



VILLAGE OF RIVER FOREST COMMITTEE OF THE WHOLE MEETING

Monday, June 8, 2020 – 5:30 PM

Village Hall – Community Room, 400 Park Ave., River Forest, IL

AGENDA

Physical attendance at this public meeting is limited to 10 individuals, with Village Board officials, staff and consultants having priority over members of the public. Public comments and any responses will be read into the public meeting record. You may submit your public comments via email in advance of the meeting to: Sara Phyfer at sphyfer@vrf.us. You may listen to the meeting by participating in a telephone conference call as follows, dial-in number: 312-626-6799 with meeting ID: 825 6837 4083. If you would like to participate over the phone, please email sphyfer@vrf.us by 4:00 PM on Monday, June 8, 2020. If you would like to watch the livestream, it will be posted to www.vrf.us/events/event/1816 when the meeting begins.

1. Call to Order/Roll Call
2. Approval of Remote Participation
3. Public Comment
4. Discussion: Affordable Housing Plan
4. Adjournment



Village of River Forest
Village Administrator's Office

400 Park Avenue
River Forest, IL 60305
Tel: 708-366-8500

MEMORANDUM

Date: May 21, 2020

To: Catherine Adduci, Village President
Village Board of Trustees

From: Lisa Scheiner, Assistant Village Administrator

Subj: Affordable Housing Plan

Issue: The Comprehensive Plan recommends that the Village “prepare and adopt an Affordable Housing Plan that meets state requirements” and that “the Village should seek to improve the condition of the existing affordable housing in the community and appropriately consider affordable units as a component of future residential development.” At its September 9, 2019 meeting, the Village Board of Trustees directed the Plan Commission to prepare an Affordable Housing Plan for their review and adoption.

The Plan Commission held meetings on October 21, 2019, January 21, March 3 and May 20, 2020. At its May 20, 2020 meeting, the Plan Commission voted to recommend to the Village Board of Trustees that the proposed Affordable Housing Plan be adopted.

Plan Commission Chairman David Crosby and Village consultant John Houseal, Houseal Lavigne Associates will be in attendance at the Village Board Meeting to review the draft Affordable House Plan and the Plan Commission’s recommendation.

Request for Board Action: The draft Affordable Housing Plan is presented for your review and eventual approval. Previously, the Board had requested that this Plan be discussed over the course of two meetings.

Documents Attached:

- Plan Commission Report and Recommendation
- Affordable Housing Plan
- Plan Commission Meeting Minutes & Memos
- Written Public Comments

REPORT AND RECOMMENDATION OF THE PLAN COMMISSION
VILLAGE OF RIVER FOREST
May 20, 2020

RE: Proposed Village of River Forest Affordable Housing Plan

BACKGROUND: The Illinois Affordable Housing Planning and Appeals Act, 310 ILCS 67/1, *et seq.* (“Act”) went into effect on January 1, 2004 and was last amended in 2013. The Act is intended to address the lack of affordably priced housing that exists in many communities. The Act is premised on a legislative finding that “there exists a shortage of affordable, accessible, safe and sanitary housing in the State.” 310 ILCS 67/5(1). The Act’s 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.” 310 ILCS 67/10. It requires counties and municipalities with less than ten percent (10%) affordable housing to adopt an affordable housing plan. 310 ILCS 67/25. The Act also provides an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing. 310 ILCS 67/30. According to the Illinois Housing Development Authority’s (“IHDA”) 2018 report, the Village of River Forest’s (“Village”) affordable housing share is 9.0% and the Village therefore adopt and prepare an affordable housing plan.

The Village’s Comprehensive Plan states that the Village should “prepare and adopt an Affordable Housing Plan that meets state requirements” and that “the Village should seek to improve the condition of the existing affordable housing in the community and appropriately consider affordable units as a component of future residential development.” At its September 9, 2019 meeting, the Village Board of Trustees directed the Plan Commission to prepare an Affordable Housing Plan for their review and adoption, in coordination with Village Planner John Houseal of Houseal Lavigne Associates.

PUBLIC HEARING: On October 19, 2019, January 21, 2020, March 3, 2020 and May 20, 2020, the Plan Commission held public meetings regarding the Affordable Housing Plan.

During the public meetings, the Village Planner made several presentations regarding the drafts of the Affordable Housing Plan that were being developed. Members of the public attended the public meetings and made public comments to the Plan Commission and the Plan Commission accepted written comments. Audio recordings of the meetings are in the possession of the Village Clerk. During the meetings, the Plan Commission considered a proposed Affordable Housing Plan, the final version of which is in **Exhibit A** attached hereto and made a part hereof.

FINDINGS: The IHDA noted in its 2018 report that the Village’s affordable housing share is 9.0%, and therefore the Village must prepare and adopt an affordable housing plan. The Village President and Board of Trustees determined that it was appropriate to refer this matter to the Plan Commission to create a draft plan. Since that time, the Plan Commission has held many meetings, considered the input of residents and stakeholders and has reviewed the various aspects of the Act and proposed

proposed Affordable Housing Plan reflects the requirements of the Act, the direction of the IHDA and the long range planning objectives and the official plan of the Village as denoted in the Village's Comprehensive Plan. The proposed Affordable Housing Plan has been thoroughly reviewed and vetted by the Plan Commission members and the Village Planner.

The Plan Commission finds that the Affordable Housing Plan is appropriate and the Plan Commission recommends that the Village President and Board of Trustees approve the Affordable Housing Plan, as it is in the best interest of the public's health, safety and welfare.

SUMMARY OF RECOMMENDATION: After deliberation, a majority of the members of the Plan Commission, pursuant to a unanimous vote (6 – 0), taken on May 20, 2020, hereby approves this Report, including the Affordable Housing Plan in **Exhibit A**, and recommends that the Village President and Board of Trustees approve the Affordable Housing Plan in **Exhibit A** as the Affordable Housing Plan for the Village of River Forest.

A handwritten signature in black ink, appearing to read 'D. Crosby', written over a horizontal line.

David Crosby, Chair
Plan Commission
Village of River Forest

Dated: May 20, 2020

EXHIBIT A

AFFORDABLE HOUSING PLAN

(attached)

DRAFT

**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 landowners 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.) 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 is 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

Having affordable housing in River Forest makes our community better for everyone, not just for those living in affordable units. The Village understands the importance of affordable housing in our community to accommodate the needs of current and future residents. Only by providing a full range of housing types at different price points, including the provision of affordable units, can the Village truly meet the housing needs of the community, for people of all ages, incomes, and abilities.

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. The provision of affordable housing, including integrated supportive housing, can significantly increase the livability of the River Forest community for so many.

Additionally, there are persons with low or moderate incomes who work in the Village and whose residency here would enhance the overall makeup and spirit of our 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

River Forest Housing “Snapshot”

In addition, to information provided by the IHDA as shown above, income and housing information for River Forest is provided in Appendix A: River Forest “Snapshot”. This “snapshot” is intended to provide context for the River Forest community at the time this plan was being developed, based on best available data from the U.S. Census; 2014-2018 American Community Survey 5-Year Estimates.

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 landowner 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 more dense 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) Explore amending the Zoning Ordinance or other appropriate Village regulations to accommodate integrated supportive affordable housing.
- (5) 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) It is important to note that TIF funds are eligible for the provision of affordable housing, and when appropriate, the Village should consider leveraging TIF funds to support affordable housing initiatives.

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%.

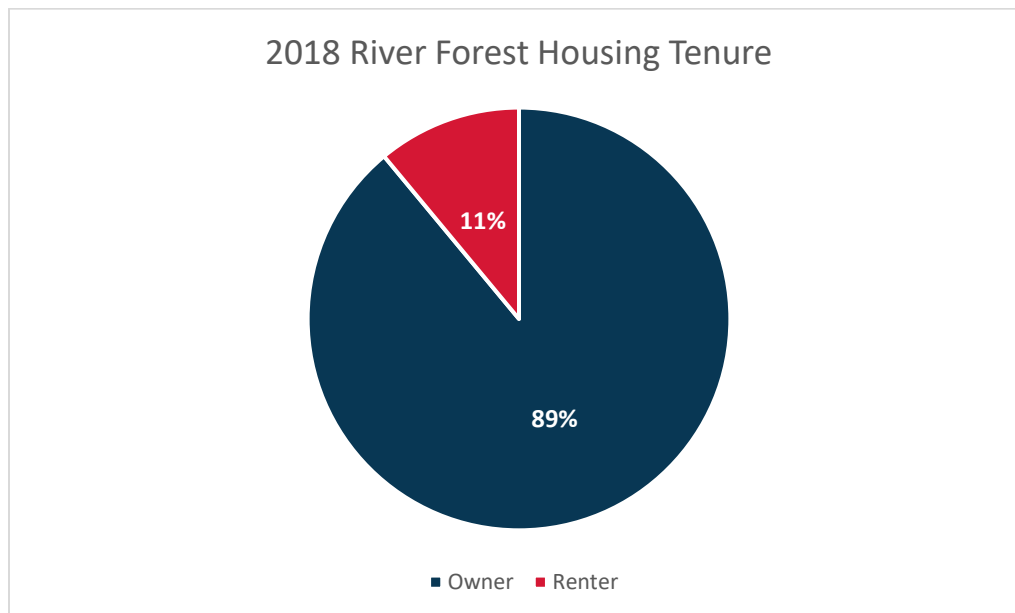
The other alternative goal in the Act, making 15% of all new residential construction or residential redevelopment within the Village affordable, is rejected because of its potential impact on the single-family residential market and the existing economic realities of the land value for single-family 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.

Appendix A: River Forest Housing Snapshot

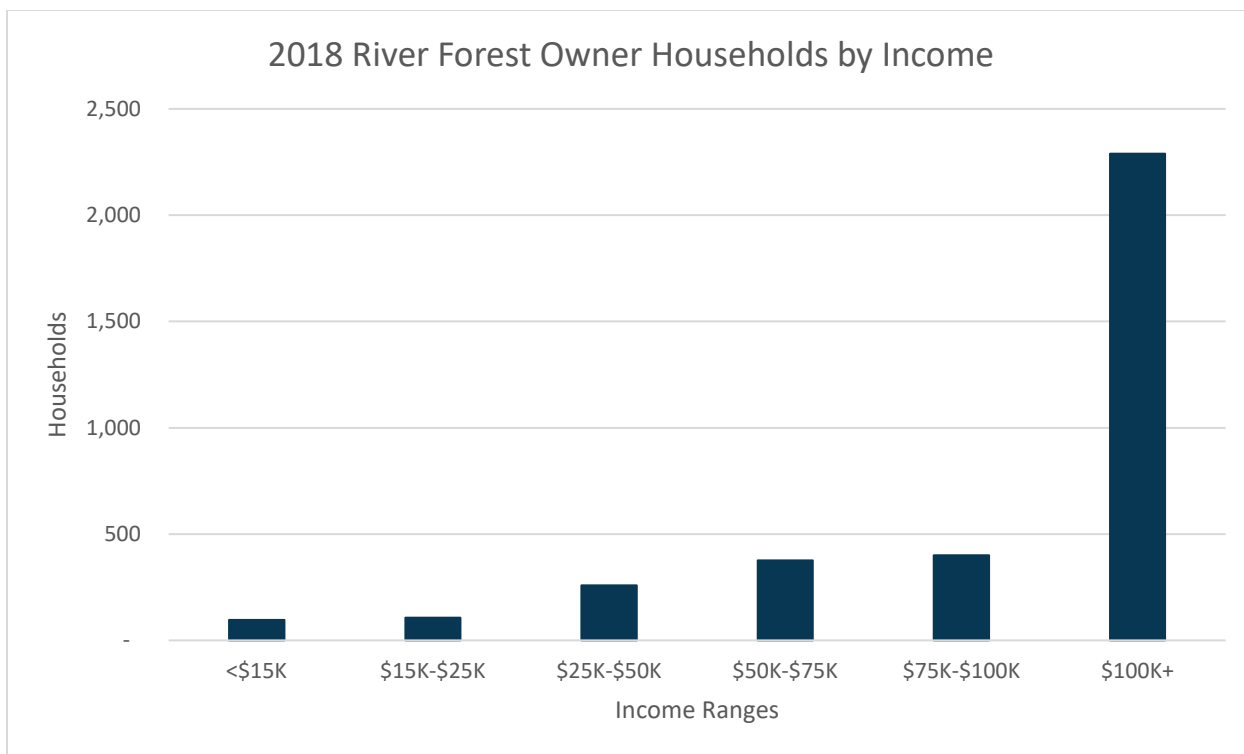
The source of the data provided in this appendix is from U.S. Census; 2014-2018 American Community Survey 5-Year Estimates.

Key Takeaways

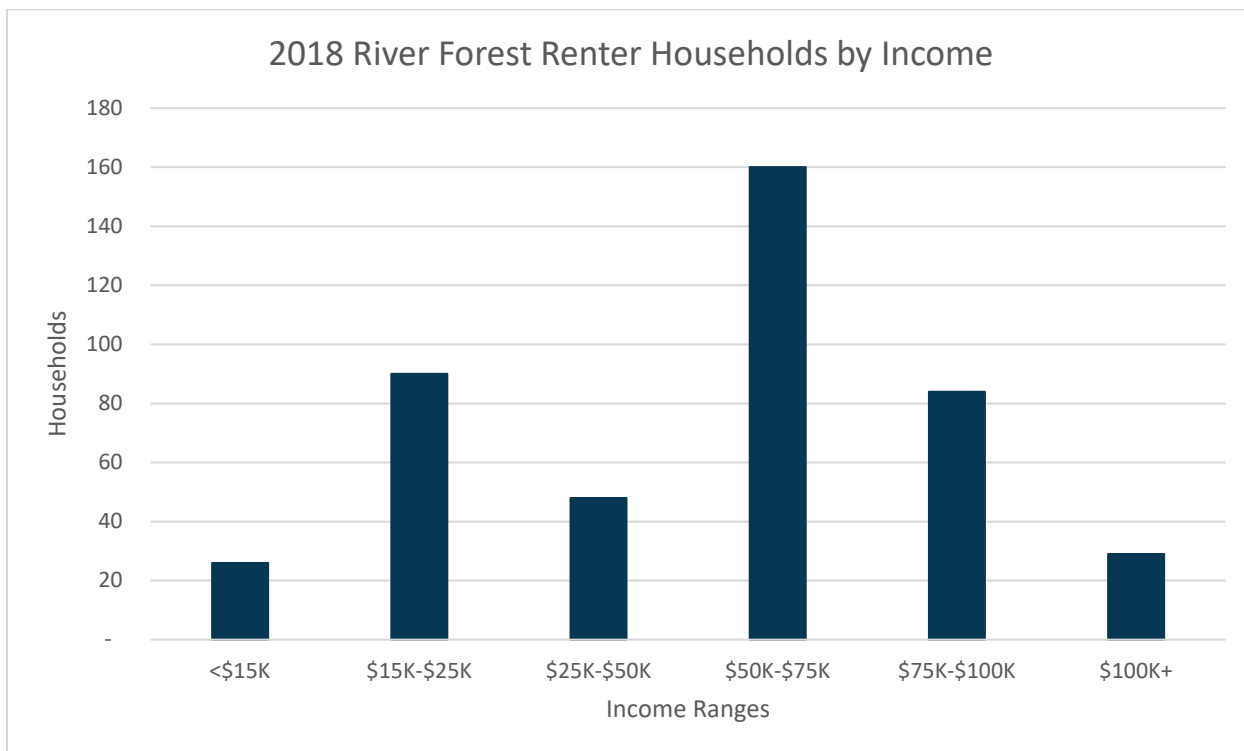
- The Village's total population is 11,064, a total decline of 108 people from 2010.
- Nearly 90 percent of River Forest's households are owner-occupied. Of the 3,528 owner-occupied households, 65 percent earn more than \$100,000 a year.
- Only seven percent of renter households earn \$100,000 annually, whereas 37 percent earn between \$50,000 and \$75,000.
- The majority of the Village's housing stock is single-family detached homes, however it is not a large majority at 66 percent. This suggests that a sizeable portion of owner-occupied housing units are multifamily condominiums.
- The median home value in the Village is \$581,900 with nearly 50 percent of households owning a home valued at \$500,000-\$1 M.
- The median gross rent in River Forest is \$1,182 per month, with 36 percent of households spending \$1,000-\$1,249 each month on rent.
- Owner-occupied households are experiencing an undersupply of market-rate, affordable housing options across nearly all income ranges, except the highest. This indicates that owner-occupied households at the lower income ranges are often spending more than thirty percent of income on housing.
- Alternatively, renter households are experiencing a surplus of affordable housing across most income ranges, except for the lowest and highest ranges.



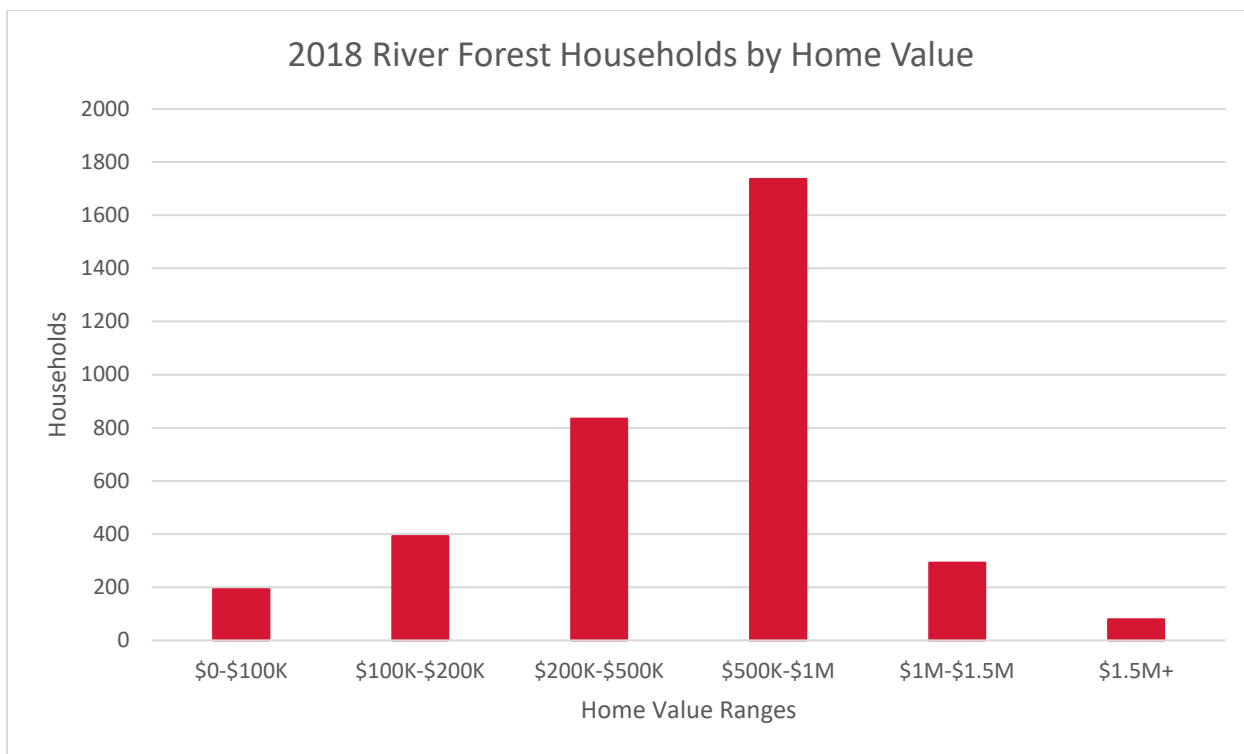
Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



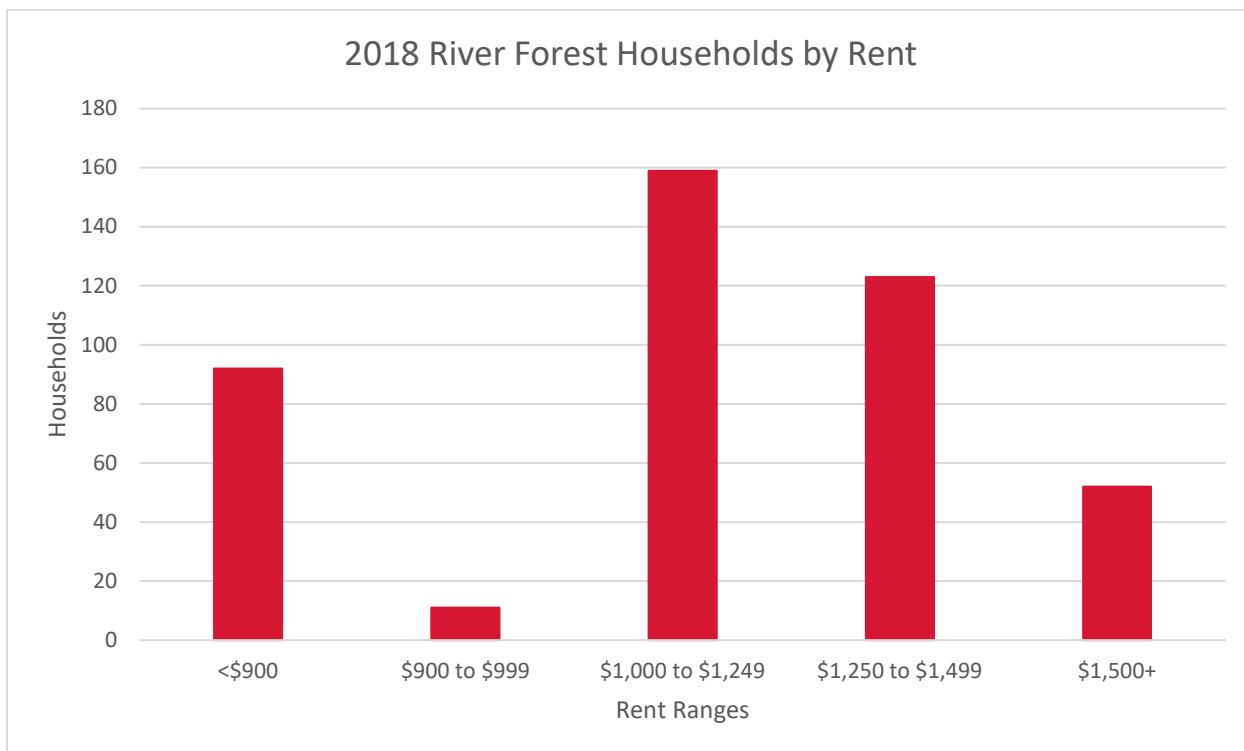
Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



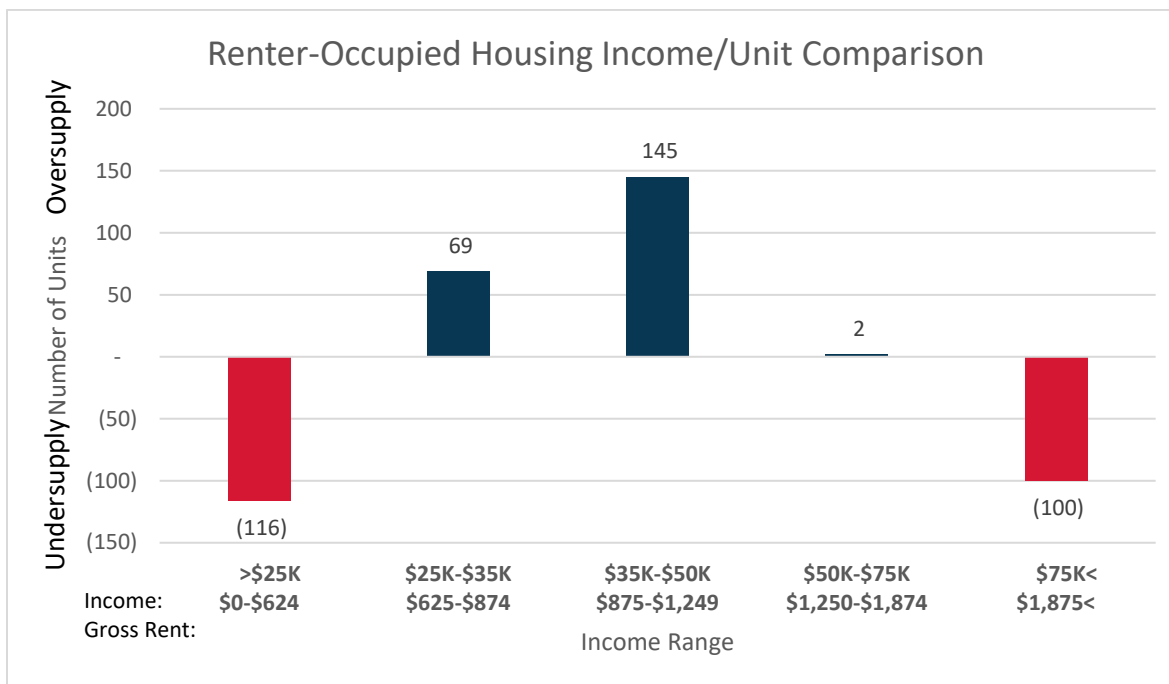
Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates

Housing Cost Burden

For this analysis, an established benchmark of thirty percent of income allotted to housing is utilized in determining the relationship between cost and income (for both renters and owners). This relationship is used to determine the number of “affordable housing units” in the Village. The Department of Housing and Urban Development (HUD) established the 30-percent standard as a means of examining affordable housing needs across the country.



Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



Source: U.S. Census; 2014-2018 American Community Survey 5-Year Estimates; Houseal Lavigne Associates



Village of River Forest
Village Administrator's Office

400 Park Avenue
River Forest, IL 60305
Tel: 708-366-8500

MEMORANDUM

Date: October 14, 2019

To: Chairman David Crosby & River Forest Plan Commission Members

From: Lisa Scheiner, Assistant Village Administrator

Subj: Affordable Housing Plan

Issue: The State of Illinois adopted Public Act 093-0595, the Affordable Housing Planning and Appeals Act of Illinois (referred to as the "AHPAA" and "the Act"), which went into effect on January 1, 2004 and was recently updated in 2013 per Public Act 098-0287. The AHPAA is intended to address the lack of moderately-priced housing that exists in many communities. The Act is premised on a finding that "there exists a shortage of affordable, accessible, safe and sanitary housing in the State". The Act's 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 a Plan. The Act also provides an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing. According to the Illinois Housing Development Authority's (IHDA) 2018 report, the Village of River Forest affordable housing share is 9.0% and a plan must therefore be prepared and adopted.

The Comprehensive Plan (attached for your reference) that was recently adopted recommends that the Village "prepare and adopt an Affordable Housing Plan that meets state requirements" and that "the Village should seek to improve the condition of the existing affordable housing in the community and appropriately consider affordable units as a component of future residential development." At its September 9, 2019 meeting, the Village Board of Trustees directed the Plan Commission to prepare an Affordable Housing Plan for their review and adoption.

The Request for Proposals (RFP) that the Village issued in 2017 for preparation of a new Comprehensive Plan included in its scope of services the requirement that the consultant selected must also address compliance with the State's affordable housing rules. The Village awarded a contract to Houseal Lavigne and Associates. Their representative, John Houseal, will attend the Plan Commission Meeting on October 21, 2019, to provide an overview of the AHPAA and guide the Plan Commission through a discussion regarding the options and strategies for

developing a plan that complies with the Act. Once direction has been provided to Mr. Houseal he will draft a plan and return it to the Plan Commission for review.

Analysis: As set forth in the AHPAA, the components of an Affordable Housing Plan must 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 AHPAA (i.e. the number necessary to bring the percentage of affordable housing units to 10% of the total housing stock);
2. A statement of a goal for increasing affordable housing in the Village;
3. An identification of opportunities for the development of affordable housing in the Village; and
4. A specification of incentives the Village may provide to encourage the creation of affordable housing.

With regard to item #1, the IHDA defines an affordable owner occupied housing unit for a one-person household in the Village of River Forest as a unit that is valued at \$131,667 or less. An affordable rental housing unit, a zero-bedroom unit in the Village of River Forest, is defined as a unit that rents for \$889 per month or less. These rates were determined by the IHDA and published in the 2018 Owner-Occupied and Rental Unit Affordability Charts, which has been attached for your reference. The IHDA also published the 2018 Non-Exempt Local Government Handbook, also attached, which includes a determination of the number of housing units in River Forest that are considered “affordable”. According to the tables listed in Appendix F, 340 of the Village’s 3,788 housing units, or 9.0%, are affordable. The Village would have to add 39 affordable housing units to reach the 10% requirement. The affordable housing share is determined on a community by community basis and does not consider data from any nearby communities, public transportation, transportation routes, commute time, etc., nor does it consider affordable housing share within any given region.

The Village’s affordable housing data was previously reported in the IHDA’s 2013 Local Government Handbook, which has been attached for your review. The table below compares the data reported by the IDHA in 2013 and 2018.

Affordable Housing Data for River Forest: Comparison of 2013 and 2018

	Population	Year Round Units	Total Affordable Units	Affordable Housing Share	Affordable Unit Deficit
2013	11,164	3,886	172	4.4%	217
2018	11,217	3,788	340	9.0%	39

The IHDA used the Census Bureau’s 2016 American Community Survey’s 5-year estimates to draw its conclusions regarding affordable housing quantity in River Forest. While the overall share of affordable housing units increase from 2013 to 2018, the number of year round housing units decreased by 98 units. The Village is unable to account for the decline in housing units. There is also a notable difference between 2013 and 2018 in the number of affordable housing units needed to comply with the 10% requirement. The 2013 and 2018 handbook comparisons also demonstrate that some communities considered non-exempt in 2013 were

considered exempt in 2018. The IHDA is not expected to republish its analysis until 2023 and the Village is currently unable to project what the future affordable housing share will be at that time. As a result, the estimated data used to determine affordable housing share and the number of affordable housing units in River Forest may vary over time, a matter which the Plan Commission may wish to consider when determining which goals to explore in order to achieve compliance with the AHPAA.

The AHPAA identifies three alternative goals which a municipality may select to achieve compliance. Those goals include:

1. Bringing the percentage of affordable housing units in the Village to 10% of the total housing stock.
2. Increasing the percentage of affordable housing within the Village from its current level to a level 3% higher.
3. Making 15% of all new residential construction or residential redevelopment within the Village affordable.

The Comprehensive Plan calls for the preparation and adoption an Affordable Housing Plan that meets state requirements. In order to comply with state requirements, the Affordable Housing Plan must include a statement of a goal to increase affordable housing in the Village, must identify opportunities for development of affordable housing, and must specify the incentives that the Village may provide to encourage the creation of affordable housing. In addition to identifying opportunities for affordable housing development, the Plan Commission may wish to recommend ways in which the Village and property owners of existing affordable housing units can partner together to sustain and improve existing affordable housing.

Attachments:

- Affordable Housing Planning and Appeals Act
- Comprehensive Plan & Action Matrix
- 2018 IHDA Affordability Charts
- 2018 IHDA Non-Exempt Local Government Handbook
- 2013 IHDA Non-Exempt Local Government Handbook

AN ACT in relation to housing.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 1. Short title. This Act may be cited as the
Affordable Housing Planning and Appeal Act.

Section 5. Findings. The legislature finds and declares
that:

(1) there exists a shortage of affordable,
accessible, safe, and sanitary housing in the State;

(2) it is imperative that action be taken to assure
the availability of workforce and retirement housing; and

(3) local governments in the State that do not have
sufficient affordable housing are encouraged to assist in
providing affordable housing opportunities to assure the
health, safety, and welfare of all citizens of the State.

Section 10. Purpose. The purpose of this Act is to
encourage counties and municipalities to incorporate
affordable housing within their housing stock sufficient to
meet the needs of their county or community. Further,
affordable housing developers who believe that they have been
unfairly treated due to the fact that the development
contains affordable housing may seek relief from local
ordinances and regulations that may inhibit the construction
of affordable housing needed to serve low-income and
moderate-income households in this State.

Section 15. Definitions. As used in this Act:

"Affordable housing" means housing that has a sales price
or rental amount that is within the means of a household that
may occupy moderate-income or low-income housing. In the case

of dwelling units for sale, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Affordable housing developer" means a nonprofit entity, limited equity cooperative or public agency, or private individual, firm, corporation, or other entity seeking to build an affordable housing development.

"Affordable housing development" means (i) any housing that is subsidized by the federal or State government or (ii) any housing in which at least 20% of the dwelling units are subject to covenants or restrictions that require that the dwelling units be sold or rented at prices that preserve them as affordable housing for a period of at least 15 years, in the case of for-sale housing, and at least 30 years, in the case of rental housing.

"Approving authority" means the governing body of the county or municipality.

