

**INTERDEPARTMENTAL MEMORANDUM**

To: Mayor Harris and Board of Trustees

From: Kent S. Street, Village Manager

Date: June 26, 2008

Subject: Workforce Housing Presentation

For your review in advance of Monday's Committee of the Whole presentation concerning workforce housing, please find attached an introductory memo and Q&A summary provided by Jeff Ryckaert. At the start of the presentation, Jeff will introduce representatives from the Metropolitan Planning Council who will provide a brief (10 minute) overview video and then describe the inter-jurisdictional initiative being discussed with our neighboring communities (Highland Park, Highwood, Lake Forest and Northbrook). Trustee Struthers and staff have attended previous meetings to discuss this possibility as well.

Following these presentations, Jeff and I will be seeking the Board's interest level in exploring several related topics/tools listed under point 11 on page 5 of Jeff's Q&A report. The intent would then be to come back to the Board before the end of summer with a staff report on any selected topics for further consideration.

*Kent*

Kent S. Street  
Village Manager

Cc: Phil Kiraly, Assistant Village Manager  
Jeff Ryckaert, Principal Planner

## MEMORANDUM

TO: Kent Street, Village Manager

FROM: Jeff Ryckaert, Principal Planner

DATE: May 19, 2008

RE: Future Committee of the Whole Meeting to Discuss Affordable (Workforce) Housing

The topic of affordable (workforce) housing will be placed on a future Committee of the Whole agenda (hopefully June) for the Board of Trustees to discuss. The exact date of the Committee of the Whole meeting has not been determined yet. Staff is seeking directions on the next steps to take in regards to a new initiative being facilitated by the Metropolitan Planning Council (MPC) regarding affordable (workforce) housing. Trustee Struthers and staff have been attending the Metropolitan Planning Council's workforce housing initiative meetings with MPC and the municipalities of Lake Forest, Northbrook, Highland Park, and Highwood. The initiative has resulted in a proposed inter-jurisdictional housing arrangement between the participating municipalities. Question number 10 on the attached question and answers sheet, regarding affordable (workforce) housing addresses the issue of inter-jurisdictional housing further. *Staff is seeking input from the Board of Trustees to find out if the inter-jurisdictional workforce housing initiative letter of intent is worth pursuing.*

Staff is also seeking the Board's general opinion on the topic of affordable (workforce) housing. Staff is trying to determine if the Board is interested in creating policies and incentives in the areas of zoning and finance to further encourage the development of affordable housing in the Village. Question number 11 addresses this issue further.

Attached are some questions and answers on the issue of affordable (workforce) housing along with articles on the pros of affordable housing, alternative views on affordable housing, and miscellaneous articles for the upcoming Committee of the Whole meeting that should be helpful in providing some insight into this issue. We have created a PDF so these materials can be forwarded to the Board electronically.

**MINUTES  
COMMITTEE OF THE WHOLE  
June 30, 2008**

The Village Board met in the Board Room of the Village Hall at 7:30 p.m. on Monday, June 30, 2008. In attendance were:

Village Board

Robert Benton, Trustee  
Thomas Jester, Trustee  
Harriet Rosenthal, Trustee  
William Seiden, Trustee  
Barbara Struthers, Trustee

Staff

Phil Kiraly, Assistant Village Manager  
Robert Fialkowski, Director of Finance  
Jeff Ryckaert, Principal Planner  
Kathy Van Ohlen, CD Secretary  
Jim Bernahl, Assistant Village Engineer  
Brad Fink, Assistant Director of Public Works  
Dan Busscher, Superintendent of Streets and Utilities  
Frank Cisek, WRF Superintendent  
Kendal Dean, Administrative Intern  
Kent Street, Village Manager

**Workforce Housing – Metropolitan Planning Council**

Mr. Ryckaert introduced Joanna Trotter representing the Metropolitan Planning Council (MPC) who presented an introductory video outlining the value of workforce housing. She reviewed the concept of an inter-agency coalition to locate workforce housing currently being explored by Highland Park, Lake Forest, Highwood, Northbrook and Deerfield.

Mr. Ryckaert reviewed several tools available to encourage workforce housing. Trustee Struthers encouraged further consideration of inclusionary zoning and expanding the region beyond the 5 communities currently considering the approach, as well as recognized the limited vacant land available for development in Deerfield. Trustee Jester noted other issues impact this discussion, including transportation facilities and tax credit availability. It was agreed that staff should prepare a report on the various tools available and their possible impact on Deerfield prior to further consideration of formally endorsing the coalition.

**WRF Design Study – Progress Report**

Mr. Bernahl introduced Randy Wirtz and Vern Witthuhn of Strand Associates to present the first progress report concerning replacement of the Wastewater Reclamation Facility (WRF). Report elements included the following:

- Goal of the Report
- History Overview
- Project Need and Drivers
- Status of the Report
- Results to Date
- Next Step and Schedule

## **Affordable (Workforce) Housing Questions and Answers**

### *1. What is workforce (affordable) housing?*

Workforce housing is affordable housing for middle income people who will fill jobs in fields as diverse as teaching, law enforcement and health care, especially at entry level salaries.

### *2. Why is workforce (affordable) housing so important?*

Workforce housing helps people live near their workplaces so they enjoy reduced commuting times and transportation costs. Workforce housing may help local employers attract and retain the people who maintain the health of the business sector, keep the community safe, and who teach at our schools. Providing adequate affordable housing for people so they don't have to expend huge portions of their income on housing or spend hours commuting to their jobs is a challenge facing many communities across the United States.

### *3. What is the Village's position on workforce (affordable) housing?*

The Village has taken the position that, while we endorse the concept, we are exempt from the Affordable Housing Planning and Appeals Act (explained below) because of our home rule status. This position has been outlined in the Village's Comprehensive Plan which was updated in October of 2004. The language in the Comprehensive Plan indicates that the Village is open to affordable housing if the opportunity exists to provide some affordable housing in the Village. Since the inclusion of the affordable housing section in the Village's Comprehensive Plan, the Village has had very few opportunities to provide affordable housing in the Village. A recent opportunity is the expansion of the Weinberg facility on Lake Cook Road that will provide 25 affordable housing units with a lower entry fee and a lower monthly fee than the market rate.

### *4. What is the purpose of The Affordable Housing Planning and Appeals Act passed in 2004 by the Illinois General Assembly?*

The law provides ways to remove barriers in the housing market and facilitate the creation of affordable housing. Below is some background on the Affordable Housing Planning and Appeals Act.

The Illinois Affordable Housing Planning and Appeals Act went into effect on January 1, 2004. The law is intended to encourage municipalities to incorporate affordable housing into their communities. The intent of the

Affordable Housing Planning and Appeals Act is to try and provide affordable housing for groups such as firefighters, police officers, nurses, and service workers so these employees have housing close to their jobs. This law was discussed with the Board of Trustees at a Committee of the Whole meeting in 2004.

The Illinois Affordable Housing Planning and Appeals Act requires all municipalities with insufficient affordable housing, as defined by the law, to adopt an affordable housing plan. Local governments with sufficient affordable housing, set by the statute as 10% or more of the total housing units, are exempt. Municipalities under 1,000 in population are also exempt. The Act also states that affordable housing developers who are denied permits by communities with insufficient affordable housing or receive approvals with infeasible conditions, may appeal local decisions to a State Housing Appeals Board which is to be activated in January 2009.

The Illinois Housing Development Authority is named the administering agency for the new law, and is required to publish an annual list of exempt and non-exempt municipalities beginning in October 2004. The list defines non-exempt local governments as those with insufficient affordable housing which are required to adopt affordable housing plans. The Illinois Housing Development Authority has determined that Deerfield is non-exempt (see the attached list of non-exempt local governments).

The law requires that non-exempt governments which have been determined to have less than 10% of its housing stock as affordable must develop and approve housing plans consistent of the following:

- A statement of a total number of affordable housing units that are necessary to exempt the local government from the Act.

- An identification of lands within this jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for the conversion to, or rehabilitation for, affordable housing, including a consideration of land 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 local governments may provide for the purpose of attracting affordable housing to their jurisdiction, and

- A goal of: a minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing; or a minimum of 3 percentage point increase in the overall percentage of affordable housing within its jurisdiction, as defined in Section 20 of the Act; or a minimum of a total of 10% of affordable housing within its jurisdiction. The law required non-exempt local governments to adopt an affordable housing plan by April 1, 2005

5. *What is considered to be an affordable housing unit under the Affordable Housing Planning and Appeals Act?*

Owner-occupied units are considered to be affordable (Affordable Sales Price) to a household (either an individual or family) earning 80% of the area median income (AMI) and spending no more than 30% of their income on housing. Housing costs include all payments made towards the principal and interest of any mortgages placed on the unit, property taxes, and insurance, as well as homeowner, neighborhood, or condominium association fees. Payments made for utilities are not included in this determination for homeowners, as it was not required in the law as part of this calculation. The initial maximum sale prices for a low and moderate income homeownership unit should be set such that it is affordable to a household whose income is equal to or below 80% of area median income.

Rental units are considered to be affordable (Affordable Rental Price) to a household earning 60% of the area median income (AMI) and spending no more than 30% of their income on housing. Rental housing costs include all payments made towards the monthly rent and utilities for a unit. Payments made for utilities are to be included in this determination as it is required in the law as part of this affordable rental calculation.

The area median income (AMI) figures compiled by the Illinois Housing Development Authority (IHDA) which are published annually by the U.S. Department of Housing and Urban Development to determine what constitutes an affordable unit at 80% of AMI for owner-occupied units, and 60% AMI for rental units. These figures use the annual HUD data as its basis and therefore should be used to determine the affordability under the Affordability Housing Planning and Appeal Act (AHPAA) statute of rental units. Attached are the 2007 Owner-Occupied and Rental Affordability Charts for the Chicago Metro Area. The “affordable sales price” for a home and the “affordable rental price” for an apartment or home will change each year as income grows and other variables shift.

