



RIVER FOREST PLAN COMMISSION MEETING AGENDA

A meeting of the River Forest Plan Commission will be held on Tuesday, March 3, 2020 at 7:00 P.M. in First Floor Community Room of the Village Hall, 400 Park Avenue, River Forest, Illinois.

- I. Call to Order/Roll Call
- II. Approval of the Minutes from the meeting of the Plan Commission on January 21, 2020
- III. Continued Discussion Regarding Affordable Housing Plan
- IV. Recommendation to the Village Board of Trustees to Adopt Affordable Housing Plan
- V. Public Comment
- VI. Adjournment

**VILLAGE OF RIVER FOREST
PLAN COMMISSION MEETING MINUTES
JANUARY 21, 2020**

A meeting of the Village of River Forest Plan Commission was held on Tuesday, January 21, 2020, at 7:00 p.m. in the First Floor Community Room of Village Hall, 400 Park Avenue, River Forest, Illinois.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:04 p.m. Upon roll call, the following persons were:

Present: Commissioners Armalas, Kilbride, Kirk, Cragan, Gottlieb and Chairman Crosby

Absent: Commissioner Fishman

Also Present: Assistant Village Administrator Lisa Scheiner, Village Attorney Michael Marrs, John Houseal, of Houseal Lavigne Associates

2. APPROVAL OF MINUTES – OCTOBER 21, 2019

A MOTION was made by Commissioner Kilbride and SECONDED by Commissioner Kragan to approve the October 21, 2019 meeting minutes of the Plan Commission.

Ayes: Commissioners Kirk, Armalas and Chairman Crosby

Nays: None

Abstain: Commissioners Kragan and Gottlieb

Motion Passed.

3. DISCUSSION REGARDING AFFORDABLE HOUSING PLANNING AND APPEALS ACT AND RIVER FOREST AFFORDABLE HOUSING PLAN

John Houseal, Houseal Lavigne Associates, introduced himself. He reviewed the purpose of the Affordable Housing Plan and the Affordable Housing Planning and Appeals Act (AHPAA). He said the law requires that the Village create and adopt an Affordable Housing Plan because River Forest is a non-exempt community due to the fact that 9% of all housing units in River Forest are considered affordable under the State's definition of "affordable" and the Village is required to have 10%. He explained the appeals process that state law provides to a developer in the event that an affordable housing project is denied and noted that no appeal has been filed in the State of Illinois since the law was adopted.

In response to a question from Commissioner Kragan, Mr. Houseal explained that the affordable housing unit data for River Forest was last updated in 2018 and clarified that, prior to that, the data was last updated in 2013. He noted that, initially, when the AHPAA was adopted River Forest

was an exempt community based on an analysis indicating the number of affordable housing units met the minimum threshold.

Mr. Houseal also noted that the recently adopted Comprehensive Plan recommends that the Village prepare and adopt an Affordable Housing Plan that meets state requirements, seek to improve the condition of affordable housing units within the community, and appropriately consider affordable housing as a component of future residential development.

Mr. Houseal noted that the River Forest Affordable Housing Plan must, according to the State, include a calculation of the total number of affordable housing units that are necessary to exempt the local government from the operation of the State requirement of 10%, a statement of a goal for increasing affordable housing, identification of opportunities to develop affordable housing, and a specification of incentives the Village will provide to encourage the creation of affordable housing. He noted that the draft plan complies with these State requirements.

Mr. Houseal continued that as to the number of affordable housing units, there are 3,788 housing units in River Forest. That could be owner occupied, rental, single family detached, single family attached, or multi-family. Based on the state's 2018 data, 340 of these units are considered affordable, and the Village must provide an additional 39 affordable housing units to meet the minimum 10% threshold.

Commissioner Kilbride questioned whether or not the Village agrees with the State's data and whether the number of housing units matches the Village's records. Mr. Houseal replied that the Village has not conducted its own analysis of the number of affordable housing units and that, for the Plan, the Village is required to use the State's data. He pointed out the significant increase in the number of affordable housing units from 2013 to 2018 according to the state, but noted but that there was virtually no development in the Village during that time. He also noted that the State's data shows a loss of housing units in River Forest but the Village didn't lose that many units.

In response to a question from Commissioner Gottlieb, Mr. Houseal replied that the data does not take into account the 125 housing units that are being constructed at Chicago and Harlem.

Mr. Houseal reviewed the goals that the Commission must consider and select one to satisfy. The first is to bring the percentage of affordable housing units in the Village to 10% of the total housing stock. The second is to increase the percentage of affordable housing within the Village from its current level to a level 3% higher. The third option is to make 15% of all new residential construction or residential redevelopment within the Village affordable.

Commissioner Gottlieb asked whether the third goal would be required until the Village is compliant with the 10% requirement and Mr. Houseal replied that the Act doesn't say that. However, if you're the Village is compliant with 10% you it doesn't don't have to have a planPlan.

Commissioner Kilbride noted that once the Village becomes compliant the plan-Plan just sits there and Mr. Houseal agreed. He noted that some communities that are exempt have still adopted Affordable Housing Plans.

Mr. Houseal discussed the challenges in River Forest of meeting the affordable housing requirements including that anything that gets built requires that something else be removed and that redevelopment occur because the community is 100% built out and there are not large areas of undeveloped land ready for development. He stated that 70% of the land zoned and developed in River Forest is single family detached residential and in River Forest that is not considered affordable by the State. He continued that there is a limited availability of land for new development, and the land that is available is expensive. Mr. Houseal stated that development of new affordable single family detached units is likely not a viable scenario. He stated that a more viable solution is to have affordable units be part of mixed use or multi-family developments. He stated the economics are easier because the affordable units can be added and the cost can be offset by other factors.

Mr. Houseal noted that there is likely a need for incentives to overcome market realities due to the high value of land in River Forest. He stated that any new affordable ownership or rental units ~~to be affordable~~ will be sold or rented at or below market rate for River Forest -and that, when that occurs, someone has to pay the difference. An owner or developer must have an offsetting financial incentive to sell or rent property at or below market rate.