"Development" means any building, construction, renovation, or excavation or any material change in the use or appearance of any structure or in the land itself; the division of land into parcels; or any change in the intensity or use of land, such as an increase in the number of dwelling units in a structure or a change to a commercial use.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Household" means the person or persons occupying a dwelling unit.

"Local government" means a county or municipality.

"Low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the median gross household income for households of the same size within the county in which the housing is located.

"Moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the median gross household income for households of the same size within the county in which the housing is located.

"Non-appealable local government requirements" means all essential requirements that protect the public health and safety, including any local building, electrical, fire, or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment.

Section 20. Determination of exempt local governments.

(a) Beginning January 1, 2006, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent decennial census for each local government within the State and by an inventory of for-sale and rental affordable housing units, as defined in this Act, for each local government from the decennial census

and other relevant sources.

(b) The Illinois Housing Development Authority shall make this determination by:

(i) totaling the number of for-sale housing units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;

(ii) totaling the number of rental units in each local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;

(iii) adding the number of for-sale and rental units for each local government from items (i) and (ii); and

(iv) dividing the sum of (iii) above by the total number of year-round housing units in the local government as contained in the latest decennial census and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.

(c) Beginning January 1, 2006, the Illinois Housing Development Authority shall publish on an annual basis a list of exempt and non-exempt local governments and the data that it used to calculate its determination. The data shall be shown for each local government in the State and for the State as a whole.

(d) A local government or developer of affordable housing may appeal the determination of the Illinois Housing Development Authority as to whether the local government is exempt or non-exempt under this Act in connection with an appeal under Section 30 of this Act.

Section 25. Affordable housing plan.

(a) Prior to July 1, 2004, all non-exempt local governments must approve an affordable housing plan.

(b) For the purposes of this Act, the affordable housing plan shall consist of at least the following:

(i) a statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of this Act as defined in Section 15 and Section 20;

(ii) an identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;

(iii) incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdiction; and

(iv) a goal of a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as defined in Section 20 of this Act; or a minimum of a total of 10% of affordable housing within its jurisdiction.

(c) Within 60 days after the adoption of an affordable housing plan or revisions to its affordable housing plan, the local government must submit a copy of that plan to the Illinois Housing Development Authority.

Section 30. Appeal to State Housing Appeals Board.

(a) Beginning January 1, 2006, an affordable housing developer whose application is either denied or approved with conditions that in his or her judgment render the provision of affordable housing infeasible may, within 45 days after the decision, submit to the State Housing Appeals Board information regarding why the developer believes he or she was unfairly denied or conditions were placed upon the tentative approval of the development unless the local government that rendered the decision is exempt under Section 15 or Section 20 of this Act. The Board shall maintain all information forwarded to them by developers and shall compile and make available an annual report summarizing the information thus received.

(b) Beginning January 1, 2009, an affordable housing developer whose application is either denied or approved with conditions that in his or her judgment render the provision of affordable housing infeasible may, within 45 days after the decision, appeal to the State Housing Appeals Board challenging that decision unless the municipality or county that rendered the decision is exempt under Section 15 of this Act. The developer must submit information regarding why the developer believes he or she was unfairly denied or unreasonable conditions were placed upon the tentative approval of the development.

(c) Beginning January 1, 2009, the Board shall render a decision on the appeal within 120 days after the appeal is filed. In its determination of an appeal, the Board shall conduct a de novo review of the matter. In rendering its decision, the Board shall consider the facts and whether the developer was treated in a manner that places an undue burden on the development due to the fact that the development contains affordable housing as defined in this Act. The Board shall further consider any action taken by the unit of local

government in regards to granting waivers or variances that would have the effect of creating or prohibiting the economic viability of the development. In any proceeding before the Board, the developer bears the burden of demonstrating that he or she has been unfairly denied or unreasonable conditions have been placed upon the tentative approval for the application for an affordable housing development.

(d) The Board shall dismiss any appeal if:

(i) the local government has adopted an affordable housing plan as defined in Section 25 of this Act and submitted that plan to the Illinois Housing Development Authority within the time frame required by this Act; and

(ii) the local government has implemented its affordable housing plan and has met its goal as established in its affordable housing plan as defined in Section 25 of this Act.

(e) The Board shall dismiss any appeal if the reason for denying the application or placing conditions upon the approval is a non-appealable local government requirement under Section 15 of this Act.

(f) The Board may affirm, reverse, or modify the conditions of, or add conditions to, a decision made by the approving authority. The decision of the Board constitutes an order directed to the approving authority and is binding on the local government.

(g) The appellate court has the exclusive jurisdiction to review decisions of the Board.

Section 40. Nonresidential development as part of an affordable housing development.

(a) An affordable housing developer who applies to develop property that contains nonresidential uses in a nonresidential zoning district must designate either at least 50% of the area or at least 50% of the square footage of the

development for residential use. Unless adjacent to a residential development, the nonresidential zoning district shall not include property zoned industrial. The applicant bears the burden of proof of demonstrating that the purposes of a nonresidential zoning district will not be impaired by the construction of housing in the zoning district and that the public health and safety of the residents of the affordable housing will not be adversely affected by nonresidential uses either in existence or permitted in that zoning district. The development should be completed simultaneously to the extent possible and shall be unified in design.

(b) For purposes of subsection (a), the square footage of the residential portion of the development shall be measured by the interior floor area of dwelling units, excluding that portion that is unheated. Square footage of the nonresidential portion shall be calculated according to the gross leasable area.

Section 50. Housing Appeals Board.

(a) Prior to July 1, 2006, a Housing Appeals Board shall be created consisting of 7 members appointed by the Governor as follows:

- (1) a retired circuit judge or retired appellate judge, who shall act as chairperson;
- (2) a zoning board of appeals member;
- (3) a planning board member;
- (4) a mayor or municipal council or board member;
- (5) a county board member;
- (6) an affordable housing developer; and
- (7) an affordable housing advocate.

In addition, the Chairman of the Illinois Housing Development Authority, ex officio, shall serve as a non-voting member. No more than 4 of the appointed members

may be from the same political party. Appointments under items (2), (3), and (4) shall be from local governments that are not exempt under this Act.

(b) Initial terms of 4 members designated by the Governor shall be for 2 years. Initial terms of 3 members designated by the Governor shall be for one year. Thereafter, members shall be appointed for terms of 2 years. A member shall receive no compensation for his or her services, but shall be reimbursed by the State for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board shall hear all petitions for review filed under this Act and shall conduct all hearings in accordance with the rules and regulations established by the chairperson. The Illinois Housing Development Authority shall provide space and clerical and other assistance that the Board may require.

(c) The Illinois Housing Development Authority may adopt such other rules and regulations as it deems necessary and appropriate to carry out the Board's responsibilities under this Act and to provide direction to local governments and affordable housing developers.

AN ACT concerning housing.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Affordable Housing Planning and Appeal Act is amended by changing Sections 15, 20, 25, 30, and 50 as follows:

(310 ILCS 67/15)

Sec. 15. Definitions. As used in this Act:

"Affordable housing" means housing that has a value or cost ~~sales price~~ or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units ~~for sale~~, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Affordable housing developer" means a nonprofit entity, limited equity cooperative or public agency, or private individual, firm, corporation, or other entity seeking to build

an affordable housing development.

"Affordable housing development" means (i) any housing that is subsidized by the federal or State government or (ii) any housing in which at least 20% of the dwelling units are subject to covenants or restrictions that require that the dwelling units be sold or rented at prices that preserve them as affordable housing for a period of at least 15 years, in the case of owner-occupied ~~for sale~~ housing, and at least 30 years, in the case of rental housing.

"Approving authority" means the governing body of the county or municipality.

"Area median household income" means the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937.

"Community land trust" means a private, not-for-profit corporation organized exclusively for charitable, cultural, and other purposes and created to acquire and own land for the benefit of the local government, including the creation and preservation of affordable housing.

"Development" means any building, construction, renovation, or excavation or any material change in any structure or land, or change in the use of such structure or land, that results in a net increase in the number of dwelling units in a structure or on a parcel of land by more than one

dwelling unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Household" means the person or persons occupying a dwelling unit.

"Housing trust fund" means a separate fund, either within a local government or between local governments pursuant to intergovernmental agreement, established solely for the purposes authorized in subsection (d) of Section 25, including, without limitation, the holding and disbursing of financial resources to address the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

"Local government" means a county or municipality.

"Low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.

"Moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and

that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the area median household income.

"Non-appealable local government requirements" means all essential requirements that protect the public health and safety, including any local building, electrical, fire, or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment. (Source: P.A. 93-595, eff. 1-1-04; 93-678, eff. 6-28-04; 94-303, eff. 7-21-05.)

(310 ILCS 67/20)

Sec. 20. Determination of exempt local governments.

(a) Beginning October 1, 2004, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent data from the U.S. Census Bureau ~~decennial census~~ for each local government within the State and by an inventory of owner-occupied ~~for-sale~~ and rental affordable housing units, as defined in this Act, for each local government from the U.S. Census Bureau ~~decennial census~~ and other relevant sources.

(b) The Illinois Housing Development Authority shall make this determination by:

(i) totaling the number of owner-occupied ~~for sale~~ housing units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;

(ii) totaling the number of rental units in each local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;

(iii) adding the number of owner-occupied ~~for sale~~ and rental units for each local government from items (i) and (ii); and

(iv) dividing the sum of (iii) above by the total number of year-round housing units in the local government as contained in the latest U.S. Census Bureau ~~decennial census~~ and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly ~~October 1, 2004~~, the Illinois Housing Development Authority shall publish ~~on an annual basis~~ a list of exempt and non-exempt local governments and the data that it used to calculate its determination at least once every 5 years. The data shall be shown for each local government in the State and for the State as a whole. Upon publishing a list

of exempt and non-exempt local governments, the Illinois Housing Development Authority shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination.

(d) A local government or developer of affordable housing may appeal the determination of the Illinois Housing Development Authority as to whether the local government is exempt or non-exempt under this Act in connection with an appeal under Section 30 of this Act.

(Source: P.A. 93-595, eff. 1-1-04; 93-678, eff. 6-28-04.)

(310 ILCS 67/25)

Sec. 25. Affordable housing plan.

(a) Prior to April 1, 2005, all non-exempt local governments must approve an affordable housing plan. Any local government that is determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau ~~decennial census~~ data after 2010 shall have 18 months from the date of notification of its non-exempt status to approve an affordable housing plan under this Act.

(b) For the purposes of this Act, the affordable housing plan shall consist of at least the following:

(i) a statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of this Act as defined in

Section 15 and Section 20;

(ii) an identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;

(iii) incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdiction; and

(iv) a goal of a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as described in subsection (b) of Section 20 of this Act; or a minimum of a total of 10% affordable housing within its jurisdiction as described in subsection (b) of Section 20 of this Act. These goals may be met, in whole or in part, through the creation of affordable housing units under intergovernmental agreements as described in subsection (e) of this Section.

(c) Within 60 days after the adoption of an affordable

housing plan or revisions to its affordable housing plan, the local government must submit a copy of that plan to the Illinois Housing Development Authority.

(d) In order to promote the goals of this Act and to maximize the creation, establishment, or preservation of affordable housing throughout the State of Illinois, a local government, whether exempt or non-exempt under this Act, may adopt the following measures to address the need for affordable housing:

(1) Local governments may individually or jointly create or participate in a housing trust fund or otherwise provide funding or support for the purpose of supporting affordable housing, including, without limitation, to support the following affordable housing activities:

(A) Housing production, including, without limitation, new construction, rehabilitation, and adaptive re-use.

(B) Acquisition, including, without limitation, land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or in part for residential use.

(C) Rental payment assistance.

(D) Home-ownership purchase assistance.

(E) Preservation of existing affordable housing.

(F) Weatherization.

(G) Emergency repairs.

(H) Housing related support services, including homeownership education and financial counseling.

(I) Grants or loans to not-for-profit organizations engaged in addressing the affordable housing needs of low-income and moderate-income households.

Local governments may authorize housing trust funds to accept and utilize funds, property, and other resources from all proper and lawful public and private sources so long as those funds are used solely for addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

(2) A local government may create a community land trust, which may: acquire developed or undeveloped interests in real property and hold them for affordable housing purposes; convey such interests under long-term leases, including ground leases; convey such interests for affordable housing purposes; and retain an option to reacquire any such real property interests at a price determined by a formula ensuring that such interests may be utilized for affordable housing purposes.

(3) A local government may use its zoning powers to require the creation and preservation of affordable housing as authorized under Section 5-12001 of the Counties Code and Section 11-13-1 of the Illinois Municipal Code.

(4) A local government may accept donations of money or

land for the purpose of addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing. These donations may include, without limitation, donations of money or land from persons in lieu of building affordable housing.

(e) In order to encourage regional cooperation and the maximum creation of affordable housing in areas lacking such housing in the State of Illinois, any non-exempt local government may enter into intergovernmental agreements under subsection (e) of Section 25 with local governments within 10 miles of its corporate boundaries in order to create affordable housing units to meet the goals of this Act. A non-exempt local government may not enter into an intergovernmental agreement, however, with any local government that contains more than 25% affordable housing as determined under Section 20 of this Act. All intergovernmental agreements entered into to create affordable housing units to meet the goals of this Act must also specify the basis for determining how many of the affordable housing units created will be credited to each local government participating in the agreement for purposes of complying with this Act. All intergovernmental agreements entered into to create affordable housing units to meet the goals of this Act must also specify the anticipated number of newly created affordable housing units that are to be credited to each local government participating in the agreement for purposes of complying with this Act. In specifying how many

affordable housing units will be credited to each local government, the same affordable housing unit may not be counted by more than one local government.

(Source: P.A. 93-595, eff. 1-1-04; 93-678, eff. 6-28-04; 94-303, eff. 7-21-05.)

(310 ILCS 67/30)

Sec. 30. Appeal to State Housing Appeals Board.

(a) (Blank).

(b) Beginning January 1, 2009, an affordable housing developer whose application is either denied or approved with conditions that in his or her judgment render the provision of affordable housing infeasible may, within 45 days after the decision, appeal to the State Housing Appeals Board challenging that decision unless the municipality or county that rendered the decision is exempt under Section 15 of this Act. The developer must submit information regarding why the developer believes he or she was unfairly denied or unreasonable conditions were placed upon the tentative approval of the development. In the case of local governments that are determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau ~~decennial census~~ data after the effective date of this amendatory Act of the 98th General Assembly ~~2010~~, no developer may appeal to the State Housing Appeals Board until 60 months after a local government has been

notified of its non-exempt status.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly January 1, 2009, the Board shall, whenever possible, render a decision on the appeal within 120 days after the appeal is filed. The Board may extend the time by which it will render a decision where circumstances outside the Board's control make it infeasible for the Board to render a decision within 120 days. In any proceeding before the Board, the affordable housing developer bears the burden of demonstrating that the proposed affordable housing development (i) has been unfairly denied or (ii) has had unreasonable conditions placed upon it by the decision of the local government.

(d) The Board shall dismiss any appeal if:

(i) the local government has adopted an affordable housing plan as defined in Section 25 of this Act and submitted that plan to the Illinois Housing Development Authority within the time frame required by this Act; and

(ii) the local government has implemented its affordable housing plan and has met its goal as established in its affordable housing plan as defined in Section 25 of this Act.

(e) The Board shall dismiss any appeal if the reason for denying the application or placing conditions upon the approval is a non-appealable local government requirement under Section 15 of this Act.

(f) The Board may affirm, reverse, or modify the conditions of, or add conditions to, a decision made by the approving authority. The decision of the Board constitutes an order directed to the approving authority and is binding on the local government.

(g) The appellate court has the exclusive jurisdiction to review decisions of the Board. Any appeal to the Appellate Court of a final ruling by the State Housing Appeals Board may be heard only in the Appellate Court for the District in which the local government involved in the appeal is located. The appellate court shall apply the "clearly erroneous" standard when reviewing such appeals. An appeal of a final ruling of the Board shall be filed within 35 days after the Board's decision and in all respects shall be in accordance with Section 3-113 of the Code of Civil Procedure.

(Source: P.A. 93-595, eff. 1-1-04; 94-303, eff. 7-21-05.)

(310 ILCS 67/50)

Sec. 50. Housing Appeals Board.

(a) Prior to January 1, 2008, a Housing Appeals Board shall be created consisting of 7 members appointed by the Governor as follows:

- (1) a retired circuit judge or retired appellate judge, who shall act as chairperson;
- (2) a zoning board of appeals member;
- (3) a planning board member;

- (4) a mayor or municipal council or board member;
- (5) a county board member;
- (6) an affordable housing developer; and
- (7) an affordable housing advocate.

In addition, the Chairman of the Illinois Housing Development Authority, ex officio, shall serve as a non-voting member. No more than 4 of the appointed members may be from the same political party. Appointments under items (2), (3), and (4) shall be from local governments that are not exempt under this Act.

(b) Initial terms of 4 members designated by the Governor shall be for 2 years. Initial terms of 3 members designated by the Governor shall be for one year. Thereafter, members shall be appointed for terms of 2 years. After a member's term expires, the member shall continue to serve until a successor is appointed. There shall be no limit to the number of terms an appointee may serve. A member shall receive no compensation for his or her services, but shall be reimbursed by the State for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board shall hear all petitions for review filed under this Act and shall conduct all hearings in accordance with the rules and regulations established by the chairperson. The Illinois Housing Development Authority shall provide space and clerical and other assistance that the Board may require.

(c) (Blank).

Public Act 098-0287

SB1790 Enrolled

LRB098 09695 KTG 39843 b

(Source: P.A. 93-595, eff. 1-1-04; 94-303, eff. 7-21-05.)

Section 99. Effective date. This Act takes effect upon becoming law.

2018 Owner-Occupied and Rental Unit Affordability Charts: **Affordable Housing Planning and Appeal Act (310 ILCS 67/)**

IHDA publishes annual Owner-Occupied and Rental Unit Affordability Charts as supplemental guidance for communities concerned about exemption status under the Affordable Housing Planning and Appeals Act. Exemption status is determined by calculating the percentage of total housing units in a given community that are affordable to homebuyers at 80 percent of the Area Median Income (AMI) and renters at 60 percent of the AMI. The charts below may be interpreted as a rule of thumb for what would constitute an affordable owner-occupied unit and an affordable rental unit in the Chicago Metropolitan Statistical Area (MSA) (Cook, DuPage, Kane, Lake, McHenry, and Will Counties), the Kendall MSA (Kendall County), and the Rockford MSA (Boone and Winnebago Counties). Adding housing units considered affordable by the guidelines shown below may not numerically affect results in the annual calculation of AHPAA exemption status, but tracking such additions may show a measure of progress.

The **Income Limits** and the **Affordable Rent Limits** are drawn from the U.S. Department of Housing and Urban Development (HUD) guides, published on an annual basis. The 2018 figures are effective as of 04/01/2018. A mortgage industry-standard measure is used to estimate the **Affordable Purchase Price** for families at 80 percent of the AMI. The Income Limits, adjusted by HUD for family size, are divided by .36 to give a rough idea of a purchase price that would result in an affordable monthly mortgage payment that includes principal, interest, taxes, insurance and assessments. Any prospective homebuyer would have to apply for a loan with a more exhaustive analysis of income and debt payments.

Owner Occupied Affordability Chart For Chicago Metro Area **(Cook, DuPage, Kane, Lake, McHenry, Will Counties)**

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

Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: www.ihda.org).

Affordable Rental Units For Chicago Metro Area **(Cook, DuPage, Kane, Lake, McHenry, Will Counties)**

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

Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: www.ihda.org).

Owner Occupied Affordability Chart For Kendall Metro Area (Kendall County)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2018 Income Limits (80% AMI)	\$50,350	\$57,550	\$64,750	\$71,900	\$77,700	\$83,450	\$89,200	\$94,950
Affordable Purchase Price	\$139,861	\$159,861	\$179,861	\$199,722	\$215,833	\$231,806	\$247,778	\$263,750

Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: www.ihda.org).

Affordable Rental Units For Kendall Metro Area (Kendall County)

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
2018 Affordable Rent Limits for HH @ 60% AMI	\$1,005	\$1,007	\$1,293	\$1,493	\$1,666	\$1,838

Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: www.ihda.org).

Owner Occupied Affordability Chart For Rockford Metro Area (Boone and Winnebago Counties)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2018 Income Limits (80% AMI)	\$37,100	\$42,400	\$47,700	\$52,950	\$57,200	\$61,450	\$65,700	\$69,900
Affordable Purchase Price	\$103,056	\$117,778	\$132,500	\$147,083	\$158,889	\$170,694	\$182,500	\$194,167

Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: www.ihda.org).

Affordable Rental Units For Rockford Metro Area (Boone and Winnebago Counties)

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
2018 Affordable Rent Limits for HH @ 60% AMI	\$696	\$745	\$894	\$1,032	\$1,152	\$1,271

Please Note: The above chart uses 2018 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: www.ihda.org).

Affordable Housing Planning and Appeal Act: **2018 Non-Exempt Local Government Handbook**

Published in accordance with 310 ILCS 67 by:
Illinois Housing Development Authority
Strategic Planning and Reporting Department
Office of Housing Coordination Services
December 28, 2018

Table of Contents

• Executive Summary	4
• Exemption Determination Process	6
○ Statutory Guidance	6
○ Data Sources	7
○ Selecting U.S. Census Bureau Data	8
○ Determining Share of Affordable Units	9
• AHPAA Requirements Timeline	13
• Affordable Housing Plans	13
• State Housing Appeals Board	14
• Appendices	
A. Frequently Asked Questions	18
B. Financial Resources	21
C. Technical Assistance Resources	25
D. CDBG and HOME Administrators Directory	27
E. AHPAA Statute As Amended (310 ILCS 67)	28
F. Local Government Exemption Lists	35

Executive Summary

The Illinois General Assembly passed the Affordable Housing Planning and Appeal Act (AHPAA) (310 ILCS 67) in 2003 to address the lack of moderately-priced housing in many Illinois communities. Growth in home values continues to outpace growth in household incomes throughout the Chicago-region and many households who are vital to local economies and who provide critical community services are unable to afford to live in or around the places they work.

The law established a process for identifying communities with the most acute shortage of local housing stock available at an amount that would be affordable to:

- Homebuyers at 80% of the regional median household income.
- Renters at 60% of the regional median household income.

For larger, urbanized areas, the Area Median Income (AMI) used is for the entire Metropolitan Statistical Area (MSA), while county AMI figures are used for those counties not located within an MSA.

The law identifies these communities, known as Non-Exempt Local Governments (NELG), with two primary criteria:

- Non-Exempt Local Governments must be incorporated municipal governments (e.g., county, town, village, city, etc.) with a population of at least 1,000 people.
- Non-Exempt Local Governments must have a portion of the local year-round housing stock considered affordable that is below 10%, as determined by data from the U.S. Census Bureau and other relevant sources (details on pages 7 - 9).

The law requires Non-Exempt Local Governments:

- To adopt and submit an Affordable Housing Plan (details on page 13) to the Illinois Housing Development Authority (IHDA). Communities that already submitted a plan to IHDA because they were previously identified as Non-Exempt Local Governments are allowed to update their plans, adopt the updated version and submit them again to IHDA.

This handbook was written to accompany the 2018 List of AHPAA Non-Exempt Local Governments. It primarily serves as a reference tool.

The process used to identify the Non-Exempt Local Governments is laid out in the AHPAA statute (details on page 6) and the Illinois Housing Development Authority (IHDA) is responsible for generating this list. IHDA published the first list in 2004, but due to U.S. Census Bureau decennial data availability, a new list was not possible until 2013. IHDA now publishes a new list approximately every five years using the most recent and readily available census data. This is due to more frequent census data availability through the American Community Survey (ACS). While IHDA produces a statewide list of all

municipalities, exempt and non-exempt, this handbook only refers to those who are identified as being non-exempt under the AHPAA statute.

The State Housing Appeals Board (SHAB) was established by AHPAA to hear appeals from affordable housing developers who feel that they have been treated unfairly by Non-Exempt Local Governments during the local development approval process. Four of the seven members must be local officials or administrators and three must be from non-exempt AHPAA communities. The SHAB was fully appointed in 2012 and established a set of administrative rules through the Illinois General Assembly's Joint Committee on Administrative Rules in 2013 (published in the Illinois Register V. 37 Issue 15, April 12, 2013). At the time of this manual's publication, no appeals had been filed for SHAB review. To consider an appeal, the Non-Exempt Local Government must have denied approval of a project with an affordable housing component, or granted an approval with conditions that make the proposed project financially infeasible.

Affordable Housing Planning and Appeal Act: Exemption Determination Process

The language within the Illinois Affordable Housing Planning and Appeal Act outlines a process for determining which local governments the law applies. According to the statute (as amended by P.A. 98-0287), this process must be completed by the Illinois Housing Development Authority at least once every five years (recent changes to the statute allow for this more frequent publication of the list with improved availability of appropriate U.S. Census Bureau data). While AHPAA makes certain aspects of the exemption determination process explicit and clear, other implicit steps must be taken to complete the determination. This report intends to make all steps taken by IHDA fully explicit and clear.

The exemption process steps mandated by AHPAA are identified in the following section of this report. Within the law there are two sections that guide the determination of community exemption status.

Statutory Guidance

Section 15 (310 ILCS 67/15) of the law provides definitions, some of which directly affect the determination process. The relevant definitions are highlighted below:

"Affordable housing" means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Local government" means a county or municipality.

Section 20 (310 ILCS 67/20) of the law describes fundamental steps that must be included in the exemption determination process. This section is quoted in its entirety below:

Sec. 20. Determination of exempt local governments.

- (a) Beginning October 1, 2004, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent data from the U.S. Census Bureau for each local government within the state and by an inventory of

owner-occupied and rental affordable housing units, as defined in this Act, for each local government from the U.S. Census Bureau and other relevant sources. (This inventory is based on census household survey data.)

- (b) The Illinois Housing Development Authority shall make this determination by:
 - (i) totaling the number of owner-occupied housing units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;
 - (ii) totaling the number of rental units in each local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;
 - (iii) adding the number of owner-occupied and rental units for each local government from items (i) and (ii); and
 - (iv) dividing the sum of (iii) above by the total number of year-round housing units in the local government as contained in the latest U.S. Census Bureau, and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.
- (c) Beginning on August 9, 2013 the Illinois Housing Development Authority is to publish a list of exempt and non-exempt local governments and the data that it used to calculate its determination once every 5 years. The data shall be shown for each local government in the state and for the state as a whole. Upon publishing a list of exempt and non-exempt local governments, the Illinois Housing Development Authority shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination.
- (d) Communities which develop affordable housing plans and meet one of the three statutory goals (see page 13) are then exempt from the provisions of the law, including possible appeals and submitted to the State Housing Appeal Board.

Data Sources

The sections of AHPAA quoted above provide a framework for completing the exemption determination process; however, Section 20a raises an important issue for beginning the exemption determination process: establishing a single source of data as “the most recent data from the U.S. Census Bureau.”

Nearly all of the data points required for the determination process are now available in the American Community Survey (ACS) 5-Year Estimates and are published annually on a two-year delay. As of December 2018, the most recent ACS 5-year data set available was the 2016 5-year Estimate, which was selected as the primary data source for completing the most local exemption determination process.

Data provided by the U.S. Census Bureau was analyzed to assign a primary county or MSA to every local government in the state (numerous local governments have jurisdictions that cross county boundaries). Land coverage within the jurisdiction of all local governments was calculated by county and was assigned a majority county or MSA to determine the median household income.

Mortgage contract terms for the calculation of affordable owner-occupied units are not explicitly defined in the statute, so industry standards and academic literature were relied on. The fixed-rate, 30-year mortgage with a downpayment of 10% of the purchase price was chosen because research has shown that those are the optimal terms for both low-income homebuyers and mortgage lenders with regards to the probability of negative home equity and default rates.¹ An average interest rate for the past five years (2013 - 2017) was calculated using the Annual Conventional Mortgages published by the Federal Home Loan Mortgage Corporation (Freddie Mac).² This interest rate, 3.98%, was assumed for the calculation of affordable owner-occupied units. Reliable data for homeowner's insurance and homeowners association fees was not available on a community-level scale and, therefore, was not included in the determination process (Note: any such data used in the determination process would only have increased the number of Non-Exempt Local Governments.)

Selecting U.S. Census Bureau Data

The exemption determination process outlined in Section 20b of the statute does not explicitly identify all of the data points needed to complete the process as directed. This section connects key terms used in the statute with data points available within the 2016 ACS 5 Year Estimates.

- **Local Government:** Section 15 of AHPAA defines local government as a county or municipality and automatically exempts any municipality with a population under 1,000. The Census Bureau's definition of 'place' includes any incorporated local government, but does not include counties or townships. In the exemption determination process IHDA included all 'places' and 'counties' within Illinois. Places with population under 1,000 and Census Designated Places (which are not incorporated as municipalities) were removed from the analysis. Parties interested in

¹ John Y. Campbell and João F. Cocco. "A Model of Mortgage Default," National Bureau of Economic Research Working Paper 17516, October 2011. Patrie Hendershott, Robert Hendershott, and James Shilling. "The Mortgage Finance Bubble: Causes and Corrections," Journal of Housing Research, 2010. Tomasz Piskorski and Alexei Tchisty. "Stochastic House Appreciation and Optimal Mortgage Lending," Review of Financial Studies, 2011.

² <http://www.freddie.mac.com/pmms/pmms30.html>

the affordability of unincorporated areas may contact IHDA for more information. Concerning AHPAA data, county data only covers unincorporated areas.

- Area Median Income (AMI): In accordance with Section 20b(i) and 20b(ii) of the statute, the median household income (MHI) was collected from each county and Metropolitan Statistical Area (MSA) in the state (when appropriate the MHI for MSA Metropolitan Divisions was used) and assigned to all local governments within that geography. For further information see the FAQs section on page 18.
- Total Year-Round Housing Units: Seasonal and recreational housing units are classified as a type of vacant housing in American Community Survey (ACS) data. To avoid any concerns of inflating the true number of year-round housing units in a given community (and thereby deflating its share of affordable housing stock), only occupied housing units were included during the exemption determination process. Total year-round units were calculated by adding “owner-occupied units” and “occupied units paying rent”.
- Owner-Occupied Housing Units: “Value” of home estimates were utilized to determine how many of the owner-occupied housing units in a given local government are ‘affordable’ to potential homebuyers at 80% of the AMI. Only units that are currently occupied by homeowners are included in these estimates.
- Total Median Real Estate Taxes Paid: Estimates from ACS data for every local government were also utilized to determine the number of affordable owner-occupied housing units. Vacant for-sale units are not included in the determination process because the U.S. Census Bureau does not collect information on their value (note: homeowner utility costs are not collected as part of the American Community Survey, nor does the AHPAA statute include it in its formula for affordable homeownership).
- Rental Units: “Gross Rent” estimates were utilized to determine how many of the occupied rental units in a given community would be affordable to a potential renter households at 60% of the AMI. Only units occupied by renters are included in these estimates. Units occupied by renters not paying rent are not counted as affordable rental units because the Census Bureau does not collect information on the terms of occupancy.

Determining Share of Affordable Units

Below, please find two examples demonstrating the steps IHDA undertakes when determining the share of affordable housing units per the AHPAA statute.

City of Evanston, Cook County

Population: 75,472

Area Median Income: \$63,327 (Chicago MSA)

First, the affordable monthly rent was determined for a household at 60% of the AMI.

$\$63,327 \text{ (AMI)} \times 60\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \949.91 a month

Now the number of affordable rental units in Evanston can be counted.

“Gross Rent” – Total Occupied Units Paying Rent: 12,637

“Gross Rent” – Less than \$500: 376

“Gross Rent” – \$500 to \$999: 2,781

“Gross Rent” – \$1,000 to \$1,499: 5,241

“Gross Rent” – \$1,500 to \$1,999: 2,339

“Gross Rent” – \$2,000 to \$2,499: 1,179

“Gross Rent” – \$2,500 to \$2,999: 425

“Gross Rent” – \$3,000 or more: 296

The affordable monthly rental amount in Evanston, \$949.91, falls within the \$500 to \$999 “Gross Rent” interval. The total number of units in lower intervals is 376. Since \$949.91 represents 89.98% of the \$500 to \$999 interval, an estimated 2,502.37 units of the 2,781 units within that interval have a “Gross Rent” below \$949.91. Adding the two figures reaches a total of **2,878.37 affordable rental units** in Evanston.

Next, the affordable home value was determined for a household at 80% of the AMI. The first was determining an affordable monthly payment for this hypothetical household.

