and discounts to trainings.
- Attend the [Main Street Now Conference](#). This national gathering of Main Street programs provides a broad-view of downtown development issues.

Recommendations



It is important for the City of Chester to implement strategies that support the vitality and desirability of both existing neighborhoods and future development.

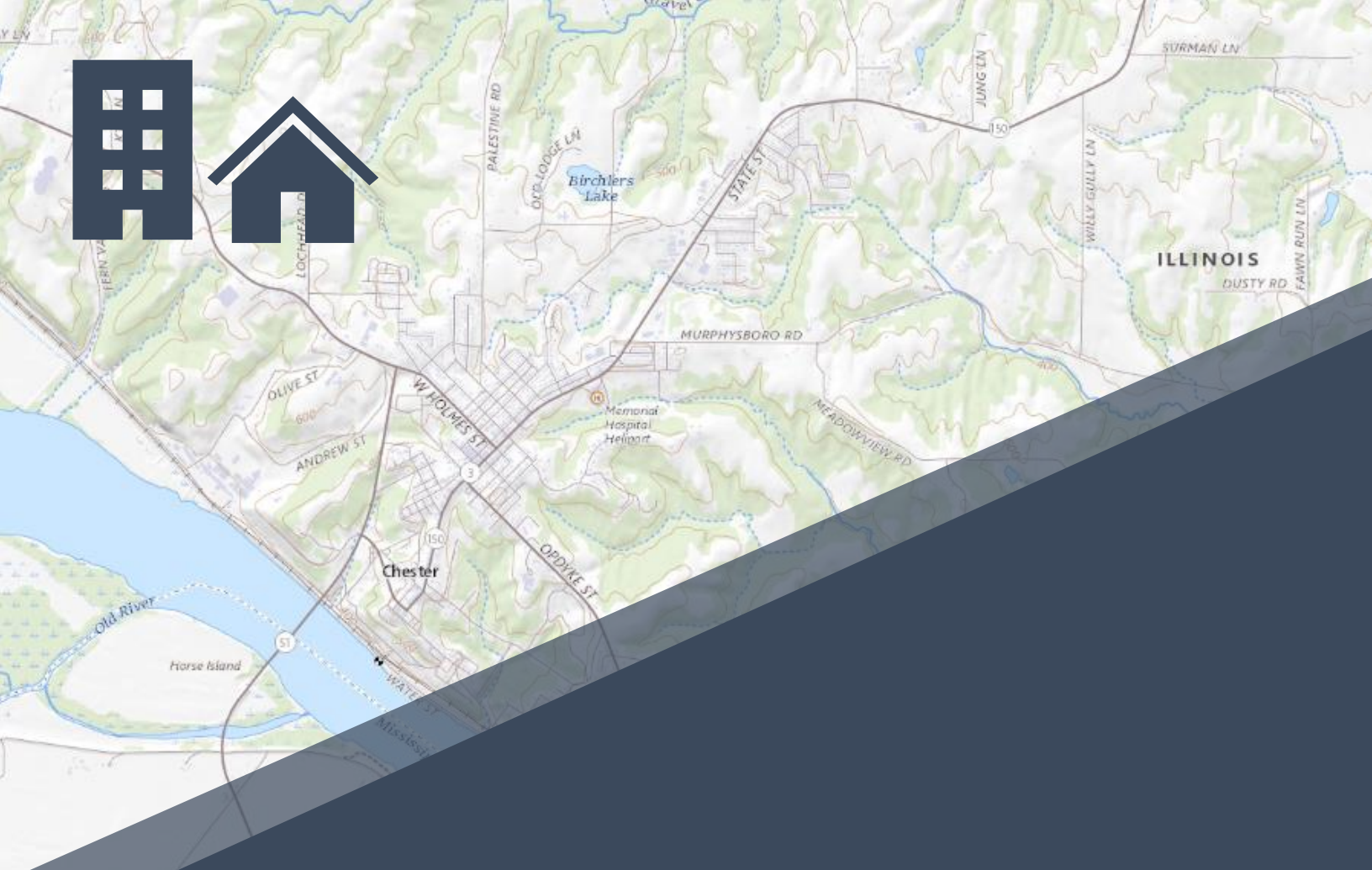
19. Environmental Planning and Beautification

- Pursue certification and recognition through the Tree City USA program. This program provides communities with a four-step framework to maintain and grow their tree cover. It also gives them an avenue to celebrate their work, showing residents, visitors, and the entire country that they're committed to the mission of environmental change. For more info: [Tree City USA \(Link\)](#)
- Develop a city-wide tree inventory for public and private property.
- Develop a community forestry management plan that includes tree maintenance and replacement guidelines to be implemented by the City's public works department, parks and recreation department, or city maintenance department.
- Encourage developer/owner-led street tree plantings in new residential and commercial developments, as street trees are a positive economic indicator.
- Consult with a certified forester or conservation professional to develop a vegetation management plan for the bluff-line that balances forest conservation, soil erosion, and the aesthetic value of the viewshed over the river valley.

20. Planning for the Future

Comprehensive Plans are critical to the economic growth and success of cities. Chester's current plan was created in 2005 and is in need of updating. An updated plan would give informative information to assist the community in developing a long-term (15-20 year) vision, goals, and recommendations. It also provides guidance to develop a capital Project Budget over 5-year increments. This is beneficial when seeking grant, state, or federal funding.

Long-term, the City of Chester should prepare to update resource inventories, needs assessments, and comprehensive planning documents every 5 years.



Please contact:
[City of Chester, Illinois](#)
to learn more about how you can
thrive and grow with our city.

Thank You.

Chester, Illinois Housing Needs Assessment 2023

Conducted by:  **Steadfast city**
Economic & Community Partners