Commissioner Armalas agreed that land value is high and he thinks it would make it attractive to a developer. He also noted regional public transportation options. He noted that the cost of material, such as steel, is the same whether it's in Broadview, River Forest, or elsewhere. He said that it would seem to him that the high value of the property would make it easier to amortize the cost of those affordable units because the construction cost is relatively the same. Mr. Houseal agreed that construction costs could be the same but the land cost would be different. Commissioner Armalas continued that, if it's a multi-story development, the cost of the land is still amortized.

Mr. Houseal agreed that River Forest is a desirable place to build and noted that, in order to pay for the land and construction costs, the cost of the units tend to be higher. Developers must find a means to offset the cost of affordable units at below market value such as higher density, other units, tax incentives, or another incentive that bridges that gap. Mr. Armalas noted that not all units would be below market rate. Mr. Houseal clarified that, in order to be classified as "affordable" by the State it likely must be below market value for River Forest.

Commissioner Kilbride pointed out that it might not just be the land costs that are different and that finish materials could also be different. Mr. Houseal agreed. Commissioner Armalas noted that construction costs are going to be relatively the same. Mr. Houseal stated that his point is that affordable housing development in River Forest would be virtually impossible without some sort of offsetting factor such as a greater density.

Commissioner Gottlieb asked what is the proposed source of the incentive? Mr. Houseal replied that there were several that were discussed at the October, 2019 workshop, some of which were more and less palatable to the Plan Commission. The Commission directed Mr. Houseal to include the zoning incentive through the planned development process where relief on bulk standards could be granted to obtain affordable housing units. Chairman Crosby noted that the menu of incentive options is listed on page 5 of the plan.

Mr. Houseal noted that there are affordable housing developments being done with creative financing options. He noted that this should not scare people who may confuse this with Section 8 housing or federally subsidized housing. He noted that that's not what is being discussed and that it is a matter of the price point established for the area. Mr. Houseal noted that there are several different ways to provide incentives that organizations could consider going forward, but some incentive needs to be there to bridge the gap. He noted that he is not saying what the incentive has to be but is presenting the options.

Mr. Houseal reviewed the affordability charts for rental and owner-occupied units in the region in page 4 of the report.

Commissioner Armalas asked if the state considers any other criteria besides the number of bedrooms in the housing unit. Mr. Houseal replied that, for owner-occupied units it's by the number of people but for rental units it's by the number of bedrooms. Mr. Houseal discussed how the rental market and how its legitimacy across all socio-economic backgrounds was impacted after the financial crisis in 2008.

Mr. Houseal reviewed the possible sources of value that the Plan Commission discussed that would compensate owners or developers for the differential for the below-market rates including zoning mandates, zoning bonuses, dedicated taxes and fees, village subsidies, and subsidies through a not-for-profit entity.

Commissioner Kragan noted that an incentive could be an accessory dwelling units and asked if those were discussed at the October Plan Commission Meeting. Mr. Houseal replied that while he would not consider it an incentive, it is an option that would be handled through the Zoning Ordinance by permitting that kind of unit. Other communities are looking into the option and whether it is an attached or detached structure because of affordability, and also because of families who may have multiple generations living under one roof. He noted that college towns struggle with this because the units it could be rented to college students.

Commissioner Armalas asked how the Village handles the units that already exist. Mr. Houseal replied that they are legally non-conforming uses that are grandfathered and no new units are allowed. Commissioner Kragan asked when they stopped conforming. Mr. Houseal said that he would have to check because it was before he started working with the Village. He described how a unit becomes legally non-conforming and noted that there are also duplexes in R1 and R2 districts that are no longer allowed.

Commissioner Kragan asked whether the plan-Plan could propose accessory dwelling units. Mr. Houseal stated that duplexes in River Forest might not be affordable but accessory dwelling units could. He noted this would be a significant change to single-family detached neighborhoods and defined accessory dwelling units as independent living units within the primary structure or an accessory structure in a designated single family detached zoning district. He stated that the Plan Commission could make a recommendation to the Village Board to look into it and the Village Board could direct public hearings. Mr. Houseal noted that these are not detached units but units within units. Commissioner Kilbride asked whether this would entail building onto an existing garage or redefining a space that already exists. Mr. Houseal replied that it can be both. He

described the practical implications of this, such as larger garages, and the nuance that is required for the discussion such as where entrances must be located, limits on square footage, limitations on rental to family members and the definitions of family.

Chairman Crosby pointed out that zoning regulations require that the square footage devoted to an accessory building is taken from your house and distributed over each lot. Mr. Houseal provided an example of how this works in relation to the limits on Floor Area Ratio for a given property. He noted that the brief discussion regarding accessory dwelling units highlights the myriad of things that have to be examined. Mr. Kilbride noted that, if this is for affordable housing purposes, the Village would also have to dictate the rental price.

Mr. Houseal noted that, during its October, 2019 meeting mandates imposing taxes or fees were not supported or recommended by the Plan Commission. What was recommended was to craft a plan that met state requirements using multi-family and mixed use development and to provide potential relief on bulk zoning regulations for projects that provide affordable housing units.

Commissioner Gottlieb noted ~~the~~ changes in the State's data between 2013 and 2018 and asked how the Village was non-compliant. Mr. Houseal noted that it is because the Village did not have an Affordable Housing Plan. He indicated that he is not sure how often the state will update its numbers. Village Attorney Marrs stated that the Act requires that the State update its numbers at least every five years.

Commissioner Kragan asked whether ~~the~~ Plan will expire and if it must be reconsidered at that time. Mr. Houseal stated that he is not aware of an expiration date but discussed different triggers that may cause the ~~plan~~ Plan to be updated such as revisions to the State's data.

In response to a question from Commissioner Gottlieb, Mr. Houseal confirmed that the Village has never had an Affordable Housing Plan. Mr. Houseal noted that the Village may adopt and have an Affordable Housing Plan even if it is not required by the State.

Mr. Houseal briefly re-reviewed the contents of the draft Affordable Housing Plan.