$\$63,327 \text{ (AMI)} \times 80\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$1,266.54 \text{ a month}$

The median real estate taxes paid in Evanston were \$7,085, or \$590.42 a month. This amount was subtracted from \$1,266.54 to reach the final affordable monthly payment of \$676.12. Using the present value calculation typical for determining an affordable sales price in mortgage lending and assuming a 3.98% interest rate, a 30-year loan term and a 10% down payment, an affordable home value in Evanston was determined to be \$156,161

Now the number of affordable owner-occupied units in Evanston can be counted.

“Value” - Total Owner-Occupied units: 15,976

“Value” - Less than \$50,000: 281

“Value” - \$50,000 to \$99,999: 497

“Value” - \$100,000 to \$149,999: 1103

“Value” - \$150,000 to \$199,999: 1898

“Value” - \$200,000 to \$299,999: 2883

“Value” - \$300,000 to \$499,999: 4012

“Value” - \$500,000 to \$999,999: 4429

“Value” - \$1,000,000 or more: 873

The affordable home value in Evanston, \$156,161, falls within the \$150,000 to \$199,000 “Value” interval. The total number of units in lower intervals is 1,881. Since \$156,161 represents 12% of the \$150,000 to \$199,000 interval, an estimated 233.8 units within the

interval have a “value” below \$156,161. Adding the two figures reaches a total of **2114.86** in Evanston.

The sum of affordable housing units in Evanston equaled **4,993**. At this point the affordable housing share of total units in Evanston was calculated.

$$4,993 \text{ (affordable housing units)} / 28,613 \text{ (year-round housing units)} = \mathbf{17.5\%}$$

Village of Frankfort, Will County

Population: 18,415

Area Median Income: \$63,327 (Chicago MSA)

First, the affordable monthly rent was determined for a household at 60% of the AMI.

$$\$63,327 \text{ (AMI)} \times 60\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$949.91 \text{ a month}$$

Now the number of affordable rental units in Frankfort can be counted.

“Gross Rent” – Total Occupied Units Paying Rent: 265

“Gross Rent” – Less than \$500: 0

“Gross Rent” – \$500 to \$999: 78

“Gross Rent” – \$1,000 to \$1,499: 32

“Gross Rent” – \$1,500 to \$1,999: 45

“Gross Rent” – \$2,000 to \$2,499: 51

“Gross Rent” – \$2,500 to \$2,999: 17

“Gross Rent” – \$3,000 or more: 42

The affordable monthly rental amount in Frankfort, \$949.91, falls within the \$500 to \$999

“Gross Rent” interval. The total number of units in lower intervals is 0. Since \$949.91 represents 89.9% of the \$500 to \$999 interval, an estimated 70.19 units of the 78 units within that interval have a “Gross Rent” below \$949.91. The result is a total of **70.19 affordable rental units** in Frankfort.

Next, the affordable home value was determined for a household at 80% of the AMI. The first was determining an affordable monthly payment for this hypothetical household.

$$\$63,327 \text{ (AMI)} \times 80\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$1,266.54 \text{ a month}$$

The median real estate taxes paid in Frankfort were \$9,212, or \$767.67 a month. This amount was subtracted from \$1,266.54 to reach the final affordable monthly payment of \$498.87. Using the present value calculation typical for determining an affordable sales price in mortgage lending and assuming a 3.98% interest rate, a 30-year loan term and a 10% down payment, an affordable home value in Frankfort was determined to be \$115,222

Now the number of affordable owner-occupied units in Frankfort can be counted.

“Value” - Total Owner-Occupied units: 5,732

“Value” - Less than \$50,000: 38

“Value” - \$50,000 to \$99,999: 46

“Value” - \$100,000 to \$149,999: 79

“Value” - \$150,000 to \$199,999: 299

“Value” - \$200,000 to \$299,999: 1,458

“Value” - \$300,000 to \$499,999: 3,182

“Value” - \$500,000 to \$999,999: 604

“Value” - \$1,000,000 or more: 26

The affordable home value in Frankfort, \$115,222, falls within the \$100,000 to \$149,000

“Value” interval. The total number of units in lower intervals is 74. Since \$115,222 represents 30% of the \$100,000 to \$149,000 interval, an estimated 24.05 units within the interval have a “value” below \$115,222. Adding the two figures reaches a total of **108.05 affordable owner-occupied units** in Frankfort.

The sum of affordable housing units in Frankfort equaled **178**. At this point the affordable housing share of total units in Frankfort was calculated.

$178 \text{ (affordable housing units)} / 5,997 \text{ (year-round housing units)} = 3.0\%$

AHPAA Requirements Timeline

Once a municipality is determined to be and is notified that it is non-exempt from the AHPAA, it must develop, adopt and submit to IHDA an affordable housing plan within 18 months. IHDA will host an informational meeting for non-exempt municipalities shortly after announcing the list and is available on an ongoing basis to provide related technical assistance.

AHPAA Affordable Housing Plan Timeline	
Non-Exempt Community Notification	12/28/2018
Affordable Housing Plan Submission	On a rolling basis between 12/28/2018 and 6/28/2020 (<i>must be submitted within 60 days of local approval</i>)
Final Submission Deadline: AHPAA Housing Plan	6/28/2020 (<i>18 months from NELG Status notification – see above</i>)

Affordable Housing Plans

From the date on the letter/email notifying a Non-Exempt Local Government of its status under AHPAA, the municipality or county has 18 months from the date the Non-Exempt Local Government list was published to develop, approve and submit an Affordable Housing Plan to IHDA, consisting of (at a minimum) the following components:

- Statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of the Act, as defined in Section 15 and Section 20, and based on the numbers included in AHPAA Local Government Exemption Report published by IHDA.
- Identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned.
- Incentives that the local government may provide for the purpose of attracting affordable housing to their jurisdiction.
- Selection of one of the following three goals for increasing local affordable housing stock:
 - Requiring a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act;

- Requiring a minimum of a 3% percentage point increase in the overall percentage of affordable housing within its jurisdiction, as defined in Section 20 of this Act; or
- Requiring a minimum of 10% of affordable housing within its jurisdiction.

According to the law, Non-Exempt Local Governments must submit their Affordable Housing Plan to IHDA within 60 days of the initial local approval of the plan or approval of revisions to a previously approved affordable housing plan which was submitted to IHDA under the AHPAA.

State Housing Appeals Board

AHPAA also assigns IHDA the responsibility of staffing the State Housing Appeals Board. The State Housing Appeals Board may hear appeals once the following conditions are met:

- A developer, believing there is a market for such housing, must obtain site control in a Non-Exempt Local Government and voluntarily come forward with a proposal that includes at least 20% of the dwelling units being subject to covenants or restrictions that require that the dwelling units be sold or rented at prices that preserve them as affordable housing for a period of at least 15 years, in the case of for-sale housing, and at least 30 years, in the case of rental housing.
- The developer's proposal must be denied, or approved with conditions that rendered the project infeasible by the local government's governing board.
- The developer must file an appeal with the State Housing Appeals Board within 45 days of the local government decision that he or she wishes to appeal. Initial pleadings filed by the developer must include the following:
 - A clear and concise statement of the prior proceedings (related to the proposed development) before all Approving Authorities, including the date of notice of the decision that the Affordable Housing Developer is appealing;
 - A clear and concise statement of the Affordable Housing Developer's objections to the Approving Authority's decision, indicating why the Affordable Housing Developer believes the application to develop Affordable Housing was unfairly denied, which may include an appeal of IHDA's determination of the exempt status of the Local Government as set forth in Section 395.401, or what conditions, if any, were imposed that the Affordable Housing Developer believes were unreasonable;
 - A clear and concise statement setting forth the relief sought;
 - The complete name and address of the Affordable Housing Developer for the purpose of service of papers in connection with the appeal;

- The name and address of the attorney or attorneys representing the Affordable Housing Developer, if any; and
- A complete copy of the application for the Affordable Housing Development, as it was submitted to the Approving Authority, including sufficient information to determine whether the proposal that is the subject of the appeal is Affordable Housing.

During the appeals process, the developer must convince the State Housing Appeals Board that:

- The proposed Affordable Housing Development complies with all Non-Appealable Local Government Requirements.³ The Affordable Housing Developer must prove these elements with respect to only those aspects of the project that are in dispute; or
- Non-Appealable Local Government Requirements have been applied differently to proposals that do not include Affordable Housing; or
- The Approving Authority has a pattern of denying applications to develop Affordable Housing; or
- The Approving Authority changed the zoning of an area regarding a specific Affordable Housing Development that, but for the change in zoning, is otherwise able to proceed, or has a pattern of changing zoning of an area in regards to Affordable Housing Developments that, but for the change in zoning, are otherwise able to proceed; or
- The Approving Authority unreasonably or intentionally delayed its decision regarding a specific Affordable Housing Development that, but for the lack of timely decision by the Approving Authority, is otherwise able to proceed, or has a pattern of unreasonably or intentionally delaying its decisions on applications for Affordable Housing Developments that, but for the lack of timely decisions of the Approving Authority, are otherwise able to proceed; or
- IHDA's determination that the Local Government is exempt from the Act is incorrect based on the counting protocols set forth in Section 20 of the Act and any written guidance published by IHDA; or
- Any other unreasonable denial of the application for the Affordable Housing Development.

³ "Non-Appealable Local Government Requirements": All essential requirements that protect the public health and safety, including any local building, electrical, fire or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment. Zoning, density and bulk restrictions may count as Non-Appealable Local Government Requirements if the Board finds that they qualify under the Act's definition of Non-Appealable Local Government Requirements.

The local government, or approving authority, has equal opportunity to present evidence and defend itself against claims made by the appealing developer.

Appendices

Appendix A: Frequently Asked Questions

Can a Non-Exempt Local Government appeal their exemption status?

The State Housing Appeals Board has the authority to review the legitimacy of exemption status but only in the case of a developer's appeal related to that community. If a Non-Exempt Local Government wishes to submit information that may affect their exemption status in the eyes of the State Housing Appeals Board, then they may submit those materials to IHDA for the State Housing Appeals Board as records to be reviewed at the time of an appeal.

Why are Metropolitan Statistical Area figures for median household income used for some places and county figures for other places?

The AHPAA statute specifies affordability calculations be based on the median household income of Metropolitan Statistical Area (MSA) data *where available* and county data where MSA data is *not available*. The U.S. Office of Management and Budget regularly publishes guidance on the definitions of MSAs and that information is adopted by the U.S. Census Bureau and various federal funding sources. AHPAA was written to accommodate the MSA data to ensure that areas of population concentration with a high degree of economic and social integration are treated as a whole. Counties using county data are generally rural in nature.

Does the count of affordable units in a local government reflect the number of households currently paying more than 30% of income?

No. The analysis compares the cost of buying or renting a home in a given community to the area's (MSA or county) median household income and is based on census household survey responses.

What is the State Housing Appeals Board?

The State Housing Appeals Board (SHAB) consists of seven members:

- 1) A zoning board of appeals member from a Non-Exempt community;
- 2) A planning board member from a Non-Exempt community;
- 3) A mayor or municipal council/board member from a Non-Exempt community;
- 4) A county board member;
- 5) An affordable housing developer;
- 6) A housing advocate; and
- 7) A retired circuit or appellate judge (who must serve as board chairperson).

IHDA's Chairman serves as an ex-officio member.

How does a developer file an appeal with the State Housing Appeals Board?

A developer wishing to file an appeal should send a complete package with all materials identified in the AHPAA to the Office of Housing Coordination Services in the Strategic Planning and Reporting Department at IHDA, addressed as follows:

ATTN: Strategic Planning and Reporting Department, IHDA (16)/(OHCS)
RE: State Housing Appeals Board
111 E. Wacker Drive, Ste. 1000
Chicago, IL 60611

Does affordable housing have a negative impact on property values?

In recent years, researchers have produced numerous studies with rigorous analytic methodologies to better understand the impact that affordable housing developments have on surrounding property values, local community safety and services. A review of the literature on the subject conducted in 2016 indicated that most studies do not find a negative impact related to affordable housing developments.⁴ The literature review also showed that affordable housing sited in economically strong communities and dispersed across metropolitan regions are the most successful and have the least negative impacts. Another study focused on affordable housing developments in suburban New Jersey, which has a State policy similar to the Affordable Housing Planning and Appeal Act, found that affordable housing development was not associated with increased crime, decreased property values or increased taxes.⁵

Are municipalities required to own the affordable housing developed within their borders?

No. A non-exempt municipality is not expected to own or manage affordable housing in order to comply with the AHPAA statute. However, the planning requirements of the AHPAA suggest that municipalities can and are encouraged to help facilitate affordable housing development by providing local incentives, some of which may involve municipally created non-profit ownership or management of a property (e.g., a Community Land Trust under an inclusionary housing program or a Community Housing Development Organization under a HOME program). Financial public support of an affordable housing development may be more appropriate in the form of a property donation or waiver of local development building and permit fees. (In addition, non-profits and affiliates of Public Housing Authorities have also developed and managed affordable housing properties in Illinois.)

To comply with the AHPAA statute, is a particular type of affordable housing necessary?

No. The type of affordable housing provided within a community is strictly a local decision. Neither IHDA nor the AHPAA statute require or prefer a particular type of affordable housing to comply. Municipalities may decide to encourage affordable rental housing, affordable homeownership programs or alternative types of housing tenure. In some cases, changes to local zoning and building codes may attract developers able to build housing without any subsidies or restrictions and market them to residents at an affordable price (according to AHPAA).

Are municipalities required to change zoning ordinances to comply with the AHPAA?

No. The AHPAA statute does not intend to dictate or override local zoning ordinances and building codes. Compliance with the statute does not necessarily require a change in either zoning or building codes (nor density, design or unit type requirements). Some communities may utilize related incentive programs, such as the establishment of an inclusionary zoning

⁴ Young, Cheryl. "There *Doesn't* Go the Neighborhood: Low-Income Housing Has No Impact on Nearby Home Values" in Trulia Research/ Affordability web report - <https://www.trulia.com/research/low-income-housing>

⁵ Len Albright, Elizabeth S. Derickson and Douglas S. Massey. "Do Affordable Housing Projects Harm Suburban Communities? Crime, Property Values, and Property Taxes in Mt. Laurel, New Jersey" in *City & Community* (2013; 12: 2).

ordinance or other development incentives, and may choose to modify local zoning ordinances to accommodate for affordable housing developments.

Are municipalities required to be involved with private real estate transactions?

No. Compliance with the statute does not require municipal participation in private transactions. Unless a municipality chooses to become involved indirectly with private real estate transactions by establishing a Community Land Trust (though Community Land Trusts are generally recommended to be established as a separate legal entity), there are no statutory requirements that necessitate municipal participation in real estate transactions beyond the approval of an affordable housing plan. Municipalities and counties are encouraged to participate in such projects financially, when feasible, via local CDBG and/or HOME Program funding and other local options, e.g., TIF Districts, waiver of development fees, etc. Also approval and support of projects with affordable housing components such as LIHTC projects is encouraged.

To comply with the AHPAA statute are municipalities required to develop property designated as parkland or open space?

No. The purpose of the AHPAA is to strongly encourage local planning strategies that foster the development of affordable housing. The law is not intended to dictate type or location of affordable housing to be developed.

How are communities with little available land (“built out”) going to comply with the law?

The AHPAA does not force communities to categorically accept new developments that include affordable housing. In fact, this law may have minimal practical impact on communities that are already “built out”. Communities with little available land could choose the option of 15% of all new development and redevelopment as a set-aside for affordable housing. The law simply provides that as a community continues to grow or redevelop, it should work to include some moderately priced housing, making it possible for those who work in and serve the community to afford to live there too. Rehabilitation of existing housing and maintaining affordability is another option.

Will development of affordable housing in a municipality give it future “exempt” status?

This is a tricky question. First, the AHPAA law’s formula uses Census survey data to determine home values (and rent amounts), so it’s only as reliable as the local household responses regarding accuracy. Secondly, when updated, that same Census data also enumerates total changes in year-round housing stock, including all developments of non-affordable housing units.

Are municipalities with home rule authority exempt from AHPAA?

This matter was never directly addressed in the AHPAA statute and no home rule impact note was requested during the legislative process. In addition, no Illinois Attorney General’s opinion has been sought or rendered on the matter. As such, IHDA encourages all NELG communities to make good faith efforts to comply with the AHPAA minimum requirements.

Appendix B: Financial Assistance Available to Non-Exempt Local Governments

Municipalities seeking to encourage or proactively increase the number of local affordable housing units have a number of tools at their disposal. In addition, they should be made aware of several financial resources that can aid in the creation of affordable housing.

Listed below are local tools that communities may utilize to promote affordability:

- Zoning
- Reduction in Development Fees / Fee Waivers (building permit fees; planning fees; capital facilities fees; inspection fees; “tap-on” fees)
- Expedited Permitting for Affordable Housing
- Covenants
- Land Leases
- Community Land Trusts
- Deed Restrictions (on affordability)
- Use Restrictions
- Resale Restrictions
- Inclusionary Zoning (mandatory; voluntary; negotiated / ad hoc)
- Use of Public Funding (IHDA funds; federal funding; tax credits; assistance with local subsidies, such as CDBG or HOME)
- Planned Unit Development (PUD) ordinances

Discussed below are federal, state and local resources that may be accessed for assistance by non-profit developers, for-profit developers and local governments for affordable housing:

Community Development Block Grants (CDBG) – CDBG funds are federal grants available to municipalities and counties through the US Department of Housing and Urban Development (HUD) that can be used to fund many different programs that provide assistance to a wide variety of grantees. Certain housing activities constitute eligible uses, such as housing rehabilitation, land acquisition and homebuyer assistance. Funds must be used to primarily assist low- to moderate-income households as defined as 50% of AMI. For more information, see Appendix D:

https://www.hud.gov/program_offices/comm_planning/communitydevelopment/programs

HOME Participating Jurisdictions and Consortium Funding – Also funded through HUD, federal HOME funds are available via a formula grant to state and local government participating jurisdictions (PJs). HOME funds can be used for rental housing production and rehabilitation loans and grants, first-time homebuyer assistance and rehabilitation assistance for homeowners. An annual portion of HOME funds (15%) is required to be set-aside for eligible Community Housing Development Organizations (CHDOs). All housing developed with HOME funds must serve income eligible households (80% AMI homeowners and 60% renter AMI limits for determining income eligibility.)

IHDA is the designated State agency to oversee HOME funds within the State of Illinois. IHDA can allocate HOME funds throughout the state, but generally gives preference to areas that

do not have their own local HOME funds as a Participating Jurisdiction or Consortium. Information on IHDA's HOME funds can be found at www.ihda.org.

Please Note: HUD provides CDBG and HOME grant funds on a state, municipal or county basis. See Appendix D for a list of the local and county administrators within the Chicago Metropolitan area.

Bond Financing – Tax-exempt, private activity bonds are a financing tool that can be applied to both single-family and multi-family housing programs. Tax-exempt bonds can be issued locally or by IHDA and may be utilized in combination with qualifying Low-Income Housing Tax Credit projects, as well as with HUDs Risk Sharing Insurance program (which is administered by IHDA).

IHDA is a designated public agency that is authorized to issue bonds to finance affordable housing within the State of Illinois for home mortgages. Such financing is generally limited by IRS Tax Code to first-time homebuyers (except targeted areas).

For more information on homebuyer programs at IHDA, please see www.ihda.org.

Tax Increment Financing (TIF) Districts – TIF districts can be established by municipalities for areas designated as conservation or blighted areas. Under the State's TIF law, when a municipality creates a TIF district, the amount of tax revenue the area currently generates is set as a baseline, which will serve as the amount that the local governmental taxing bodies will receive from that area for the life of the TIF, which is 23 years. As vacant and dilapidated properties are revitalized through development with TIF assistance, the value and tax revenue from those properties increases. The "increment" above the baseline is then captured and used solely for improvements and redevelopment activities in that TIF district.

There are currently many TIF districts within the State of Illinois. The TIFs that were established in the Chicago-metro area by municipalities (Chicago excluded) and designated as primarily for housing are:

Housing TIFs in the Chicago-Metro Area Permitting Housing Activities

City	County	District
MELROSE PARK	COOK	TIF 2
PALOS HEIGHTS	COOK	GATEWAY TIF
SUMMIT	COOK	TIF 1
STEGER	WILL	TIF II
STEGER	WILL	SOUTH CHICAGO ROAD TIF (TIF 4)
BOLINGBROOK	WILL/DuPAGE	BEACONRIDGE SUBDIVISION

Illinois Housing Development Authority (IHDA) – IHDA is the State's designated housing finance agency. Through IHDA financing, both communities and developers can access many sources of funding and tax credits from both State and Federal sources. IHDA's

website (www.ihda.org) is an excellent source of information, describing the purpose and application process for all the authority's funding sources.

- The Authority offers a large array of funding that can help communities in their quest to develop more affordable housing. Some of which are: Low-Income Housing Tax Credits (LIHTC) – The federal LIHTC program is a competitive program for non-profit and for-profit entities to assist in developing affordable rental housing, offering a highly competitive 9% tax credit and a competitive 4% tax credit for 10 years to approved projects. Sale or syndication of these credits usually generates large amounts of equity that is put back into the development to keep rents affordable. Please note the current (2018- 2019) annual LIHTC Qualified Allocation Plan included point scoring incentives for targeted distribution of the subsidy. Two points are awarded to projects located in AHPAA Non-Exempt Local Governments (under 10% affordable housing share). Low-income under LIHTC is defined as 60% or less of household AMI.
- Illinois Affordable Housing Tax Credits (IAHTC) (aka: State Donations Tax Credit) – Works with donations to a project and is granted on a one-time basis to a project that receives eligible donations. This is an excellent source of gap financing for rental, homeowner and employer assisted housing projects being developed or operated by a non-profit organization. Eligible units are between 50% -120% AMI levels, depending on the type of project/program.
- Illinois Affordable Housing Trust Fund – Funded through a real estate transfer fee, this State funding source assists in the provision of affordable, decent, safe and sanitary housing for low- and very low-income households for rental, homeownership and homebuyer units. Eligible proposals include: acquisition and rehabilitation of existing housing, new construction, adaptive reuse of non-residential buildings, and housing for special needs populations. The Trust Fund generally makes loans available at below market rates. Eligible households are between 50%-80% AMI.
- HOME – As discussed above, State HOME funds are administered by IHDA.
- National Housing Trust Fund – This is a state-administered HUD-funded program, operated and targeted by IHDA to extremely low-income (30% AMI or below) renter households.
- Multi Family Financing – IHDA offers a variety of other financing options specific to multi-family housing developments. The options currently available through IHDA include: Conduit Loan program, FFB Risk Share Program, Credit Advantage Mortgage Program, Affordable Advantage Mortgage Program, One Stop Plus Program and others.
- Single-Family Financing - IHDA finances mortgages through participating banks that are below the market rate, making it easier for low- and moderate-income families to qualify and afford a home (see Bond Financing). IHDA can also provide financial assistance to help with down payments and closing costs. Partnering with local non-

profit organizations and municipalities, IHDA can also finance local homebuyer assistance programs as well as home repair programs with forgivable loans for low-income homeowners who need to bring their homes up to code.

Employer Assisted Housing (EAH) – There are also programs (both national and statewide) that encourages employers to invest in housing for their employees. An EAH program typically includes counseling about home buying and financing, direct financial assistance with closing costs and payments, rental housing assistance and/or a real estate investment.

Class 9 Property Tax Incentive – Encourages new development, rehabilitation and long-term preservation of multi-family rental housing, affordable to low- and moderate-income households across Cook County by providing significant tax abatement to qualified properties. Call 312/603-7850 or visit www.cookcountyassessor.com/forms-incentives.aspx

Federal Home Loan Bank (FHLB) – The Affordable Housing Program (AHP) offered by the Federal Home Loan Bank (Chicago FHLB) is a subsidy fund designed to assist in the development of affordable housing for low and moderate-income households. The Chicago FHLB contributes 10% of its previous year's net income to the AHP each year. The allocation is split between the Chicago FHLB's competitive application program and the non-competitive homeownership set-aside program called Down Payment Plus. The AHP provides grants and subsidized loans to member financial institutions working with affordable housing providers to finance rental and ownership housing for low and moderate-income households. For more information, please visit www.fhlbc.com or call 312/565-5700.

Community Investment Corporation (CIC) – CIC is a not-for-profit neighborhood revitalization lender that provides financing to buy and rehab multifamily apartment buildings with five units or more in the six-county metropolitan Chicago area. Please visit www.cicchicago.com or call 312/258-0070.

IFF – A leading nonprofit community development financial institutions (CDFI), IFF strengthens non-profits and their communities through lending and real estate consulting. IFF is able to help nonprofits finance, plan and build facilities that are critical to their mission and success. IFF serves nonprofits in Illinois and other Midwestern states, with a focus on those that serve low and moderate income communities and special needs populations. For more information, please visit www.iff.org, or call 312/629-0060.

Office of Housing Coordination Services (OHCS) – Part of IHDA's SPAR Department, OHCS operates a housing information clearinghouse for affordable housing in the State of Illinois. With this clearinghouse, OHCS tracks housing finance options provided by IHDA and other State programs, federal programs as well as private resources. For more information, please visit www.ihda.org, or contact the Office of Housing Coordination Services at (312) 836-5364.

Additional information on other IHDA programs, including those in foreclosure prevention, blight reduction, community revitalization and homeownership assistance can also be found in the Annual Comprehensive Housing Plan, which is listed on the IHDA website.

Appendix C: Technical Assistance Available to Non-Exempt Local Governments

A number of organizations have resources to assist local governments interested in developing affordable housing programs, incentives and/or plans for their community.

Chicago Metropolitan Agency for Planning (CMAP) – CMAP is the federally mandated Metropolitan Planning Organization (MPO) for the Northeast Illinois region, including Cook, DuPage, Kane, Kendall, Lake, McHenry and Will Counties. CMAP is charged with implementing the region's long-range, comprehensive plan called GO TO 2040. One of the plan's major recommendations is to achieve greater livability through land use and housing. To implement the plan, CMAP provides staff assistance to communities through the agency's Local Technical Assistance program, which seeks project proposals from communities late in the spring each year. CMAP has worked with MMC and MPC to provide housing policy plans across the region through the Homes for a Changing Region project. Currently, the community selection process is underway, with a total of 10 communities eligible to receive planning assistance to promote affordability and address challenges to creating balanced housing options. For more information, visit: www.cmap.illinois.gov.

Metropolitan Mayors Caucus (MMC) – The Caucus provides a forum through which the chief elected officials of the region cooperatively develop consensus on common public policy issues and multi-jurisdictional challenges. With a foundation of collaboration and consensus-based decision-making, it serves a number of functions for its partner organizations and local governments. With its partners, the Caucus has developed a number of housing related resources for its membership including: Homes for a Changing Region, a housing policy planning exercise that helps municipalities address barriers to affordability and plan for a balanced housing market. For more information please visit www.mayorscaucus.org or call 312/201-4507.

Metropolitan Planning Council (MPC) – For nearly eight decades, MPC has developed and implemented innovative, pragmatic solutions to planning and development challenges in Chicagoland. Through research, advocacy and demonstration projects, MPC is a trusted partner to governments, businesses and communities as each confronts the region's pressing needs so that everyone who lives and works here can thrive. Since its foundation in 1934, MPC has been committed to integrating quality homes affordable to families at a range of incomes, including very low-income households, into healthy communities with transportation options, job opportunities and quality schools. As mentioned above, MPC is also a partner in the Homes for A Changing Region Program. For more information please visit <http://www.metroplanning.org/> or call 312/922-5616.

Business and Professional People for the Public Interest (BPI) – BPI is a public interest law and policy center that works throughout the Chicago region. BPI's housing program works to preserve and expand the supply of housing affordable to working people, seniors and young families, especially in areas of opportunity, and seeks to stabilize and strengthen neighborhoods that already have large supplies of affordable housing. BPI frequently works in collaboration with local governments and other local partners. BPI has helped local

leaders to assess local housing needs and trends, conducted research on best practices from around the country, and helped to develop and improve local policies and programs. For example, BPI has assisted local governments in developing policies and programs that facilitate the creation of affordable housing, including incentives that allow developers to cover the cost of high-quality affordable housing at no cost to the local government. BPI has also worked with local governments to develop programs that preserve existing affordable units. For more information, please visit <http://www.bpichicago.org/> or call 312/641-5570.

Appendix D: CDBG and HOME Administrators Directory

Communities that do not receive direct allocations of CDBG or HOME funds from HUD may be located in a county that does receive such funds. The county level administrators are capable of partnering with communities seeking resources for affordable housing initiatives or residential developments. Below is a list of Chicago Metropolitan Area cities and county administrators of CDBG and HOME funds in the Chicago metropolitan area.

City of Naperville

City Manager's Office
400 S. Eagle Street
Naperville, IL 60540
630 / 420-6044

Cook County

Department of Planning and
Development
69 W. Washington, Suite 2900
Chicago, IL 60602
312 / 603-1000

DuPage County

Department of Client Services
421 North County Farm Road
Wheaton, IL 60187
630 / 407-6500

Kane County

Office of Community Reinvestment
719 Batavia Avenue
Geneva, IL 60134
630 / 208-5351

Lake County

Department of Community Development
500 W. Winchester Rd., Unit 101
Libertyville, IL 60048
847 / 377-2475

McHenry County

Department of Planning and
Development, Division of Community
Development
2200 N. Seminary Avenue
Woodstock, IL 60098
815 / 334-4560

Will County

Land Use Department, Community
Development Division
58 E. Clinton St
Joliet, IL 60433
815 / 774-7890

Appendix E: 310 ILCS 67 (AHPAA Statute As Amended)

(310 ILCS 67/1)

Sec. 1. Short title. This Act may be cited as the Affordable Housing Planning and Appeal Act.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/5)

Sec. 5. Findings. The legislature finds and declares that:

(1) there exists a shortage of affordable,

accessible, safe, and sanitary housing in the State;

(2) it is imperative that action be taken to assure

the availability of workforce and retirement housing; and

(3) local governments in the State that do not have

sufficient affordable housing are encouraged to assist in providing affordable housing opportunities to assure the health, safety, and welfare of all citizens of the State.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/10)

Sec. 10. Purpose. The purpose of this Act is to encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. Further, affordable housing developers who believe that they have been unfairly treated due to the fact that the development contains affordable housing may seek relief from local ordinances and regulations that may inhibit the construction of affordable housing needed to serve low-income and moderate-income households in this State.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/15)

Sec. 15. Definitions. As used in this Act:

"Affordable housing" means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Affordable housing developer" means a nonprofit entity, limited equity cooperative or public agency, or private individual, firm, corporation, or other entity seeking to build an affordable housing development.

"Affordable housing development" means (i) any housing that is subsidized by the federal or State government or (ii) any housing in which at least 20% of the dwelling units are subject to covenants or restrictions that require that the dwelling units be sold or rented at

prices that preserve them as affordable housing for a period of at least 15 years, in the case of owner-occupied housing, and at least 30 years, in the case of rental housing.

"Approving authority" means the governing body of the county or municipality.

"Area median household income" means the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937.

"Community land trust" means a private, not-for-profit corporation organized exclusively for charitable, cultural, and other purposes and created to acquire and own land for the benefit of the local government, including the creation and preservation of affordable housing.

"Development" means any building, construction, renovation, or excavation or any material change in any structure or land, or change in the use of such structure or land, that results in a net increase in the number of dwelling units in a structure or on a parcel of land by more than one dwelling unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Household" means the person or persons occupying a dwelling unit.

"Housing trust fund" means a separate fund, either within a local government or between local governments pursuant to intergovernmental agreement, established solely for the purposes authorized in subsection (d) of Section 25, including, without limitation, the holding and disbursing of financial resources to address the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

"Local government" means a county or municipality.

"Low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.

"Moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the area median household income.

"Non-appealable local government requirements" means all essential requirements that protect the public health and safety, including any local building, electrical, fire, or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/20)

Sec. 20. Determination of exempt local governments.

(a) Beginning October 1, 2004, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent data from the U.S. Census Bureau for each local government within the State and by an inventory of owner-occupied and rental affordable housing units, as defined in this Act, for each local government from the U.S. Census Bureau and other relevant sources.

(b) The Illinois Housing Development Authority shall make this determination by:

(i) totaling the number of owner-occupied housing

units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;

(ii) totaling the number of rental units in each

local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;

(iii) adding the number of owner-occupied and rental

units for each local government from items (i) and (ii); and

(iv) dividing the sum of (iii) above by the total

number of year-round housing units in the local government as contained in the latest U.S. Census Bureau and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Illinois Housing Development Authority shall publish a list of exempt and non-exempt local governments and the data that it used to calculate its determination at least once every 5 years. The data shall be shown for each local government in the State and for the State as a whole. Upon publishing a list of exempt and non-exempt local governments, the Illinois Housing Development Authority shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination.