6. *What are the major difficulties in obtaining affordable (workforce) housing in Deerfield?*

The major obstacles are the high cost of land and the fact that the Village is almost a fully built out community with little land left.

7. *What percent of affordable (workforce) housing does the Deerfield have now?*

Approximately 3.5% of the Village's housing units are considered to be affordable (about 225 housing units out of 6,500 housing units).

8. *Where is most of Deerfield's affordable (workforce) housing located?*

Most of Deerfield's affordable housing stock are rental units located along Waukegan Road and Deerfield Road, and One Deerfield Place senior housing on Osterman Avenue consisting of 98 apartment units.

9. *Where can affordable (workforce) housing be added in Deerfield?*

A few years ago, staff identified some areas in the Village (primarily the Village Center and surrounding areas) where there would be an opportunity to include an affordable housing component mostly as part of redevelopments projects.

10. *What is the regional approach to affordable housing that is being facilitated by the Metropolitan Planning Council? (sometimes referred to as regional housing trust fund, or the inter-jurisdictional housing organization)*

A new regional housing initiative is being facilitated by the Metropolitan Planning Council (MPC) regarding workforce housing. Trustee Barbara Struthers and staff have been attending the MPC's Workforce Housing Initiative meetings with the MPC and the municipalities of Northbrook, Lake Forest, Highland Park and Highwood. The regional housing initiative has resulted in a proposed inter-jurisdictional housing arrangement between the participating municipalities. Staff is trying to determine if the Village has any interest in working with the MPC and nearby municipalities on the proposed inter-jurisdictional Workforce Housing Initiative. Attached is a letter of intent/memorandum of understanding on the inter-jurisdictional Workforce Housing Initiative that has been prepared by the MPC. Staff is asking the Board of Trustees for some input to find out if the attached draft inter-jurisdictional Workforce Housing Initiative letter of intent is worth pursuing.

The memo to Kent Street from Jeff Ryckaert, dated September 28, 2007 provides more background on the regional approach to affordable housing and the regional housing trust fund.

11. *What policies and incentives in the areas of zoning and finance can be used to encourage the development of affordable housing in the Village?*

- Inclusionary zoning is a tool that helps create housing opportunities for people at a variety of income levels. It requires developers to include a percentage of affordable units alongside the market price units in any new housing development that is covered by the ordinance. Such ordinances may also allow a developer to pay a fee into an affordable housing fund, in lieu of providing the required affordable housing on-site.

In Highland Park the inclusionary zoning regulations apply to all residential developments – new construction, renovations, and conversions – that result in 5 or more units. Developments covered by the ordinance are required to set aside 20 percent for affordable units (for example, a new 15 unit development would be required to provide 3 affordable housing units). While the city of Highland Park prefers that affordable housing units be constructed on-site, developers of smaller single family projects of less than 20 units, may opt out by making a cash payment of \$100,000 per affordable unit to a housing trust fund.

The City of Lake Forest also has approved an inclusionary zoning ordinance that requires 15 percent of the homes in all residential developments of over 5 units to be affordable to households earning 80 percent or below of the area median income. As part of the ordinance, there are alternative options for developers to build off-site or pay a fee in lieu of building all of the required homes on-site. Lake Forest also accesses a \$10,000 tax for demolition of single family homes which is allocated directly to the Lake Forest housing trust fund and that fund provides financial support for affordable housing activities on the city.

- Density bonuses (one additional market rate unit for every affordable housing unit provided in a development) and other incentives regarding zoning requirements for developers who provide affordable housing, such as reduced parking, lot size, setback or lot coverage requirements.
- Fee reductions or waivers for zoning-related costs for those providing affordable housing.
- Expedited processing of applications for those proposing to provide affordable housing.
- Reduced or waived building permit fees, plan review fees, sewer and water tap-on fees, and inspection fees for affordable units.
- Fee for demolition of residential uses to help fund affordable housing initiatives.

- Reductions to or waivers of required impact fees.
- Cooperation with local businesses that wish to implement employer-assisted housing (EAH) programs to expand housing options for the employer's workforce, whether the employer is private sector or governmental. Examples of such programs may include down payment assistance, rent subsidies, or home buying counseling (see question # 14).
- Rehabilitation or redevelopment of existing structures for conversion to affordable housing or to maintain existing affordable housing by private or public sector entities.
- Working with non-profit organizations to create affordable housing.

12. *Are there any affordable housing programs in Deerfield?*

Currently, Deerfield has a senior subsidy program where residents who are 62 years and older, and meet income limits may be eligible for financial assistance under the Village's Senior Housing Subsidy.

13. *What other housing assistance programs are currently available?*

The Affordable Housing Corporation of Lake County offers mortgage assistance and other programs to those qualifying to help home buyers purchase a home. Also, the Illinois Housing Development Authority offers home ownership programs (mortgage down payments, down-payment assistance, and closing costs). People who inquire with the Village about affordable housing programs are provided with these agencies' web sites.

14. *What is Employer Assisted Housing (EAH)?*

Employer Assisted Housing (EAH) refers to a variety of programs employers use to help their employees find and finance housing closer to the workplace. It can include counseling about home buying, direct financial help with a down payment, closing costs, and mortgage payments, rental assistance or some combination of these.

# Comprehensive Plan

## **3.3 HOUSING**

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The purpose of this element of Deerfield's Comprehensive Plan is to document the present and future housing needs within the Village of Deerfield, including affordable and special needs housing. The condition of the local housing stock has been considered in developing the strategies, programs, and other actions to address Deerfield's housing needs, and provide current and future residents with a range of housing options.

### **AFFORDABLE HOUSING**

Given the full development of the Village and the derogation of local land use planning and zoning powers provided by the Affordable Housing Planning and Appeal Act, 310 ILCS 67/1, *et seq.* (the "Act"), it is determined that compliance with the Act is impractical and not in the best interests of the Village; therefore, pursuant to its home rule powers, the Affordable Housing Planning and Appeal Act, 310 ILCS 67/1, *et seq.*, will not apply within the Village of Deerfield and shall be superseded within the Village by the Zoning Ordinance and Comprehensive Plan of the Village of Deerfield.

The Village recognizes the need for affordable housing within the Village and the region in which the Village is located and will give due consideration to those needs and to the opportunity to accommodate new affordable housing options within the Village when opportunities are presented to develop or redevelop significant parcels for residential uses in the Village of Deerfield. The enforcement of federal and state fair housing laws shall be and remain a priority for the Village.

# Comprehensive Plan

**Goal:** *Maintain the variety of the existing housing stock and supplement it in suitable locations with safe, well-constructed housing of a density\*, scale\* and character compatible with adjacent housing.*

Objectives	Policies
<p>Help maintain the desirability of Village neighborhoods.</p>	<p>Encourage maintenance of the existing housing stock.</p> <p>Endeavor to increase the variety in the housing stock, so that there will be types and prices of housing to satisfy the needs and preferences of a wider variety of residents, while maintaining the single-family dwelling as the basic form of housing unit in the Village.</p> <p>Protect residential areas from incompatible uses through effective land use controls, proper screening and buffering.</p> <p>Maintain streets, parkway trees, sidewalks, street lighting and other community facilities in good condition.</p> <p>Encourage good architectural and site design, individuality and character in new housing.</p>
<p>Accommodate new housing in a manner that does not adversely impact the residential character of the Village.</p>	<p>Encourage only those developments which conform to the Land Use Map and which are thoughtfully designed with respect to traffic generation, traffic patterns, topographical and drainage conditions and small scale* of existing developments.</p> <p>Apply Deerfield's impact fee ordinance to residential development.</p> <p>Encourage redevelopment that is designed to be compatible with adjacent developments.</p>

\* - Term defined in the Glossary.

# DRAFT LETTER OF INTENT FROM METROPOLITAN PLANNING COUNCIL

## Inter-jurisdictional Housing Initiative Letter of Intent/Memorandum of Understanding

In recent months, the cities of Highland Park, Highwood and Lake Forest, and the villages of Deerfield and Northbrook have coordinated outreach to employers to (a) educate private sector leaders about local workforce housing shortages, (b) introduce them to proven employer-assisted housing strategies, and (c) explore their interest in becoming more involved in addressing workforce housing solutions through increased leadership and investment.

The success of these discussions, and the appreciation employers and housing professionals have expressed regarding our coordinated efforts, has encouraged us to pursue additional opportunities to address current market realities. In particular, housing prices in our sub-region have increased such that many traditional members of our communities, including local and municipal employees and young families, are not able to find homes or apartments in which to live. The current mortgage crisis in our nation further speaks to the need for creative public private solutions.

Looking forward, **we intend to join together to create an inter-jurisdictional housing organization**, which will pool resources (financial, administrative and land-based) to create and preserve workforce housing opportunities in our sub-region, defined as the incorporated land of Deerfield, Highland Park, Highwood, Lake Forest and Northbrook.

The goals of this organization will be to ensure housing options for a range of income levels, as well as to maintain a balance of housing types, including rental and ownership opportunities, that meet the demands of our population, specifically targeting our workforce. To accomplish these goals, the organization will:

- Coordinate and allocate public resources to attract private and non-profit investment into the preservation and expansion of affordable, workforce housing options;
- Pool technical resources between jurisdictions to develop and implement housing policies and programs;
- Provide expert assistance to local organizations interested in becoming active in affordable housing provision; and,
- Provide information and data on local and regional housing issues

The housing organization will support housing that meets the goals identified in the Metropolitan Mayors Caucus' Housing Endorsement Criteria (attached): that housing be well-designed and well-managed, accessible to transportation and employment, and affordable to people with a range of incomes. The work of this organization will also help us to ensure that we continue to meet the requirements of the Illinois Affordable Housing Planning and Appeal Act, which mandates that at least 10 percent of every community's housing stock be affordable. Furthermore, the housing organization will allow us to share resources and create an economy of scale, so that the administration of housing policies, programs and developments is not being replicated in each of our communities, but rather shared across them.