Commissioner Aramalas noted the final sentence of page 2 and beginning of page 3 that states, "Moreover, even in such development, it may well be necessary to limit the number of affordable units to, for example, 15% to 20%, because experience elsewhere has shown that, aside from specialized housing for senior citizens and persons with disabilities, a larger percentage of affordable housing units might make the project unsound from both a financial and social perspective." He asked Mr. Houseal to elaborate on what he means by "social perspective."

Mr. Houseal explained that he can modify the wording, but the point is that many people do not perceive River Forest as having any affordable housing. The existence of affordable housing is a good thing. The trend is to have mixed income development so it does not create the narrative that an area is the "affordable" area of town and another area is the "wealthy" area of town. He said it is not meant to cast social aspersions ~~on~~ people who are in affordable units, and that we want to integrate affordable units with market units.

Commissioner Armalas stated why he believes ~~this language~~ comes across negatively and asked that it be stricken. Mr. Houseal stated he will reconsider the language and wording to explain what he means so that it does not seem as though River Forest wants to limit the number of people in the community who live in affordable housing. He continued that the idea is to avoid creating stigma where it should not exist because someone lives in affordable housing.

Commissioner Gottlieb agreed that the message should be there and that it is an important point. The Plan Commissioners agreed that the language should be modified to reflect the explanation provided by Mr. Houseal.

Mr. Houseal continued his brief re-review of the contents of the draft Affordable Housing Plan.

Commissioner Armalas asked what is wrong with the tear down tax and whether it is illegal. Mr. Houseal replied that the tax is not illegal but that the Plan Commission was opposed to it during its last discussion. Mr. Armalas discussed his search of real estate listings and his concern that a developer who wants to tear these buildings down and replace them with units that are not affordable will result in a loss of those units. A tear down tax might get the Village to say to the developer that the units should be replaced. Mr. Houseal said that if the Plan Commission or Village Board want to discuss it then they can provide that direction.

Mr. Houseal continued his re-review of the contents of the draft Affordable Housing Plan, including the preferred incentives of zoning “bonuses” as a means of encouraging and accommodating developers to include affordable housing units in new multi-family buildings. Mr. Houseal explained how a developer may request relief from those zoning requirements through the Planned Development process.

Mr. Houseal stated that the State requires that the Affordable Housing Plan state a goal. He reviewed the stated goal in the plan to increase the affordable housing units in the Village to 10% of the total housing stock by protecting and enhancing existing affordable housing that currently exists in the Village, and concentrating attention on new multi-family and mixed-use buildings and providing developers of such buildings the opportunity to include affordable housing units. He also noted that other affordable living arrangements could be added to the Village’s housing stock to meet growing needs.

Mr. Houseal concluded that the draft Affordable Housing Plan meets the State requirements and reflects the Plan Commission’s October, 2019 discussion.

4. PUBLIC COMMENT

Dan Lauber, 7215 Oak, noted his professional credentials as a planner and attorney. He stated his purpose is not to tear down the plan but to broaden and strengthen it so it is a genuine Affordable Housing Plan. He said during the Comprehensive Plan discussions the Board kept saying not to worry, that they would be doing an Affordable Housing Plan. He stated the ~~P~~plan should exceed the minimum state mandates and that there isn’t anyone in the planning community thinks ~~that~~ 10% as a minimum threshold for affordable housing is sufficient. He stated 10% is an arbitrary number and that the sponsor of the bill felt it was all she could get through the State Legislature. The law as we

know is unenforceable. Mr. Lauber stated that Illinois is behind the rest of the country in dealing with the affordable housing shortage.

Mr. Lauber stated that Mr. Houseal's discussion regarding affordability left out a broader discussion regarding housing affordability. He continued that there is no free market in housing and hasn't been since land use controls were created in 1916 and upheld by the Supreme Court. River Forest used to be mostly multi-family housing and more affordable than it is now. Through the Village's Zoning, which at times can be extremely exclusionary, and the reduction in land allowed to be multi-family, we have artificially through government regulation reduced the amount of multi-family and affordable housing in River Forest.

Mr. Lauber stated that from 2001-2008 the Village had an Ordinance that froze the number of multi-family units which was blatantly illegal. It was repealed once Frank Park was out of office. During that period, to build multi-family, you had to tear down and convert to non-residential use the same number of multi-family units that existed. That eliminated a moderate number of affordable housing units in River Forest.

Mr. Lauber presented a table of data, showing how the planning community and the U.S. Department of Housing and Urban Development have long considered affordability. The idea is that an individual should not be spending more than 30% of his/her income on housing because it is bad for the household budgets and the economy by robbing other segments of the economy of spending.

Mr. Lauber referred to a hand-out that he provided to the Commission which includes examples of how planning studies tend to approach the issue of affordable housing, including what percentage of the households are cost burdened and even severely cost burdened, spending more than 30% or 50% of their income on housing. In River Forest, almost ¼ of tenants are spending half or more of their income on housing. The issue also exists in Oak Park and nationally. He described the data provided in the hand-out and stated the source for the data is the U.S. Census Bureau's American Community Survey. Mr. Lauber continued that a substantial portion of homeowners with and without a mortgage are cost-burdened and paying more than is healthy for the economy and their own budgets, probably because of the schools and because it is a nice place to live. For those with modest incomes, with an income below the Village's median, it is difficult. One of the goals that should be addressed is how to reduce the percentage of households in River Forest that are spending so much of their income on housing. One could be cynical and say they should move out and wealthier people should come in, but that is not the idea. Mr. Lauber stated that government's role is to protect and serve the people that live in the community and it should be anathema to think that our government would engage in any activities that would result in the removal of housing that people can afford. That is one of the ways in which we need to bolster the Affordable Housing Plan and Comprehensive Plan.

Mr. Lauber stated that there are a number of areas of the Plan that can be improved. He agreed that the language on pages 2 and 3 should be rewritten as it comes off in a manner that he does not believe Mr. Houseal intended. He stated the next paragraph has him concerned and he has never seen that in any affordable housing plan anywhere. It has no place in the Plan and urged that it be removed because it will simply stir opposition to the plan.