(d) A local government or developer of affordable housing may appeal the determination of the Illinois Housing Development Authority as to whether the local government is exempt or non-exempt under this Act in connection with an appeal under Section 30 of this Act.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/25)

Sec. 25. Affordable housing plan.

(a) Prior to April 1, 2005, all non-exempt local governments must approve an affordable housing plan. Any local government that is determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau data after 2010 shall have 18 months from the date of notification of its non-exempt status to approve an affordable housing plan under this Act.

(b) For the purposes of this Act, the affordable housing plan shall consist of at least the following:

(i) a statement of the total number of affordable

housing units that are necessary to exempt the local government from the operation of this Act as defined in Section 15 and Section 20;

(ii) an identification of lands within the

jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable

housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;

(iii) incentives that local governments may provide

for the purpose of attracting affordable housing to their jurisdiction; and

(iv) a goal of a minimum of 15% of all new

development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as described in subsection (b) of Section 20 of this Act; or a minimum of a total of 10% affordable housing within its jurisdiction as described in subsection (b) of Section 20 of this Act. These goals may be met, in whole or in part, through the creation of affordable housing units under intergovernmental agreements as described in subsection (e) of this Section.

(c) Within 60 days after the adoption of an affordable housing plan or revisions to its affordable housing plan, the local government must submit a copy of that plan to the Illinois Housing Development Authority.

(d) In order to promote the goals of this Act and to maximize the creation, establishment, or preservation of affordable housing throughout the State of Illinois, a local government, whether exempt or non-exempt under this Act, may adopt the following measures to address the need for affordable housing:

(1) Local governments may individually or jointly

create or participate in a housing trust fund or otherwise provide funding or support for the purpose of supporting affordable housing, including, without limitation, to support the following affordable housing activities:

(A) Housing production, including, without

limitation, new construction, rehabilitation, and adaptive re-use.

(B) Acquisition, including, without limitation,

land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or in part for residential use.

(C) Rental payment assistance.

(D) Home-ownership purchase assistance.

(E) Preservation of existing affordable housing.

(F) Weatherization.

(G) Emergency repairs.

(H) Housing related support services, including

homeownership education and financial counseling.

(I) Grants or loans to not-for-profit

organizations engaged in addressing the affordable housing needs of low-income and moderate-income households.

Local governments may authorize housing trust funds

to accept and utilize funds, property, and other resources from all proper and lawful public and private sources so long as those funds are used solely for addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

(2) A local government may create a community land

trust, which may: acquire developed or undeveloped interests in real property and hold them for affordable housing purposes; convey such interests under long-term leases, including ground leases; convey such interests for affordable housing purposes; and retain an option to reacquire any such real property interests at a price determined by a formula ensuring that such interests may be utilized for affordable housing purposes.

(3) A local government may use its zoning powers to

require the creation and preservation of affordable housing as authorized under Section 5-12001 of the Counties Code and Section 11-13-1 of the Illinois Municipal Code.

(4) A local government may accept donations of money

or land for the purpose of addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing. These donations may include, without limitation, donations of money or land from persons in lieu of building affordable housing.

(e) In order to encourage regional cooperation and the maximum creation of affordable housing in areas lacking such housing in the State of Illinois, any non-exempt local government may enter into intergovernmental agreements under subsection (e) of Section 25 with local governments within 10 miles of its corporate boundaries in order to create affordable housing units to meet the goals of this Act. A non-exempt local government may not enter into an intergovernmental agreement, however, with any local government that contains more than 25% affordable housing as determined under Section 20 of this Act. All intergovernmental agreements entered into to create affordable housing units to meet the goals of this Act must also specify the basis for determining how many of the affordable housing units created will be credited to each local government participating in the agreement for purposes of complying with this Act. In specifying how many affordable housing units will be credited to each local government, the same affordable housing unit may not be counted by more than one local government.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/30)

Sec. 30. Appeal to State Housing Appeals Board.

(a) (Blank).

(b) Beginning January 1, 2009, an affordable housing developer whose application is either denied or approved with conditions that in his or her judgment render the provision of affordable housing infeasible may, within 45 days after the decision, appeal to the State Housing Appeals Board challenging that decision unless the municipality or county that rendered the decision is exempt under Section 15 of this Act. The developer must submit information regarding why the developer believes he or she was unfairly denied or unreasonable conditions were placed upon the tentative approval of the development. In the

case of local governments that are determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau data after the effective date of this amendatory Act of the 98th General Assembly, no developer may appeal to the State Housing Appeals Board until 60 months after a local government has been notified of its non-exempt status.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Board shall, whenever possible, render a decision on the appeal within 120 days after the appeal is filed. The Board may extend the time by which it will render a decision where circumstances outside the Board's control make it infeasible for the Board to render a decision within 120 days. In any proceeding before the Board, the affordable housing developer bears the burden of demonstrating that the proposed affordable housing development (i) has been unfairly denied or (ii) has had unreasonable conditions placed upon it by the decision of the local government.

(d) The Board shall dismiss any appeal if:

(i) the local government has adopted an affordable

housing plan as defined in Section 25 of this Act and submitted that plan to the Illinois Housing Development Authority within the time frame required by this Act; and

(ii) the local government has implemented its

affordable housing plan and has met its goal as established in its affordable housing plan as defined in Section 25 of this Act.

(e) The Board shall dismiss any appeal if the reason for denying the application or placing conditions upon the approval is a non-appealable local government requirement under Section 15 of this Act.

(f) The Board may affirm, reverse, or modify the conditions of, or add conditions to, a decision made by the approving authority. The decision of the Board constitutes an order directed to the approving authority and is binding on the local government.

(g) The appellate court has the exclusive jurisdiction to review decisions of the Board. Any appeal to the Appellate Court of a final ruling by the State Housing Appeals Board may be heard only in the Appellate Court for the District in which the local government involved in the appeal is located. The appellate court shall apply the "clearly erroneous" standard when reviewing such appeals. An appeal of a final ruling of the Board shall be filed within 35 days after the Board's decision and in all respects shall be in accordance with Section 3-113 of the Code of Civil Procedure.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/40)

Sec. 40. Nonresidential development as part of an affordable housing development.

(a) An affordable housing developer who applies to develop property that contains nonresidential uses in a nonresidential zoning district must designate either at least 50% of the area or at least 50% of the square footage of the development for residential use. Unless adjacent to a residential development, the nonresidential zoning district shall not include property zoned industrial. The applicant bears the burden of proof of demonstrating that the purposes of a nonresidential zoning district will not be impaired by the construction of housing in the zoning district and that the public health and safety of the residents of the affordable housing will not be adversely affected by nonresidential uses either in existence

or permitted in that zoning district. The development should be completed simultaneously to the extent possible and shall be unified in design.

(b) For purposes of subsection (a), the square footage of the residential portion of the development shall be measured by the interior floor area of dwelling units, excluding that portion that is unheated. Square footage of the nonresidential portion shall be calculated according to the gross leasable area.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/50)

Sec. 50. Housing Appeals Board.

(a) Prior to January 1, 2008, a Housing Appeals Board shall be created consisting of 7 members appointed by the Governor as follows:

(1) a retired circuit judge or retired appellate

judge, who shall act as chairperson;

(2) a zoning board of appeals member;

(3) a planning board member;

(4) a mayor or municipal council or board member;

(5) a county board member;

(6) an affordable housing developer; and

(7) an affordable housing advocate.

In addition, the Chairman of the Illinois Housing Development Authority, ex officio, shall serve as a non-voting member. No more than 4 of the appointed members may be from the same political party. Appointments under items (2), (3), and (4) shall be from local governments that are not exempt under this Act.

(b) Initial terms of 4 members designated by the Governor shall be for 2 years. Initial terms of 3 members designated by the Governor shall be for one year. Thereafter, members shall be appointed for terms of 2 years. After a member's term expires, the member shall continue to serve until a successor is appointed. There shall be no limit to the number of terms an appointee may serve. A member shall receive no compensation for his or her services, but shall be reimbursed by the State for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board shall hear all petitions for review filed under this Act and shall conduct all hearings in accordance with the rules and regulations established by the chairperson. The Illinois Housing Development Authority shall provide space and clerical and other assistance that the Board may require.

(c) (Blank).

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/60)

Sec. 60. Rulemaking authority. The Illinois Housing Development Authority shall adopt other rules and regulations as needed to carry out the Board's responsibilities under this Act and to provide direction to local governments and affordable housing developers.

(Source: P.A. 94-303, eff. 7-21-05.)

Appendix F: 2018 List of AHPAA Non-Exempt Local Governments (Ordinal)

2018 Report of Non Exempt Local Governments

Ordinal (determination based on 2016 American Community Survey 5-year Estimates)

#	Place	County	Population	Year Round Units	Total Affordable Units	Affordable Housing Share
1	Campton Hills	KANE	11,500	3,504	27	0.8%
2	South Barrington	COOK	4,766	1,483	12	0.8%
3	Long Grove	LAKE	8,065	2,366	27	1.1%
4	Barrington Hills	COOK	3,574	1,384	18	1.3%
5	Inverness	COOK	7,844	2,714	36	1.3%
6	Western Springs	COOK	13,133	4,346	64	1.5%
7	Deer Park	LAKE	3,409	1,121	22	1.9%
8	Kenilworth	COOK	2,613	792	18	2.2%
9	Glencoe	COOK	8,870	3,081	78	2.5%
10	Oak Brook	DUPAGE	7,988	2,986	77	2.6%
11	Timberlane	BOONE	1,023	311	8	2.7%
12	Winnetka	COOK	12,437	4,014	110	2.7%
13	Frankfort	WILL	18,415	5,997	178	3.0%
14	North Barrington	LAKE	2,972	1,046	31	3.0%
15	Northfield	COOK	5,374	2,126	67	3.2%
16	Lakewood	MCHENRY	4,111	1,320	42	3.2%
17	Burr Ridge	DUPAGE	10,736	4,338	144	3.3%
18	Hinsdale	DUPAGE	17,438	5,533	184	3.3%
19	Hawthorn Woods	LAKE	7,590	2,394	81	3.4%
20	Green Oaks	LAKE	3,832	1,140	40	3.5%
21	Prairie Grove	MCHENRY	1,704	598	22	3.8%
22	Lake Bluff	LAKE	5,758	1,992	76	3.8%
23	Lincolnshire	LAKE	7,291	2,941	130	4.4%
24	Wilmette	COOK	27,367	9,551	431	4.5%
25	Bull Valley	MCHENRY	1,213	429	20	4.6%
26	Wayne	DUPAGE	2,513	929	44	4.8%
27	Lake Forest	LAKE	18,881	6,557	348	5.3%
28	Lincolnwood	COOK	12,637	4,118	227	5.5%
29	Lily Lake	KANE	1,253	385	21	5.6%
30	Riverwoods	LAKE	3,759	1,248	71	5.7%
31	Northbrook	COOK	33,538	12,647	722	5.7%
32	Homer Glen	WILL	24,385	8,337	492	5.9%
33	Kildeer	LAKE	3,976	1,308	84	6.4%
34	Plainfield	WILL	41,881	12,332	793	6.4%
35	Gilberts	KANE	7,479	2,187	156	7.1%
36	Glenview	COOK	46,559	16,782	1,223	7.3%
37	Deerfield	LAKE	18,686	6,648	486	7.3%
38	Naperville	DUPAGE	145,789	50,410	3,778	7.5%
39	Tower Lakes	LAKE	1,149	387	30	7.7%
40	Geneva	KANE	21,732	7,798	600	7.7%
41	Sleepy Hollow	KANE	3,338	1,192	92	7.7%
42	Park Ridge	COOK	37,567	13,834	1,112	8.0%
43	Elmhurst	DUPAGE	45,742	15,535	1,278	8.2%
44	La Grange	COOK	15,688	5,277	448	8.5%
45	River Forest	COOK	11,217	3,788	340	9.0%
46	Highland Park	LAKE	29,780	11,361	1,056	9.3%

2018 List of AHPAA Non-Exempt Local Governments (Nominal)

2018 Report of Non Exempt Local Governments

Nominal (determination based on 2016 American Community Survey 5-year Estimates)

#	Place	County	Population	Year Round Units	Total Affordable Units	Affordable Housing Share
1	Barrington Hills	COOK	3,574	1,384	18	1.3%
2	Bull Valley	MCHENRY	1,213	429	20	4.6%
3	Burr Ridge	DUPAGE	10,736	4,338	144	3.3%
4	Campton Hills	KANE	11,500	3,504	27	0.8%
5	Deer Park	LAKE	3,409	1,121	22	1.9%
6	Deerfield	LAKE	18,686	6,648	486	7.3%
7	Elmhurst	DUPAGE	45,742	15,535	1,278	8.2%
8	Frankfort	WILL	18,415	5,997	178	3.0%
9	Geneva	KANE	21,732	7,798	600	7.7%
10	Gilberts	KANE	7,479	2,187	156	7.1%
11	Glencoe	COOK	8,870	3,081	78	2.5%
12	Glenview	COOK	46,559	16,782	1,223	7.3%
13	Green Oaks	LAKE	3,832	1,140	40	3.5%
14	Hawthorn Woods	LAKE	7,590	2,394	81	3.4%
15	Highland Park	LAKE	29,780	11,361	1,056	9.3%
16	Hinsdale	DUPAGE	17,438	5,533	184	3.3%
17	Homer Glen	WILL	24,385	8,337	492	5.9%
18	Inverness	COOK	7,844	2,714	36	1.3%
19	Kenilworth	COOK	2,613	792	18	2.2%
20	Kildeer	LAKE	3,976	1,308	84	6.4%
21	La Grange	COOK	15,688	5,277	448	8.5%
22	Lake Bluff	LAKE	5,758	1,992	76	3.8%
23	Lake Forest	LAKE	18,881	6,557	348	5.3%
24	Lakewood	MCHENRY	4,111	1,320	42	3.2%
25	Lily Lake	KANE	1,253	385	21	5.6%
26	Lincolnshire	LAKE	7,291	2,941	130	4.4%
27	Lincolnwood	COOK	12,637	4,118	227	5.5%
28	Long Grove	LAKE	8,065	2,366	27	1.1%
29	Naperville	DUPAGE	145,789	50,410	3,778	7.5%
30	North Barrington	LAKE	2,972	1,046	31	3.0%
31	Northbrook	COOK	33,538	12,647	722	5.7%
32	Northfield	COOK	5,374	2,126	67	3.2%
33	Oak Brook	DUPAGE	7,988	2,986	77	2.6%
34	Park Ridge	COOK	37,567	13,834	1,112	8.0%
35	Plainfield	WILL	41,881	12,332	793	6.4%
36	Prairie Grove	MCHENRY	1,704	598	22	3.8%
37	River Forest	COOK	11,217	3,788	340	9.0%
38	Riverwoods	LAKE	3,759	1,248	71	5.7%
39	Sleepy Hollow	KANE	3,338	1,192	92	7.7%
40	South Barrington	COOK	4,766	1,483	12	0.8%
41	Timberlane	BOONE	1,023	311	8	2.7%
42	Tower Lakes	LAKE	1,149	387	30	7.7%
43	Wayne	DUPAGE	2,513	929	44	4.8%
44	Western Springs	COOK	13,133	4,346	64	1.5%
45	Wilmette	COOK	27,367	9,551	431	4.5%
46	Winnetka	COOK	12,437	4,014	110	2.7%

Affordable Housing Planning and Appeal Act: **2013 Non-Exempt Local Government Handbook**

Published in accordance with the 310 ILCS 67 by:
Illinois Housing Development Authority
Office of Housing Coordination Services
December 2013 (Revised January 7, 2014)

Table of Contents

• Executive Summary	4
• Exemption Determination Process	6
○ Statutory Guidance	6
○ Data Sources	7
○ Selecting U.S. Census Bureau Data	8
○ Determining Share of Affordable Units	9
• Affordable Housing Plans	13
• State Housing Appeals Board	14
• Appendices	
A. Frequently Asked Questions	17
B. Financial Resources	20
C. Technical Assistance Resources	25
D. CDBG and HOME Administrators Directory	26
E. AHPAA Statute As Amended (310 ILCS 67)	27
F. Local Government Exemption Lists	35

Executive Summary

The Illinois General Assembly passed the Affordable Housing Planning and Appeal Act (AHPAA) (310 ILCS 67) in 2003 to address the lack of moderately-priced housing that exists in many communities. Growth in home values continues to outpace growth in household incomes throughout the Chicago region and many people who are vital to local economies and who provide critical community services cannot afford to live in or around the places they work.

The law established a process for identifying communities with the most acute shortage of local housing stock available at an amount that would be affordable to:

- Homebuyers at 80% of the regional median household income.
- Renters at 60% of the regional median household income.

The law identifies these communities, known as Non-Exempt Local Governments, with two primary criteria:

- Non-Exempt Local Governments must be incorporated municipal governments (e.g: county, town, village, city, etc.) with a population of at least 1,000 people.
- Non-Exempt Local Governments must have a portion of the local year-round housing stock considered affordable that is below 10%, as determined by data from the U.S. Census Bureau and other relevant sources (details on pages 7 - 9).

The law requires Non-Exempt Local Governments:

- To adopt and submit an Affordable Housing Plan (details on page 13) to Illinois Housing Development Authority (IHDA). Communities that already submitted a plan to IHDA because they were previously identified as Non-Exempt Local Governments are expected to update their plans, adopt the updated version, and submit them again.

This handbook was written to accompany the 2013 List of AHPAA Non-Exempt Local Governments. It primarily serves as a reference tool.

The process used to identify the Non-Exempt Local Governments is laid out in the AHPAA statute (details on page 6), and the Illinois Housing Development Authority (IHDA) is responsible for generating this list. IHDA published the first list in 2004, but due to U.S. Census Bureau data availability, a new list was not possible until 2013. Going forward, IHDA will publish a new list approximately every five years.

Several organizations, including IHDA, are available to assist local governments in the production of Affordable Housing Plans (AHP).

The State Housing Appeals Board (SHAB) was established by AHPAA to hear appeals from affordable housing builders who feel that they have been treated unfairly by AHPAA Non-

Exempt Local Governments during the local development approval process. Four of the seven members must be local officials or administrators. In particular, the Non-Exempt Local Government must have denied approval of a project with an affordable housing component, or granted an approval with conditions that make the proposed project financially infeasible. The SHAB was fully appointed in 2012 and established a set of administrative rules through the Illinois General Assembly's Joint Committee on Administrative Rules in 2013 (published in the Illinois Register V. 37 Issue 15, April 12, 2013). At the time of this manual's publication, no appeals had been filed for SHAB review.

Affordable Housing Planning and Appeal Act: Exemption Determination Process

The language within the Illinois Affordable Housing Planning and Appeal Act (AHPAA; 310 ILCS 67) outlines a process for determining which local governments the law applies to. According to the statute (as amended by P.A. 98-0287), this process must be completed by the Illinois Housing Development Authority (IHDA) at least once every five years (recent changes to the statute allow for this more frequent publication of the list with improved availability of appropriate U.S. Census Bureau data). While AHPAA makes certain aspects of the exemption determination process explicit and clear, other implicit steps must be taken to complete the determination. This report intends to make all steps taken by IHDA fully explicit and clear.

The exemption process steps mandated by AHPAA are identified in the following section of this report. Within the law there are two sections that guide the determination of community exemption status.

Statutory Guidance

Section 15 (310 ILCS 67/15) of the law provides definitions, some of which directly affect the determination process. The relevant definitions are highlighted below:

"Affordable housing" means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Local government" means a county or municipality.

Section 20 (310 ILCS 67/20) of the law describes fundamental steps that must be included in the exemption determination process. This section is quoted in its entirety below:

Sec. 20. Determination of exempt local governments.

- (a) Beginning October 1, 2004, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent data from the U.S. Census

Bureau for each local government within the State and by an inventory of owner-occupied and rental affordable housing units, as defined in this Act, for each local government from the U.S. Census Bureau and other relevant sources.

- (b) The Illinois Housing Development Authority shall make this determination by:
 - (i) totaling the number of owner-occupied housing units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;
 - (ii) totaling the number of rental units in each local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;
 - (iii) adding the number of owner-occupied and rental units for each local government from items (i) and (ii); and
 - (iv) dividing the sum of (iii) above by the total number of year-round housing units in the local government as contained in the latest U.S. Census Bureau and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.
- (c) Beginning on August 9, 2013 the Illinois Housing Development Authority is to publish a list of exempt and non-exempt local governments and the data that it used to calculate its determination at least once every 5 years. The data shall be shown for each local government in the State and for the State as a whole. Upon publishing a list of exempt and non-exempt local governments, the Illinois Housing Development Authority shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination.
- (d) Communities which develop affordable housing plans and meet one of the three statutory goals (see page 13) are then exempt from the provisions of the law, including possible appeals and submitted to the State Housing Appeal Board.

Data Sources

The sections of AHPAA quoted above offer a framework for completing the exemption determination process, but Section 20a in the statute raises an important issue for beginning the exemption determination process: establishing a single source of data as “the most recent data from the U.S. Census Bureau.”

Nearly all of the data points required for the determination process are now available in the American Community Survey 5 Year Estimates (ACS 5yr Est.) and are published annually on a two-year delay. As of September 2013, the most recent ACS 5yr data set available was the 2011 5yr Estimate, which was selected as the primary data source for completing the exemption determination process.

Spatial data provided by the U.S. Census Bureau was analyzed to assign a primary county or MSA to every local government in the state (numerous local governments have jurisdictions that cross county boundaries). Land coverage within the jurisdiction of all local governments was calculated by county and a majority county or MSA was assigned to each local government to determine the median household income.

Mortgage contract terms for the calculation of affordable owner-occupied units are not explicitly defined in the statute, so industry standards and academic literature were relied on. The fixed-rate 30-year mortgage with a downpayment of 10% of the purchase price was chosen because research has shown that those are the optimal terms for both low-income homebuyers and mortgage lenders, regarding probability of negative home equity and default rates.¹ An average interest rate for the past five years (2008 - 2012) was calculated using the Historical Selected Interest Rates for Conventional Mortgages (Annual) published on the website for the Board of Governors of the Federal Reserve System.² This interest rate, 4.8%, was assumed for the calculation of affordable owner-occupied units. Reliable data for homeowner's insurance and homeowners association fees was not available on a community-level scale and therefore was not included in the determination process. (Note: any such data used in the determination process would only have increased the number of Non-Exempt Local Governments).

Selecting U.S. Census Bureau Data

The exemption determination process outlined in Section 20b of the statute is an essential guide, but it does not explicitly identify all of the data points needed to complete the process as directed. This section connects key terms used in the statute with data points available within the 2011 ACS 5 Year Estimates.

- **Local Government:** as shown above, Section 15 of AHPAA defines local government as a county or municipality and automatically exempts any municipality with a population under 1,000. The Census Bureau's definition of 'place' includes any incorporated local government, but does not include counties or townships. In the exemption determination process IHDA included all 'places' and 'counties' within Illinois. Places with population under 1,000 and Census Designated Places (which are not incorporated as municipalities) were removed from the analysis. Parties

¹ John Y. Campbell and João F. Cocco. "A Model of Mortgage Default," National Bureau of Economic Research Working Paper 17516, October 2011. Patrie Hendershott, Robert Hendershott, and James Shilling. "The Mortgage Finance Bubble: Causes and Corrections," Journal of Housing Research, 2010. Tomasz Piskorski and Alexei Tchisty. "Stochastic House Appreciation and Optimal Mortgage Lending," Review of Financial Studies, 2011.

² <http://www.federalreserve.gov/releases/h15/data.htm>

interested in the affordability of unincorporated areas may contact IHDA for more information.

- Area Median Income (AMI): in accordance with Section 20b(i) and 20b(ii) of the statute, the median household income (MHI) was collected from each county and Metropolitan Statistical Area (MSA) in the state (when appropriate the MHI for MSA Metropolitan Divisions was used) and assigned to all local governments within that geography.
- Total Year-Round Housing Units: seasonal and recreational housing units are classified as a type of vacant housing in American Community Survey data. To avoid any concerns of inflating the true number of year-round housing units in a given community (and thereby deflating its share of affordable housing stock), only occupied housing units were included during the exemption determination process. Total year-round units were calculated by adding “owner-occupied units” and “occupied units paying rent”.
- Owner-Occupied Housing Units: “Value” of home estimates were utilized to determine how many of the owner-occupied housing units in a given local government are ‘affordable’ to potential homebuyers at 80% of the AMI. Only units that are currently occupied by homeowners are included in these estimates. “Total Median Real Estate Taxes Paid” estimates for every local government were also utilized to determine the number of affordable owner-occupied housing units. Vacant for-sale units are not included in the determination process because the U.S. Census Bureau does not collect information on their value. (Note: homeowner utility costs are not collected as part of the American Community Survey, nor does the AHPAA statute include it in its formula for affordable homeownership).
- Rental Units: “Gross Rent” estimates were utilized to determine how many of the occupied rental units in a given community would be affordable to a potential renter at 60% of the AMI. Only units occupied by renters are included in these estimates. Units occupied by renters not paying rent are not counted as affordable rental units because the Census Bureau does not collect information on the terms of occupancy.

Determining Share of Affordable Units

To clarify the steps used to determine the share of affordable housing units in local governments across Illinois, following the process outlined in the statute and utilizing the U.S. Census data identified above, two examples will be illustrated.

City of Evanston, Cook County

Population: 74,149

Area Median Income: \$61,045 (Chicago MSA)

First, the affordable monthly rent was determined for a household at 60% of the AMI.

$\$61,045 \text{ (AMI)} \times 60\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \916 a month

Now the number of affordable rental units in Evanston can be counted.

“Gross Rent” – Total Occupied Units Paying Rent: 11,775

“Gross Rent” – Less than \$200: 201

“Gross Rent” – \$200 to \$299: 235

“Gross Rent” – \$300 to \$499: 251

“Gross Rent” – \$500 to \$749: 728

“Gross Rent” – \$750 to \$999: 3,262

“Gross Rent” – \$1,000 to \$1,499: 4,130

“Gross Rent” – \$1500 or more: 2,968

The affordable monthly rental amount in Evanston, \$916, falls within the \$750 to \$999 “Gross Rent” interval. The total number of units in lower intervals is 1,415. Since \$916 represents 67% of the \$750 to \$999 interval, an estimated 2,170 units of the 3,262 units within that interval have a “Gross Rent” below \$916. Adding the two figures reaches a total of **3,585 affordable rental units** in Evanston.

Next, the affordable home value was determined for a household at 80% of the AMI. The first was determining an affordable monthly payment for this hypothetical household.

$\$61,045 \text{ (AMI)} \times 80\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$1,221$ a month

The median real estate taxes paid in Evanston were \$6,273, or \$523 a month. This amount was subtracted from \$1,221 to reach the final affordable monthly payment of \$698. Using the present value calculation typical for determining an affordable sales price in mortgage lending and assuming a 4.8% interest rate (the average rate for conventional mortgages over the last five years), a 30-year loan term and a 10% down payment – an affordable home value in Evanston was determined to be \$146,372.

Now the number of affordable owner-occupied units in Evanston can be counted.

“Value” - Total Owner-Occupied units: 16,896

“Value” - Less than \$50,000: 166

“Value” - \$50,000 to \$99,999: 202

“Value” - \$100,000 to \$149,999: 519

“Value” - \$150,000 to \$199,999: 1,780

“Value” - \$200,000 to \$299,999: 3,266

“Value” - \$300,000 to \$499,999: 5,218

“Value” - \$500,000 to \$999,999: 4,598

“Value” - \$1,000,000 or more: 1,147

The affordable home value in Evanston, \$146,372, falls within the \$100,000 to \$149,000 “Value” interval. The total number of units in lower intervals is 368. Since \$146,372 represents 93% of the \$100,000 to \$149,000 interval, an estimated 481 units within the

interval have a “value” below \$146,372. Adding the two figures reaches a total of **849 affordable owner-occupied units** in Evanston.

The sum of affordable housing units in Evanston equaled **4,435**. At this point the affordable housing share of total units in Evanston was calculated.

$$4,435 \text{ (affordable housing units)} / 28,671 \text{ (year-round housing units)} = \mathbf{15.4\%}$$

Village of Frankfort, Will County

Population: 17,464

Area Median Income: \$61,045 (Chicago MSA)

First, the affordable monthly rent was determined for a household at 60% of the AMI.

$$\$61,045 \text{ (AMI)} \times 60\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$916 \text{ a month}$$

Now the number of affordable rental units in Frankfort can be counted.

“Gross Rent” – Total Occupied Units Paying Rent: 174

“Gross Rent” – Less than \$200: 0

“Gross Rent” – \$200 to \$299: 0

“Gross Rent” – \$300 to \$499: 0

“Gross Rent” – \$500 to \$749: 0

“Gross Rent” – \$750 to \$999: 105

“Gross Rent” – \$1,000 to \$1,499: 22

“Gross Rent” – \$1500 or more: 47

The affordable monthly rental amount in Frankfort, \$916, falls within the \$750 to \$999 “Gross Rent” interval. The total number of units in lower intervals is 0. Since \$916 represents 67% of the \$750 to \$999 interval, an estimated 70 units of the 105 units within that interval have a “Gross Rent” below \$916. The result is a total of **70 affordable rental units** in Frankfort.

Next, the affordable home value was determined for a household at 80% of the AMI. The first was determining an affordable monthly payment for this hypothetical household.

$$\$61,045 \text{ (AMI)} \times 80\% \times 30\% \text{ (portion of income affordable for housing)} / 12 = \$1,221 \text{ a month}$$

The median real estate taxes paid in Frankfort were \$8,745, or \$729 a month. This amount was subtracted from \$1,221 to reach the final affordable monthly payment of \$492. Using the present value calculation typical for determining an affordable sales price in mortgage lending and assuming a 4.8% interest rate (the average rate for conventional mortgages over the last five years), a 30-year loan term and a 10% down payment – an affordable home value in Frankfort was determined to be \$103,183.

Now the number of affordable owner-occupied units in Frankfort can be counted.

“Value” - Total Owner-Occupied units: 5,194

“Value” - Less than \$50,000: 19

“Value” - \$50,000 to \$99,999: 25

“Value” - \$100,000 to \$149,999: 41

“Value” - \$150,000 to \$199,999: 167

“Value” - \$200,000 to \$299,999: 1,047

“Value” - \$300,000 to \$499,999: 2,705

“Value” - \$500,000 to \$999,999: 1,149

“Value” - \$1,000,000 or more: 41

The affordable home value in Frankfort, \$103,183, falls within the \$100,000 to \$149,000 “Value” interval. The total number of units in lower intervals is 44. Since \$103,183 represents 6% of the \$100,000 to \$149,000 interval, an estimated 3 units within the interval have a “value” below \$146,372. Adding the two figures reaches a total of **47 affordable owner-occupied units** in Frankfort.

The sum of affordable housing units in Frankfort equaled **116**. At this point the affordable housing share of total units in Frankfort was calculated.

$116 \text{ (affordable housing units)} / 5,368 \text{ (year-round housing units)} = 2.2\%$

Affordable Housing Plans

From the date on the letter/email notifying a Non-Exempt Local Government of its status under AHPAA, the local administrators have 18 months from the date the Non-Exempt Local Government list was published to develop, approve and submit an Affordable Housing Plan to IHDA, consisting of at least the following components:

- Statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of the Act, as defined in Section 15 and Section 20, and based on the numbers included in AHPAA Local Government Exemption Report, published by IHDA.
- Identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing, and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned.
- Incentives that the local government may provide for the purpose of attracting affordable housing to their jurisdiction.
- Selection of one of the following goals for increasing local affordable housing stock:
 - a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in this Act;
 - a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as defined in Section 20 of this Act;
 - a minimum of a total of 10% of affordable housing within its jurisdiction.

According to the law, Non-Exempt Local Governments must submit their Affordable Housing Plan to IHDA within 60 days of the initial local approval of the plan or approval of revisions.

State Housing Appeals Board

AHPAA also assigns IHDA the responsibility of staffing the State Housing Appeals Board. The State Housing Appeals Board may hear appeals once the following conditions are met:

- A developer, believing there is a market for such housing, must obtain site control in a Non-Exempt Local Government and voluntarily come forward with a proposal that includes at least 20% of the dwelling units being subject to covenants or restrictions that require that the dwelling units be sold or rented at prices that preserve them as affordable housing for a period of at least 15 years, in the case of for-sale housing, and at least 30 years, in the case of rental housing.
- The developer's proposal must be denied, or approved with conditions that rendered the project infeasible.
- The developer must file an appeal with the State Housing Appeals Board within 45 days of the local government decision they wish to appeal. Initial pleadings filed by the developer must include the following (in paper or electronic copies):
 - a. a clear and concise statement of the prior proceedings (related to the proposed development) before all Approving Authorities, including the date of notice of the decision that the Affordable Housing Developer is appealing;
 - b. a clear and concise statement of the Affordable Housing Developer's objections to the Approving Authority's decision, indicating why the Affordable Housing Developer believes the application to develop Affordable Housing was unfairly denied, which may include an appeal of IHDA's determination of the exempt status of the Local Government as set forth in Section 395.401, or what conditions, if any, were imposed that the Affordable Housing Developer believes were unreasonable;
 - c. a clear and concise statement setting forth the relief sought;
 - d. the complete name and address of the Affordable Housing Developer for the purpose of service of papers in connection with the appeal;
 - e. the name and address of the attorney or attorneys representing the Affordable Housing Developer, if any; and
 - f. a complete copy of the application for the Affordable Housing Development, as it was submitted to the Approving Authority, including sufficient information to determine whether the proposal that is the subject of the appeal is Affordable Housing.