Our goal, over the next year, is to build awareness and consensus about this proposed initiative with our colleagues – both staff and elected officials – while continuing our efforts to engage business leaders as well. We've already leveraged private sector incentives for local employers to provide downpayment assistance to workers who buy in our communities. As a longer term goal, we further propose to launch a subregional trust fund that taps our own resources, as well as those of area employers and other interested foundations or government agencies.

As the founders, we will shape this organization's mission and its subsequent efforts in order to make certain that it meets the needs of our communities. We welcome the participation of neighboring jurisdictions, should they share our vision, but are intent on moving forward with or without such participation.

**Affordable Housing Planning and Appeal Act (310 ILCS 67/)**

**2007 Owner-Occupied and Rental Affordability Charts**

Below are the updated 2007 Owner-Occupied and Rental affordability charts. The U.S. Department of Housing and Urban Development (HUD) publishes new updates of county level income limits on an annual basis. The HUD income figures are effective 3/20/07. IHDA's Technical Services Department reviews these rental and owner limits and publishes the figures on its website.

For 2007, the owner limits (80% area median income) remained unchanged from 2006 in the Chicago Primary Metropolitan Statistical Area, equating no change in affordable housing costs per the AHPAA standards. The rental limits (60% area median income), also stayed the same from 2006 to 2007.

<b>Owner Occupied Affordability Chart For Chicago Metro Area</b>								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>2007 Income Limits (80% AMI)</b>	\$41,700	\$47,700	\$53,650	\$59,600	\$64,350	\$69,150	\$73,900	\$78,650
<b>Affordable Cost (AHPAA Requirements) using 30% of household income</b>	\$139,000	\$159,000	\$178,833	\$198,667	\$214,500	\$230,500	\$246,333	\$262,167
<b>Affordable Cost (Industry Standard) using 36% of household income</b>	\$115,833	\$132,500	\$149,028	\$165,556	\$178,750	\$192,083	\$205,278	\$218,472

*Please Note: The above chart uses 2007 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: [www.ihda.org](http://www.ihda.org)).*

<b>Affordable Rental Units For Chicago Metro Area</b>						
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
<b>2007 Affordable Rent Limits for HH @ 60% AMI</b>	\$792	\$848	\$1,018	\$1,176	\$1,312	\$1,447

*Please Note: The above chart uses 2007 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: [www.ihda.org](http://www.ihda.org)).*

**ARTICLES REGARDING PROS OF AFFORDABLE (WORK FORCE)  
HOUSING**

# Towns model successful housing programs

By JOHN ROSZKOWSKI  
STAFF WRITER

Rocky and Stella Flores have wanted to buy a home in Highland Park for some time but did not think they could afford it because of the high cost of housing in the community.

The Flores, who live in an apartment, were looking for a more permanent home for their two children. With help from the Highland Park Illinois Community Land Trust, one of the community's new affordable housing initiatives, the Flores family will be moving into a new townhouse on Temple Avenue.

"We could buy a home in another town, but we don't want to leave Highland Park," said Rocky Flores, who works in Highland Park as a maintenance worker in the city's public works department.

Many suburban towns, such as Oak Park, Evanston and Arlington Heights, have had affordable housing programs in place for years, funded largely by federal and state housing dollars. Those communities are exempt from the new affordable housing law because more than 10 percent of their housing stock is deemed affordable by the Illinois Housing Development Authority.

And Highland Park, though on the non-exempt list, is still ahead of many others in planning for affordable housing. These towns have served as a model for those on the list.

"The village of Oak Park has been active in the area of affordable housing for probably close to 50 years," said Edward Solan, executive director of the Oak Park Housing Authority.

The Oak Park Housing Authority administers federal housing assistance programs including the Housing Choice Voucher Program, formerly known as Section 8, which provides rental subsidies to help low-income residents lease privately owned apartments. The housing authority also owns and operates three multifamily apartment buildings for elderly and disabled residents, also supported by federal housing funds.

Solan is also director of the Oak Park Residence Corporation, a not-for-profit organization that develops affordable housing in Oak Park. The organization,



Edna O'Mahoney/Staff Photographer

Stella and Rocky Flores hope to move into their new Highland Park home at the end of the month. The Flores family have wanted to buy a home in Highland Park for some time, but couldn't afford it. With help from one of the community's new affordable housing initiatives, however, the couple and their two children are moving from their apartment.

with help from the city and federal funds, has acquired and rehabbed more than 20 multifamily housing buildings and manages 15 apartment buildings containing 360 rental units, many of which are affordable units.

Arlington Heights participates in a state grant program that helps first-time home buyers purchase a new home.

## Arlington helped 55

"Since we started the program in 1996, we've assisted 55 home buyers in purchasing their first home that they may not have been able to do otherwise," said Charles Witherington Perkins, director of planning and community development for Arlington Heights.

Wright House is another example of the city's affordable housing success sto-

ries. The city recently assisted a not-for-profit organization in acquiring an apartment building and rehabbing it for low- to moderate-income housing.

The city also administers the federal single family rehab program that assists low- and moderate-income residents in Arlington Heights in making needed home repairs, Perkins said.

Evanston recently used federal housing funds for a project to help convert a 24-unit apartment building on Clyde Avenue into 12 condominium units for low-income residents, said Donna Spicuzza, housing planner for Evanston.

The community directs other funds from the U.S. Department of Housing and Urban Development into projects, and the mayor has special housing funds used to assist low-income tenants with rent and rehabbing multi-family buildings, Spicuzza said.

Spicuzza said about 26 percent of the housing stock in Evanston has been deemed affordable, thus exempting the city from provisions of the new state law.

"There's a lot of student housing and single family housing that meets the needs of first-time home buyers and low- to moderate-income residents. We've traditionally had a diverse housing stock and a diverse population, and we're interested in preserving that diversity too," she said.

Highland Park adopted an affordable housing plan in 2001. One of the plan's recommendations included establishing a housing trust fund to assist affordable housing developments in Highland Park. The fund was created through a special \$10,000 tax on tear-downs and has already collected about \$900,000 for affordable housing projects in the community, said Lee Smith, senior planner for Highland Park.

The Highland Park Illinois Community Land Trust, a not-for-profit 501(c)(3) corporation, was created in March 2003 as an outgrowth of the city's efforts to provide more affordable housing, said Mary Ellen Tamasy, the organization's executive director. It has used money from the trust fund to subsidize six affordable townhouse units on Temple Avenue for low- to moderate-income families. The Flores family will be living in one of those townhouse units.

Highland Park also established the state's first inclusionary zoning ordinance in August of 2003, which requires 20 percent of the units of any housing development of five units or more to be set aside as affordable housing, Smith said.

The challenge to provide affordable housing can be greater in other communities like Highland Park, where housing prices are very high and there is little land available for new development.

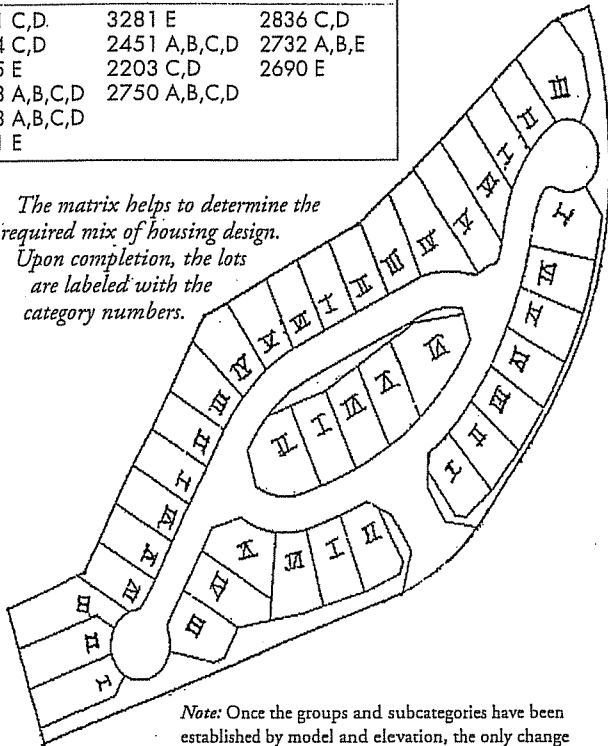
In 2002, the median home price in Highland Park was \$430,000, Tamasy said, which makes it very difficult for even someone making a moderate income to afford buying a home in the city.

"I always say if affordable housing was easy, I wouldn't have a job. It is scarce in this area. You have to bring a lot of people to the table to make it happen," she said.

**HOUSING DESIGN MATRIX**

A	B	C
3271,3024	3281,2451	2836,2732
2445,2261	2652,2203	2690, 2345
2278,2538	2750	
I	II	III
3271 A,B,E	3281 A,B,C,D	2836 A,B,E
3024 A,B,E	2451 E	2732 C,D
2445 A,B,C,D	2652 A,B,C,D	2690 A,B,C,D
2261 A,B,C,D	2203 A,B	2345 A,B,C,D
IV	V	VI
3271 C,D	3281 E	2836 C,D
3024 C,D	2451 A,B,C,D	2732 A,B,E
2445 E	2203 C,D	2690 E
2278 A,B,C,D	2750 A,B,C,D	
2538 A,B,C,D		
2261 E		

The matrix helps to determine the required mix of housing design. Upon completion, the lots are labeled with the category numbers.