Mr. Lauber discussed Section 2, “The Affordable Housing Need” of the draft plan. He said he thinks the Village should be looking at the 30% housing expense standard and addressing it in the Plan. He suggested incorporating the data tables he provided into the Plan to strengthen it by showing that the Village is aware of the challenges people are facing in meeting their housing cost needs. He stated this is a crisis for lower and middle class ~~income~~ people around the Country and the Federal Government is doing nothing to address it. He discussed changes in tax structures and housing rules are worsening the issue and that there is a need to act locally.

Mr. Lauber discussed the last paragraph on page 3 and strongly urged that the word “spirit” be replaced with “diversity.”

Mr. Lauber noted that there are communities throughout the country that have adopted Affordable Housing Plans without any state legislation but they recognize the needs of their residents and housing cost burdens.

Mr. Lauber stated that the plan discusses many tools for creating affordable housing that are extraordinarily ineffective. He agrees that River Forest is a land-locked town that is built ~~up~~out. He stated there are two TIF Districts where affordable housing is very vulnerable to developers coming in and replacing it with unaffordable housing that people below the River Forest median income will be unable to afford and it should be protected. Mr. Lauber stated that the whole purpose of a TIF District is to get more expensive development and housing in. He identified multi-family residential areas that have been targeted and said there is a need to develop an approach to preserve and protect them. He stated that if they are town down for new development inclusionary zoning is a tool that can protect them.

Mr. Lauber referenced his hand-out and how inclusionary zoning can be accomplished. He stated that the way Oak Park did it is illegal but there is a way to do it that is legal and it works. He said most people who discuss inclusionary zoning do not know what they are talking about or they are referring to communities that have done this in a way that is illegal or generate a taking, which is a violation of the Constitution.

Mr. Lauber stated the Zoning Ordinance should be amended to include a mandatory incentivized inclusionary zoning requirement. Leaving it up to the Development Review Board to negotiate is not effective. Voluntary inclusionary zoning is a complete failure according to American Planning Association studies. Mr. Lauber walked Plan Commissioners through the example in his hand-out of how inclusionary zoning can work and described how Oak Park did it in a manner that screwed it up. Mr. Lauber explained that a developer must comply with certain bulk zoning regulations such as density and, to the extent that relief is granted, there should be a nexus between the relief and the use of that relief to provide a portion of the total units constructed as affordable housing units.

Mr. Lauber stated that research shows that developers can handle inclusionary zoning and referenced a developer in Oak Park that has done inclusionary units but noted that Oak Park did not ask them to include affordable units. He stated this model of inclusionary zoning enables the developer to make more profit with the density bonuses that are granted for providing affordable units at no cost to the taxpayer, increased property tax revenues, reduces the tax burden for all, and has been an effective technique around the country when done properly. He stated that in Fairfax

County, VA they have a 40-page inclusionary Zoning Ordinance that is poorly written and understood by only one staff person. He encouraged the Village to let a planner, not an attorney, write an inclusionary zoning ordinance. Mr. Lauber stated that studies of inclusionary zoning do not negatively effect property values.

Mr. Lauber suggested removing zoning mandates from the ~~plan~~ Plan completely as they may be illegal. He strongly encouraged the Plan Commission to instead focus on mandatory incentivized inclusionary zoning as the best tool. He stated that the Village could have a two-hour workshop with experts on affordable housing, but in his experience, inclusionary zoning is the most effective way to provide affordable housing at no cost to taxpayers. He stated that it is a win-win. He referenced a League of Women Voters study in Cook County that encourages the adoption of inclusionary zoning but requires the units to actually be built – not to use fees in lieu of building the units. If a fee in lieu is considered, it should be \$365,000, not \$100,000, but he does not suggest allowing it in River Forest because there is no vacant land.

Mr. Lauber stated that he also provided the Commission with information regarding low equity co-ops. He stated it has been a successful way to provide permanently affordable housing with households of modest incomes. He explained that there are some in the Chicago area and they were successful until President Nixon took action that discouraged them before his impeachment and conviction. Mr. Lauber stated that many of the options discussed in the draft Affordable Housing Plan do not work and again strongly encouraged the use of mandatory incentivized inclusionary zoning.

Commissioner Kragan asked Mr. Lauber whether the chart regarding cost burdens for property owners included property taxes. She also asked whether he envisioned incentivized inclusionary zoning only when a variance for increased density is requested, or whether it would also apply to TIF Districts where there is some financial benefit to the developer. Mr. Lauber stated that he believes it includes mortgage and property tax but wasn't positive. He also stated that the requirement should be triggered when there is a connection between the relief that is requested and the affordable housing unit. He noted that a developer building in a TIF District is likely going to want as dense a development as possible.

Mr. Lauber stated that the plan can be strengthened with more discussion. He provided suggestions for specific provisions that can be added to the plan and provided them to the Commission. They include: 1. Recommendation to amend River Forest's Comprehensive Plan to establish a policy of preserving existing multi-family and single family housing affordable to households with modest incomes; 2. Recommendation to adopt effective incentivized inclusionary zoning; 3. Recommendation to adopt the policy that at least 15 percent of dwelling units in all new developments that include multi-family housing be affordable to households of modest incomes; and 4. Recommendation to adopt a precise policy for TIF districts to either maintain existing multi-family and single family housing affordable to households with modest incomes or replace existing affordable housing with new affordable units in new developments in the TIF districts on a one-for-one basis.

Mr. Lauber stated that he agrees with the use of accessory dwelling units and noted that it can be effective. He also stated that the proposed developments at Bonnie and Thomas and Lake and Park

will result in the loss of affordable housing units and that people will have to leave their long term homes. Government should not collaborate with developers to force people out of their homes. He stated that precise policy statements are needed to provide the Development Review Board with clear guidance. He believes the language in the Comprehensive Plan is wishy washy. He thanked the Plan Commission for allowing him so much time to discuss this.

Phyllis Rubin, 411 Ashland, said she agrees with Mr. Lauber. She said the developer at Lake and Lathrop has been granted leeway to build higher without any affordable housing units required. She said it is sad that it has gotten to the point that the government is requiring the Affordable Housing Plan. She thinks it's sad that it would be required and there is pride in doing it before being made to do it.

