



**THIS MEETING WILL BE RESCHEDULED
AND A REVISED MEETING DATE WILL BE
ANNOUNCED A.S.A.P.**

RIVER FOREST PLAN COMMISSION MEETING AGENDA

A meeting of the River Forest Plan Commission will be held on Thursday, November 19, 2019 at 7:00 P.M. in First Floor Community Room of the Village Hall, 400 Park Avenue, River Forest, Illinois.

- I. Call to Order/Roll Call
- II. Approval of the Minutes from the meeting of the Plan Commission on October 21, 2019
- III. Presentation of Draft Affordable Housing Plan & Possible Recommendation to the Village Board of Trustees
- IV. Public Comment
- V. Adjournment

**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.

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.

WORKING DRAFT
for Plan Commission review and discussion

River Forest, IL
AFFORDABLE HOUSING PLAN

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

1. INTRODUCTION

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

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

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

Context Limitations

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

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

The relatively high value of land in River Forest makes it impractical to achieve the goal of this Plan by creating new affordable single-family detached dwellings. Rather, the only conceivable way of achieving the Plan’s goal is to create new affordable units as part of multi-family and mixed-use development. (In this Plan, the term “multi-family and mixed-use development” refers to a development that includes a number of separate living quarters such as apartments or condominiums.) Moreover, even in such development, it may 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, when the goal of such a development should be more aligned with a mixed-income approach, rather than characterized as a “affordable housing development”. And finally, appropriate sites in the Village for multi-family and mixed-use development, as established by the Village’s Zoning Ordinance and Comprehensive Plan, are limited, and the pace of development of multi-family units, even in a receptive financial and regulatory environment, is relatively slow.

This Plan takes these unique circumstances into account. It does not ignore economic realities. The goal of this Plan must be recognized as a goal to be pursued in good faith, not a quota to be achieved at all costs. Moreover, fairness requires that any economic burden of providing affordable housing should be shared broadly by all Village residents, not imposed narrowly on persons who happen to own property suitable for this use.

2. THE AFFORDABLE HOUSING NEED

As Defined by the Act

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

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

As Defined by the Community

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

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

3. What is “Affordable”?

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

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

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

**Affordable Rental Units
for Chicago Metro Area**

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

4. POTENTIAL LANDS AND BUILDINGS FOR AFFORDABLE HOUSING

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

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

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

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

5. INCENTIVES

The Options

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

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

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

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

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

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

The Preferred Incentives

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

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

Possible Additional Considerations

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

The Village could also 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.

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.