Note: Once the groups and subcategories have been established by model and elevation, the only change allowed is to add a model to the subcategories I-VI, and/or a change in the designation of lot sequence in the subdivision (for vacant lots).

The residential design minimums were adopted in 2000, so the long-term impacts on Parker have yet to be determined. Still, the pictures within illustrate what a difference thoughtful design can make for individual housing developments. For a complimentary copy of the Parker, Colorado, residential design minimum standards, contact Michael Davidson, Editor, *Zoning News*, American Planning Association, 122 South Michigan Avenue, Suite 1600, Chicago, IL 60603, or send an e-mail to [mdavidson@planning.org](mailto:mdavidson@planning.org).

**NEWS BRIEFS**

*Zoning News*  
Oct 03

**Affluent Community Sets Precedent with Inclusionary Zoning Ordinance**

The City of Highland Park, Illinois, recently approved a precedent-setting inclusionary zoning ordinance. Although nearby communities, including Evanston, Chicago, and Oak Park, have considered inclusionary housing, Highland Park will be first in the state to implement such regulations.

As is the case in many Chicago suburbs, this affluent North Shore community of 32,000 has experienced a rapid decline in affordable housing. Existing rental properties were either converted to condominiums or demolished. Newly constructed

single-family homes regularly sell at or around \$1 million, and existing homes have skyrocketed to a median sales price of over \$400,000. The median household income for Highland Park residents is \$157,861. However, 80 percent of the locally employed work in the retail and service sectors and have an average annual salary of less than \$35,000.

Maintaining an economically diverse citizenry and encouraging the production of affordable housing have long been priorities of Highland Park city officials. In fact, the Housing Commission of Highland Park was created in 1973 specifically to address those priorities. In both the 1976 comprehensive plan and in the 1997 update, community goals for the provision of affordable housing are explicitly stated. In 1998, the city council directed the Housing Commission to prepare an affordable housing element, which resulted in the 2001 adoption of the *Affordable Housing Needs and Implementation Plan*. One of the key action steps recommended in the plan was the development of an inclusionary housing program within the relatively short timeframe of two years.

The new regulations for the program apply to all residential developments—new construction, renovations, conversions—that result in five or more units. Developments covered under the ordinance are required to set-aside 20 percent for affordable units. For example, in a 15-unit development the builder would set aside three units for the program. While the city prefers that affordable units be constructed on-site, developers of smaller single-family projects may opt out by making a cash payment of \$100,000 per affordable unit to a housing trust fund. The payment represents the cost to the developer of making a market-rate unit affordable. Single-family units and condominiums that are on the market must retain permanent affordability. Rental units are required to retain affordability for 25 years.

The ordinance states that adequate dispersal of affordable units throughout covered developments is required. In addition, the exteriors of the affordable units are required to be similar to those of the market-rate units in the same development. It also states that “. . . external building materials and finishes shall be substantially the same in type and quality.” Builders are given some leeway on the interior of the affordable units, but they must have the same bedroom mix and energy efficiency improvements as market-rate units. Affordable units are also required to meet minimum size requirements based on the number of bedrooms and unit type (attached or detached).

Builders of covered developments are required to submit an inclusionary housing plan during the permit process in order to illustrate that the project meets program requirements. Developers also must submit a phasing plan to ensure that affordable units are built in a timely manner. In exchange for participating in the program, developers become eligible for a variety of incentives, including fee waivers. Developers can also take advantage of a density bonus granting one additional market-rate unit per affordable unit provided.

One of the more interesting features of the Highland Park program is its target population. In keeping with traditional inclusionary zoning programs, the ordinance is intended to assist low- and moderate-income individuals and families. What is unique about this program is that once the income eligibility requirement is met, priority will be given to families currently residing in the city and to families where the head of household, spouse, or domestic partner works for the Highland Park government. Priority then will be given to families where the head of household, spouse, or domestic partner works for any other employer located within the city. The adoption of both a resident and worker preference within an inclusionary program is precedent setting.

The ordinance, approved by a unanimous city council vote on August 25, amends the 1997 *Highland Park Zoning Code*. A related resolution was also approved to allow for the cash-in-lieu payments. The new regulations take effect October 1, 2003. For a complimentary copy of the Highland Park, Illinois, inclusionary housing zoning ordinance, contact Michael Davidson, Editor, *Zoning News*, American Planning Association, 122 South Michigan Avenue, Suite 1600, Chicago, IL 60603, or send an e-mail to [mdavidson@planning.org](mailto:mdavidson@planning.org). Lynn M. Ross

### Changes to New Jersey Affordable Housing Law

The New Jersey Council on Affordable Housing (COAH)—the state agency charged with administering New Jersey's fair-share housing program—has announced a plan to overhaul the system that has governed affordable housing planning in the state since 1985.

The proposed changes will eliminate the fair-share formula in favor of a new "growth-share" approach. The new approach is a significant change from the previous method of calculating affordable housing goals. It seeks to link the production of affordable housing with municipal development and growth, whereas the previous approach assigned housing goals based on population growth projections and other data. Although many housing advocates have argued for the growth-share methodology, COAH's approach has generated substantial opposition in the housing community, who see it as watering down its principles.

The new "growth-share" approach seeks to link the production of affordable housing with municipal development and growth.

Under the fair-share approach, municipalities that chose to adopt the fair-share goals established by COAH and plan for their allocated amount of affordable housing would receive protection from lawsuits brought by builders under the *Mount Laurel* State Supreme Court decisions. The proposed rules will change the way those goals are calculated.

The 1975 and 1983 *Mount Laurel* decisions ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low- and moderate-income housing. A zoning decision or ordinance that denies the opportunity for the construction of affordable housing fails to meet this constitutional requirement and makes the municipality vulnerable to lawsuits. Municipalities that have addressed their fair-share housing goals and have been certified by COAH are protected from *Mount Laurel* lawsuits. However, participation in the COAH process is voluntary, and municipalities that elect not to participate risk lawsuits from developers.

As of 2001, 48 percent of the cities and towns in New Jersey were participating in the COAH process. Between 1980 and 2000, towns across New Jersey created opportunities for 60,731 low- and moderate-income housing units through zoning and other techniques. Almost 29,000 units were constructed. Under the proposed growth-share approach, municipalities shall provide one affordable housing unit for every ten residential units built. Also, for every 30 new jobs created, the municipality shall provide one unit of affordable housing. Therefore, communities that choose not to grow will not be required to plan for affordable

housing to satisfy COAH requirements. Existing affordable housing units that are in need of rehabilitation, and unmet obligations for affordable housing from the previous rounds, are also included in the growth-share approach.

The Coalition for Affordable Housing and the Environment, a New Jersey-based advocacy organization, disagrees with the ratios that have been proposed in the new rules. Executive director Paul Chrystie says, "the growth-share ratios that we recommend were one in five for residential units and one residential unit for every five jobs."

According to a Department of Community Affairs press release, the proposed rules will result in better planning for affordable housing based on New Jersey's smart growth agenda. It states, "under the proposed methodology, affordable housing will not drive planning decisions; instead, sound planning decisions will drive the location of, and type of, affordable housing to be provided."

Susan Bass Levin, commissioner of the Department of Community Affairs, and chair of COAH, says "Governor McGreevey and I feel strongly that, by working with towns, giving them the power to control their own growth, and increasing the options for towns to meet their obligation, we have fundamentally changed the way we approach affordable housing in the state of New Jersey."

COAH's growth-share approach allows for a greater degree of freedom for individual jurisdictions, which worries some affordable housing advocates. Alan Mallach, FAICP, research director of the National Housing Institute, says, "the whole thing is part of the strategy to come as close as you can to nullify *Mount Laurel*." He says, "It is not the growth-share approach that most advocates object to, but the way COAH is doing it."

According to Mallach, included in the proposed rules is a plan to give municipalities credit toward future affordable housing obligations for the units that have already been built or planned for. Affordable housing advocates disagree with this part of the new methodology because it gives credits for units that have not yet been built. In essence, Mallach says, "they have minimized production."

The plan also allows for up to 50 percent of a municipality's obligation to be fulfilled through the development of senior housing, and another 50 percent to be transferred to other municipalities in the same housing region or a statewide affordable housing bank.

A preliminary analysis by Mallach concluded that the proposed rules would dramatically reduce the amount of affordable housing that is likely to be built. The analysis also found that the new rules are hostile to families with children, will reinforce the concentration of non-elderly, minority, and low-income families in central cities, and will do nothing to address sprawl and unsustainable development. Chrystie agrees, saying, "the new rules will produce far less affordable housing...and undermine smart growth by skewing the planning process."

According to Mallach, the bottom line "is that New Jersey suburbs could find themselves completely in compliance with *Mount Laurel*, without ever building a unit of affordable housing for families for children." For complimentary copies of the COAH proposal substantive rules, the COAH proposal procedural rules, and a COAH analysis by National Housing Institute research director, Alan Mallach, FAICP, contact Michael Davidson, Editor, *Zoning News*, American Planning Association, 122 South Michigan Avenue, Suite 1600, Chicago, IL 60603, or send an e-mail to [mdavidson@planning.org](mailto:mdavidson@planning.org). Rebecca Retzlaff, AICP

# Affordable Housing Act to address real needs Housing advocates ignore the law's flaws

State Rep. Julie Hamos, D-18th, was a sponsor of the Affordable Housing Planning & Appeal Act.

By Rep. Julie Hamos

**T**he new Affordable Housing Planning & Appeal Act was developed after research, analysis and public hearings confirmed that there are severe housing shortages that affect every community in Illinois.