State Housing Appeals Board (Continued)

During the appeals process the developer must convince the State Housing Appeals Board that:

- the proposed Affordable Housing Development complies with all Non-Appealable Local Government Requirements*. The Affordable Housing Developer must prove these elements with respect to only those aspects of the project that are in dispute; or
- Non-Appealable Local Government Requirements have been applied differently to proposals that do not include Affordable Housing; or
- the Approving Authority has a pattern of denying applications to develop Affordable Housing; or
- the Approving Authority changed the zoning of an area regarding a specific Affordable Housing Development that, but for the change in zoning, is otherwise able to proceed, or has a pattern of changing zoning of an area in regards to Affordable Housing Developments that, but for the change in zoning, are otherwise able to proceed; or
- the Approving Authority unreasonably or intentionally delayed its decision regarding a specific Affordable Housing Development that, but for the lack of timely decision by the Approving Authority, is otherwise able to proceed, or has a pattern of unreasonably or intentionally delaying its decisions on applications for Affordable Housing Developments that, but for the lack of timely decisions of the Approving Authority, are otherwise able to proceed; or
- IHDA's determination that the Local Government is exempt from the Act is incorrect based on the counting protocols set forth in Section 20 of the Act and any written guidance published by IHDA; or
- any other unreasonable denial of the application for the Affordable Housing Development.

* "Non-Appealable Local Government Requirements": All essential requirements that protect the public health and safety, including any local building, electrical, fire or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment. Zoning, density and bulk restrictions may count as Non-Appealable Local Government Requirements if the Board finds that they qualify under the Act's definition of Non-Appealable Local Government Requirements.

The local government, or approving authority, has equal opportunity to present evidence and defend itself against claims made by the appealing developer.

Appendices

Appendix A: Frequently Asked Questions

Can a Non-Exempt Local Government appeal their exemption status?

The State Housing Appeals Board has the authority to review the legitimacy of exemption status but only in the case of an appeal related to that community. If a Non-Exempt Local Government wishes to submit information that may affect their exemption status in the eyes of the State Housing Appeals Board, then they may submit those materials to IHDA for the State Housing Appeals Board as records to be reviewed at the time of an appeal.

Why are Metropolitan Statistical Area figures for median household income used for some places and county figures for other places?

The statute specifies affordability calculations be based on the median household income of Metropolitan Statistical Area (MSA) data where available and county data where MSA data is not available. The federal Office of Management and Budget regularly publishes guidance on the definitions of MSAs and that information is adopted by the U.S. Census Bureau and various federal funding sources. AHPAA was written to accommodate the MSA data to ensure that areas of population concentration with a high degree of economic and social integration are treated as a whole. Counties using county data are generally rural in nature.

Does the count of affordable units in a local government reflect the number of households currently paying more than 30% of income?

No. The analysis compares the cost of buying or renting a home in a given community to the area's (MSA or county) median household income.

What is the State Housing Appeals Board?

The State Housing Appeals Board (SHAB) consists of seven members: 1) a zoning board of appeals member from a Non-Exempt community; 2) a planning board member from a Non-Exempt community; 3) a mayor or municipal council/board member from a Non-Exempt community; 4) a county board member; 5) an affordable housing developer; 6) a housing advocate; and 7) a retired circuit or appellate judge (who must serve as board chairperson). IHDA's Chairman will also serve as an ex-officio member.

How does a developer file an appeal with the State Housing Appeals Board?

A developer wishing to file an appeal should send a complete package with all materials identified in the AHPAA (see page 3 of this document) to the Office of Housing Coordination Services at IHDA, addressed as follows:

ATTN: Office of Housing Coordination Services, IHDA (14)
RE: State Housing Appeals Board
401 N. Michigan Ave., Ste. 700
Chicago, IL 60611

Will affordable housing have a negative impact on property values?

In recent years, scholars have produced numerous studies with rigorous analytic methodologies to better understand the impact that affordable housing developments have on surrounding property values, local community safety, and services. A review of the literature on the subject conducted in 2005 indicated that most studies do not find a

negative impact related to affordable housing developments.³ The literature review also showed that affordable housing sited in economically strong communities and dispersed across metropolitan regions are the most successful and have the least negative impacts. A more recent study (2013) focused on affordable housing developments in suburban New Jersey, which has a state policy similar to the Affordable Housing Planning and Appeal Act, found that affordable housing development was not associated with increased crime, decreased property values, or increased taxes.⁴

Are municipalities required to own the affordable housing developed within their borders?

No. A non-exempt municipality is not expected to own or manage affordable housing in order to comply with the AHPAA statute. However, the planning requirements of the AHPAA suggest that municipalities can and are encouraged to help facilitate affordable housing development by providing local incentives, some of which may involve municipally created non-profit ownership or management of a property (e.g., a Community Land Trust under an inclusionary housing program or a Community Housing Development Organization under a HOME program). Financial public support of an affordable housing development may be more appropriate in the form of a property donation or waiver of local development building and permit fees.

To comply with the AHPAA statute, is a particular type of affordable housing necessary?

No. The type of affordable housing provided within a community is strictly a local decision. Neither IHDA nor the AHPAA statute require or prefer a particular type of affordable housing to comply. Municipalities may decide to encourage affordable rental housing, affordable homeownership programs or alternative types of housing tenure. In some cases, changes to local zoning and building codes may attract developers able to build housing without any subsidies or restrictions and market them to residents at an affordable price (according to AHPAA).

Are municipalities required to change zoning ordinances to comply with the AHPAA?

No. The AHPAA statute does not intend to dictate or override local zoning ordinances and building codes. Compliance with the statute does not necessarily require a change in either zoning and building codes (nor density, design or unit type requirements). Some communities may, however, utilize related incentive programs, such as establishment of an inclusionary zoning ordinance or other development incentives.

Are municipalities required to be involved with private real estate transactions?

No. Compliance with the statute does not require municipal participation in private transactions. Unless a municipality chooses to become involved indirectly with private real estate transactions by establishing a Community Land Trust (though Community Land Trusts are generally recommended to be established as a separate legal entity), there are no statutory requirements that necessitate municipal participation in real estate transactions beyond the approval of an affordable housing plan. Municipalities and counties, however,

³ Nguyen, Mai Thi. "Does Affordable Housing Detrimentially Affect Property Values? A Review of the Literature" in *Journal of Planning Literature* (2005; 20: 15).

⁴ Len Albright, Elizabeth S. Derickson and Douglas S. Massey. "Do Affordable Housing Projects Harm Suburban Communities? Crime, Property Values, and Property Taxes in Mt. Laurel, New Jersey" in *City & Community* (2013; 12: 2).

are encouraged to participate in such projects financially when feasible via local CDBG and HOME Program funding. Also approval and support of projects with affordable housing components such as LIHTC projects is encouraged.

To comply with the AHPAA statute are municipalities required to develop property designated as parkland or open space?

No. The purpose of the AHPAA is to strongly encourage local planning strategies that foster the development of affordable housing. The law is not intended to dictate type or location of affordable housing to be developed.

How are communities with little available land (“built out”) going to comply with the law?

The AHPAA does not force communities to categorically accept new developments that include affordable housing. In fact, this law may have little impact on communities that are already “built out”. Communities with little available land could choose the option of 15% of all new development and redevelopment as a set-aside for affordable housing. The law simply provides that as a community continues to grow or redevelop, it should work to include some moderately priced housing, making it possible for those who work in and serve the community to afford to live there too.

Appendix B: Financial Assistance Available to Non-Exempt Local Governments

Communities seeking to increase the number of local affordable housing units have a number of tools at their disposal and they should be aware of several financial resources that can help create affordable housing.

Listed below are local tools that communities may utilize to promote affordability:

- Zoning
- Reduction in Development Fees / Fee Waivers (building permit fees; planning fees; capital facilities fees; inspection fees; “tap-on” fees)
- Expedited Permitting for Affordable Housing
- Covenants
- Land Leases
- Community Land Trusts
- Deed Restrictions (on affordability)
- Use Restrictions
- Resale Restrictions
- Inclusionary Zoning (mandatory; voluntary; negotiated / ad hoc)
- Use of Public Funding (IHDA funds; federal funding; tax credits; assistance with local subsidies, such as CDBG or HOME)
- Planned Unit Development (PUD) ordinances

Discussed below are Federal, State and local resources that may be accessed for assistance by non-profit developers, for-profit developers and local governments for affordable housing:

Community Development Block Grants (CDBG) – CDBG funds are federal grants available to municipalities and counties through the US Department of Housing and Urban Development (HUD) that can be used to fund many different programs that provide assistance to a wide variety of grantees. Some housing activities are considered eligible uses, such as housing rehabilitation, land acquisition, and homebuyer assistance. Funds must be used to primarily assist low to moderate income households. For more information, see Appendix D: www.hud.gov/offices/cpd/communitydevelopment/programs/index.cfm

HOME Participating Jurisdictions and Consortium Funding – Also funded through HUD, federal HOME funds are available via a formula grant to states and local governments participating jurisdictions (PJ). HOME funds can be used for rental housing production and rehabilitation loans and grants, first-time homebuyer assistance, and rehabilitation assistance for homeowners. An annual portion of HOME funds (15%) is required to be set-aside for eligible Community Housing Development Organizations (CHDOs). All housing developed with HOME funds must serve income eligible households (low or very-low income). For more information, see Appendix D: www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm

IHDA is the designated State agency to oversee HOME funds within the State of Illinois. IHDA can allocate HOME funds throughout the state, but generally gives preference to areas

that do not have their own, local HOME funds as a Participating Jurisdiction or Consortium. Information on IHDA's HOME funds can be found at www.ihda.org.

Please Note: CDBG and HOME funds are often granted on a municipal or county basis. See Appendix D for a list of the local and county administrators within the Chicago Metropolitan area.

Bond Financing – Tax-exempt, private activity bonds are a financing tool that can be applied to both single-family and multi-family housing programs. Tax-exempt bonds can be issued locally or by IHDA, or by a local government ceding its local bond cap to IHDA, which can issue such bonds in behalf of the local government or independently for qualifying projects. Tax-exempt bonds can also be utilized in combination with qualifying Low-Income Housing Tax Credit projects, as well as HUDs Risk Sharing Insurance Car program.

Local governments may request IHDA to create homeownership mortgage financing programs in their community to help stimulate economic growth, to build more vibrant communities through homeownership, to help create affordable housing near jobs and support the businesses in the community, and for other reasons. IHDA is a designated public agency that is authorized to issue bonds for affordable housing within the State of Illinois. By ceding bond cap to IHDA, local governments can not only allow IHDA to issue the bonds that can fund housing and take advantage of the many other funding programs that IHDA offers, but also are relieved of major local administrative duties to operate such a program. Such mortgage financing is generally limited by IRS Tax Code to first-time homebuyers (except targeted areas).

To establish a local program municipalities may cede tax-exempt bond volume cap to IHDA so that the Authority can create a customized program for the community. The program can be tailored to address any specific population or concern for the community, and will likely contain most of these elements:

- Below market rate mortgages
- Closing cost and down payment assistance
- Mortgage credit certificates

For more information on ceding bond cap to IHDA, please see www.ihda.org.

Tax Increment Financing (TIF) Districts – TIF districts can be established for areas designated as conservation or blighted areas. Under the State's TIF law, when a municipality creates a TIF district, the amount of tax revenue the area currently generates is set as a baseline, which will serve as the amount that the local governmental taxing bodies will receive from that area for the life of the TIF, which is 23 years. As vacant and dilapidated properties are developed, with TIF assistance, the value and tax revenue from those properties increases. The "increment" above the baseline is then captured and used solely for improvements and redevelopment activities in the TIF district.

There are currently many TIF districts within the State of Illinois. The TIFs that were established in the Chicago-metro area by municipalities (Chicago excluded) and were designated as primarily for housing are listed below:

Housing TIFs in the Chicago-Metro Area Permitting Housing Activities		
City	County	District
MELROSE PARK	COOK	TIF 2
PALOS HEIGHTS	COOK	GATEWAY TIF
SUMMIT	COOK	TIF 1
STEGER	WILL	TIF II
STEGER	WILL	SOUTH CHICAGO ROAD TIF (TIF 4)
BOLINGBROOK	WILL/DuPAGE	BEACONRIDGE SUBDIVISION

Illinois Housing Development Authority (IHDA) – IHDA is the State’s designated housing finance agency. Via IHDA both communities and developers can access many sources of funding from both State and Federal sources. In general, IHDA’s website (www.ihda.org) is an excellent source of information, describing the purpose and application process for all the authority’s funding sources.

The authority offers a large array of funding that can help communities in their quest to develop more affordable housing. Some of which are:

- Low-Income Housing Tax Credits (LIHTC) – The federal tax credit program can be utilized to generate a large equity contribution for affordable rental housing developments via sale of tax credits to investors. The Low Income Housing Tax Credit (LIHTC) is a competitive program for non-profit and for-profit entities to assist in developing affordable rental housing, offering a highly competitive 9% tax credit and a competitive 4% tax credit for 10 years to approved projects. Sale or syndication of these credits can generate large amounts of equity. Please note the current and (2013) and 2014 annual LIHTC Qualified Allocation Plans include geographic set-asides for targeted distribution of the subsidy. One of the set-asides is for projects located in AHPAA Non-Exempt Local Governments and communities at risk of becoming NELGs (under 20% affordable housing share).
- Illinois Affordable Housing Tax Credits (IAHTC) (aka: State Donations Tax Credit) works with donations to a project and is granted on a one-time basis to a project that receives eligible donations. This is an excellent source of gap financing for rental, homeowner, and employer assisted housing projects being developed or operated by a non-profit organization.
- Illinois Affordable Housing Trust Fund – This State funding source assists in the provision of affordable, decent, safe, and sanitary housing for low- and very low – income households for rental, homeownership, and homebuyer units. Eligible proposals include: acquisition and rehabilitation of existing housing, new construction, adaptive reuse of non-residential buildings, and housing for special needs populations. The Trust Fund makes loans available at below market rates.
- HOME – As discussed above, State HOME funds are administered by IHDA.
- Multi Family Financing – IHDA offers a variety of other financing options specific to multifamily housing developments. The options currently available through

IHDA include: Conduit Bond Financing; IHDA enhanced Bond Financing; Risk Sharing programs; Preservation Now! And Multi-Family Advantage programs; and others.

- Single-Family Financing - IHDA finances mortgages through participating banks that are below the market rate, making it easier for low- and moderate-income families to qualify and afford a home (see Bond Financing). IHDA can also provide financial assistance to help with down payments and closing costs. Partnering with local non-profit organizations and municipalities, IHDA can also finance local homebuyer assistance programs as well as home repair programs with grants for low-income homeowners who need to bring their homes up to code.

Employer Assisted Housing (EAH) – There are many programs (both national and state-wide) that encourages employers to invest in housing for their employees. An EAH program typically includes counseling about home-buying and financing, direct financial assistance with closing costs and payments, rental housing assistance, and/or a real estate investment. Organizations such as Metropolitan Planning Council and Housing Action Illinois have administered such programs in recent years. Local contacts for ongoing programs include the following:

North:

Affordable Housing Corporation of Lake County – 847/263-7478

Housing Opportunity Development Corporation – 847/564-2900

Northwest:

North West Housing Partnership – 847/969-0561

DuPage County:

DuPage Homeownership Center – 630/260-2500

Kane County:

Joseph Corporation – 630/906-9400

McHenry County:

Corporation for Affordable Homes of McHenry County – 815/206-5805

Chicago:

Neighborhood Housing Services of Chicago, Inc. – 312/329-4010

Metropolitan Planning Council – 312/922-5616

Statewide:

Housing Action Illinois – 312/939-6074

Class 9 Property Tax Incentive – Encourages new development, rehabilitation and long-term preservation of multi-family rental housing, affordable to low- and moderate-income households across Cook County by providing significant tax abatement to qualified properties. Call 312/603-7850 or visit www.cookcountyassessor.com/forms-incentives.aspx

Federal Home Loan Bank (FHLB) – The Affordable Housing Program (AHP) offered by the Federal Home Loan Bank (Chicago FHLB) is a subsidy fund designed to assist in the development of affordable housing for low and moderate-income households. The Chicago FHLB contributes 10% of its previous year's net income to the AHP each year. The allocation is split between the Chicago FHLB's competitive application program and the non-competitive homeownership set-aside program called Downpayment Plus. The AHP provides

grants and subsidized loans to member financial institutions working with affordable housing providers to finance rental and ownership housing for low and moderate-income households. For more information, please visit www.fhlbc.com or call 312/565-5700.

Community Investment Corporation (CIC) – CIC is a not-for-profit neighborhood revitalization lender that provides financing to buy and rehab multifamily apartment buildings with five units or more in the six-county metropolitan Chicago area. CIC's investors have grown to roughly 36 investors. These investors have pledged \$412 million through 2015 for CIC's revolving loan pool. Please visit www.cicchicago.com or call 312/258-0070.

IFF – A leading nonprofit community development financial institutions (CDFI), IFF strengthens non-profits and their communities through lending and real estate consulting. With total managed assets of more than \$270 million, IFF is able to help nonprofits finance, plan, and build facilities that are critical to their mission and success. IFF serves nonprofits in Illinois, and other Midwestern states, with a focus on those that serve low and moderate income communities and special needs populations. For more information, please visit www.iff.org, or call 312/629-0060.

Office of Housing Coordination Services (OHCS) – IHDA's OHCS operates a housing information clearinghouse for affordable housing in the State of Illinois. With this clearinghouse, OHCS tracks housing finance options provided by IHDA and other State programs, federal programs as well as private resources. For more information, please visit www.ihda.org, or contact the Office of Housing Coordination Services at (312) 836-5364.

Appendix C: Technical Assistance Available to Non-Exempt Local Governments

A number of organizations have resources to assist local governments interested in developing affordable housing programs, incentives and/or plans for their community. Listed below are a few of the major organizations familiar with AHPAA:

Business and Professional People for the Public Interest (BPI) – BPI is a public interest law and policy center that works throughout the Chicago region. BPI's housing program works to preserve and expand the supply of housing affordable to working people, seniors and young families, especially in areas of opportunity, and seeks to stabilize and strengthen neighborhoods that already have large supplies of affordable housing. BPI frequently works in collaboration with local governments and other local partners. BPI has helped local leaders to assess local housing needs and trends, conducted research on best practices from around the country, and helped to develop and improve local policies and programs. For example, BPI has assisted local governments in developing policies and programs that facilitate the creation of affordable housing, including through creation of incentives that allow developers to cover the cost of high-quality affordable housing at no cost to the local government. BPI has also worked with local governments to develop programs that preserve existing affordable units. For more information please visit <http://www.bpichicago.org/> or call 312/641-5570.

Metropolitan Mayors Caucus – The Caucus provides a forum through which the chief elected officials of the region cooperatively develop consensus on common public policy issues and multi-jurisdictional challenges. With a foundation of collaboration and consensus-based decision-making, it serves a number of functions for its partner organizations and local governments. With its partners, the Caucus has developed a number of housing related resources for its membership including: *Homes for a Changing Region*, a housing policy planning exercise that helps municipalities plan for a balanced housing market; *Home Grown: Local Housing Strategies in Action*, which describes a number of housing “best practices” implemented by local governments around the Chicago metropolitan region; and finally, *Housing 1-2-3*, which serves as a guide to housing planning, creation and preservation. For more information please visit www.mayorscaucus.org or call 312/201-4507.

Chicago Metropolitan Agency for Planning (CMAP) – CMAP is the federally mandated Metropolitan Planning Organization (MPO) for the Northeast Illinois region, including Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties. CMAP is charged with implementing the region's long range, comprehensive plan called GO TO 2040. One of the plan's major recommendations is to achieve greater livability through land use and housing. To implement the plan, CMAP provides staff assistance to communities through the agency's Local Technical Assistance program, which seeks project proposals from communities late in the spring each year. Since 2009, CMAP has worked with MMC and MPC to provide balanced housing policy plans to 14 municipalities across the region through the *Homes for a Changing Region* project. Currently, plans are underway for 12 more municipalities. In early 2015, CMAP anticipates distributing all of the technical tools used in the *Homes* process online and will provide several trainings to municipalities seeking to

create their own plans. For more information, visit www.cmap.illinois.gov/homes or email Drew Williams-Clark at awilliamsclark@cmap.illinois.gov.

Metropolitan Planning Council (MPC) – For nearly eight decades, MPC has developed and implemented innovative, pragmatic solutions to planning and development challenges in Chicagoland. Through research, advocacy and demonstration projects, MPC is a trusted partner to governments, businesses and communities as each confronts the region’s pressing needs so that everyone who lives and works here can thrive. Since its foundation in 1934, MPC has been committed to integrating quality homes affordable to families at a range of incomes—including very low-income households—into healthy communities with transportation options, job opportunities and quality schools. MPC and its partners have the following programs available to municipalities and developers: *Regional Housing Initiative*, a partnership with the regional housing authorities that pools rental subsidies to support affordable and mixed-income housing in high opportunity communities; *Homes for a Changing Region*, a planning process that enables municipal leaders to chart future demand and supply trends for housing in their communities and develop long-term housing policy plans; and *Home Grown: Local Housing Strategies in Action* and *Housing 1-2-3*, which includes “best practices” in housing that are being implemented by Chicago area governments and a guide to housing planning, creation and preservation. For more information please visit <http://www.metroplanning.org/> or call 312/922-5616.

Appendix D: CDBG and HOME Administrators Directory

Communities that do not receive direct allocations of Community Development Block Grant (CDBG) or HOME funds from the federal government may be located in a county that does receive such funds. The county level administrators are capable of partnering with communities seeking resources for affordable housing initiatives or residential developments. Below is a list of Chicago Metropolitan Area cities, and county administrators of CDBG and HOME funds in the Chicago metropolitan area.

City of Naperville

City Manager's Office
400 S. Eagle Street
630 / 420-6044

Lake County

Department of Community
Development
500 W. Winchester Rd. Unit 101
Libertyville, IL 60048
847 / 377-2475

Cook County

Department of Planning and
Development
69 W. Washington, Suite 2900
Chicago, IL 60602
312 / 603-1000

McHenry County

Department of Planning and
Development, Division of Community
Development
2200 N. Seminary Avenue
Woodstock, IL 60098
815 / 334-4560

DuPage County

Department of Client Services
421 North County Farm Road
Wheaton, IL 60187
630 / 407-6500

Will County

Land Use Department, Community
Development Division
58 E. Clinton St
Joliet, IL 60433
815 / 774-7890

Kane County

Office of Community Reinvestment
719 Batavia Avenue
Geneva, IL 60134
630 / 208-5351

Appendix E: 310 ILCS 67 (AHPAA Statute As Amended)

(310 ILCS 67/1)

Sec. 1. Short title. This Act may be cited as the Affordable Housing Planning and Appeal Act.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/5)

Sec. 5. Findings. The legislature finds and declares that:

(1) there exists a shortage of affordable,

accessible, safe, and sanitary housing in the State;

(2) it is imperative that action be taken to assure

the availability of workforce and retirement housing; and

(3) local governments in the State that do not have

sufficient affordable housing are encouraged to assist in providing affordable housing opportunities to assure the health, safety, and welfare of all citizens of the State.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/10)

Sec. 10. Purpose. The purpose of this Act is to encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. Further, affordable housing developers who believe that they have been unfairly treated due to the fact that the development contains affordable housing may seek relief from local ordinances and regulations that may inhibit the construction of affordable housing needed to serve low-income and moderate-income households in this State.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/15)

Sec. 15. Definitions. As used in this Act:

"Affordable housing" means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

"Affordable housing developer" means a nonprofit entity, limited equity cooperative or public agency, or private individual, firm, corporation, or other entity seeking to build an affordable housing development.

"Affordable housing development" means (i) any housing that is subsidized by the federal or State government or (ii) any housing in which at least 20% of the dwelling units are subject to covenants or restrictions that require that the dwelling units be sold or rented at

prices that preserve them as affordable housing for a period of at least 15 years, in the case of owner-occupied housing, and at least 30 years, in the case of rental housing.

"Approving authority" means the governing body of the county or municipality.

"Area median household income" means the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937.

"Community land trust" means a private, not-for-profit corporation organized exclusively for charitable, cultural, and other purposes and created to acquire and own land for the benefit of the local government, including the creation and preservation of affordable housing.

"Development" means any building, construction, renovation, or excavation or any material change in any structure or land, or change in the use of such structure or land, that results in a net increase in the number of dwelling units in a structure or on a parcel of land by more than one dwelling unit.

"Exempt local government" means any local government in which at least 10% of its total year-round housing units are affordable, as determined by the Illinois Housing Development Authority pursuant to Section 20 of this Act; or any municipality under 1,000 population.

"Household" means the person or persons occupying a dwelling unit.

"Housing trust fund" means a separate fund, either within a local government or between local governments pursuant to intergovernmental agreement, established solely for the purposes authorized in subsection (d) of Section 25, including, without limitation, the holding and disbursing of financial resources to address the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

"Local government" means a county or municipality.

"Low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.

"Moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the area median household income.

"Non-appealable local government requirements" means all essential requirements that protect the public health and safety, including any local building, electrical, fire, or plumbing code requirements or those requirements that are critical to the protection or preservation of the environment.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/20)

Sec. 20. Determination of exempt local governments.

(a) Beginning October 1, 2004, the Illinois Housing Development Authority shall determine which local governments are exempt and not exempt from the operation of this Act based on an identification of the total number of year-round housing units in the most recent data from the U.S. Census Bureau for each local government within the State and by an inventory

of owner-occupied and rental affordable housing units, as defined in this Act, for each local government from the U.S. Census Bureau and other relevant sources.

(b) The Illinois Housing Development Authority shall make this determination by:

(i) totaling the number of owner-occupied housing

units in each local government that are affordable to households with a gross household income that is less than 80% of the median household income within the county or primary metropolitan statistical area;

(ii) totaling the number of rental units in each

local government that are affordable to households with a gross household income that is less than 60% of the median household income within the county or primary metropolitan statistical area;

(iii) adding the number of owner-occupied and rental

units for each local government from items (i) and (ii); and

(iv) dividing the sum of (iii) above by the total

number of year-round housing units in the local government as contained in the latest U.S. Census Bureau and multiplying the result by 100 to determine the percentage of affordable housing units within the jurisdiction of the local government.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Illinois Housing Development Authority shall publish a list of exempt and non-exempt local governments and the data that it used to calculate its determination at least once every 5 years. The data shall be shown for each local government in the State and for the State as a whole. Upon publishing a list of exempt and non-exempt local governments, the Illinois Housing Development Authority shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination.

(d) A local government or developer of affordable housing may appeal the determination of the Illinois Housing Development Authority as to whether the local government is exempt or non-exempt under this Act in connection with an appeal under Section 30 of this Act.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/25)

Sec. 25. Affordable housing plan.

(a) Prior to April 1, 2005, all non-exempt local governments must approve an affordable housing plan. Any local government that is determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau data after 2010 shall have 18 months from the date of notification of its non-exempt status to approve an affordable housing plan under this Act.

(b) For the purposes of this Act, the affordable housing plan shall consist of at least the following:

(i) a statement of the total number of affordable

housing units that are necessary to exempt the local government from the operation of this Act as defined in Section 15 and Section 20;

(ii) an identification of lands within the

jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of lands and structures of developers who have expressed a commitment to provide affordable housing and lands and structures that are publicly or semi-publicly owned;

(iii) incentives that local governments may provide

for the purpose of attracting affordable housing to their jurisdiction; and

(iv) a goal of a minimum of 15% of all new

development or redevelopment within the local government that would be defined as affordable housing in this Act; or a minimum of a 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as described in subsection (b) of Section 20 of this Act; or a minimum of a total of 10% affordable housing within its jurisdiction as described in subsection (b) of Section 20 of this Act. These goals may be met, in whole or in part, through the creation of affordable housing units under intergovernmental agreements as described in subsection (e) of this Section.

(c) Within 60 days after the adoption of an affordable housing plan or revisions to its affordable housing plan, the local government must submit a copy of that plan to the Illinois Housing Development Authority.

(d) In order to promote the goals of this Act and to maximize the creation, establishment, or preservation of affordable housing throughout the State of Illinois, a local government, whether exempt or non-exempt under this Act, may adopt the following measures to address the need for affordable housing:

(1) Local governments may individually or jointly

create or participate in a housing trust fund or otherwise provide funding or support for the purpose of supporting affordable housing, including, without limitation, to support the following affordable housing activities:

(A) Housing production, including, without

limitation, new construction, rehabilitation, and adaptive re-use.

(B) Acquisition, including, without limitation,

land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or in part for residential use.

(C) Rental payment assistance.

(D) Home-ownership purchase assistance.

(E) Preservation of existing affordable housing.

(F) Weatherization.

(G) Emergency repairs.

(H) Housing related support services, including

homeownership education and financial counseling.

(I) Grants or loans to not-for-profit

organizations engaged in addressing the affordable housing needs of low-income and moderate-income households.

Local governments may authorize housing trust funds

to accept and utilize funds, property, and other resources from all proper and lawful public and private sources so long as those funds are used solely for addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing.

(2) A local government may create a community land

trust, which may: acquire developed or undeveloped interests in real property and hold them for affordable housing purposes; convey such interests under long-term leases, including ground leases; convey such interests for affordable housing purposes; and retain an option to reacquire any such real property interests at a price determined by a formula ensuring that such interests may be utilized for affordable housing purposes.

(3) A local government may use its zoning powers to

require the creation and preservation of affordable housing as authorized under Section 5-12001 of the Counties Code and Section 11-13-1 of the Illinois Municipal Code.

(4) A local government may accept donations of money

or land for the purpose of addressing the affordable housing needs of individuals or households that may occupy low-income or moderate-income housing. These donations may include, without limitation, donations of money or land from persons in lieu of building affordable housing.

(e) In order to encourage regional cooperation and the maximum creation of affordable housing in areas lacking such housing in the State of Illinois, any non-exempt local government may enter into intergovernmental agreements under subsection (e) of Section 25 with local governments within 10 miles of its corporate boundaries in order to create affordable housing units to meet the goals of this Act. A non-exempt local government may not enter into an intergovernmental agreement, however, with any local government that contains more than 25% affordable housing as determined under Section 20 of this Act. All intergovernmental agreements entered into to create affordable housing units to meet the goals of this Act must also specify the basis for determining how many of the affordable housing units created will be credited to each local government participating in the agreement for purposes of complying with this Act. In specifying how many affordable housing units will be credited to each local government, the same affordable housing unit may not be counted by more than one local government.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/30)

Sec. 30. Appeal to State Housing Appeals Board.

(a) (Blank).

(b) Beginning January 1, 2009, an affordable housing developer whose application is either denied or approved with conditions that in his or her judgment render the provision of affordable housing infeasible may, within 45 days after the decision, appeal to the State Housing Appeals Board challenging that decision unless the municipality or county that

rendered the decision is exempt under Section 15 of this Act. The developer must submit information regarding why the developer believes he or she was unfairly denied or unreasonable conditions were placed upon the tentative approval of the development. In the case of local governments that are determined by the Illinois Housing Development Authority under Section 20 to be non-exempt for the first time based on the recalculation of U.S. Census Bureau data after the effective date of this amendatory Act of the 98th General Assembly, no developer may appeal to the State Housing Appeals Board until 60 months after a local government has been notified of its non-exempt status.

(c) Beginning on the effective date of this amendatory Act of the 98th General Assembly, the Board shall, whenever possible, render a decision on the appeal within 120 days after the appeal is filed. The Board may extend the time by which it will render a decision where circumstances outside the Board's control make it infeasible for the Board to render a decision within 120 days. In any proceeding before the Board, the affordable housing developer bears the burden of demonstrating that the proposed affordable housing development (i) has been unfairly denied or (ii) has had unreasonable conditions placed upon it by the decision of the local government.