Phil Moeller, 444 Ashland, stated he is an affordable housing developer and invited everyone to visit or tour Forest Oaks in Forest Park, which is a senior affordable housing project. He said he thinks it is a worthwhile experience because it is not what everyone expects when they hear the word "affordable".

5. PLAN COMMISSION DISCUSSION

Hearing no further public comment, Chairman Crosby asked the Plan Commission if they had any questions.

Chairman Crosby asked ~~that~~, when there is a mixed income building with a portion of the units designated as affordable, what prevents the pressure of the real estate market from pushing that cost of that unit out of being affordable after it has been sold from owner to owner? Mr. Houseal stated that there have to be covenants or restrictions that would run with the unit or property in perpetuity to ensure that the unit does not increase in value above a certain amount over time as transfer of ownership or occupancy takes place.

Commissioner Gottlieb asked if there is a limit on who can buy it. Mr. Houseal stated that there would have to be some sort of income/need restriction that would apply to the affordable units and described how that was generally accomplished at a development in Wilmette.

There was a brief discussion between Commissioner Armalas and Mr. Lauber regarding the legality of rent stabilization in Illinois.

Chairman Crosby asked Mr. Houseal if has he ever seen in a community where the developer is required to provide an affordable housing study to determine how many units or what type of zoning relief would be required to provide a portion of the development for affordable housing units. Mr. Houseal stated that he has not seen that as part of an application submittal. Chairman Crosby stated that such a study would be helpful during discussions regarding proposed planned developments. Both noted that the topic arose during recent public hearings regarding proposed planned developments.

Commissioner Armalas asked if amending the Comprehensive Plan as Mr. Lauber suggested would force the discussion. Mr. Crosby asked what type of amendment would be proposed. Mr. Armalas stated he thinks it is a good idea.

Commissioner Kragan asked whether the Affordable Housing Plan is a standalone document. Village Attorney Marrs stated that the Comprehensive Plan recommended that the Affordable Housing Plan be adopted. Assistant Village Administrator Scheiner confirmed that the Comprehensive Plan and Affordable Housing Plan are standalone documents.

Commissioner Armalas stated that incentivized inclusionary zoning should be part of the Comprehensive Plan to force the issue. Chairman Crosby stated that it would apply to proposed developments heard by the Development Review Board and that it may not be best to include that in the Comprehensive Plan. Commissioners Gottlieb and Kilbride stating they do not believe there is something to go into the Comprehensive Plan yet.

Mr. Houseal stated that the Plan Commission can make a recommendation to amend the Comprehensive Plan. He noted that, during the evolution and preparation of the Comprehensive Plan, the multi-family areas were designated as multi-family/mixed use/commercial so that development could be accommodated in the future and the properties could include multi-family projects. Mr. Armalas noted that multi-family does not mean affordable.

Commissioner Gottlieb asked if there had been any discussion regarding forcing people out of their homes ever. Chairman Crosby stated that there had been no discussion at any meetings he has attended. Commissioner Gottlieb asked if a developer offered to purchase a property whether it is up to the property owner to do that. Mr. Houseal stated that there is specific language in both TIF Districts that the taking of single family homes by the Village would not occur.

Ms. Scheiner also described the requirement for a planned development application that the property owner consent to the sale and filing of an application and that there is no scenario under which a developer could force an owner to sell or develop a property from underneath them. She stated all transactions are voluntary between the property owner and the developer.

Mr. Houseal reiterated that there is no language in the Zoning Ordinance authorizing the taking of property. He also reviewed the language in the Comprehensive Plan regarding multi-family property along North Avenue and Harlem Avenue.

Commissioner Armalas stated that in the case of condominium buildings, every owner would have to be notified and not just the Board. Ms. Scheiner stated that her understanding is that the owners would have to consent and Mr. Marrs agreed.

There was a brief discussion with Mr. Houseal regarding the portion of affordable and multi-housing units that are rental and owner occupied. Mr. Houseal stated that the majority of existing affordable housing units are along the Village's corridors. Commissioner Armalas stated that the elimination of some existing multi-family units would reduce the availability of affordable housing and that's why he came up with the tear-down tax.

Commissioner Gottlieb stated that he wants developers to assess properties that may be in bad shape and offer to buy them out and improve properties that may take them out of the affordable category. The question is how much of a role the government should play in controlling cost and taking things out of the hands of the market. He stated he struggles with this because diversity is a good thing, but on the other hand, compared to how River Forest was 100 years ago, River Forest is a highly desirable place to live. Affordable housing is good, but it sounds almost as if it's bad if we tear down bad places. He is in favor of the incentive program but they went to great lengths to discuss building heights and offering incentives will result in taller buildings with more density, and asked how is this balanced with community character in order to have 39 more affordable housing units.

Commissioner Armalas stated that he supports a plan that is specific and addresses those concerns. The state statute allows the developer to appeal denial of affordable housing plans/projects. He also stated that this is an avenue to obtain bulk zoning regulation relief.

Mr. Houseal stated that Commissioner Gottlieb identified the challenge that this is a policy issue that has to be determined. Once you determine what the policy is and what you want to do, the ordinance can be written. If we discuss inclusionary zoning now before it's decided what is to be accomplished, that is putting the cart before the horse. The community has to decide how far it is willing to go, and what is role of local government, in saying to a property owner that may have an apartment building with 18 affordable units, that they cannot sell their property or if they sell it, it has to be to someone who will maintain it, because the government is protecting those affordable units. As an alternative, the Village could instead say that we will work with them and try to encourage them to keep the area affordable and attractive with amenities for the residents.

Commissioner Kirk left the meeting at 8:57 p.m.

Commissioner Armalas stated that he doesn't believe the Village can restrict the property owner from selling it. Mr. Houseal stated that it is what the Commission is grappling with. If the policy states that if a unit is removed it has to be replaced one-to-one with an affordable unit, but to pay for the project you have to put in 30 units, how big is this project going to be and is that viable from a community perspective? Will it fit? Can you park it? Is it too big? What about the neighboring properties? Before zoning regulations are discussed, it must first be decided what River Forest is willing to do in the role of protecting and/or safeguarding the existing as well as accommodating new proposals for affordability. That must be decided before codes are written. Based on the workshop with the Plan Commission and direction provided, the draft Plan attempts to balance the need to work with existing affordable housing units to maintain or improve the quality of that housing while also accommodating requests for new affordable housing units in mixed use and multi-family development proposals.