## PRO

Housing costs have increased so dramatically that the people who have spent their lives in a community are now being priced out of housing there. Workers cannot afford to live in the towns where they work. Who are these people? Not strangers - but seniors, their grown children with their young families, and the teachers, police officers, firefighters, nurses and social workers who are part of the fabric of our communities.

The Affordable Housing Planning & Appeal Act encourages municipalities to select from a menu of options to create moderately-priced housing opportunities for middle-income buyers who earn "80 percent of area median income" or \$57,000 for a family of four. The law has absolutely nothing to do with public housing or Section 8, as some have misrepresented.

The law promotes local control and decision-making, quite the opposite of what the opponents are claiming. The key goal of the law is for municipalities to develop their own housing plan based on the unique character of their community. Only where no plan has been adopted will a newly created Housing Appeals Board, beginning in 2009, have the right to review certain local decisions

regarding developments that exclude affordable housing. For municipalities with a plan, the Housing Appeals Board will have no jurisdiction.

A similar law has worked for 30 years in Massachusetts, where over 30,000 units have been developed for this middle-income bracket, all in affluent villages and towns comparable to those here. These units have been incorporated into well-maintained luxury condos and townhouses, indistinguishable on the outside from other "market-rate" units - with residents who are also indistinguishable as they go about their daily lives. Studies have shown that there is no negative impact on surrounding property values.

The state's new housing policies are premised on the notion that the participation of every community is needed to address our housing needs. The Affordable Housing Planning & Appeal Act focuses on those communities that have less than 10 percent "affordable housing." Since about 1,250 communities statewide already meet this threshold, only 49 communities are currently affected by this law.

The law was the bipartisan product of negotiations among organizations representing municipalities, civic and advocacy organizations, business groups and legislators. Well-attended public hearings were held throughout the state, including in Wilmette organized by the Interfaith Housing Center of the Northern Suburbs. Hearings on the future of the Mallinckrodt campus further demonstrated the need for moderately-priced housing for seniors - opposed by some of the same people who now oppose this new state law.

I hope that the ensuing process will be based not on misinformation and distortion, but on facts, information, and innovative planning within the spirit of the new law.

Anne Leary is the president of New Trier-Neighbors, an organization opposed to the Affordable Housing Act.

By Anne Leary

**F**air governance is perhaps the most precious product of an open and thriving democracy. Citizens work to continue the balance and fairness of government by voting, volunteering and through attention to important issues. It is the duty of responsible citizens to promote good governance at every opportunity - even in the face of unjust opposition.

## CON

In the case of the new Illinois Affordable Housing law, good governance is being threatened under many pretenses. Unfortunately, instead of our elected officials protecting our villages and towns, it's up to local residents to fight to protect our personal and property rights.

This is a severely flawed and unfair law. It strips control of local zoning from villages, placing over-riding authority in a governor-appointed board. This board can operate where and when it sees fit, issuing arbitrary decisions with no input from local communities or residents.

The state dictates the number of new dwellings to be built or acquired, but doesn't say how to comply. And the state is offering virtually no financial support in order to build these developments. The state makes the law but village residents will pay for it.

Worse than the alarming possibilities, this statute does not address the problems it intends to fix. Through the dramatic increase in taxes, the law actually makes it

harder for low-income residents and fixed-income seniors to stay in their current homes. By driving out current low and middle income residents, the law creates a wider gap - economic polarization - between low-income to wealthy. By demanding huge increases in housing availability, this law demands large developments for built-out "landlocked" communities - areas where open space is virtually non-existent.

Hundreds of North Shore residents turn to their local governments for answers to innumerable questions: higher taxes, greater density, large development sites, loss of zoning control. Local officials have no answers.

Even the Illinois Department of Housing Administration - the body charged with overseeing execution of the law - has no idea how it can be implemented. Proponents of this law refuse to consider its flaws and errors, casting opponents as racists or snobs.

The people who oppose this law are not racists or snobs. They are a diverse group of hard-working taxpayers who contribute to their communities, care for their families and cherish fair government. They are people who view the larger and damaging effects of this law and are confounded by it. They do not want a state appointed board dictating high-rises in their villages; they respectfully oppose unfair laws and the rationale used to implement them.

Worst of the many problems this law entails is the failure of our elected officials to open this process to the general public. By failing to engage affected communities in dialogue during the drafting process of this law, by placing the needs of special interest groups ahead of residents, our state legislature has neglected its primary function - to accurately and forthrightly protect the needs of their entire constituency.

## LETTERS

Continued from page 12

### Kirk lets seniors down

Highland Park/Seniors on Medicare are being very badly served by U.S. Rep. Mark Kirk.

He voted for Bush sponsored legislation that specifically denies the right of Medicare to bargain with drug companies to lower the costs of life saving medications for seniors and in sharp contrast encourages other federal agencies and private health organizations to negotiate with these same companies to lower their costs

for drugs.

These same seniors are further abused by being denied the right to purchase their medications from a registered and licensed pharmacy in Canada at costs that are as low as 50 percent less than costs here in the United States. Such purchases are outlawed by the Bush administration.

On this issue alone, although there are others, he doesn't deserve senior support for his reelection to Congress this coming November. Here are just two examples of the difference in these prices. A 30 day supply of a 20 mg statin (Lipitor) in

Canada costs just \$70. In the U.S. the cost is about \$110. Similarly, a 30 day supply of an urgently needed major blood pressure 10 mg drug (Altace) costs \$37 in Canada and in the U.S. the cost is \$61.59. The State of Minnesota investigated and approved this Canadian source and there are many others. Our own governor is supporting legislation to permit such purchases.

The Canadian figures are from the Web site [www.AmericaCanMeds.com](http://www.AmericaCanMeds.com) and are highly recommended and inspected by the State of Minnesota. Their phone number is 1 (800) 469-0955. Their maximum

mailing charge for the purchase of a number of medications is \$12, delivery is about 10 days.

Nathaniel Friedman

### Music Store thanks community

Deerfield/The Village Music Store in Deerfield has completed its successful Summer Concert Series held in the Starbuck's-Red Star Plaza in downtown Deerfield and it's time for "Thank You's."

Thanks to Darcy Tapper at the Prime Source Center for providing the space and facilities.

And thanks to the performers who provided the great music for the 8 concerts ... the Big Band Sound of Deerfield, the Traveling Folk Music Show, the Burn Rome Burn rock band, Rebecca Nixon and her band Dream, the Smooth Jazz Group, and the Cabana Band. The audiences were great and we appreciate their support and enthusiasm.

The Village Music Store is completing its' 41st year in Deerfield and we are happy to have provided this summer entertainment by our teaching staff to our many friends on the North Shore.

Bob Gand

# METRO

NORTHWEST

THURSDAY  
AUGUST 28, 2003



Eric Zorn

## 'Affordable' housing efforts complex, vital

Wilmette Village President Nancy Canafax deftly deflected the energies of the affordable-housing advocates who showed up at Tuesday night's Village Board meeting ready for a showdown.

"It's very clear that it's one of our goals," Canafax said from the chair. "We have to do affordable housing, absolutely. . . This board is committed to affordability."

Trustee Pat Hughes was resolute. "We have to make it a priority," he said.

Affordability, said Trustee Jim Griffith, "ought to be at the forefront."

Not any disagreement there. Everyone in the room was down with the idea that something has to be done to prevent people of modest means from being priced out of the increasingly pricey North Shore suburb.

It's an idea that is catching hold in large and small communities across the area and that got a nice boost Monday when the Highland Park City Council passed a landmark ordinance requiring that 20 percent of multi-family home construction projects qualify as affordable.

Sounds good. But what does "affordable" mean?

U.S. Department of Housing and Urban Development guidelines say a home qualifies as affordable when the residents pay 30 percent or less of the household's adjusted gross income for housing costs.

HUD further tracks median family income in metropolitan areas (ours is \$68,700) and defines "low-income" as a household with income less than 80 percent of the median family income (\$54,960). But HUD officials would not offer a one-size-fits-all answer to the more critical question: For whom is "affordable housing" supposed to be affordable?

"I'm not saying [proposed new housing in Wilmette will be] affordable for low-income," Canafax said Tuesday night.

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This was a blow to the advocates, who had come to urge the trustees to try to strike a new deal on the property at the heart of the affordable-housing debate in Wilmette: the Mallinckrodt building, a 90-year-old former convent now owned by the local Park District.

Under a pending arrangement, a private developer will purchase the building and construct roughly 80 senior-citizen condos within the structure. The 20-some units designated "affordable" will cost \$210,000 (one-bedroom) and \$280,000 (two-bedroom).

Affordable? Gail Schechter, executive director of the Interfaith Housing Center of the Northern Suburbs, thinks not. She calculates that the two-bedroom units in Mallinckrodt will fit the budgetary guidelines only for those earning at least \$80,000 a year. In contrast, the Highland Park plan is set up to help families with incomes from \$56,500 to \$90,000.

Schechter, who spoke briefly to the Village Board on Tuesday, said the price of those proposed two-bedroom condos needs to drop all the way to \$180,000 if they are to be genuinely affordable to low-income seniors.

She and the ad hoc group Mixed-Use for Mallinckrodt (MUM), six members of which were at the meeting, are asking local officials to subsidize the new units by slashing the asking price for the building down to \$1 if necessary.

But Canafax pre-empted such a request Tuesday, saying "we don't have the funds to reduce the price" of the building. She said Wilmette will continue to negotiate with the developer, conduct a housing-needs assessment study and look at the issue again at budget time.

MUM went mum. The other advocates who had intended to speak after Schechter on behalf of a different plan stayed seated.