(d) The Board shall dismiss any appeal if:

(i) the local government has adopted an affordable

housing plan as defined in Section 25 of this Act and submitted that plan to the Illinois Housing Development Authority within the time frame required by this Act; and

(ii) the local government has implemented its

affordable housing plan and has met its goal as established in its affordable housing plan as defined in Section 25 of this Act.

(e) The Board shall dismiss any appeal if the reason for denying the application or placing conditions upon the approval is a non-appealable local government requirement under Section 15 of this Act.

(f) The Board may affirm, reverse, or modify the conditions of, or add conditions to, a decision made by the approving authority. The decision of the Board constitutes an order directed to the approving authority and is binding on the local government.

(g) The appellate court has the exclusive jurisdiction to review decisions of the Board. Any appeal to the Appellate Court of a final ruling by the State Housing Appeals Board may be heard only in the Appellate Court for the District in which the local government involved in the appeal is located. The appellate court shall apply the "clearly erroneous" standard when reviewing such appeals. An appeal of a final ruling of the Board shall be filed within 35 days after the Board's decision and in all respects shall be in accordance with Section 3-113 of the Code of Civil Procedure.

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/40)

Sec. 40. Nonresidential development as part of an affordable housing development.

(a) An affordable housing developer who applies to develop property that contains nonresidential uses in a nonresidential zoning district must designate either at least 50% of the area or at least 50% of the square footage of the development for residential use. Unless adjacent to a residential development, the nonresidential zoning district shall not include property zoned industrial. The applicant bears the burden of proof of demonstrating

that the purposes of a nonresidential zoning district will not be impaired by the construction of housing in the zoning district and that the public health and safety of the residents of the affordable housing will not be adversely affected by nonresidential uses either in existence or permitted in that zoning district. The development should be completed simultaneously to the extent possible and shall be unified in design.

(b) For purposes of subsection (a), the square footage of the residential portion of the development shall be measured by the interior floor area of dwelling units, excluding that portion that is unheated. Square footage of the nonresidential portion shall be calculated according to the gross leasable area.

(Source: P.A. 93-595, eff. 1-1-04.)

(310 ILCS 67/50)

Sec. 50. Housing Appeals Board.

(a) Prior to January 1, 2008, a Housing Appeals Board shall be created consisting of 7 members appointed by the Governor as follows:

(1) a retired circuit judge or retired appellate

judge, who shall act as chairperson;

(2) a zoning board of appeals member;

(3) a planning board member;

(4) a mayor or municipal council or board member;

(5) a county board member;

(6) an affordable housing developer; and

(7) an affordable housing advocate.

In addition, the Chairman of the Illinois Housing Development Authority, ex officio, shall serve as a non-voting member. No more than 4 of the appointed members may be from the same political party. Appointments under items (2), (3), and (4) shall be from local governments that are not exempt under this Act.

(b) Initial terms of 4 members designated by the Governor shall be for 2 years. Initial terms of 3 members designated by the Governor shall be for one year. Thereafter, members shall be appointed for terms of 2 years. After a member's term expires, the member shall continue to serve until a successor is appointed. There shall be no limit to the number of terms an appointee may serve. A member shall receive no compensation for his or her services, but shall be reimbursed by the State for all reasonable expenses actually and necessarily incurred in the performance of his or her official duties. The board shall hear all petitions for review filed under this Act and shall conduct all hearings in accordance with the rules and regulations established by the chairperson. The Illinois Housing Development Authority shall provide space and clerical and other assistance that the Board may require.

(c) (Blank).

(Source: P.A. 98-287, eff. 8-9-13.)

(310 ILCS 67/60)

Sec. 60. Rulemaking authority. The Illinois Housing Development Authority shall adopt other rules and regulations as needed to carry out the Board's responsibilities under this Act and to provide direction to local governments and affordable housing developers.

(Source: P.A. 94-303, eff. 7-21-05.)

Appendix F: 2013 List of AHPAA Non-Exempt Local Governments (Ordinal)

**Affordable Housing Planning and Appeal Act:
2013 Report of Non Exempt Local Governments
Ordinal
(determination based on 2011 Annual Community Survey 5-year Estimate)**

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
1	Kenilworth	COOK	2565	785	4	0.5%
2	Wayne	DUPAGE	2938	948	5	0.5%
3	Barrington Hills	COOK	3847	1424	9	0.7%
4	Timberlane	BOONE	1160	335	3	1.0%
5	Western Springs	COOK	12747	4125	50	1.2%
6	South Barrington	COOK	4670	1349	18	1.3%
7	Glencoe	COOK	8666	2960	40	1.4%
8	Pingree Grove	KANE	4085	1103	15	1.4%
9	Kildeer	LAKE	3933	1183	18	1.5%
10	Hawthorn Woods	LAKE	7528	2513	40	1.6%
11	Riverwoods	LAKE	3817	1281	22	1.7%
12	Inverness	COOK	7417	2754	48	1.7%
13	Burr Ridge	DUPAGE	10539	3803	82	2.2%
14	Frankfort	WILL	17464	5368	116	2.2%
15	Sugar Grove	KANE	8567	2974	68	2.3%
16	Green Oaks	LAKE	3867	1189	28	2.3%
17	Long Grove	LAKE	7958	2356	55	2.3%
18	Northfield	COOK	5380	2026	50	2.5%
19	Sleepy Hollow	KANE	3378	1143	28	2.5%
20	Winnetka	COOK	12155	3919	100	2.5%
21	Lakewood	MCHENRY	4154	1367	37	2.7%
22	Oak Brook	DUPAGE	7888	2874	80	2.8%
23	Deer Park	LAKE	3225	1158	37	3.2%
24	Tower Lakes	LAKE	1494	506	17	3.3%
25	Homer Glen	WILL	24534	7717	255	3.3%
26	Prairie Grove	MCHENRY	1823	585	21	3.6%
27	Palos Park	COOK	4784	2041	75	3.7%

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
28	Lincolnshire	LAKE	7192	2854	106	3.7%
29	Gilberts	KANE	6303	2062	81	3.9%
30	North Barrington	LAKE	3262	1101	43	3.9%
31	Deerfield	LAKE	18458	6445	259	4.0%
32	Plainfield	WILL	37447	11092	447	4.0%
33	Spring Grove	MCHENRY	5437	1759	71	4.0%
34	Wilmette	COOK	27010	9432	388	4.1%
35	Campton Hills	KANE	10920	3358	139	4.1%
36	Hinsdale	DUPAGE	16545	5373	226	4.2%
37	Northbrook	COOK	32933	11970	522	4.4%
38	River Forest	COOK	11164	3886	172	4.4%
39	Lincolnwood	COOK	12483	4314	197	4.6%
40	Wadsworth	LAKE	3876	1248	60	4.8%
41	Lake Bluff	LAKE	6264	2157	104	4.8%
42	Flossmoor	COOK	9413	3431	168	4.9%
43	Bull Valley	MCHENRY	1082	427	22	5.0%
44	Geneva	KANE	21550	7484	386	5.2%
45	Olympia Fields	COOK	4750	2020	106	5.2%
46	Lake Forest	LAKE	19308	6650	370	5.6%
47	Naperville	DUPAGE	141401	48021	3011	6.3%
48	Park Ridge	COOK	37272	13746	894	6.5%
49	Bannockburn	LAKE	1549	269	18	6.7%
50	Highland Park	LAKE	29983	11473	773	6.7%
51	Cary	MCHENRY	18236	5886	407	6.9%
52	Third Lake	LAKE	1367	447	33	7.4%
53	Glenview	COOK	44134	16002	1183	7.4%
54	Algonquin	MCHENRY	29731	10103	784	7.8%
55	Morton Grove	COOK	23070	8277	651	7.9%
56	Palos Heights	COOK	12332	4886	387	7.9%
57	Oswego	KENDALL	29174	9411	767	8.2%
58	Barrington	COOK	10636	3969	327	8.2%
59	Johnsburg	MCHENRY	6328	2267	188	8.3%
60	Port Barrington*	LAKE	1675	591	53	8.9%
61	Bartlett	DUPAGE	40583	13566	1209	8.9%
62	Lake Barrington	LAKE	4852	2234	205	9.2%
63	Oakwood Hills	MCHENRY	2107	796	73	9.2%
64	Elmhurst	DUPAGE	43934	15505	1447	9.3%

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
65	La Grange	COOK	15487	5332	499	9.4%
66	Fox River Grove	MCHENRY	4722	1571	149	9.5%
67	Elburn	KANE	5461	1659	161	9.7%
68	New Lenox	WILL	24190	8012	778	9.7%
<p>Note: This (January 7, 2014) update corrects the previously published 2013 Non-Exempt Local Governments list which erroneously included "rental units not paying rent" in the total "year-round units". A correction for Median Household Income for one community was also made (*). No additional local governments were added to this 2013 Non-Exempt Local Governments list. However, change in affordable units and affordable housing shares did occur.</p>						

Appendix F: 2013 List of AHPAA Non-Exempt Local Governments (Alphabetical)

**Affordable Housing Planning and Appeal Act:
2013 Report of Non Exempt Local Governments**

Alphabetical

(determination based on 2011 Annual Community Survey 5-year Estimate)

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
1	Algonquin	MCHENRY	29731	10103	784	7.8%
2	Bannockburn	LAKE	1549	269	18	6.7%
3	Barrington	COOK	10636	3969	327	8.2%
4	Barrington Hills	COOK	3847	1424	9	0.7%
5	Bartlett	DUPAGE	40583	13566	1209	8.9%
6	Bull Valley	MCHENRY	1082	427	22	5.0%
7	Burr Ridge	DUPAGE	10539	3803	82	2.2%
8	Campton Hills	KANE	10920	3358	139	4.1%
9	Cary	MCHENRY	18236	5886	407	6.9%
10	Deer Park	LAKE	3225	1158	37	3.2%
11	Deerfield	LAKE	18458	6445	259	4.0%
12	Elburn	KANE	5461	1659	161	9.7%
13	Elmhurst	DUPAGE	43934	15505	1447	9.3%
14	Flossmoor	COOK	9413	3431	168	4.9%
15	Fox River Grove	MCHENRY	4722	1571	149	9.5%
16	Frankfort	WILL	17464	5368	116	2.2%
17	Geneva	KANE	21550	7484	386	5.2%
18	Gilberts	KANE	6303	2062	81	3.9%
19	Glencoe	COOK	8666	2960	40	1.4%
20	Glenview	COOK	44134	16002	1183	7.4%
21	Green Oaks	LAKE	3867	1189	28	2.3%
22	Hawthorn Woods	LAKE	7528	2513	40	1.6%
23	Highland Park	LAKE	29983	11473	773	6.7%
24	Hinsdale	DUPAGE	16545	5373	226	4.2%
25	Homer Glen	WILL	24534	7717	255	3.3%
26	Inverness	COOK	7417	2754	48	1.7%
27	Johnsburg	MCHENRY	6328	2267	188	8.3%
28	Kenilworth	COOK	2565	785	4	0.5%
29	Kildeer	LAKE	3933	1183	18	1.5%
30	La Grange	COOK	15487	5332	499	9.4%

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
31	Lake Barrington	LAKE	4852	2234	205	9.2%
32	Lake Bluff	LAKE	6264	2157	104	4.8%
33	Lake Forest	LAKE	19308	6650	370	5.6%
34	Lakewood	MCHENRY	4154	1367	37	2.7%
35	Lincolnshire	LAKE	7192	2854	106	3.7%
36	Lincolnwood	COOK	12483	4314	197	4.6%
37	Long Grove	LAKE	7958	2356	55	2.3%
38	Morton Grove	COOK	23070	8277	651	7.9%
39	Naperville	DUPAGE	141401	48021	3011	6.3%
40	New Lenox	WILL	24190	8012	778	9.7%
41	North Barrington	LAKE	3262	1101	43	3.9%
42	Northbrook	COOK	32933	11970	522	4.4%
43	Northfield	COOK	5380	2026	50	2.5%
44	Oak Brook	DUPAGE	7888	2874	80	2.8%
45	Oakwood Hills	MCHENRY	2107	796	73	9.2%
46	Olympia Fields	COOK	4750	2020	106	5.2%
47	Oswego	KENDALL	29174	9411	767	8.2%
48	Palos Heights	COOK	12332	4886	387	7.9%
49	Palos Park	COOK	4784	2041	75	3.7%
50	Park Ridge	COOK	37272	13746	894	6.5%
51	Pingree Grove	KANE	4085	1103	15	1.4%
52	Plainfield	WILL	37447	11092	447	4.0%
53	Port Barrington*	LAKE	1675	591	53	8.9%
54	Prairie Grove	MCHENRY	1823	585	21	3.6%
55	River Forest	COOK	11164	3886	172	4.4%
56	Riverwoods	LAKE	3817	1281	22	1.7%
57	Sleepy Hollow	KANE	3378	1143	28	2.5%
58	South Barrington	COOK	4670	1349	18	1.3%
59	Spring Grove	MCHENRY	5437	1759	71	4.0%
60	Sugar Grove	KANE	8567	2974	68	2.3%
61	Third Lake	LAKE	1367	447	33	7.4%
62	Timberlane	BOONE	1160	335	3	1.0%
63	Tower Lakes	LAKE	1494	506	17	3.3%
64	Wadsworth	LAKE	3876	1248	60	4.8%
65	Wayne	DUPAGE	2938	948	5	0.5%
66	Western Springs	COOK	12747	4125	50	1.2%
67	Wilmette	COOK	27010	9432	388	4.1%

Count	Place	County	Population	Year-Round Units	Total Affordable Units	Affordable Housing Share
68	Winnetka	COOK	12155	3919	100	2.5%
<p>Note: This (January 7, 2014) update corrects the previously published 2013 Non-Exempt Local Governments list which erroneously included "rental units not paying rent" in the total "year-round units". A correction for Median Household Income for one community was also made (*). No additional local governments were added to this 2013 Non-Exempt Local Governments list. However, change in affordable units and affordable housing shares did occur.</p>						

Affordable Housing Plan Discussion

River Forest Plan Commission – October 21, 2019

Public Act 093-059: Affordable Housing Planning and Appeals Act of Illinois (AHPAA)

- January 1, 2004
- Updated 2013

AHPAA – Intent and Purpose

- Intended to address the lack of moderately-priced housing that exists in many communities.
- Premised on a finding that “there exists a shortage of affordable, accessible, safe and sanitary housing in the State”.
- 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 a Plan.
- Provides an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing.

River Forest Status as Non-Exempt

According to the Illinois Housing Development Authority's (IHDA) 2018 report, the Village of River Forest affordable housing share is **9.0%** and a plan must therefore be prepared and adopted.

River Forest Comprehensive Plan

- “prepare and adopt an Affordable Housing Plan that meets state requirements”
- “the Village should seek to improve the condition of the existing affordable housing in the community and appropriately consider affordable units as a component of future residential development.”

The RF Affordable Housing Plan must...

1. Provide a calculation of the total number of affordable housing units that are necessary to exempt the local government from the operation of the AHPAA (i.e. the number necessary to bring the percentage of affordable housing units to 10% of the total housing stock);
2. A statement of a goal for increasing affordable housing in the Village;
3. An identification of opportunities for the development of affordable housing in the Village; and
4. A specification of incentives the Village may provide to encourage the creation of affordable housing.

Number of RF Affordable Housing Units

3,788 total housing units

340 affordable units

9% affordable

39 additional affordable housing units needed to hit 10%

Source: IHDA 2018 Non-Exempt Local Government Handbook

RF Affordable Housing Data: 2013 & 2018

Year	Population	Year Round Units	Total Affordable Units	Affordable Housing Share	Affordable Unit Deficit
2013	11,164	3,886	172	4.4%	217
2018	11,217	3,788	340	9.0%	39

Source: IHDA 2013 and 2018 Non-Exempt Local Government Handbooks

AHPAA identifies three alternative goals

1. Bringing the percentage of affordable housing units in the Village to 10% of the total housing stock.
2. Increasing the percentage of affordable housing within the Village from its current level to a level 3% higher.
3. Making 15% of all new residential construction or residential redevelopment within the Village affordable.

River Forest Context

- 100% built out community
- 70% of land zoned and developed as SF Detached Residential
- Limited land availability for development
- When made available, land in RF is very expensive
- Creating new affordable single-family likely not a viable solution
- Multi-family and mixed-use development is likely most viable solution

Likely Need for Incentives

(overcoming market realities)

- 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.

Owner Occupied Affordability Chart for Chicago Metro Area

(Cook, DuPage, Kane, Lake, McHenry, Will Counties)

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

Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: www.ihda.org).

Affordable Rental Unites for Chicago Metro Area

(Cook, DuPage, Kane, Lake, McHenry, Will Counties)

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

Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: www.ihda.org).

Possible Incentives

1. Zoning Mandate
2. Zoning Bonuses
3. Teardown Tax or similar dedicated taxes and fees
4. Village Subsidies
5. Subsidies through not-for-profit entity

Q & A / Discussion

Affordable Housing Plan Discussion

River Forest Plan Commission – October 21, 2019

Public Act 093-059: Affordable Housing Planning and Appeals Act of Illinois (AHPAA)

- January 1, 2004
- Updated 2013

AHPAA – Intent and Purpose

- Intended to address the lack of moderately-priced housing that exists in many communities.
- Premised on a finding that “there exists a shortage of affordable, accessible, safe and sanitary housing in the State”.
- 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 a Plan.
- Provides an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing.

River Forest Status as Non-Exempt

According to the Illinois Housing Development Authority's (IHDA) 2018 report, the Village of River Forest affordable housing share is **9.0%** and a plan must therefore be prepared and adopted.

River Forest Comprehensive Plan

- “prepare and adopt an Affordable Housing Plan that meets state requirements”
- “the Village should seek to improve the condition of the existing affordable housing in the community and appropriately consider affordable units as a component of future residential development.”

The RF Affordable Housing Plan must...

1. Provide a calculation of the total number of affordable housing units that are necessary to exempt the local government from the operation of the AHPAA (i.e. the number necessary to bring the percentage of affordable housing units to 10% of the total housing stock);
2. A statement of a goal for increasing affordable housing in the Village;
3. An identification of opportunities for the development of affordable housing in the Village; and
4. A specification of incentives the Village may provide to encourage the creation of affordable housing.

Number of RF Affordable Housing Units

3,788 total housing units

340 affordable units

9% affordable

39 additional affordable housing units needed to hit 10%

Source: IHDA 2018 Non-Exempt Local Government Handbook

RF Affordable Housing Data: 2013 & 2018

Year	Population	Year Round Units	Total Affordable Units	Affordable Housing Share	Affordable Unit Deficit
2013	11,164	3,886	172	4.4%	217
2018	11,217	3,788	340	9.0%	39

Source: IHDA 2013 and 2018 Non-Exempt Local Government Handbooks

AHPAA identifies three alternative goals

1. Bringing the percentage of affordable housing units in the Village to 10% of the total housing stock.
2. Increasing the percentage of affordable housing within the Village from its current level to a level 3% higher.
3. Making 15% of all new residential construction or residential redevelopment within the Village affordable.

River Forest Context

- 100% built out community
- 70% of land zoned and developed as SF Detached Residential
- Limited land availability for development
- When made available, land in RF is very expensive
- Creating new affordable single-family likely not a viable solution
- Multi-family and mixed-use development is likely most viable solution

Likely Need for Incentives

(overcoming market realities)

- 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.

Owner Occupied Affordability Chart for Chicago Metro Area

(Cook, DuPage, Kane, Lake, McHenry, Will Counties)

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

Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: www.ihda.org).

Affordable Rental Unites for Chicago Metro Area

(Cook, DuPage, Kane, Lake, McHenry, Will Counties)

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

Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: www.ihda.org).

Possible Incentives

1. Zoning Mandate
2. Zoning Bonuses
3. Teardown Tax or similar dedicated taxes and fees
4. Village Subsidies
5. Subsidies through not-for-profit entity

Q & A / Discussion

**VILLAGE OF RIVER FOREST
PLAN COMMISSION MEETING MINUTES
MAY 20, 2020**

A meeting of the Village of River Forest Plan Commission was held on Tuesday, May 20, 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 7:13 p.m. Upon roll call, the following persons were:

Present: Commissioners Armalas, Gottlieb (7:45-8:00 p.m.), Kirk (7:30 p.m.), Cragan, Fishman, Kilbride (7:45 p.m.) and Chairman Crosby

Absent: None

Also Present: Assistant Village Administrator Lisa Scheiner, Village Attorney Carmen Forte, John Houseal, of Houseal Lavigne Associates

2. APPROVAL OF MINUTES – MARCH 3, 2020

A MOTION was made by Commissioner Armalas and SECONDED by Commissioner Cragan to approve the March 3, 2020 meeting minutes of the Plan Commission as amended.

Ayes: Commissioners Armalas, Cragan, Fishman, and Chairman Crosby

Nays: None

Motion Passed.

3. RECOMMENDATION TO THE VILLAGE BOARD OF TRUSTEES TO ADOPT AFFORDABLE HOUSING PLAN

Chairman Crosby invited the Village's Planning Consultant, John Houseal, to review the changes that were made to the Affordable Housing Plan since the Commission's last meeting.

John Houseal, Houseal Lavigne Associates, reviewed the changes that were made to the report including:

- A sentence on page 2 under the Context Limitations section
- Adding language to page 3 under The Affordable Housing Need – As Defined by the Community section to describe the benefit and value of affordable housing to the entire community and in response to the suggestion from opportunity knocks for integrated supportive housing.
- Language was added to page 4 under What is "Affordable" in reference to the data requested by the Commission and included in the Appendix that is intended to provide a "snapshot" of housing affordability in River Forest.

- An Appendix was added to provide a River Forest Housing Snapshot
- On page 6, under “Possible Additional Considerations”, language was added regarding TIF-eligible expenses related to Affordable Housing

Mr. Houseal also reviewed the suggestions that were previously made by Mr. Lauber that the Plan Commission did not direct Staff or Mr. Houseal to include in the plan.

Commissioner Armalas stated that his research shows that there is some affordable housing in the Lake Street area and asked Mr. Houseal why Lake Street was not included in Potential Lands and Buildings for Affordable Housing.

Mr. Houseal replied that the recommendation is consistent with the Comprehensive Plan. There are some affordable units within the Lake Street corridor and Lake Street is not precluded, however, it designates and prioritizes areas where the Village has the majority of its existing affordable housing stock and where it can be preserved.

Commissioner Cragan asked Mr. Houseal to explain the undersupply and oversupply of housing comment in Appendix A. Mr. Houseal summarized that those who earn \$150,000 per year or more there are a number of housing opportunities that do not require them to spend more than 30% of their income on housing for owner-occupied housing. If those individuals are looking to spend 30% of their income on housing they may have to look for housing that is more expensive than what River Forest has to offer. When household incomes are less than that but in the middle range there is some supply, but on the lower income range there are fewer affordable housing options and people who want to live in River Forest may have to spend more than 30% of their income to do so. In short, “blue” data on the charts means there is a decent supply and “red” means there isn’t enough supply.

An unidentified resident on the phone stated he understood Mr. Houseal’s explanation but did not accept it.

Commissioner Cragan requested that the Plan be modified to include the following Possible Additional Consideration: “Explore amending the Zoning Ordinance or other appropriate Village regulations to accommodate integrated, supportive affordable housing.”

Dan Lauber, 7215 Oak, stated that he disagreed with Mr. Houseal’s conclusions and inferences based on the data added to the Appendix. He also questioned the source of the data. He said it’s desirable to spend 30% or less than your income on housing, and it is not a goal to spend 30% and that interpreting the data as an oversupply or undersupply of housing misrepresents the situation. He disagreed with the statement that there is a shortage of more expensive housing. He asked that it be corrected and that the plan use the data he supplied that showed 42% of tenants and 29% of home owners are cost-burdened. He said he did not understand why there would be a conscious effort to exclude this data and that the data in the tables are wrong and he will stake his reputation on it.

Mr. Lauber stated that the goal for the plan to should be to exceed the 10% requirement. He also reiterated the statements he made in his written comments.

There were no further public comments.

In response to a question from Commissioner Cragan, Assistant Village Administrator Scheiner explained that the Village Board would receive a copy of the Affordable Housing Plan, Plan Commission Meeting materials and minutes, and all written public comments, including the material submitted by Mr. Lauber and Opportunity Knocks.

4. RECOMMENDATION TO THE VILLAGE BOARD OF TRUSTEES TO ADOPT AFFORDABLE HOUSING PLAN

A MOTION was made by Commissioner Fishman and SECONDED by Commissioner Kilbride to recommend to the Village Board of Trustees that the Affordable Housing Plan be adopted with the following additional Possible Additional Consideration: “Explore amending the Zoning Ordinance or other appropriate Village regulations to accommodate integrated, supportive affordable housing.”

Ayes: Commissioners Armalas, Kirk, Cragan, Fishman, Kilbride and Chairman Crosby
Nays: None
Motion Passed.

5. PUBLIC COMMENT

There was no further public comment.

6. ADJOURNMENT

A MOTION was made by Commissioner Fishman and SECONDED by Commissioner Cragan to adjourn the Plan Commission meeting at 8:17 pm.

MOTION PASSED by voice vote.

Respectfully Submitted:

Lisa Scheiner, Secretary

David Crosby, Chairman
Plan Commission

Date: _____

**VILLAGE OF RIVER FOREST
PLAN COMMISSION MEETING MINUTES
OCTOBER 21, 2019**

A meeting of the Village of River Forest Plan Commission was held on Monday, October 21, 2019, 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 7:00 p.m. Upon roll call, the following persons were:

Present: Commissioners Armalas, Fishman, Kilbride and Chairman Crosby

Absent: Commissioners Cragan, Gottlieb, and Kirk.

Also Present: Assistant Village Administrator Lisa Scheiner, Village Attorney Carmen P. Forte, Jr., John Houseal, of Houseal Lavigne Associates

2. APPROVAL OF MINUTES – MARCH 7, 2019

A MOTION was made by Commissioner Kilbride and SECONDED by Commissioner Fishman to approve the March 7, 2019 meeting minutes of the Plan Commission.

Ayes: Commissioners Armalas, Fishman, Kilbride and Chairman Crosby

Nays: None

Motion Passed.

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

Chairman Crosby explained that the Village Board directed the Plan Commission to develop an Affordable Housing Plan for the Village Board's Approval. Commissioner Kilbride asked Chairman Crosby if the Village previously had an affordable housing plan, which he confirmed the Village did not at this time.

John Houseal, Houseal Lavigne Associates, introduced himself and stated that he is the Village's planning consultant. He described the purpose of an Affordable Housing Plan and the process that would be followed to develop the plan. Mr. Houseal described that the State requires the Village to develop an affordable housing plan, and that he would summarize the Village's options

for doing so. Mr. Houseal displayed a PowerPoint presentation, which has been attached to the meeting minutes.

He discussed that the requirement for an affordable housing plan comes from PA093-059, the Illinois Affordable Housing and Appeals Act of Illinois (the “Act”), introduced in 2004 and later updated in 2013. He noted that the Act does not provide a method for implementing affordable housing strategies, but sets minimum requirements for affordable housing for municipalities within the state. He noted that the intent and purpose of the Act is to increase the amount of affordable housing within the state.

Mr. Houseal explained that counties or municipalities with less than 10% affordable housing within their borders are considered “non-exempt” and must prepare an affordable housing plan to comply with the minimum requirements of the Act. Counties and municipalities with 10% affordable housing or more are considered “exempt” from the provisions of the Act to have a plan in place. The Village currently has 9% of its housing stock considered affordable, and therefore is 1% shy of the State’s requirement under the Act. He noted that the Village’s newly adopted Comprehensive Plan requires the Village to prepare and adopt an affordable housing plan as required by the State, and to preserve and improve the quality of the Village’s current affordable housing stock.

Mr. Houseal noted that the Village’s affordable housing plan must do four things: 1) provide a calculation of the total number of affordable housing units that are necessary to exempt the Village from the Act’s requirement to have an affordable housing plan (which would require the Village to bring the amount of affordable housing units to 10%); 2) include a statement of a goal for the Village with regard to affordable housing; 3) identify opportunities for the development of affordable housing; and 4) specify incentives the Village may provide for the creation of affordable housing.

Mr. Houseal noted that, according to the State, the Village had 3,788 housing units in 2018. Of those units, 340 were considered affordable by the State, which amounts to 9% of the total housing units. According to the Act, the Village will need 39 additional affordable housing units to meet the minimum requirement of 10% affordable units.

Mr. Houseal explained that in 2013, the State opined that the Village had 3,886 housing units, compared to 3,788 housing units in 2018, despite no actual decrease in the amount of housing units in the Village over this time period. In 2013, the State opined that the Village had 172 affordable units, compared to 340 affordable units in 2018, despite no affordable housing developments occurring from 2013 to 2018.

Mr. Houseal stated that, under the Act, a municipality can take three different approaches to meet the requirements of the Act: 1) increase the number of affordable housing units to 10% of the current housing stock; 2) increase the level of affordable housing stock by 3%; or 3) require that 15% of all new residential construction or redevelopment be affordable.

Mr. Houseal noted that the State does not take into consideration the specific characteristics of a fully built-out community, such as the Village, when determining a municipality's exempt status. He explained that 70% of the Village's residential units are classified as single-family detached. Limited land is available in the Village for residential development, and is extremely expensive. Creating new single-family affordable housing properties for redevelopment would be very difficult, due to economic constraints. New multi-family affordable housing units would be easier to create, but are still constrained by the Village's lack of available land to develop.

Mr. Houseal explained that if the Village were to attract the development of new affordable housing units, the units would have to be sold at well below market rate. He noted that some entity would have to subsidize the difference between market rate and the price for which the unit is sold or rented. The owner or developer would need an offsetting financial incentive to sell or develop property at or under market rate.

Mr. Houseal described the average income and housing cost requirements to make housing affordable across the various counties in Illinois. Compared to the median income level in the Village, and the cost of the current housing stock, the ability to offer much of the current housing stock as affordable is challenging. Commissioners Armalas and Kilbride asked about the calculations of the income levels presented by Mr. Houseal, which he explained were prepared by the State.

Commissioner Armalas noted that in the recent Chicago teachers' strike, it was explained that most of the entry level teachers in the City of Chicago were at the average income level for what the State considered appropriate for a consumer of affordable housing. Mr. Houseal explained that affordable housing is sometimes market rate housing available within a community, where in other communities it is well below market rate.

Mr. Houseal discussed that the Village may want to consider identifying potential incentives to developers to incentivize the increase of affordable housing in the Village. This may include zoning incentives, such as allowing for increased residential density on a project, reducing the required parking spaces for a development, reducing permit fees, or other various options. He discussed the use of targeted taxes or fees to new developments, with the funds received to be applied towards subsidizing other affordable housing developments. He also discussed the use of third-party funding for affordable housing projects, such as grant money or sponsorship from not-for-profit organizations.

Mr. Houseal noted that he believes a more regional approach to affordable housing should be considered by the State in its overall goal of increasing affordable housing. He described that within a short distance of the Village there is a considerable amount of affordable housing in the Village, and that this should be taken into consideration by the State.

Commissioner Kilbride asked Mr. Houseal the penalty for the Village not having 10% affordable housing. He indicated that there is no penalty for not having 10% affordable housing, but that the Act requires the Village to have a plan in place to bring the amount of affordable housing up to 10%. However, he noted that the State could take into account the Village's failure to have a plan in place if the Village were to apply for state funding via a grant program in the future.

Mr. Houseal stated that he felt he could prepare the plan in a short timeframe, unless the Commission and the Village Board were to recommend the increase of affordable housing by a specified amount via significant zoning changes that would require public hearings on these issues.

Chairman Crosby asked if there were any organizations that would make a recommendation as to what is a healthy amount of affordable housing within a specific municipality. Mr. Houseal noted that many people had differing thoughts on the proper amount of affordable housing, but was cautious not to cite any numbers, and he does not have a benchmark number that he believes is proper for the Village. He did note that, in his opinion, the State likely believes 10% is founded on considerable empirical data on the effects of levels of affordable housing, and that it is not just an arbitrary amount.

Chairman Crosby asked if the State considers the Village's university housing figures into its affordable housing calculations. Mr. Houseal did not believe that it was included in the calculations. Attorney Forte confirmed that it was not.

Mr. Houseal asked the commissioners which of the three goals that the Village should consider for complying with the Act, and what, if any zoning incentives the Village should consider to attract more affordable housing developments.

Commissioner Fishman stated that she would propose raising the level of affordable housing in the Village to 10%, through the use of zoning incentives. Commissioner Kilbride agreed, and noted that she was not in favor of raising or creating a new tax in the Village to meet that goal. Chairman Crosby agreed and was in favor of the use of zoning incentives to attract new affordable housing developments. He asked how specific the plan must be to delineate the terms of potential zoning incentives.