Commissioner Kragan stated that the draft Plan is missing a narrative about why we value affordable housing because, besides diversity, it allows people to age in place and limits the burden to schools. Mr. Houseal stated that he tried to capture that sentiment on page 3 under Section 2 but he will make it more robust.

Commissioner Kragan agrees with the suggestions to rewrite the language at the bottom of page 2 regarding the “social perspective”. She also suggested “economic burden” in Section 1 should be flipped into something that if you are going to take advantage of public dollars, such as in a TIF District, then you should provide a public benefit and that affordable housing is a public benefit. Commissioners Armalas and Chairman Crosby agreed. Chairman Crosby suggested improving the discussion regarding how affordable housing benefits everyone.

Commissioner Kragan noted that the tone of the Plan should not be negative and talked about her positive experiences with attractive, desirable affordable housing developments. Mr. Houseal clarified that when he discussed the economic burden he was referring to the financial differential.

Commissioner Armalas discussed his review of real estate listings and was struck that someone with a modest income could find an affordable housing unit in River Forest.

Chairman Crosby noted that the Plan Commission zeroed in on zoning bonuses as an incentive. He wants to get feedback from those who weren’t at the last meeting to make sure he gets input from everyone on the Committee.

Commissioner Kragan sought clarification on the direction the Commission is to provide. Mr. Houseal noted that the plan must identify the incentive or incentives that may be considered when affordable housing is proposed to accommodate developers. Chairman Crosby noted that this does not adopt mandates, taxes or fees.

In response to Commissioner Kilbride’s question regarding next steps, Chairman Crosby stated that the Plan Commission would be making a recommendation to the Village Board of Trustees and would review it before adopting the Affordable Housing Plan.

Mr. Houseal also noted that within the context of a Planned Development application, the developer must discuss how the proposed development is consistent with the Comprehensive Plan. Perhaps this could become a more delineated standard in the Planned Development Ordinance that could be discussed and considered regarding whether a proposed development furthers the objective to provide additional affordable housing units.

Commissioner Kragan stated she would like to call out TIFs but asked whether that was already covered by the Planned Development Ordinance issue. Mr. Houseal stated that discussion regarding TIF is not part of the Planned Development standards. He stated he is not sure how to write this.

Commissioner Kragan also asked that the Plan discuss the possible exploration of allowing accessory dwelling units. Mr. Crosby stated he sees it as an important tool as it is the only opportunity to inject affordable housing into single-family districts.

Chairman Crosby asked about zoning bonuses. Mr. Houseal stated that it could accompany a host of recommendations regarding possible Planned Development language amendments. One could be a standard about whether the development furthers the Affordable Housing Plan. Another could be if the development is receiving TIF assistance, another could be specific to have the ability to look more favorably on requested relief if it is made to accommodate more affordable housing.

Chairman Crosby and Mr. Houseal discussed the implementation matrix, which includes a recommendation to examine the Zoning Ordinance and zoning standards, which include the Planned Development requirements. Mr. Houseal stated that that review has not yet begun.

Commissioner Kragan asked how that relates to incentivized inclusionary zoning. Mr. Houseal stated that it is different and would raise the bar as part of a developer proposing something and it could set up a standard that preferential consideration would be given for requests for building height if developments proposed affordable housing as a component of affordable housing.

Mr. Houseal noted that planning is not zoning. Planning should articulate the vision for the community. Zoning is a tool used to implement that vision. If this Plan can accurately articulate the vision of the goal and incentives for affordable housing, the recommendation can be to explore modifications to the Zoning Ordinance to accomplish that vision. He noted that the changes would require public hearings, but the first step is to set the policy.

The Commission directed Mr. Houseal to make the recommended changes and return at a future meeting to review the revised Plan before making a recommendation to the Village Board of Trustees.

Commissioner Armalas again asked about the TIF District language and Mr. Houseal discussed that as a possible Planned Development Ordinance regulation.

Assistant Village Administrator Scheiner discussed a possible future meeting date. She stated she would contact commissioners and Mr. Houseal regarding their availability.

6. ADJOURNMENT

A MOTION was made by Commissioner Kragan and SECONDED by Commissioner Kilbride to adjourn the Plan Commission meeting at 9:16 pm.

MOTION PASSED by voice vote.

Respectfully Submitted:

Lisa Scheiner, Secretary

David Crosby, Chairman
Plan Commission

Date: _____

WORKING DRAFT
for Plan Commission review and discussion

River Forest, IL
AFFORDABLE HOUSING PLAN

- 1. Introduction**
- 2. The Affordable Housing Need**
- 3. What is “Affordable”?**
- 4. Potential Lands and Buildings for Affordable Housing**
- 5. Incentives**
- 6. The Goal**

1. INTRODUCTION

In August 2003, the State of Illinois adopted Public Act 93-0595, the Affordable Housing Planning and Appeals Act of Illinois (“the Act”). The Act is premised on a finding that there exists a shortage of affordable, accessible, safe and sanitary housing in the State. Its purpose is to “encourage” counties and municipalities to “incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community.” It requires counties and municipalities with less than 10% affordable housing to adopt an Affordable Housing Plan (“Plan”) by April 1, 2005. It also contains an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing.

As set forth in the Act, the components of a Plan include: 1) a calculation of the total number of affordable housing units that are necessary to exempt the local government from the operation of the Act (*i.e.*, the number necessary to bring the percentage of affordable housing units to 10% of the total housing stock); 2) an identification of opportunities for the development of affordable housing in the Village; 3) a specification of incentives the Village will provide to encourage the creation of affordable housing; and 4) a statement of a goal for increasing affordable housing units in the Village.