"They don't give us a lot of resistance to push against," said Heather VanDeventer afterward when the group assembled in the lobby. "They say most of the right things. Then they don't give us a lot of action."

Action will take time. Affordable housing, mixed-income housing, even—gulp!—low-income housing are concepts that are as hard to implement as they are to sell.

But the sale is going through. The idea has arrived that we cannot and should not let soaring home prices change the character of our communities. There is real value to income diversity.

The advocates walked away defeated Tuesday, but the action this week in Highland Park and even the talk in Wilmette told the real tale: They're winning.

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# Home, sweet home

## State pushes upscale suburbs to include more affordable housing

By ANDREA L. BROWN  
STAFF WRITER

A new state law is forcing municipal leaders, even from the state's wealthiest communities, to figure out how and where they can provide more affordable housing within their borders.

The Affordable Housing Planning and Appeal Act was the product of a combination of business, civic and labor groups, and housing advocates who pushed for legislation to create more affordable housing near to workers' jobs. The Act was passed late last year and amended in June, moving up deadlines for compliance by a year and a half.

The law requires that at least 10 percent of every municipality's housing stock qualify as affordable housing. According to a recently released list from the Illinois Housing Development Authority, most of Illinois' 1,287 municipalities already meet this level and are exempt from any consequences of the act.

But 49 Chicago-area municipalities, many of them wealthy North Shore and southern Lake County communities, did not reach the 10 percent affordable-housing level. The act requires municipi-

pal leaders in these towns come up with a plan by April 1 describing how to bring more affordable housing within their borders.

The law defines "affordable housing" as a housing unit that a family earning 80 percent of an area's median gross income level can afford with 30 percent of that income. By these rules, affordable housing in Cook, Lake and McHenry counties is defined as a home with a sale price of around \$123,000 to \$125,000 (depending on the county) and an apartment or other rental unit with a \$775 monthly rate.

### Far from home

The housing boom of the last decade really contributed to heightened concern about affordable housing in the region, said Nick Brunick, director of affordable housing initiatives for Business and Professional People for the Public Interest in Chicago.

"Housing prices have far (outpaced) the growth in income," Brunick said. "This topic has become one of huge concern of constituencies and groups in the region."

As home prices escalated, people

earning moderate incomes were pushed to move farther away from the far north and northwest suburbs, where jobs are increasingly more available.

The consequences of this move have had a far-reaching effect on the quality of life in the entire region, Brunick said. Employees who drive longer distances to get to work have increased traffic congestion, Brunick said. Companies are more reluctant to relocate to an area where potential employees live far away from where they work, thus dampening economic development in vibrant areas, he added.

### Local controls

The state Housing Development Authority is the administrator of the affordable housing act, said agency spokesman Bryan Zises. A self-supporting agency, the Housing Authority provides, among other services, financing allowing people of modest income to purchase a first home.

Zises said each of the 49 nonexempt Illinois municipalities required to file an affordable housing plan by April 1 must

(Continued on page 168)



Joe Cypnowski/Staff Photographer

Gail Schechter, executive director of the Interfaith Housing Center of the Northern Suburbs, stands outside the Gates Manor in Wilmette, an example of affordable housing.

### How are towns responding?

Municipalities with fewer than 10 percent of housing units deemed affordable must develop a plan by April 1 to address the shortage. Affordable rents for the region are listed at \$775 a month, while affordable units are priced \$125,244 in Cook County, and \$123,720 in Lake, McHenry and Kane counties. Here's how towns in the Pioneer Press coverage area are responding.

Local government	Affordable ownership units	Affordable rental units	Total affordable units	Total units	Percent of affordable units	How town is addressing the law
Algonquin	516	249	765	7,827	9.80	Village manager believes home-rule exempts town from law, and only needs a few units to meet mandate.
Barrington Hills	38	0	38	1,370	2.40	Officials say they have no idea how they will respond to law and are researching options.
Deer Park	9	11	20	1,008	2.00	Officials say they have no idea how they will respond to law and are researching options.
Deerfield	92	134	226	6,451	3.50	Attorney says home-rule status exempts town from law, but long-range plan includes some affordable housing.
Glencoe	60	46	106	3,111	3.40	Task force has prepared a draft plan to be reviewed by Village Board.
Green Oaks	0	4	4	1,131	.40	Will submit a plan by April to demonstrate ability to create affordable housing east of tollway.
Hainesville	14	34	48	735	6.50	Officials have no idea how they can comply given land available. Mayor says may have to fight law with other towns.
Hawthorn Woods	8	8	16	1,894	.80	Still researching details of law, no plan of action in place.
Highland Park	223	653	876	11,518	7.60	Has adopted plan, zoning rules, funding sources and requirements for construction of affordable units.
Inverness	32	24	56	2,222	2.50	Village attorney is reviewing the law. Officials say town does not have infrastructure to support affordable housing.
Kenilworth	0	3	3	803	.40	Have referred issue to the Plan Commission.
Kildeer	4	3	7	1,129	.60	Building and Zoning Committee assigned to come up with solutions to comply.
Lake Barrington	16	8	24	2,056	1.20	Officials say they have no idea how they will respond to act and are researching options.
Lake Bluff	7	95	102	2,173	4.70	Village staff will present a report on law to trustees at Monday meeting.
Lake Forest	60	279	339	6,681	5.10	Formed an ad hoc affordable housing committee to develop a plan for seniors and employees of the city.
Lake Zurich	216	227	443	5,727	7.70	Still researching details of law, no plan of action in place.
Lincolnshire	34	5	39	2,169	1.80	Officials say lawyers have advised them the law will not apply to them because of village's home-rule status.
Lincolnwood	107	56	163	4,492	3.60	Officials believe home-rule exempts town. Taking a wait-and-see approach.
Lindenhurst	345	57	402	4,307	9.30	Officials are eyeing a number of possible options to comply with the law, but have not yet determined their exact plan.
Long Grove	29	25	54	1,895	2.80	Village Board asked Plan Commission to study the law.
Morton Grove	550	228	778	8,177	9.50	Has appointed committee to study law, report due this fall.
North Barrington	12	10	22	1,000	2.20	Officials say they have no idea how they will respond to act and are researching options.
Northbrook	439	205	644	12,197	5.30	Trustees doubt law applies because of home-rule status, but want data for a plan based on local employees' needs.
Northfield	65	34	99	2,177	4.50	Studying what other communities are doing and plan to comply with the law.
Riverwoods	7	16	23	1,205	1.90	Officials say complying with the new law would be impossible as town is almost completely built out.
South Barrington	12	0	12	1,152	1.00	Officials say they have no idea how they will respond to act and are researching options.
Third Lake	25	3	28	443	6.30	Officials have absolutely no plans yet since the deadline isn't until spring. Board has yet to discuss it.
Wadsworth	47	39	86	1,028	8.40	A committee has been formed to review this matter, but has not met. There are no set plans to comply.
Wilmette	309	245	554	10,032	5.50	Housing Commission is preparing plan identifying possible locations for affordable units.
Winnetka	49	121	170	4,176	4.10	Have reviewed the law with legislators and plan to comply.

Source: Illinois Housing Development Authority

RANDY BLASER



## Between seasons

**T**oday is the second day of spring. You may need to repeat that to yourself because the weather doesn't give any indication spring has arrived. As I write this on deadline, the forecast for Thursday calls for a cold and blustery day with a high of 38 degrees and the chance of some snow.

Despite the calendar, a weather prediction like that shows we're really between seasons.

It's not quite winter anymore, and not yet spring. That fits my mood perfectly.

At home, I'm not quite finished with winter projects but not really ready to begin the spring chores.

Two rooms still need to be painted. My plan is to finish that task next week, even though the kids will be home on spring break.

I've been asked to build a sandbox for the 3-year-old. I brought the lumber home on Saturday. As I unloaded it from the minivan, he asked what I was doing.

"Unloading the wood to build your sandbox."

He immediately ran off to tell mom that we were going to build his sandbox. When I told him I needed to cut the wood before we could build it, he started crying.

We're between seasons.

Meanwhile, I've got the garden to worry about. A fence needs mending and I want to get a head start by growing some seedlings for the spring planting.

Trouble is, I'm a novice at this garden stuff so I need some advice.

Have I started too late? What's the best variety of tomatoes to plant? How many do I plant? Do I stick with one variety or try out several? How about cucumbers? What sort of flowers should I plant?

During the winter weekend chores, I've been listening to a radio garden show to get some advice. Trouble is, the host and guests speak a lingo intended for veteran gardeners and not rookies like me.

I don't know what they're talking about.

Sunday a woman called with a problem. Seems her gardener cut back some flowering bush that really is a tree. I wasn't paying close attention until she identified herself.

Neighbors, she told the radio host, call her garden the Botanic garden of Northbrook.

Ma'am, help!

If you can call me I might like to see your garden and get some tips for myself. I could use a garden mentor right now, someone who could say I'm on the right track or tell me I'm lucky to live in the age of supermarkets. ("Face it, rookie, you'll never live off the land.")

It's between seasons.

Before the garden show came on, I listened to the Cubs-Sox baseball game. There's another indication that we're between seasons — spring training.

The teams aren't really set. Rookies are working to make the team. Some will, but many will be sent down to the minors to get more experience.

If there's a phenom out there, we don't know who he is yet. Yes, we're between seasons.

So it goes with politics.

We've just had an election, but nobody was elected to office yet. This was just a primary to see who gets to run for office on each party's ticket in November.

Right now we're in the lull between political seasons, when no one is called a crook, a cheat or a liar. Savor this quiet time because it will all start up again in September.

I know it's the second day of spring, but I'll be glad when the grass is green again, buds are on the trees, the parks are filled with kids playing baseball and I can have that one good hole out of 18 which lures me to the golf course one more time.