Mr. Houseal explained that it might be difficult to prepare a very specific plan with regard to the types of zoning incentives to give to a potential development, because each development is highly specific on its individual needs. He felt that it would be best to indicate in the plan that the Village

would consider general types of zoning relief with regard to each project, and include a list of incentives that were not exhaustive. Chairman Crosby agreed with this approach.

Commissioner Armalas pointed to a section of the Act in which he felt that the Village could coordinate with a neighboring community to provide the required amount of affordable housing. Commissioner Kilbride pointed out the nature of the Village as an affluent community, which over the years has attracted higher wealth individuals and resulted in larger homes with a lack of available space for other housing developments.

Chairman Crosby asked Commissioner Armalas to speak more about his thoughts on the level of affordable housing in the Village. Commissioner Armalas stated that he moved to the Village for its ease of access to amenities, and its proximity to the City of Chicago. He is very proud of the fact that the Village has great diversity as well. Commissioners Armalas and Kilbride discussed the potential additional locations for affordable housing in the Village.

Commissioner Armalas asked Mr. Houseal how the Village would protect the current affordable housing stock. He had concerns that requiring property owners to maintain or improve their properties would drive up rental rates and make the property less affordable. Mr. Houseal explained that supporting the existing affordable housing, while maintaining their condition, is a delicate process. He explained that the existing affordable housing locations in the Village are currently fairly concentrated in some areas in the Village, and that these areas should be preserved, while also identifying additional areas for affordable housing to locate in the Village. He indicated that most new affordable housing would likely be multi-family or mixed-use, just due to the high median cost of single-family residences in the Village.

Commissioner Armalas asked if it were possible to enter into an intergovernmental agreement with another Village to reach the goals of the Act with regard to affordable housing. Attorney Forte responded that the provisions of the Act that allow these types of agreements require that the partnering community is within 10 miles from the Village, and has less than 25% affordable housing within its housing stock. He noted that it may be more effective to enter into an agreement with another community that is currently non-exempt, and that of the current list of non-exempt communities, there are only a few that are potentially within a 10-mile radius of the Village.

Commissioner Fishman agreed that it would be improper for a more affluent community to partner with a community that has a significantly lower median income level, to take advantage of the higher level of affordable housing within that community. She agreed with the State's requirement that the partnering community have under 25% affordable housing, for this reason. Commissioner Kilbride agreed that this would be unfair. Commissioner Armalas noted that an intergovernmental agreement might not be the best idea.

Chairman Crosby asked Mr. Houseal what else he needed from the Commission. Mr. Houseal reiterated the Commissioner's decisions to formulate a plan to raise the affordable housing percentage to 10%, to identify potential areas for new affordable housing to be located, and to provide general incentives to applications for new developments. He noted that the plan that is eventually approved can later be amended to include additional strategies to attract affordable housing, but that the only requirement under the Act is to put a plan in place.

Mr. Houseal noted that he would draft the Affordable Housing Plan and provide a copy to Assistant Village Administrator Scheiner for review and distribution to the Commissioners.

The Commissioners discussed a future meeting date to review the draft plan, and to provide opportunity for community involvement. The Commissioners decided on the next regularly scheduled meeting date of November 19, 2019 to review the draft plan. The Commissioners agreed to have the draft plan available for public viewing on November 11, 2019.

5. PUBLIC COMMENT

None.

6. ADJOURNMENT

A MOTION was made by Commissioner Kilbride and SECONDED by Commissioner Fishman to adjourn the Plan Commission meeting at 8:12 pm.

MOTION PASSED by voice vote.

Respectfully Submitted:

Lisa Scheiner, Secretary

David Crosby, Chairman
Plan Commission

Date: _____

**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 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 the Village is compliant with 10% it doesn't have to have a Plan.

Commissioner Kilbride noted that once the Village becomes compliant the 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 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 unit 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 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 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 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 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 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 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 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 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 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 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: _____

**VILLAGE OF RIVER FOREST
PLAN COMMISSION MEETING MINUTES
MARCH 3, 2020**

A meeting of the Village of River Forest Plan Commission was held on Tuesday, March 3, 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 7:01 p.m. Upon roll call, the following persons were:

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

Absent: Commissioner Kilbride

Also Present: Assistant Village Administrator Lisa Scheiner, Village Attorney Carmen Forte, John Houseal, of Houseal Lavigne Associates

2. APPROVAL OF MINUTES – JANUARY 21, 2020

A MOTION was made by Commissioner Gottlieb and SECONDED by Commissioner Cragan to approve the January 21, 2020 meeting minutes of the Plan Commission as amended.

Commissioner Cragan noticed that her name had been misspelled.

Ayes: Commissioners Armalas, Gottlieb, Kirk, Cragan, Fishman and Chairman Crosby

Nays: None

Motion Passed.

3. CONTINUED DISCUSSION REGARDING AFFORDABLE HOUSING PLAN

Chairman Crosby invited the Village's Planning Consultant, John Houseal, to review the changes that were made to the Affordable Housing Plan.

John Houseal, Houseal Lavigne Associates, reviewed the changes that were made to the report including some phrases that were either removed or reworded to be better stated. He also noted that the language in the sections that address affordable housing need as defined by the Act and as defined by the community were "beefed up". Mr. Houseal reviewed the possible additional considerations that are included in the revised plan in response to discussions at the last meeting. Those additional considerations included the following:

- (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; and
- (4) Consider amending the Planned Unit Development standards (section 10-19-3) to specifically identify consistency with the goals and policies of the Affordable Housing Plan as a standard of review for Planned Developments.

Mr. Houseal stated that there as some internal debate about item #4 because there is no other planning document in the Village, other than the Comprehensive Plan, that is called out in the Planned Development Ordinance, so this would be a change.

Mr. Houseal stated that the one recommendation made by the Plan Commission at the last meeting that was not included in the revised draft affordable housing plan, was the mandate that would tie the use of TIF expenditures to the provision of affordable housing. He stated that this recommendation, if it proceeds to the Village Board of Trustees, should be outside of the Affordable Housing Plan document as it is not the proper place for TIF expenditure policies.

Assistant Village Administrator Scheiner stated that the TIF Act requires that, in order for something to be a TIF eligible expense, there has to be public benefit. Village Attorney Carmen Forte further explained that there are TIF eligible expenses that can be used toward affordable housing projects including assistance with interest payments and construction costs. TIF is a financing tool but the Affordable Housing Plan is not.

Chairman Crosby asked the Commissioners if there were any other concerns or questions about the changes that have been made.

Commissioner Fishman stated that the change makes sense.

Commissioner Cragan recalled that she asked that data be included regarding River Forest housing and demographics. Mr. Houseal and Ms. Scheiner asked for clarification regarding the data that she would like to have included.

Commissioner Armalas asked if there is state directive that a certain amount of money or a certain percentage of TIF money needs to go toward affordable housing? He said he would like to have reviewed the discussion about the TIF language in the Affordable Housing Plan.

Village Attorney Forte reviewed the provisions of the TIF Act that allow for certain expenses related to affordable housing developments to be TIF-eligible including interest costs and construction costs. He noted that while the benefit goes to the developer, it incents the development of affordable housing.

Commissioner Cragan suggested that the Affordable Housing Plan include language that recognizes that affordable housing is a TIF-eligible expense. Mr. Houseal agreed that that could be included. Commissioner Armalas stated that he thought that was the Commission's recommendation at the previous meeting. Mr. Houseal stated that his take-away was that the Commission wanted to mandate that, if TIF funds were going to be used, they must to be used for affordable housing.

In response to a question from Commissioner Cragan regarding whether zoning changes would be covered under zoning mandates, Chairman Crosby and Mr. Houseal agreed that language would be placed on page 6 under possible additional considerations as its own recommendation. The Commission agreed that that would be the appropriate way to approach it.

Commissioner Cragan asked that the Affordable Housing Plan include the data they received during public comments at the previous meeting regarding housing affordability and housing cost burdens in River Forest. She noted that River Forest residents have a higher cost burden for housing and the data provides a snapshot and highlights the need for the plan beyond the State's requirements that it be adopted.

Chairman Crosby asked where they would go with that data.

Mr. Houseal said he wants to verify the data that was provided and noted to the Commission that it is required to use the data provided by the State in the Affordable Housing Plan. Some people choose to live in River Forest knowing that they may be required to spend a higher percentage of their income to live here. He also noted that 30% is not the only standard for determining housing affordability and there are some that suggest 35-40% is appropriate. He noted that the Commission would have to reach consensus that 30% is the standard by which to determine housing affordability.

Commissioner Armalas asked how the data would be used in the Plan. Commissioner Fishman said she does not understand and is not sure why it is important that this information be in the plan.

Commissioner Cragan explained that it seems like they are building or valuing affordable housing for someone else but, if the data is shown, they realize it's for all of them and that affordable housing effects everyone, not just certain households in River Forest.

Commissioner Fishman said she does not see that data living in this Plan.

Commissioner Armalas asked what time period the snapshot would capture. Commissioner Cragan said the snapshot current be current data or a recent year that shows the status of housing affordability and cost burden in River Forest.

Chairman Crosby said the ability to trust that other data makes him nervous and the Affordable Housing Plan is based on the specific data that the State has provided. He asked whether the Plan would be revised if other data is introduced that agrees or conflicts with the State mandated data.

Commissioner Cragan stated she understands the Commission must rely on the State's data and does not believe they could mistrust the U.S. Census data.

Mr. Houseal and Ms. Scheiner described the availability of HUD guidelines, possible data sets from the Census Bureau's American Community Survey, how those estimates are derived, whether the conclusions the Commission seeks can be extrapolated from that data, and asked how that data would impact or be informative to the overall affordable housing policy statement. Mr. Houseal noted that the American Community Survey data is not as actionable as the data provided by the State for the purposes of creating the Affordable Housing Plan.

Commissioner Gottlieb asked if the Plan could include a short statement that reflects that sentiment. Mr. Houseal discussed possible wording and reiterated that there is not consensus on other data sources and how that data will impact the Affordable Housing Plan if it varies from what the state requires the Village to use. The Village is required to have a plan to increase the number of affordable housing units from 9% to 10%.

Suzanne Haraburd, 633 Bonnie Brae Place, shared her personal experience in needing affordable housing and how she was able to find it and send her children to River Forest schools. She said her son is also benefitting from affordable housing. She thanked Commissioner Cragan for bringing up people in River Forest and how it's effecting them. She urged the Commission to modify the plan to include the following:

- Amend the Comprehensive Plan to establish a policy of preserving affordable housing;
- Include census data, even if it's from the American Community Survey;
- Adopt effective incentivized inclusionary zoning;
- Require that at least 15% of dwelling units in all new developments that include multi-family housing be affordable to households of modest incomes; and
- A precise policy for TIF Districts to maintain affordable existing multi-family and single family housing or replace it with new affordable units in new developments in the TIF Districts on a one-to-one basis.

Daniel Lauber, 7215 Oak, reminded the Plan Commission of the data that he provided at the previous meeting, its source, and how it identified housing costs and cost burdens to renters and property owners in River Forest. He said they received the draft Affordable Housing Plan the Thursday prior to the meeting, which was hardly adequate time to review it. He said that, in housing, they look at median data, not average data. Mr. Lauber said that he has prepared a lot of Affordable Housing Plans and that housing affordability data is often included in the Plan. He also noted that, for homeownership, housing cost estimates and affordability data include the mortgage, property tax payments, and condominium association fees.

Mr. Lauber reviewed deficiencies in the Plan, including a reference to limiting affordable housing to 15% to 20%. He said he finds language in the Plan to be insulting to his neighbors to the north that live in a modestly priced condominium development. He asked if the Commission is suggesting that this building or set of buildings is a disaster that should be in River Forest?

Mr. Houseal responded that the Affordable Housing Plan does not say that something is a disaster because it is affordable. He invited Mr. Lauber to comment on the sentence so it could be addressed, but said that language is not in the Plan.

Chairman Crosby asked Mr. Lauber not to sensationalize it.

Mr. Lauber suggested that the Commission remove any suggestions that a development for modest incomes is undesirable. He said “spirit of the community” at the bottom of page 2 should be diversity, not spirit of the community. He said he also has a concern about the best interest language on page 4 under what is affordable. He thinks that needs to be clarified.

Mr. Lauber urged the Plan Commission to remove the section under incentives that describes zoning mandates because, as described, they constitute an illegal taking of property without just compensation under the 5th amendment.

Mr. Lauber continued that zoning bonuses are really talking about incentivized inclusionary zoning and he thinks that a better tone can be created by talking about it that way. The paragraph in the Affordable Housing Plan under Zoning bonuses that states, “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 property owners would bear the cost” should be removed because it is unsubstantiated. On page 4 of his memo he provides several sources that show and have found consistently that affordable housing does not reduce property values and, in some instances, increases them. He provided the citations and has offered to provide PDF copies of studies that confirm it. He said the language in the Plan sets a negative tone and that a citation should be provided for the assertion made.

Mr. Houseal stated that the language to which Mr. Lauber is referring is on page 5 of the draft Plan, but clarified that it does not say that affordable housing can adversely impact property values. He said the Plan talks about relaxing zoning standards for height, setback, parking or bulk to create a physical structure that can impact adjacent property owners. Mr. Houseal said it says nothing about affordable housing lowering property values of adjacent properties. He noted that he is willing to discuss anything in the Plan, but that he would not let someone mischaracterize what is in it to the point of being inaccurate. Mr. Houseal said the last three statements Mr. Lauber made are simply not in the Affordable Housing Plan and he would wholeheartedly disagree with Mr. Lauber’s characterizations.

Mr. Lauber said he would disagree with Mr. Houseal’s characterizations and the tone of the Plan acts as if affordable housing is a burden that the Village begrudgingly accepts. He said that, if this Village can adopt an ordinance that welcomes undocumented immigrants to River Forest, then it can adopt an Affordable Housing Plan that is welcoming to people of modest incomes. Mr. Lauber also said he is concerned that no one seems to remember all the data he provided at the last meeting.

Chairman Crosby asked him to wrap up his comments

Mr. Lauber concluded by saying that the Affordable Housing Plan would be enhanced and much more effective if it were to include the four recommendations that he hoped would be in there and were read aloud by Ms. Haraburd. He reiterated her recommendations.

Chairman Crosby thanked Mr. Lauber for his comments.

Russ Wenzloff, 7214 Oak, discussed his long tenure at his property and the history of the affordability of the units. He said he hopes that anything new coming down the pike will allow people in his position to afford to live in River Forest.

Lydia Manning, 755 William Street, advocated for the older adults in River Forest and encouraged the Village to be intentional about the kind of language that is included in the plan that is age-friendly and goes beyond aging in place. She noted that the Age-Friendly Ad Hoc Committee was recently created. She encouraged the Village to explore accessory dwelling units and co-housing in creative and innovative ways to keep our elders here and aging in place in an affordable manner beyond just the reduction of property taxes.

Ms. Scheiner stated that the Commission also received written statements in advance of the meeting from Mr. Lauber, Ms. Rubin and Mr. Carmody letter, which have all been distributed to the Plan Commissioners.

Judith McDevitt, 411 Ashland, said she lives in one of the smaller affordable units in her building. She said appreciates the thoughtful way the Village goes about formulating its policies and listening to everyone. She has concerns about preserving existing affordable housing and thinks that it is very important to include the recommendation that any such affordable housing be preserved in the TIF Districts. She said the Village and schools have taken steps to ensure that everyone is welcome here and the Village's housing policies should reflect that.

David Brent, 1533 William, is the President of the Condo Association. He stated the owners have been exploring the possibility of selling the condominium building to someone who would use the property in whatever way they saw fit. The ongoing discussion about affordable housing has come to their attention and they believe their building could be used for that purpose. He said they have sent a letter to Eric Palm, Village Administrator.

Janice Brent, 1533 William, said that 100% of the 16 current condominium owners want to sell, however, if a developer is not interested in their building the units may turnover. She asked whether the Village could buy the building and then rent it out to people for affordable housing. Assistant Village Administrator Scheiner replied that she would have to defer to the attorney on the legality of it and that the policy decision is within the discretion of the Village Board of Trustees. She noted that she would pass their comments along to the Village Administrator.

There were no further public comments.

4. RECOMMENDATION TO THE VILLAGE BOARD OF TRUSTEES TO ADOPT AFFORDABLE HOUSING PLAN

The Commission reviewed the changes that they requested to the plan, which include:

- Adding a reference regarding TIF-eligible expenses related to Affordable Housing
- Adding contextual housing data from the American Community Survey
- Inclusion of integrated supportive housing in addition to age-friendly co-housing in the section “Affordable Housing as Defined by the Community.”

There was a brief discussion regarding the language in the Affordable Housing Plan and Comprehensive Plan regarding the preservation of existing affordable housing.

Commissioner Armalas stated he does not think the Village should require developers to replace affordable housing units that are demolished with new units on a one to one basis. He stated that the TIF Districts are likely to reduce the number of affordable housing units.

Chairman Crosby described that proposed developments will go through the Planned Development process before the Development Review Board and affordable housing can be discussed on a case by case basis.

Mr. Houseal noted that the Development Review Board reviews proposed developments in relation to the Comprehensive Plan, which calls the preservation and provision of affordable housing. Mr. Houseal noted that, while the Affordable Housing Plan does not mandate the units, it does mandate the discussion at the time development is being considered.

Commissioner Armalas suggested that Mr. Houseal modify language that it might be desirable to limit the number of affordable units to 15 to 20% on the bottom of page 2. There was a brief discussion regarding this language. Commissioner Gottlieb suggested that the “for example” clause be removed.

Commissioner Armalas noted that he was particularly struck by the letter from Opportunity Knocks and described some of his personal experiences and observations regarding individuals with special needs. There was a brief discussion regarding the addition of language for affordable housing needs for young, independent adults with disabilities. Mr. Houseal noted that language would be added to page 3.

Commissioner Gottlieb stated that language be added to describe the benefit of affordable housing to those will use it and those that do not. Mr. Houseal stated that he would modify the section regarding the need for the community.

Chairman Crosby suggested that the Commission reconvene to consider the changes they are seeking. There was a brief discussion regarding the next meeting of the Plan Commission, which was scheduled for April 7, 2020 at 7:00 p.m.

There was also a brief discussion regarding distribution of Plan Commission meeting packets relative to the Open Meetings Act and the Village’s practices to exceed the Open Meetings Act requirements.

5. PUBLIC COMMENT

There was no further public comment.

6. ADJOURNMENT

A MOTION was made by Commissioner Gottlieb and SECONDED by Commissioner Armalas to adjourn the Plan Commission meeting at 8:36 pm.

MOTION PASSED by voice vote.

Respectfully Submitted:

Lisa Scheiner, Secretary

David Crosby, Chairman
Plan Commission

Date: _____

PLANNING/COMMUNICATIONS

7215 Oak Avenue ☎ River Forest, Illinois 60305 ☎ 708/366-5200
Email: dan@lauber.law Website: <http://www.planningcommunications.com>

Guide to Materials on Affordable Housing Planning

SUBMITTED TO RIVER FOREST PLAN COMMISSION FOR ITS JANUARY 21, 2020 PUBLIC HEARING

This packet includes material that supplement the testimony of Daniel Lauber, AICP, on the draft affordable housing plan before the River Forest Plan Commission at it's January 21, 2020 public hearing.

The first item in this packet illustrates the sort of data an affordable housing plan should be reporting. It is excerpted from a 2012 study we conducted for Lake County, Waukegan, and North Chicago and has been edited down to focus squarely on affordable housing. Keep in mind that the study was conducted four years after the 2008 Great Recession and that the housing market was just beginning to recover in 2012. I do not intend to dwell on this document in my testimony. I just wanted you to see some of the factors and data that an affordable housing plan should address — and to better understand what constitutes affordable housing and the standards normally used.

The second item is a table showing the percentages of River Forest homeowner and tenant households that are “cost-burdened” and “severely cost-burdened.” To provide perspective, I’ve included Oak Park and the nation. The situation for River Forest tenants is nearly identical to that faced by Oak Park tenants and a bit more favorable than the nation as a whole. The bottom line is that the affordability situation is tough nationwide, but the federal government and the State of Illinois are doing virtually nothing to alleviate it. It’s up to us at the local level to mitigate this affordable housing crisis using the tools available to us.

Perhaps the most effective tool — one adopted by more than 800 cities and counties with affordable housing situations like or more severe than ours — has been inclusionary zoning. A lot of misleading information has been conveyed about inclusionary zoning. The “World of Difference” page uses a parable of sorts to illustrate two diametrically opposed approaches to inclusionary zoning. The first is analogous to how the previous Oak Park Village Board addressed inclusionary zoning last year — an approach that is unfair, a unconstitutional “takings,” and a disincentive to development. That approach deserves the criticism it has received.

But there is a second approach that is the very opposite. This second approach is analogous to what I call “incentivized inclusionary zoning.” This approach successfully gets affordable housing built in new developments at no cost to the taxpayer, with increased profit for the

Excerpted from the 2012 Lake County, Illinois Study

Provided to illustrate information and standards that an Affordable Housing Plan should be reporting in order for a village to produce a responsive and adequate Affordable Housing Plan

Information and data unrelated to housing costs have been deleted to keep this focused solely on the affordability of ownership and rental housing

The Affordability of Housing

Economists and housing experts have long used the rule of thumb that a home is affordable when its purchase price is no more than two and a half or three times the buyer's gross annual income.²⁰ Their other test that applies to both owner and tenant households is that housing is affordable if the household spends less than 30 percent of its gross monthly income on housing. Housing that costs 30 percent or more of a household's gross income is called "cost burdened."

Households that spend 30 percent or more of their gross monthly income on housing costs (rent, or mortgage, property tax, and condominium or home owner association assessments) are considered to be "cost burdened."

These are not arbitrary figures. Spending more than 30 percent on housing, leaves a typical household less money for essentials such as food, clothing, furniture, transportation, health care, savings, and health insurance. Local businesses suffer the most from this reduction in discretionary spending money due to high housing costs. Spending more than 30 percent on housing denies monies to other sectors of the economy unless households strapped for cash go into serious debt.

Cost Burdened Housing

As the two tables below show, substantial proportions of home owners and

20. For purposes of this analysis, we will err on the cautious side and use three times the median income to establish the price of an affordable house rather than two and a half times.

cago six percentage points below. However, relatively few of the large proportion of cost burdened tenant households are likely to be able to save enough for a down payment to purchase a home since they have to spend more of their income on rent than is economically healthy.

Table 38: Cost–Burdened Tenants by Jurisdiction: 2010

Cost–Burdened Tenants By Jurisdiction: 2010				
Jurisdiction	Percentage of Tenant Households That Spent 30 to 34.9% of Their Gross Income on Rent	Percentage of Tenant Households That Spent 35% or More of Their Gross Income on Rent	Total Percentage of Cost–Burdened Tenant Households	Median Rent
Lake County	9.5%	42.7%	52.2%	\$957
North Chicago	5.9%	41.2%	47.1%	\$988
Waukegan	11.9%	43.1%	55.0%	\$822

Source: Lake County and Waukegan from "Selected Housing Characteristics," 2010 American Community Survey 1–Year Estimates, Table DP04; "Selected Housing Characteristics," North Chicago from 2008–2010 American Community Survey 3–Year Estimates, Table DP04.

The proportions of cost burdened tenants and of cost burdened home owners with a mortgage certainly constitute a housing crisis that drains the county's entire economy.

Affordability of Ownership Housing

The table that follows provides a plethora of data in one place. For each city and village in Lake County, it shows:

- ◆ The actual median price of single-family detached homes sold in 2010
- ◆ The actual median price of single-family attached homes sold in 2010. These include duplexes; townhouses including ranch-townhouses, two-story ranch townhouses, tri-level townhouses, and three-plus story townhouses; quad-ranch houses, quads, quad-split level homes, quad-two story homes, quad-penthouses.
- ◆ The actual median price of condominiums sold in 2010
- ◆ Whether each type of housing is affordable to the median-income household in Lake County, North Chicago, and Waukegan. Cells are colored green when a household with the median-income of Lake County, North Chicago, or Waukegan can afford the median-priced home of each of the three types of homes. The cell is colored red when a household with the median income cannot afford the type of home. "N/S" means that no homes of that type were sold in 2010.

As discussed earlier, a home is considered affordable when the price is no more than two and a half to three times the household's annual income. To err on the conservative side, the table that follows treats affordability as *three* times the household's annual income: \$224,115 for Lake County households, \$138,153 for North Chicago households, and \$131,865 for Waukegan households.

Figure 43: Modest Highland Park House Bought for \$369,000 in 2006 and Sold in 2011 for \$309,000 After Extensive Remodeling



— Continued from previous page

City or Village	Actual Median Sale Price in 2010			Types of Housing Affordable to Household With:								
	Single-Family Detached Houses (SF)	Single-Family Attached Home (Townhouse, Duplex) (SFA)	Condominiums (C)	Lake County Median Income of \$74,705			North Chicago Median Income of \$46,051			Waukegan Median Income of \$43,955		
				SF	SFA	C	SF	SFA	C	SF	SFA	C
Park City	\$138,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Port Barrington	None Sold	None sold	None sold	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
Riverwoods	\$546,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Round Lake	\$118,000	\$104,300	\$70,000									
Round Lake Beach	\$87,000	\$80,250	\$69,000									
Round Lake Heights	\$125,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Round Lake Park	\$58,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Third Lake	\$259,675	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Tower Lakes	\$398,500	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Vernon Hills	\$415,000	\$240,000	\$124,125									
Volo	\$242,500	\$133,550	\$127,000									
Wadsworth	\$290,000	\$138,700	\$114,000									
Wauconda	\$203,000	\$138,450	\$92,400									
Waukegan	\$74,000	\$100,250	\$32,500									
Winthrop Harbor	\$149,500	None sold	\$245,000		N/S			N/S			N/S	
Zion	\$81,375	\$28,000	\$109,000									

A red cell means that the housing is not affordable to the median income household. A green cell means the housing is affordable. N/S = None sold. Sources: Median sale prices were compiled from the Multiple Listing Service. Median household incomes for Lake County and Waukegan are from "Selected Economic Characteristics," 2010 American Community Survey 1-Year Estimates, Table CP03; North Chicago data are from "Selected Economic Characteristics," 2008–2010 American Community Survey 3-Year Estimates, Table CP03.

In 2010, a household with the Lake County median income of \$74,705 could afford to buy a home costing as much as \$224,115. A median-income household could afford to buy half of the single-family detached homes in 43 percent of the county's cities and villages. It could afford half of the attached single-family homes in 69 percent of the municipalities and half of the condominiums in 88 percent of them. Current Lake County households at the median income could not afford to buy the median-priced single-family detached home in 57 percent of the county's towns.

North Chicago

As the table below suggests, the price of ownership housing was severely depressed in North Chicago — and getting worse in 2011 with the median price of all ownership housing falling 32 percent. Prices are so depressed that a household with an income that was just 28 percent of the 2010 median household income could afford to purchase the median-priced single-family detached home in North Chicago in 2010. A year later, housing prices had fallen enough that a household with income that was 21 percent of the median household income could afford the median-priced single-family detached home in North Chicago in

78 percent of the county's municipalities.

Waukegan

The picture is a bit different in Waukegan where the median household income is lower than in North Chicago, but the median prices of homes sold in 2010 and 2011 is much higher. A household with the median income can afford the median-priced home of any kind. The median price of all three types of ownership housing plummeted 36 percent from 2010 to 2011.

Table 42: Affordability of Home Ownership in Waukegan: 2010–2011

Affordability of Home Ownership in Waukegan: 2010–2011					
Year	Estimated Median Household (HH) Income for 2010	Median Price of Single-Family Homes	Minimum HH Income to Afford Median Priced Single-Family Home	Median Price of Condominiums	Minimum HH Income to Afford Median Priced Condominium
2011	\$43,955	\$49,450	\$16,483	\$22,000	\$7,333
2010	\$43,955	\$74,000	\$24,667	\$32,500	\$10,833
Year	Maximum Home Price Affordable to Median Income Household	Median Price of Attached Single-Family Housing (Townhouse, Duplex)	Minimum HH Income to Afford Median Priced Attached Single-Family Housing	Median Price of All Ownership Housing	Minimum HH Income to Afford Median Priced All Ownership Housing
2011	\$131,865	\$55,000	\$18,333	\$48,000	\$16,000
2010	\$131,865	\$100,250	\$33,417	\$75,000	\$25,000

Source: Median sale prices: Multiple Listing Service. Median household income: "Selected Economic Characteristics," *American Community Survey 2008–2010 3-Year Estimates*, Table CP03.

This decline in home prices has been a total disaster for Waukegan home owners who have seen much, if not all, of their equity wiped out as the values of their homes sink "under water."

The ability of Waukegan residents to move to most of the other Lake County cities and villages is severely limited by the much higher cost of ownership housing in the vast majority of Lake County municipalities. In 2010, a household with the Waukegan median income of \$43,955 could afford to buy a home costing as much as \$131,865. A median-income Waukegan household could afford half of the single-family detached homes in just 18 percent of the county's cities and villages. It could afford half of the attached single-family homes in 26 percent of the county's municipalities and half of the condominiums in 62 percent of them. Current Waukegan households at the median income could not afford to buy the median-priced single-family detached home in 82 percent of the county's towns and could not afford the median-priced attached single-family home in 74 percent of the county's towns.

It takes a median household income of \$39,500 to afford the median North Chicago rent. As noted on page 101, North Chicago has the lowest proportion of cost-burdened tenants of the three jurisdictions: 47.12 percent. While the proportion of North Chicago tenants spending 30 to 34.9 percent of their gross income on rent is about half that of the county, the proportion spending 35 percent or more is 41.2 percent, less than two percentage points lower than in the county and Waukegan.

The median income North Chicago household can easily afford the median rent in North Chicago, Waukegan, and Lake County. While the cost of ownership housing has fallen substantially in North Chicago, the cost of renting continues to be higher in North Chicago than in Waukegan and the rest of Lake County.

Waukegan

A little over 48 percent of Waukegan's housing units are rental. The median monthly rent of \$822 sits substantially below the \$988 median in North Chicago and the county median of \$957.

The 9.6 percent vacancy rate falls at the high end of the 5 to 10 percent range characteristic of a healthy rental market.

More than three of five tenant households are spending \$750 or more in rent. Less than a third spend \$1,000 or more — significantly smaller percentages than in North Chicago.

Similarly, the median household income to afford the median Waukegan rent is 17 percentage points lower than in North Chicago. However, the median household income in Waukegan is only 5 percentage points lower than in North Chicago — which further reflects the greater affordability of rental housing in Waukegan compared to North Chicago.

A household at Waukegan's median income in 2010 — \$43,955 — can easily afford the median-priced rental in Waukegan, North Chicago, and Lake County.

Table 45: Waukegan Rents in 2010

Waukegan Rents in 2010		
Gross Rent	Percentage of Tenant Households	Minimum Annual Household Income to Afford Rent
Under \$200	4.1%	\$8,000
\$200 to \$299	0.3%	\$8,000 to \$11,960
\$300 to \$499	1.8%	\$12,000 to \$19,960
\$500 to \$749	30.3%	\$20,000 to \$29,960
\$750 to \$999	32.1%	\$30,000 to \$31,960
\$1,000 to \$1,499	23.9%	\$40,000 to \$59,960
\$1,500 or more	7.6%	\$60,000
Median Rent	\$822	\$32,880

Source: "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04.

Conclusions on Affordable Housing

The exclusion of housing that is affordable to households with modest incomes produces a barrier to socioeconomic diversity and fair housing in Lake County's mostly high and highest opportunity municipalities. Even though North Chicago and Waukegan offer a substantial amount of housing affordable to households with modest incomes, far too many residents are cost-burdened to support a healthy economy.

A World of Difference: Two approaches to inclusionary zoning

Dan Bertolet and Alan Durning

November 28, 2016

Imagine two towns, both committed to helping their low-income residents but short on funding for social services. Both decide to require retailers to sell 5 or 10 percent of their wares at steeply discounted prices to families who qualify for benefits: milk, jeans, refrigerators, whatever. But they do it two different ways.

The first town flat-out forces stores to do it, giving them nothing back in exchange. The place gets a little better for the lowest-income families who qualified for the discount, but there are other unintended, but inevitable, consequences that hurt the whole community. Retail is highly competitive, so only the most profitable shops can afford to sell a share of their products at a loss. Lots of stores go out of business, and surviving stores tend to be ones with bigger markups and higher prices: Nordstrom, not Payless; Whole Foods, not Safeway. Prices for everybody not qualified for discounts go up. Even for those who receive the discounts, there are fewer places to shop and marked-down supplies are limited. The town overall becomes less prosperous.