The Act identifies three alternative goals from which a municipality may select to achieve compliance. The first is to make 15% of all new residential construction or residential redevelopment within the Village affordable. The second is to increase the percentage of affordable housing within the Village from its current level to a level 3% higher. The third is to bring the percentage of affordable housing units in the Village to 10% of the total housing stock.

Context Limitations

If River Forest had large areas of vacant land readily available for residential development, rather than being a fully built out, land-locked community, the Village could more easily implement an affordable housing plan that would achieve the 10% standard set forth in the Act. If large amounts of vacant land yet to be developed existed within the community, the Village could establish that at least 10% of the units must be affordable and implement this standard by adopting land use regulations which would provide a “sufficient number” of affordable units as new development came online. In the marketplace, these land use regulations would be a factor in the valuation of the land, and the cost of providing the affordable housing would be absorbed by land owners on a Village-wide basis.

However, this is not reflective of the existing character and development pattern in River Forest today. The Village is fully developed. Approximately 70% of the Village’s developable land area is zoned R1 and R2, consisting of single-family detached homes that provide the essence of River Forest’s character. Because of this character and other desirable features that have evolved over the Village’s 139-year history, real estate in River Forest, when available, is very expensive. There are few, if any, single family detached homes in River Forest that meet the Act’s definition of affordable housing.

The relatively high value of land in River Forest makes it impractical to achieve the goal of this Plan by creating new affordable single-family detached dwellings. Rather, the only conceivable way of achieving the Plan’s goal is to create new affordable units as part of multi-family and mixed-use development. (In this Plan, the term “multi-family and mixed-use development” refers to a development that includes a number of separate living quarters such as apartments or condominiums.) Moreover, even in such development, it may be desirable to limit the number of affordable units to, for example, 15% to 20%, as the goal of such a development should be more aligned with creating a mixed-income development,

rather than a development characterized as an “affordable housing development”. And finally, appropriate sites in the Village for multi-family and mixed-use development, as established by the Village’s Zoning Ordinance and Comprehensive Plan, are limited, and the pace of development of multi-family units, even in a receptive financial and regulatory environment, is relatively slow.

This Plan takes these unique circumstances into account. It does not ignore economic realities. The goal of this Plan must be recognized as a goal to be pursued in good faith, not a quota to be achieved at all costs.

2. THE AFFORDABLE HOUSING NEED

As Defined by the Act

The Act defines the need for affordable housing by establishing a standard that 10% of a municipality’s total housing stock should be affordable. Municipalities that already meet this standard or achieve it after the effective date of the Act are “exempt” from the Act. In addition, municipalities with populations under 1,000 (almost half of all Illinois municipalities) are exempt.

Non-exempt municipalities must establish a goal to pursue the 10% standard. According to the *Affordable Housing Planning and Appeal Act: 2018 Non-Exempt Local Government Handbook*, River Forest provides only 340 affordable units out of its year-round total units of 3,788, for an overall affordable housing share of 9.0%. This number fails to meet the minimum 10% affordable units of the total housing stock. According to the AHPAA Handbook, River Forest requires an additional 39 affordable units to comply with the 10% standard.

As Defined by the Community

The Village understands the importance of affordable housing in the community to meet the needs of current and future residents. The Village currently provides a wide range of housing types, including single-family detached, single-family attached, duplex, multi-family (apartments and condominiums), senior facilities, and more. Both owner-occupied and rental housing exists in the Village. The Village recognizes the value of providing a diverse range of housing types to meet the needs of residents at all stages of life and across the spectrum of socioeconomic status.

The population of the Village is aging, and some older residents with fixed or diminishing incomes may wish to continue living among their family and friends but in housing commensurate with their means. Non-resident parents of current residents may wish to move to the Village to be close to their adult children during their golden years. Our community also includes persons with disabilities whose incomes and resources limit their housing options.

Additionally, there are persons with low or moderate incomes who work in the Village and whose residency here would enhance the overall spirit of community. While the Village lacks the ability to accommodate all such persons and potential residents with affordable housing needs, it intends to continue to address these needs by increasing the number of affordable units, in the manner set forth in this Plan.

3. What is “Affordable”?

According to the Illinois Housing Development Authority (IHDA) website, affordable rental and owner-occupied units are as follows for the Chicago Metro Area (including River Forest):

**Owner Occupied Affordability Chart
for Chicago Metro Area**

	2018 Income Limit (80% AMI)	Affordable Purchase Price
1 person	\$47,400	\$131,667
2 person	\$54,200	\$150,556
3 person	\$60,950	\$169,306
4 person	\$67,700	\$188,056
5 person	\$73,150	\$203,194
6 person	\$78,550	\$218,194
7 person	\$83,950	\$233,194
8 person	\$89,400	\$248,333

**Affordable Rental Units
for Chicago Metro Area**

	2018 Affordable Rent Limits for HH @ 60% AMI
0 bedroom	\$889
1 bedroom	\$952
2 bedroom	\$1,143
3 bedroom	\$1,320
4 bedroom	\$1,475
5 bedroom	\$1,625

4. POTENTIAL LANDS AND BUILDINGS FOR AFFORDABLE HOUSING

It is highly unlikely that any new, rehabbed or existing single-family detached home in the R1 or R2 zoning districts would ever meet the definition of “affordable,” unless it were in some way subsidized by government or a not-for-profit entity. Even if there were several such subsidized units, this approach will not effectively address the need for additional affordable housing in the Village and is not the approach adopted by this Plan. Accordingly, this discussion is limited to types of housing that could reasonably include affordable living arrangements.

The best opportunities for creating additional affordable housing are primarily on properties along the Village’s perimeter corridors (Madison Street, North Avenue, and Harlem Avenue), and possibly other locations that are designated as appropriate for multi-family and mixed-use development by the River Forest Comprehensive Plan.

Each site that presents itself will require careful review through the Planned Development process, involving a public hearing with the River Forest Development Review Board. Ultimately, any such

development would need to be approved by the Village Board of Trustees and would need to be in the community's best interests.

5. INCENTIVES

The Options

Because of the high value of land in River Forest, it is likely that any new ownership or rental units, to be affordable, will be sold or rented at a below-market rate. When affordable housing is sold or rented at a below-market rate, someone must pay the differential. Stated differently, an owner or developer must have an offsetting financial incentive to sell or rent property at a below-market rate. Where will the value come from to compensate the owner or developer for the differential? Before identifying the preferred incentives, it is useful to examine possible sources of this value.