Randy Blaser can be reached at (847) 486-7372 or [blaserr@pioneerlocal.com](mailto:blaserr@pioneerlocal.com).

## Communities must take action to provide affordable housing

The following essay was submitted by **The North Suburban Housing Partners, which includes Catholic Charities, CEDA/Neighbors at Work, Evanston Human Relations Commission, Evanston Neighborhood Conference, Interfaith Housing Center of the Northern Suburbs, Interfaith Housing Development Corp. and Religious Leaders Action Together for Equality.**

**M**arch 10 through 16 was Illinois Affordable Housing Week. It's a fitting time of year for this designated week, as we enter the busy home-buying season, to reflect on the unmet housing needs in our own north suburban region.

### GUEST ESSAY

Since 1994, according to Chicago Magazine, home prices on average in the northern suburbs have risen a dramatic 60 percent, from 38.46 percent in Deerfield (\$359,939) to 94.88 percent in Glencoe (\$913,792). The average price of a home in Winnetka is \$1.14 million.

During the decade of the 1990s, the 16 north suburban communities from Evanston to Highwood and the lake to I-294 gained a whopping 8,757 owner-occupied units, but only 49 rental units. The city of Evanston alone lost more than 812 rental units to condo conversion. Wilmette gained 360 owner-occupied units between 1990 and 2000, but lost 41 rental units.

These statistics may make sellers, investors and the real estate industry happy, but for the majority of residents who care not about selling but about staying, this situation is a recipe for escalating property taxes and ultimate displacement. Many of our agencies have been on the receiving end of calls from families and seniors of all races and family compositions looking for help.

The spate of development targeted to families without children (from the downtown Evanston and Highland Park luxury condos to "maintenance free, "empty-nester" homes in Glenview and Northfield) has also exacerbated the housing crunch for persons who would like to live closer to their north suburban jobs. In 1972, the north suburban region had a total of 124,278 jobs (covered by unemployment insurance), and grew 53 percent to more than 190,000 jobs in 2000.

However, these mostly low-paying jobs have made it impossible for employers to retain their staffs because of the enormous distances employees have to drive. Northbrook, a community whose number of jobs increased four-fold in the last 30 years, has the highest percentage of workers (40 percent) in the Chicago metro area who travel more than 20 miles to get to work, according to the Northeastern Illinois Planning Commission.

The Interfaith Housing Center of the Northern Suburbs, through its Homesharing Program, recently found housing for a doctor who had been commuting from Joliet to his job in North Chicago. He is now living with an elderly woman who needed to rent out a room to be able to afford to remain in her north suburban community.

The closed nature of our northern suburbs is exacerbated by a stagnation in wages and discrimination on the basis of (in order of magnitude) race, familial status, national

origin, and disability. There is really no national housing policy. The Housing Choice Voucher (formerly Section 8) program is supposed to give low-income working or disabled families the ability to move to the community of their choice, but in fact most north suburban landlords outside Evanston and Skokie refuse to accept these families.

The problem of housing affordability is a statewide problem. Illinois ranks in the bottom 10 states in terms of affordability, with 41 percent of renters unable to afford a typical two-bedroom apartment, according to the Statewide Housing Action Coalition.

So what can be done? First, communities need to begin to acknowledge that escalating housing costs are both deleterious to their own residents who are here to stay, and to local workers and businesses. Unless governments, voters and religious institutions believe that communities should provide safe, accessible and affordable housing for all regardless of income, then we will go no further than we've already gone.

The Metropolitan Mayors Caucus, staffed by the Metropolitan Planning Council, has adopted an encouraging set of "housing endorsement criteria" for innovative, mixed-income development, acknowledging that, "For our region to remain competitive, we must expand the supply of housing options to meet growing demands. We encourage all municipalities to adopt these criteria.

Second, communities need to look at existing models. There are some positive examples even here in the northern suburbs. Evanston is one of many funding sources in a newly rehabbed building soon to open with 40 efficiency units in the \$400 range. It is being developed by the Interfaith Housing Development Corp.

The city of Highland Park developed an affordable housing implementation plan that includes the creation of a community land trust and a housing trust fund. Highland Park, Wilmette and Evanston all have rental and ownership housing for low-income seniors. Many communities nationally have adopted "inclusionary zoning" ordinances requiring that a portion of new units be set aside for families with low incomes.

Third, communities need to look for local opportunities. In Wilmette, for example, the Mallinckrodt property presents an excellent opportunity for adaptive reuse of a historic building for affordable housing, should voters approve a village purchase of the property, through the park district, on the March 19 ballot. In Evanston, an inclusionary zoning ordinance could create dozens of units for low-income families from the hundreds of condos under construction.

The region lost three precious opportunities in the last decade to develop new, affordable residences at Fort Sheridan, the former Glenview Naval Air Station and Techny. This region cannot afford to make the same mistake again. In Skokie, Northbrook and Niles, mixed-use developments that include housing could be created on underutilized industrial sites. There is no lack of creativity that can be applied once a community is committed.

Please join us in an open regional meeting on the jobs/housing mismatch as part of WTTW's "Chicago Matters" series. This forum will take place at 7 p.m. on Monday, April 22 at St. Francis Xavier Church in Wilmette. For more information, call us at (847) 501-5760 or (847) 475-0858.

# Act simply seeks moderately priced homes

The following essay was submitted by Gail Schechter, executive director of the Interfaith Housing Center of the Northern Suburbs; E. Hoy McConnell II, executive director of the Business and Professional People for the Public Interest; and Jean R. Cleland of Mixed Use for Mallinckrodt.

**S**ocial worker Holly Kittleson grew up in Northbrook. Her parents still live in the house they bought 35 years ago. Holly has worked for the North Shore Senior Center for over a decade and her husband, John, is an MIS employee of a large Loop not-for-profit.

## GUEST ESSAY

They wanted to raise their family near their child's grandparents but could find nothing in their price range. They finally found a condo out in Vernon Hills, where, it turns out, many of Holly's high school classmates now reside.

"I still run into people I went to school with, and we discover that all of us are now living in Vernon Hills because we can't afford to live where we grew up," says Kittleson.

Holly Kittleson's experience is not

uncommon. The housing crisis has worked its way up to middle-income workers. What is striking is the number of police officers, teachers, nurses, firefighters and clergy who cannot afford to find housing near their work. Seniors and adults with disabilities also struggle to afford to live in the communities in which they've spent their lives.

The Affordable Housing Planning and Appeal Act, passed in 2003, is an effort to address this problem, particularly in job-rich areas of the Chicago region. The law provides new ways to overcome local barriers like restrictive zoning codes, lengthy permitting and approval processes, and opposition from a vocal minority of residents that prevent the market from meeting the need for moderately priced housing, such as starter homes for young families. It is a proven policy approach used by several states to enable the development of housing that is affordable to the local workforce.

The law requires all communities in Illinois with less than 10 percent affordable housing to approve and implement a housing plan that outlines ways for a community to increase its stock of affordable housing. The Illinois law also creates a State Housing Appeals Board that

can review developers' appeals of certain local government decisions affecting proposed developments that include some moderately priced housing.

Any community that has met the affordable housing goal specified in its plan is automatically exempt from the authority of the State Housing Appeals Board. In all, only about 80 communities in the state, (out of over 1,200), will be affected by the law. In the northern suburbs, it's likely that Deerfield, Glencoe, Glenview, Highland Park, Kenilworth, Lincolnwood, Morton Grove, Northbrook, Northfield, Park Ridge, Wilmette and Winnetka will be subject to the statute's provisions.

Some worry that this law will create unattractive housing or will undermine the character of the community. In fact, any moderately priced housing must comply with the same building restrictions and design standards as market-rate housing. Experience from around the country and elsewhere in the Chicago region with such mixed-income developments illustrates that it is often impossible to distinguish the market-rate homes from the more affordable homes.

Some worry that this law subverts local control. In fact, the State

Housing Appeals Board can hear and overturn a local decision affecting an affordable housing development only if five major events take place.

First, a community under 10 percent affordable housing must fail to complete and implement an affordable housing plan. Second, a developer, believing there is a market for such housing, must voluntarily come forward with a proposal that includes 20 percent moderately priced housing as part of the development. Third, the developer's proposal must be denied. Fourth, the developer must decide to appeal the decision. Fifth, the developer must successfully prove that he or she was treated unfairly at the local level.

The Affordable Housing Planning and Appeal Act will 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."

The Affordable Housing Planning and Appeal Act simply provides that as a community continues to grow or redevelop, it should work to include some moderately priced housing so that those who work in and serve the community can afford to live there, too.

## Support

### anti-flooding bills

**Des Plaines** In recent years, regular flooding has damaged homes, shut down businesses and caused insurance premiums in our community to skyrocket. It is now time to step up and do something.

That is why I have sponsored legislation in the Illinois House of Representatives that will create new flood-relief projects here in the north/northwest Cook County region.

House Bill 5884, along with Sen. Susan Garrett's Senate Bill 2196, are being supported by our local mayors from Des Plaines, Mount Prospect and Prospect Heights to name a few. These measures have also received support from the Northwest Municipal Conference, the Metropolitan Water Reclamation District, as well as from Mayor Daley and the Cook County Board president.

Currently, \$211 million is spent annually on flood damage here in Cook County, with \$25 million of that occurring along the Des Plaines River. According to the Federal Emergency Management Agency, \$10 million is being paid by county residents in annual premiums for flood insurance. In order to bring costs down, flood walls need to be improved while

flood ways and flood plains need to be reduced. By working together as a region and creating funds for these projects, these needs can, at long last, be addressed.