The second town also requires “inclusionary pricing”—the same 5 or 10 percent discounts to qualifying families—but this town also compensates stores with economic benefits of comparable value: they can build a bigger shop than otherwise allowed under local laws; add profitable new ventures, such as liquor sales; dispense with expensive parking lots that were otherwise required; and win exemptions from certain taxes. In this community, retailers come out even and stay in business. The money they lose on their inclusionary sales is balanced out by gains from new benefits. Families with lower incomes shop where everyone else does, in a range of stores. Unlike the town that does not balance out the cost of its inclusionary pricing, this second town makes sure low-income families can thrive and be part of the local social fabric without shuttering stores and pushing up prices for those who don’t get the discount—keeping the whole community thriving and intact.

These hypothetical towns may strain belief. But as illustrations, they provide an apt analogy for the potential benefits and pitfalls of inclusionary zoning. Inclusionary zoning (IZ) is the same principle applied not to shopping but to housing. It requires builders to lease or sell a share of their new homes at below-market prices to families and individuals whose low incomes qualify them for it. Some communities balance out these affordability mandates while some do not—a difference that makes all the difference.

Low-Equity Cooperatives = Housing Solutions

As federal housing policy continues its journey into the twilight zone, and the housing needs of low-, moderate-, and now middle-income households become more acute, programs that supported the most successful federal housing programs in the nation's history — low-equity or limited-equity cooperatives — continue to lie dormant.

High costs didn't undo them. Unlike the subsidy programs that produced high rates of foreclosure, default rates for low-equity cooperatives created under Section 213 of the Housing Act of 1950 were so low that HUD refunded over \$32 million in mortgage insurance dividends to Section 213 cooperatives since 1970 (in its first 20 years, Section 213 produced 2,033 limited-equity cooperative developments with 115,796 units).

It was politics that did in the low-equity cooperative programs under Section 213, Section 221(d)(3) of the Housing Act of 1961, and Sections 202 and 236 of the Housing Act of 1968, because they did their job too well. They put taxpayers' money directly into housing rather than into the pockets of the housing middlemen: developers, realtors, title insurers, landlords, lawyers. Let's be honest: Sidestep this powerful lobby and few in Congress or the White House will go to bat for you. Even though many of these programs are still on the books, the Executive Branch has chosen to curtail their implementation and funding.

Low-equity cooperatives minimize housing costs by keeping the single largest cost of homeownership, mortgage debt service (30 to 50 percent of the landlord's monthly ownership costs), constant even when units change hands. Households that purchase a share in a cooperative association comprise the asso-

ciation that actually owns the cooperative. This share entitles a household to occupy a dwelling unit and pay a monthly "rent." The cost of a share can range from a few dollars as it does in some Canadian limited-equity cooperatives, to a few thousand dollars. The key difference between market rate cooperatives and limited-equity coops is that the limited-equity's bylaws limit increases in resale price to some rate typically less than the rate of inflation. This form of ownership can be applied to both multifamily and single-family housing, on a single site or scattered site.

When an apartment building, house, or condominium is sold, a new mortgage loan is issued, invariably for a higher amount and, until recently, nearly always at a higher interest rate. Consequently, rents must rise to cover the higher monthly mortgage bill. But when a low-equity cooperative changes hands, the mortgage on the building is not affected since only a share in the cooperative association is sold. This form of ownership keeps the single largest component of ownership costs constant. **Housing designed for, say, low-income households, continues to be affordable to low-income households, without additional government subsidy.**

To illustrate, consider a 22-unit apartment building built in 1959 with an initial \$139,354 mortgage at 6.25 percent (\$84 per unit each month) and monthly rent of \$111 per unit. [Illustrated by the graph on the other side.] Realistically assume that as a rental, the building will be sold every five years in an active market. By 1975, the building will carry a 9.5 percent \$358,838 mortgage loan that costs \$278 per unit each month to service. In 1980 the last sale will result in a 13.5 percent \$432,000 mortgage costing \$434 per unit each month. To cover this increased debt service, rent would have to rise to at least \$352 in 1975 and \$538 in 1980.

But, as a limited-equity cooperative the monthly payment to cover the cost of that mortgage remains at \$84 per unit, even 20 years later, since the original mortgage still exists.

Rents will have increased from \$111 in 1960 to all of \$188 in 1980 to cover increased operating costs and property taxes. No other type of homeownership generates such savings.

Housing vouchers and programs such as Section 8 that retain conventional forms of ownership, continue to treat housing as a shelter from taxes for developers and other investors. Not only do we pour direct federal subsidies into these programs, but the federal treasury loses income tax revenues due to the tax shelters they provide for the housing middlemen.

Limited-equity cooperatives have been the most successful housing program in U.S. history.

It is time to return government-supported housing to its most basic function: shelter from the elements. By treating housing as shelter from the elements, the District of Columbia's Tenant Purchase Assistance program has repeatedly shown that the conversion of rental units to low-equity cooperatives requires only an average one-time \$3,000 per unit government subsidy. Section 8, which still treats housing as an investment vehicle, often costs taxpayers \$3,000 per unit, *each year*. It's time to put the limited funds available for housing where the need really is and get the most bang for our bucks.

While we may lack the funds to provide a decent home and living environment for every American, we can at least turn the tide for millions more if we were to revive the most successful housing program the United States — and Canada — has ever known.

Daniel Lauber, AICP
Planner/Attorney

March 3, 2020

To: River Forest Plan Commission

From: Daniel Lauber, AICP, attorney/planner

Rehabilitating River Forest's Affordable Housing Plan

As currently written, this second draft of the village's *Affordable Housing Plan* remains highly deficient in terms of the data presented, tone and attitude, concrete recommendations, alternative approaches considered, and goals and objectives.

The tone of the plan continues to be less than supportive of housing affordable to households of modest means. It continues to make assertions that fly in the face of facts and that seem to begrudgingly accept housing affordable to households of modest incomes.

Missing Data

A competent plan for affordable housing needs to include the following information to determine the current state of housing affordability:

- ◆ Proportions of dwelling units that are owner-occupied and rental by type of structure (detached single-family, attached single-family, and condominium/multi-family)
- ◆ Median price of owner-occupied housing by type of structure
- ◆ Median rent of rental units
- ◆ Median household income by housing tenure and by demographic factor (age of head of household, race and ethnicity, etc.)
- ◆ Proportions of rental households that are cost-burdened (spending 30% or more of gross monthly household income on rent) and severely cost-burdened (spending 50% or more)
- ◆ Proportions of ownership households that are cost-burdened (spending 30% or more of gross monthly income on mortgage, property tax, and condominium or home owner association assessments) and severely cost-burdened (spending 50% or more, if data is available)
- ◆ Minimum household income required to afford median-priced ownership home by type of structure ((detached single-family, attached single-family, and condominium/multi-family)

write of enhancing the “overall diversity of the village,” but “spirit?” What in heaven’s name is “spirit of community?”

Part 3. What is “Affordable”?

The plan fails to adequately address the question of what is affordable. It needs to go beyond the arbitrary approach of the Illinois Housing Development Authority and instead report on the broader questions of affordability revealed by the data listed above under “Missing Data.”

Affordability isn’t just a concern for households with incomes of 60 and 80 percent of the area median income for the Chicago metropolitan area. The question of affordability in River Forest extends beyond low-income households to those with moderate and middle incomes as well.

The language in the final paragraph starting on page 4 that any development “would need to be in the community’s best interests” is vague and subject to multiple interpretations. Exactly what are the village’s “best interests?” Spell them out in unambiguous, clear, concrete terms.

Part 5. Incentives

Zoning mandates. The entire section on “zoning mandates” should be deleted. As a land-use attorney, I am confident that such mandates constitute an illegal Fifth Amendment taking of property without just compensation. Even the current language in the plan recognizes how such mandates can reduce the value of the land:

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.

Please remove the entire paragraph on zoning mandates. We should not even be considering them.

Zoning bonuses. First, this section should be entitled “Incentivized inclusionary zoning” and should focus include a detailed discussion of the concept and how it works.

Unfortunately, instead we get a counterproductive tone accompanied by falsehoods that would have the effect of ginning up opposition.

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.

Possible Additional Considerations

The three items mentioned here constitute an inadequate set of considerations that steer the discussion away from genuinely effective solutions. The fourth consideration is toothless without adopting a properly drafted incentivized inclusionary zoning that will give potential developers the certainty and clarity they need. Without an ordinance, the village can easily sidestep requiring the inclusion of affordable units in exchange for density bonuses or relaxation of other zoning requirements.

Instead the plan should include the following recommendations to:

- ◆ **Amend River Forest's *Comprehensive Plan* to establish a policy of preserving existing housing affordable to households with modest incomes**
- ◆ **Adopt effective incentivized inclusionary zoning**
- ◆ **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**
- ◆ **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 TIF district developments on a one for one basis**

Conclusion

As currently drafted, the village's *Affordable Housing Plan* omits essential data and policy considerations needed to craft a viable approach to preserving existing housing affordable to households with modest incomes — teachers, retired seniors, medical personnel, social workers, librarians, employees of nonprofits, recent college graduates, and more — and foster the creation of new housing affordable to these households. The plan's tone needs to be changed from a begrudging view of affordable housing to one that embraces affordable housing and is at least as welcoming to households of modest income as the village is welcoming to undocumented immigrants.

The people of River Forest deserve better.

Provisions that should be in the Affordable Housing Plan

- 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
- Recommendation to adopt effective incentivized inclusionary zoning
- 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
- 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

3-3-2020

River Forest Plan Commission

I cannot be at the meeting tonight in time to talk, but I'll come later. I do want to urge the Commission to ask, again, for a revised Affordable Housing Plan. The one being presented tonight does not go far enough, nor has it responded to resident statements or comments by various Commission members at the last meeting, regarding efforts to preserve and increase affordable housing options in River Forest.

I was at the last meeting and spoke, and it seems that the revised plan does not include some things discussed then.

I support our striving for, at minimum, 10% affordable housing and I also support adopting an inclusionary zoning ordinance that requires 15% of all new developments of multi-housing units be affordable. I take offense at the statement that "The Village can conceive no reasonable way in which this number (10%) of new affordable housing units could be provided in the foreseeable future." That is just ignoring the standards we must work hard to get to. Adopting this language would mean that we have a ready excuse to miss – and even ignore -- opportunities to reach this goal. That sentence should be struck from the document.

Also, there is no recommendation for a clear TIF policy to preserve or replace current affordable housing in those districts with similar affordable housing on a one-for-one basis to so that the percentage of affordable housing does not decrease when TIF districts are developed.

The Plan also does not account for, or include, information on the percentage of current River Forest residents who are burdened with housing costs that are higher than they can reasonably afford. Should we not take this into account?

In addition, I urge the Commission, before adopting any plan, to create a working group that includes experts in our community to discuss what I'm sure would be a wide range of ways to preserve and increase affordable housing options in River Forest. It seems, from attending a Village Board meeting on the deer problem, that we are reluctant to form resident groups, and I don't know why that is when we have a plethora of clear-thinking and knowledgeable residents in our midst. Let's use them!

Finally, improving, yet again, our Affordable Housing Plan would be in the service of keeping 10-15% of River Forest reasonably affordable for those already here, working nearby, or for families of current residents who would like to move closer. I think this is an inclusionary, welcoming issue and I'd like to think we are a welcoming community.

I hope the Commission takes my positions to heart. We need to do better for current and future River Forest residents and employees with modest incomes.



Phyllis B. Rubin
411 Ashland Avenue, 6B
River Forest, IL 60305

Lisa Scheiner

From: Phil Carmody <phil@opportunityknocksnow.org>
Sent: Monday, March 2, 2020 10:20 PM
To: Eric Palm; Lisa Scheiner
Subject: Statement for the Record - RF Plan Commission Mtg. 3.3.20
Attachments: OK Ltr to RF Plan Commission (3.2.20).pdf

Hello, Eric and Lisa.

I had intended to make an appearance at tomorrow's meeting to register this statement in person, but unfortunately, I will be unable to attend. We would like to have the attached statement included in the record of the meeting's minutes. We are grateful for the opportunity to speak on this matter. We are also grateful for the efforts that are ongoing in this endeavor. Thank you for your thoughtful work.

For reference on the attachment, the letter portion of the attachment is what we are requesting be included in the record. We are not sure about the procedures for the remaining detail therein, but we leave the address of that to your best judgment. The supplemental materials to that letter are meant as a gesture of sharing resources. In the event that this information might serve the greater good, we are happy to share. We have been compiling these details on our way to developing our residential support plan, so we thought it a good opportunity to share.

Thankfully.



PHIL CARMODY

President

8020 Madison St., River Forest, IL 60305

www.opportunityknocksnow.org | phil@opportunityknocksnow.org

C: 708.307.5064 | O: 708.771.6159 x 204

Follow Opportunity Knocks:    



March 2, 2020

Attn. River Forest Plan Commission
Re. Affordable Housing Plan Development



Distinguished Commission Members,

My name is Phil Carmody and I am writing on behalf of Opportunity Knocks, the Warriors we serve and the families they belong to as well as the greater community that supports our mission to support people with intellectual and developmental disabilities as they live, work, learn, grow and connect within their community. We believe in a dynamic, person-centered and community-based approach to programming that engages the voice of all Warriors, thrives on interdependent connections, encourages exploration, centers on holistic wellness and fostering healthy relationships.

The community we serve includes River Forest, Oak Park and Forest Park. We are proud to make our home in the River Forest Community Center.

We have been excited to hear that there is a conversation in River Forest around developing an affordable housing plan. We have been following the trek of the planning. In following the plan development and feedback leading to revisions, we have noticed that there is an opportunity to raise the voice of the people in our community with intellectual and developmental disabilities (aka. Warriors) and make them heard in this conversation. We are asking you to include these Warriors and their voice in your affordable housing plan.

Here are a few ways we respectfully ask you consider enhancing your plan:

1. Commit to a meaningful percentage of new rental housing units being designated as Supportive Housing.
2. Maintain or adopt flexibility in zoning that would allow for opportunities for innovative models to be developed within existing housing stock e.g. Integrated Supportive Housing/Reverse Integration, Supervised Apartments, Accessory Apartments, Shared Living (see below for detail on each model)
3. Commit resources to bringing resources to our community that would establish more supportive and affordable housing opportunities e.g. HUD Programs (HOME & Community Development Block Grants), Low Income Housing Tax Credits, Illinois Affordable Housing Tax Credits, Section 811 Vouchers, Mainstream Vouchers, Section 8 Vouchers (see below for more on each resource)



We believe in the best practice elements of supportive housing, a philosophy that calls for permanent, affordable housing for individuals with disabilities in communities of their choice. Supportive housing advocates that everyone is entitled to a safe, decent place to live and should receive the services unique to their needs that will help them to live as independently and as self-sufficient as possible. Housing should promote the development of relationships among individuals with and without disabilities.

On a federal, state, county and in many cases municipal level, there are a variety of resources that can come together to create a subset of opportunities within the affordable housing movement called Supportive Housing.

The key principle of this system of support is a separation between the provision of housing and services. This is a national trend that is beginning to catch on in Illinois. We believe this trend will become the norm in the future of supporting Warriors who aim to live in their community. We intend to be a long-standing source of support for these Warriors in the community of River Forest and those that surround it. We are asking for your partnership in this system of support.

Our state has traditionally been very slow to respond to the needs of people with intellectual and developmental disabilities from a service standpoint. Illinois currently ranks 47th in provision of community based support. While the state catches up on its responsibilities, there is a clear opportunity to create a partnership between supportive housing resources and social service provider agencies at a community level. If we can balance federal resources with private resources in our community, we can create accessible, supportive, sustainable housing options for the Warriors in our community.

We are asking the plan commission and the Village of River Forest to commit to establishing more supportive housing opportunities so that our sons, daughters, brothers, sisters, friends and neighbors with disabilities can have an opportunity to continue their lives in the community where they were born and raised.

Respectfully Submitted,

Phil Carmody

President, Opportunity Knocks



The following is an excerpt from the Opportunity Knocks Residential Support Plan. It is important to mention that our planning is in progress. We have done a significant amount of research and made a long list of partners in our efforts to realize the vision. We see this outreach as another opportunity to develop a partnership that will help us work together to support Warriors in the community. We felt there was an opportunity to share the information and resources that we have come to realize. We hope this information may serve you some use.

OVERVIEW OF ID/DD SERVICES

Individuals with developmental disabilities and their families seeking services from the Illinois Department of Human Services - Division of Developmental Disabilities need to contact their Independent Service Coordination agency and register in the **Prioritization of Urgency of Need for Services** (PUNS) database. If selected from PUNS list as eligible for services, individual must opt for one of two support structures:

1. Home and Community Based Services (HCBS)
2. Community Integrated Living Arrangement (CILA) services

IMPORTANT STATISTICS REFLECTING OUR CHALLENGES

- **19,346** people in the State of Illinois are on a waiting list for services from the Department of Human Services, Division of Developmental Disabilities → 325 of those are from the River Forest and Oak Park communities
- **60 students** in the OPRFHS [Transitional with Access to the Mainstream \(TEAM\)](#) program and [CITE \(Community-Integrated Transition Education\) Program](#) → **1/3 of those students** are River Forest residents. This representation does not include those older than 22, which is a number we have difficulty accounting for.
- **10 Years** have passed since Opportunity Knocks became a service provider in effort to help address the gaps in support for people with disabilities in our community.
- During that time, we have served many dozens of River Forest residents. **100-percent** of the River Forest residents we have had the privilege to serve who have moved out of their family home have moved to communities other than River Forest.



SUPPORTIVE HOUSING

GENERAL OVERVIEW OF SYSTEM, SUPPORTS & TRENDS

- A national trend is trickling down from the federal level that aims to separate supportive services from supportive housing. This trend has not taken a strong footing in Illinois yet, but there is some movement toward this in progressive communities with alternative-embracing orgs., as well, there is ongoing conversation about this trend between the ARC of IL & DHS-DDD.
- Supportive Housing is affordable rental housing for people with very low incomes and disabilities (or multiple barriers to community living) PLUS the social/health services (including behavioral and physical health) that they want and need to succeed in the community.
- Supportive Housing is not intended for every population that needs access to affordable housing. The threshold of need for supportive housing is higher than the simple need for affordable housing.
- Supportive services, if received by an individual from a provider agency (CILA, iCILA, HBCS) and holds a lease from another entity, then that individual can change where he lives but keep his service provider. Conversely, that individual can change his service provider but continue to live in his home.
- Packaged Supports - an individual preparing to take advantage of supportive housing vouchers, would be best aligned with supplemental supports to go along with property & person-based assistance:
 - [Supplemental Security Income](#) (SSI)
 - Social Security Disability Income (SSDI) -- usually one or the other of SSI or SSDI
 - [Supplemental Nutrition Assistance Program](#) (SNAP)
 - Medicaid & Medicare
 - PUNS - Home & Community Based Services (HCBS) or Community Integrated Living Arrangement (CILA)

SYSTEM OF SUPPORT IN AFFORDABLE & SUPPORTIVE HOUSING

[U.S. Department of Housing & Urban Development \(HUD\)](#)

Oversees federal programs designed to help Americans meet their housing needs. **HUD** seeks to increase homeownership, support community development and increase access to affordable housing free from discrimination.

[HMIS - Homeless Management Information Systems](#)



A Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each Continuum of Care (CoC) is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards.

[Illinois Housing Development Authority](#)

IHDA facilitates housing-related programs that help create a positive impact for local units of government and the people who live in their communities.

[Statewide Referral Network](#)

A statewide referral process that links Supportive Housing Populations with available Statewide Referral Network Units. The Statewide Referral Network is a collaboration between the Authority, the Illinois Department of Human Services, the Illinois Department on Aging, the Illinois Department of Healthcare and Family Services, and local social service providers.

[West Cook County Housing Collaborative](#)

Working to expand housing opportunities and strengthen neighborhoods in west suburban Cook County. WCCHC is a joint effort among the municipalities of Bellwood, Berwyn, Forest Park, Maywood and Oak Park, and was originally formed in response to the housing foreclosure crisis. Recognizing the value of collaboration, the WCCHC communities have continued working together to transform distressed properties into quality, affordable homeownership and rental housing options.

[Oak Park Housing Authority](#)

OPHA acts as the public housing authority for Oak Park and administers various Federal programs that assist the Village's low-income population in finding decent and affordable housing.

ILHOUSINGSEARCH.ORG

This is a free, online resource for renters and property providers in Illinois. Search for affordable, accessible, and market-rate housing that will fit your needs and budget. Please check back for new and updated listings often.

<http://www.ilhousingsearch.org/>



FAIR MARKET RATE (FMR)

The published rental rate established by the U.S. Department of Housing and Urban Development (HUD) and used for determining the monthly rent charged in an affordable housing unit. For more information, visit www.huduser.org/portal/datasets/fmr.html

AVERAGE MEDIAN INCOME (AMI)

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county.

https://www.huduser.gov/portal/datasets/il.html#2019_query

SECTION 811 | PROJECT BASED RENTAL ASSISTANCE PROGRAM

SUPPORTS ATTACHED TO THE PROPERTY

The Section 811 Project-Based Rental Assistance Program is a supportive housing for persons with disabilities program within the U.S. Department of Housing and Urban Development (HUD). The program assists the lowest income people with disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports (Medicaid Long Term Services and Supports or State Plan Services).

More than \$18M has been awarded to the Illinois Housing Development Authority (IHDA) and its' partners (the Department on Aging, the Department of Healthcare and Family Services and the Department of Human Services) that will make affordable and available more than 900 units around the state.

PROJECT BASED RENTAL ASSISTANCE

Affordable housing properties funded by the Illinois Housing Development Authority in communities of preference for the eligible populations are asked to participate in the Section 811 program. A portion of the units within an affordable housing development are "set-aside" to receive Section 811 Project-Based Rental Assistance.

The Rental Assistance is assigned to a unit/property, NOT an individual.



The tenant receives the benefit of the assistance while they live in the unit but if they choose to leave the property, the rental assistance stays with the unit.

The eligible tenant pays 30% of their adjusted gross income towards the rent and the Section 811 Project-Based Rental Assistance pays the difference between what the tenant can pay and the rent amount.

OTHER SUPPORTIVE HOUSING VOUCHERS

SECTION 8 or FEDERAL HOUSING CHOICE VOUCHERS

SUPPORTS ATTACHED TO THE PERSON

Government-subsidized programs that provide rental assistance. Typically, tenants pay 30% of their income towards the cost of the Fair Market Rent and the voucher supplements the difference.

An annual certification of income is required to verify that the individual's annual income meets the threshold for rental assistance.

Individuals obtain vouchers that are used to pay their rent (tenant-based rental assistance) while other vouchers are attached to the apartment unit (called project-based vouchers). Individuals can apply for rental assistance through local public housing authorities in cities, towns, or state offices.

Be aware that there is a significant wait time even to get on the waiting list. Families who may be interested should apply as early as possible.

MAINSTREAM VOUCHER PROGRAM

Consolidated Appropriations Acts, 2017-2019 made approximately \$500 million available for new Mainstream voucher assistance, the first funding for new Mainstream vouchers since 2005. HUD has awarded a combined \$230 million in funding for over 27,000 new vouchers to 435 PHAs between 2018 and 2019.

Mainstream vouchers assist non-elderly persons with disabilities. Aside from serving a special population, Mainstream vouchers are administered using the same rules as other housing choice vouchers. Funding and financial reporting for the Mainstream Voucher Program is separate from the regular tenant-based voucher program.

[FOLLOW THIS LINK](#) for more on the Mainstream Voucher Program



OTHER PROGRAMS AVAILABLE TO SUPPORT HOUSING

SUPPORT FOR AGENCIES, DEVELOPERS & COMMUNITIES

HUD PROGRAMS - H.O.M.E.

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. [CLICK HERE](#) for link

HUD PROGRAMS - COMMUNITY DEVELOPMENT BLOCK GRANTS

The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. [CLICK HERE](#) for link

LIHTC - LOW INCOME HOUSING TAX CREDIT

The Low-Income Housing Tax Credit provides a tax incentive to construct or rehabilitate affordable rental housing for low-income households. The Low-Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. [CLICK HERE](#) for link

IAHTC - ILLINOIS AFFORDABLE HOUSING TAX CREDIT

The Illinois Affordable Housing Tax Credit (IAHTC) program encourages private investment in affordable housing by providing donors to qualified non-profit affordable housing sponsors with a tax credit on their Illinois state income tax equal to 50% of the donation. [CLICK HERE](#) for link



INNOVATIVE & INDEPENDENT HOUSING MODELS

Independent (referred to as supportive in other states) housing is an approach to community living that is receiving much attention and implementation nationwide.

Independent housing advocates that everyone is entitled to a safe, decent place to live and should receive the services unique to their needs that will help them to live as independently and as self-sufficient as possible. Housing should promote the development of relationships among individuals with and without disabilities.

INTEGRATED SUPPORTED HOUSING/REVERSE INTEGRATION

In this concept, the housing developer achieves integration by designating some of the rental units for individuals with disabilities and the majority of the units for those who do not have disabilities, or through reversing a congregate design by slowly integrating renters without disabilities into the complex. *eg.* [Hope House](#),

SUPERVISED APARTMENTS

An individual lives alone or with a roommate in an apartment with staff available either on or off the premises for up to 24 hours a day. *e.g.* [Faison Residence](#),

SMART HOMES + TECHNOLOGY

Depending upon the level of need, an individual may prefer receiving services on demand in the event of a medical need or emergency. Remote monitoring can identify when staff intervention is needed. In the event of an emergency, sensors identify a problem so that staff can respond to the need. This technology can be programmed so that the individual does not have to ask for help. Technology can support individuals with I/DD in living independently while reducing support costs.

ACCESSORY APARTMENTS

Accessory Apartments are living units that are added or created within a single-family home. They are sometimes referred to as in-law apartments. *e.g.* [Tiny House Movement](#), [Off the Grid World](#)

SHARED LIVING

This service is provided through DDS and may be self-directed or purchased from a qualified provider agency. Shared Living offers waiver participants the opportunity to invite a family or an individual (with whom they have an existing relationship or have developed a relationship) to



share their lives. It is a residential option that facilitates the relationship between the participant with a Shared Living life sharer. Shared living is about the relationship.

Shared Living is an individually-tailored supportive service that was developed based on individual support needs. Ideally no more than two DDS participants live with a shared living provider. Shared Living requires the life sharer to live

in the home and is not a rotating shift schedule. It is available to

participants who need daily structure and supervision. It includes supportive services that assist with the acquisition, retention, or improvement of skills related to living in the community. Shared Living integrates the participant into the usual activities of family and community life. The service should be provided in the participant's own home or the life sharer's residence.

PLANNING/COMMUNICATIONS

7215 Oak Avenue 📍 River Forest, Illinois 60305 ☎ 708/366-5200
Email: dan@lauber.law Website: <http://www.planningcommunications.com>

Date: May 20, 2020

To: River Forest Plan Commission

From: Daniel Lauber, AICP

Subject: May 1 Draft Affordable Housing Plan

Thank you for this opportunity to present testimony regarding the May 1 draft of the village's *Affordable Housing Plan*.

I applaud the improvements to the language on page 3. However, plan continues to include problematic language and exclude essential data I thought the Plan Commission sought on housing cost burdens.

In my oral testimony, I will focus on the two tables on page 11 of the draft plan. I have been trying without success by phone and email since Sunday to get an explanation from Mr. Houseal as to how he calculated those tables. Since I have not received any response from him as of 4:30 pm today, I am assuming he will explain his methodology tonight. Once I hear his explanation, I can present oral testimony on those two tables.

Most importantly, the plan still lacks important recommendations essential to give this plan substance and policy direction to the Village Board. The plan still:

- ◆ Needs to recommend amending River Forest's *Comprehensive Plan* to establish a policy of preserving existing multi-family and single family housing affordable to households with modest incomes
- ◆ Needs to recommend adoption of precise policy for TIF districts to either preserve existing multi-family and single family housing affordable to households with modest incomes or replace existing affordable housing with affordable units in new developments in the TIF districts on a one-for-one basis
- ◆ Needs to recommend amending the zoning ordinance to provide for incentivized inclusionary zoning
- ◆ Needs to recommend adopting a 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

SPECIFIC CONCERNS PAGE BY PAGE:

Page 3, The Affordable Housing Need

Final paragraph:

Change “overall makeup and spirit “ to “inclusiveness and diversity.” I’ve never seen a plan talk about the “spirit” of a community. What we are talking about here is, indeed, inclusiveness and diversity.” If the village really is committed to inclusive and diversity, let’s say it here.

Page 5, Potential Lands and Buildings for Affordable Housing

First paragraph:

Why isn’t Lake Street included? Redevelopment along Lake Street certainly could include affordable housing or even be all affordable housing. Limiting the areas to the corridors restricts efforts to produce affordable housing to the places most of it already exists. Excluding Lake Street – and indeed the interior of River Forest – from locations to create affordable housing only intensifies what economic segregation that already exists.

Page 5, Incentives

Zoning mandates. It’s hard to fathom why this option is even mentioned. As described here, zoning mandates would constitute an illegal taking of property without just compensation (5th Amendment). Just delete the paragraph.

Zoning bonuses. This really should be “incentivized inclusionary zoning” and focused on allowing density bonuses (which the village has routinely granted for nothing in exchange) in exchange for providing units affordable to households of modest incomes in new developments. This entire paragraph needs a total revision.

The following language should be *deleted* because there is no factual basis for it and the village board has rejected this sort of unfounded speculation. It’s pure theory that is actually contradicted by studies conducted on the impact of affordable housing:

“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.”

The Development Review Board and Village Board approved the very intense developments at Harlem and Chicago avenues and Lake and Lathrop — where the two official village bodies concluded these intense developments would not produce the negative impacts that the above paragraph speculates would occur. If those are okay with our village officials, then it is

disingenuous indeed to include this unjustifiable and unfounded speculation in the *Affordable Housing Plan*.

Page 6, The Preferred Incentives

The paragraph beginning “First, developers coming to the Village with plans...” is simply disingenuous. It pretty much maintains the status quo where there is no requirement to provide affordable units and no adopted policy to prevent the reduction of affordable units. Right now there are two developments in process that would demolish existing affordable units (five affordable units at 1100 Bonnie Brae and one in early stages on the southeast corner of Lake and Park that would demolish 6 affordable townhomes to make room for a medical building of some sort).

The village needs to commit to preserving existing affordable dwellings and getting more built through incentivized inclusionary zoning. And we need to give developers some sense of certainty with inclusionary zoning that lets them know how many affordable units they’ll need to provide to obtain a density bonus. This should not be subject to nebulous negotiations.

Possible Additional Considerations

Item (2) should include facilitating the conversion of rentals to low-equity cooperatives and of single-family homes affordable to households of modest means to mutual housing associations — which would preserve their affordability indefinitely.

Item (4) doesn’t mean much given the current content of this *Affordable Housing Plan*. The zoning ordinance needs to be amended to include incentivized affordable housing. The policies suggested on the first page of this memo need to be adopted to give this plan some teeth.

Item (5) should recommend amending the TIF districts to require no loss in the number of dwellings affordable to households of modest incomes.

Page 7, The Goal

The goal should be to *exceed* 10 percent, not just reach 10 percent. That 10 percent figure from the state law was an arbitrary figure the sponsor of the bill thought was low enough (coupled with the lack of an enforcement mechanism) to get the bill passed. I don’t think you’ll find anything in the planning literature even suggesting that 10 percent of housing being affordable constitutes responsible, ethical, or rational planning.

We in River Forest are bigger than that. It would behoove us to set the goal to *exceed* 10 percent, not just reach 10 percent.

Appendix A: River Forest Housing Snapshot

Page 10, 2018 River Forest Household by Home Value

The American Community Survey data on home value is not very reliable. The survey asks homeowners to *guess* what their homes are worth. Instead, we should be using actual sale prices from the Multiple Listing Service. That data is fairly easily obtained all over the country including in the Chicago area.

It's okay to use the rents from the American Community Survey because tenants certainly know how much rent they pay each month — no guess work there.

Page 11, Housing Cost Burden

The narrative suggests a misunderstanding of what cost burdened and severely cost burdened mean. The description of the concept is inaccurate. And the complete absence of essential data on the proportions of River Forest households that are cost burdened and severely cost burdened is quite troubling. Why would the plan exclude this essential data? I provided these data to the Plan Commission and to Mr. Houseal earlier this year.

Since Sunday, I have unsuccessfully sought an explanation from John Houseal to learn how he determined these oversupplies and undersupplies. I have to reserve my comments on this for oral testimony to be presented tonight since it will be affected by his presumed explanation of his methodology to the Plan Commission,

Thank you again for the opportunity to address the Plan Commission on this draft plan. Along with many others in the community, I appreciate your willingness to hear from residents.

I hope that the commission will have another draft prepared with as many of these refinements as possible, especially the recommendations on page 1 of this written testimony.