Zoning mandates: The Village could adopt a zoning regulation that requires developers of multi-family buildings to set aside a certain percentage of the units for affordable housing. This would be an extreme form of "incentive." The Village government would incur no cost in this approach. However, there would be a cost. It would be reflected immediately in a lower value for the land covered by the regulations since the development potential has been diminished. The land owner and/or developer would pay the cost.

Zoning bonuses: The Village could provide "zoning bonuses" for buildings incorporating a certain percentage of affordable units. These bonuses would be in the form of relaxations to height, setback, parking, and similar regulations. Again, the Village government would incur no cost in providing this type of incentive. However, the regulations being relaxed were presumably adopted for the protection of the community, especially the neighboring property owners. Allowing more intense development therefore may adversely affect the character of the neighborhood and possibly diminish the value of the neighboring properties, and the neighboring property owners would bear the cost. However, it is possible that "bonuses" could be provided through the Planned Development Process without adversely affecting neighboring properties.

Dedicated taxes and fees: The Village could adopt a tax or a fee, the proceeds of which would be utilized to create financial incentives in the form of subsidies for the development of affordable housing. For example, a "teardown tax" could be levied on the act of demolishing an existing structure and failing to replace it with affordable housing. Other ideas, like dedicated condominium conversion fees, new construction fees, and an increased real estate transfer tax, would have a similar narrow financial impact, focused on individual property owners involved in these activities.

Village subsidies: The Village could provide financial incentives for the development of affordable housing by direct subsidies. For example, the Village could participate in a project by acquiring property and reselling it to a private developer for multi-family housing that includes affordable housing units. Because the acquisition cost may be higher than the subsequent resale price (given the affordable housing requirements accompanying the resale), the cost in this case is borne by the taxpayers at large through whatever tax resources the Village utilizes. Techniques with a similar broad cost sharing impact are property tax abatements, financing assistance through municipal bonds or low cost loans, reduced fees for permits and services (e.g., zoning and building permits, or water/sewer fees), and outright grants.

Subsidies through a not-for-profit entity: The Village could sponsor or assist in the creation of a not-for-profit affordable housing entity that would seek funds from a variety of sources (*e.g.*, grants from private foundations, contributions from individuals and corporations, revolving loans) and either engage in development activities itself or provide incentives for others.

The Preferred Incentives

This Plan adopts the policy of spreading the cost of affordable housing broadly, rather than placing the cost on targeted landowners or those involved in specific activities. Accordingly, this Plan does not adopt ***zoning mandates or dedicated taxes and fees*** as methods for creating incentives for affordable housing. Instead, this Plan adopts zoning “bonuses” as a means of encouraging and accommodating developers to include affordable housing units in new multi-family buildings, as follows:

First, developers coming to the Village with plans for multi-family buildings will need to seek zoning approval of their projects as Planned Developments and will have the opportunity to include affordable housing units in their plans. The Planned Development process, already part of the Zoning Ordinance, provides the Village with a degree of flexibility regarding development standards that may be sufficient to make it attractive for developers to include affordable housing units without diminishing the value of neighboring properties.

Possible Additional Considerations

The Village could also consider the following possible amendments to the Village’s Zoning Ordinance:

- (1) Allow for taller and denser development in designated commercial/mixed-use areas, consistent with the recommendations of the Comprehensive Plan, in order to better accommodate possible inclusion of affordable housing as part of new development.
- (2) Explore possible strategies and means with which to preserve and enhance existing affordable housing in the Village, such as possible funding or programs aimed at assisting with upkeep, maintenance, and improvements to identified properties.
- (3) Explore amending the zoning ordinance to accommodate Accessory Dwelling Units (ADU) as a conditional use in the R1 and R2 zoning districts. An ADU is essentially a legal and regulatory term for a secondary house or apartment that shares the building lot of a larger, primary house, either in an accessory or primary structure.
- (4) Consider amending the Planned Development standards (section 10-19-3) to specifically identify consistency with the goals and policies the Affordable Housing Plan as a standard of review.

6. THE GOAL

The Goal of this Plan

This Plan adopts the goal of bringing the percentage of affordable housing units in the Village to 10% of the total housing stock. This goal will be pursued by: 1) protecting and enhancing the existing affordable housing that currently exists in the Village, primarily the multi-family residential along the Village’s perimeter corridors, and 2) concentrating attention on new multi-family and mixed-use buildings and

providing developers of such buildings the opportunity of including affordable housing units. While this plan focuses on multi-family and mixed-use buildings, other affordable living arrangements could possibly be added to the Village's housing stock as the number of group homes, accessory living units, and specialized senior housing units increase in the ordinary course to meet a growing need. Overall, it is believed that concentrating on maintaining and improving the existing affordable housing and focusing on new multi-family and mixed-use buildings, in a manner consistent with the Comprehensive Plan and Zoning Ordinance, is a reasonable approach for pursuing the goal of bringing the percentage of affordable housing units in the Village to 10% of the total housing stock.

The Alternative Goals Allowed by the Act

This Plan does not adopt the Act's alternative goal of increasing the affordable housing stock in the Village by 3.0%, for the following reason. This goal would require the Village to increase the affordable housing stock from its current 9% to 12%, or from 340 units to 455 units, or by a total of 115 additional units. The Village can conceive no reasonable way in which this number of new affordable housing units could be provided in the foreseeable future. For example, to increase the number of affordable housing units by 115 in multi-family or mixed-use buildings consisting of 15% affordable units, it would take a total of 766 units in new multi-family buildings to achieve this goal. This number of new units would increase the Village's total housing stock by 20%.

The other alternative goal in the Act, making 15% of all new residential construction or residential redevelopment within the Village affordable, is rejected because of its potential impact on the single-family residential market and the existing economic realities of the land value for single-family residential land in River Forest. The strategy of this plan is to focus on creating the opportunity for affordable housing as a component of multi-family and mixed-use development.