Under the legislation, the Metropolitan Water Reclamation District assumes authority for regional storm-water management in Cook County. However, there is a cost for the reclamation district to assume this new responsibility. Residents will see a maximum new property tax of \$17 for every \$100,000 of assessed value. Keep in mind that is the maximum and will come from all of Cook County to generate roughly \$50 million to operate the program. That money will be used to improve flood ways and flood plains along with new reservoirs and water retention projects.

Our mayors agree that this is the best solution to resolve our storm-water management problems. In the past, there have been too many projects put on hold due to a lack of consensus among the numerous communities involved. This will give all of our local communities a fair shake in what happens to a watershed in their area.

Some may think that this is a new bureaucracy being created for political clout. It most certainly is not. In fact, no new bureaucracy will come about when this is complete. It is being done specifically

## LETTERS

through the Metropolitan Water Reclamation District, because they already handle many storm-water issues in the county. This legislation will simply give them complete authority to work with our region and analyze what is best for flood control.

I hope that you can join me and Sen. Susan Garrett in supporting this legislation. Like the mayors, we agree that of the many proposals put forth to mitigate flood problems, this will be the most beneficial and cost efficient.

If you have any other questions or would like to discuss this matter further, please contact me at my office at (847) 257-0450.

Elaine Nekritz  
State Representative  
57th District

### Parents want governor's ear

**Grayslake** On March 24, a busload of Lake County citizens joined others from around the state on the steps of the Capitol in Springfield. Along with the Better Funding for Better Schools Coalition, we came with the message that the need is now. The need is now to adequately and equitably fund Illinois' public schools. The need is now for property tax relief.

In Governor Blagojevich's testimony to the Senate committee of the whole regarding his plan for a Department of Education, he said that he wanted to hear from the people. More than 500 Lake County citizens took the governor's request seriously.

In addition to the busload, 476 citizens who could not make the eight-hour round trip with us sent their voice in writing. We worked diligently with the governor's scheduling office, weeks in advance of our arrival, asking for five to 10 minutes of his time. We wanted to personally deliver the letters and very briefly express our concerns.

That day, a member of his staff even made a personal appeal on our behalf. He did not have time. The governor did have time for a "media availability" scheduled at 3 p.m. Even though he has never spoken with us, he commented on the Better Funding for Better Schools message. We would prefer face-to-face dialogue.

In contrast, last October before the governor's State of the State address, before his plan to replace the State Board of Education with a Department of Education, I placed a call to State Superintendent Schiller's office. I spoke with his secretary and requested 10 minutes of his time to share concerns about school funding

in Illinois.

Two days later, I received a phone call from Dr. Schiller (Continued on page 18)

# What's your OPINION?

This is your page as much as ours, and we welcome your opinions about local issues or about our newspaper. And we make it easy for you to tell us how you feel.

You can send letters to:  
Letters to the Editor  
Pioneer Press  
291 N. Dunton Ave.  
Arlington Heights, IL  
60004-5903  
You can fax letters to:  
(847) 797-5151

Or you can send us e-mail through our Internet home page at: <http://www.pioneerlocal.com>

Your letter should include your phone number (which we won't publish) and a signature. We might edit your letter for clarity and brevity or reject those deemed libelous, redundant or inappropriate.

No one was seriously hurt in a two-vehicle crash Thursday afternoon on Route 12 and Hartigan Road in Fox Lake, firefighters said. Two trucks collided and one overturned.

7/28/06

The project's zoning became an issue after the Grayslake zoning board decided not to recommend the project's approval to the village board.

Some of people said Trus mriopell

# Affordability concept tested in Long Grove

BY NADIA MALIK  
Daily Herald Staff Writer

Dwellings worth about \$130,000 — considered affordable in Long Grove terms — may crop up to help the village meet state mandates on affordable housing.

However, any development of the sort would require zoning changes, which the village board is hesitant to do without discussing the ramifications.

Developer Mehran Farahmandpour is proposing a 31-unit complex — including four duplexes to fulfill affordable housing requirements.

The proposal is in response to the Affordable Housing Planning and Appeal Act, which requires 10 percent of a community's housing stock be considered affordable. Long Grove is at 2.8 percent.

Because land costs in Long Grove are substantially higher than \$130,000 per unit, Farahmandpour said the higher-priced units would be a way to pay off the affordable duplexes.

The affordable homes would be mixed in with the rest of the community but sold at substantially lower prices, he said.

The project, Sanctuary Creek, would be along Midlothian Road in an area Long Grove identified for transit-oriented development in its 1999 comprehensive plan.

Because the land is close to Mundelein, Village President Maria Rodriguez said density is not as much of a concern compared to the rest of Long Grove.

But because Farahmandpour's plan only addresses a small portion of the area,

Rodriguez said the village will have to consider it carefully.

"It's a massive area; all of it was supposed to be developed at once," she said.

Farahmandpour said his development will attract enough people that it will be easier for Long Grove to get a train station on the Elgin, Joliet & Eastern Railway, if it ever offers commuter service.

The station in turn will extend to further high-density development, he reasoned.

Discussion about putting commuter service on the Elgin, Joliet & Eastern started several years ago, and in 1999 Long Grove officials said if it does, the village wants a station. The rail line, now used only for freight, wraps around the Chicago area from Waukegan down to Joliet.

Village trustees, however, said it comes down to the classic chicken and egg dilemma: Will a high-density subdivision attract a train station or will extended train tracks attract more residents?

Plus, Rodriguez said, a zoning change in a village like Long Grove, where houses are built upon acres of land, can't be taken lightly.

"You hate to fool with the zoning," she said.

At their board meeting Tuesday, trustees agreed to send the Sanctuary Creek proposal to the plan commission for consideration.

Even if it is approved, Rodriguez said it will likely take many more long discussions before any concrete affordable housing plans are made.

[nmalik@dailyherald.com](mailto:nmalik@dailyherald.com)

## Police get tough on speeders

BY JAMEEL NAQVI  
Daily Herald Staff Writer

Police departments this week launched a crackdown on speeding and bad driving along the length of Randall Road.

Operation Safe Stretch kicked off Monday as dozens of extra patrols from Crystal Lake down through the Tri-Cities swooped down on Randall.

More than 450 citations were issued between 2 and 10 p.m. Monday alone.

Most departments involved said targeted enforcement — focusing on known problem

efforts are effective — to an extent: "It's going to work with some people, and it's not going to work with others."

The problem, most police agreed, is in the long term. Some officers expressed doubt that Monday's operation will yield results for more than a few days.

"I think it will dissipate in a couple days," Sleepy Hollow Police Chief Jim Montalbano said.

"I think it's a Band-Aid," he continued. "I think it has a temporary effect. Is it going to cure the problem? Absolutely not."

the location,” Steen says, adding, “It is critical that people talk about affordable housing in terms of what needs to be accomplished in economic and social terms” in a specific neighborhood.

Whereas in some locations, anything below 100-percent of median income would be considered affordable, for example, in other areas, housing with rents set at a level that people earning 50 percent of median income could meet would be considered market rate.

Balance is an important consideration in any community, she maintains, and “gentrification is bad if it is overdone, if high-income people come into a neighborhood and completely displace low-income people.”

### **Housing and business are inter-related**

Should preserving affordable housing be an issue of concern for downtown organizations, or should the market forces rule freely, as Steve Belmont suggests?

“Affordable housing in most instances is critical to [an area’s] workforce,” Steen argues.

Downtown businesses have an interest in their employees being able to find safe and stable housing within a reasonable distance to their jobs, she says, if they are to be competitive and provide a quality product or service. Most businesses don’t recognize the importance of housing to their success until they suffer from an extremely tight housing market, she adds.

“In a downtown, you have to have a mix of incomes to have economic vitality,” Steen says. “I’m encouraging people to look at, ‘What is the workforce made up of?’ You should have a housing sector that reflects what the workforce is. And not have a downtown that only has high- or low-income

workers, but a range of incomes. Housing should reflect that employment base.

“Some of the most vibrant urban neighborhoods are in towns with newer immigrant communities, which tend to be lower incomes,”

### **Management**

## **Mission: To serve as the regional business center**

For downtown organizations, a clear mission statement is one of the foundations of progress. It tells just what the downtowners aim to accomplish. The Missoula (MT, pop. 57,050) Downtown Association (MDA) states that it exists to promote, support, and enhance the vitality of downtown. To that end, MDA leaders created and published a statement detailing its ambition to:

- Retain and promote downtown Missoula as western Montana’s center of business, culture, and entertainment.
- Provide a forum for mutual solutions to common problems downtown.
- Encourage preservation and enhancement of the area’s physical beauty.
- Create public awareness of the historic and cultural significance of Missoula’s unique downtown to the community as a whole.

The MDA was founded in 1975. At that time, the Board wrote a lengthy mission statement. According to Linda McCarthy, executive director, this document came up for discussion at a recent Board retreat. They decided to boil it down into a short mission statement “so that it would be easy to use.” In this compact form, the mission can be easily and effectively communicated to

Steen observes, “but those immigrants can serve as magnets that serve to attract higher-income people back into cities.”

Contact: Leslie Steen, *The Housing Partnership Network*, [steen@housing-partnership.net](mailto:steen@housing-partnership.net). ♦

many people in many ways.

The MDA supplemented its mission statement with a brief organizational description that tells the entire community — from its own members to the mayor and city shoppers — more about who the association is and what it does. It declares that:

“MDA is its membership: people who are proud, people who are dedicated, people who work together.

“MDA is a visible body consulted on matters affecting the Downtown.

“MDA is funded by membership dues and Board-sponsored fund raising events.

“MDA encourages historical preservation and enhancement of the area’s physical beauty.

“MDA beautifies the neighborhoods: Riverfront Trails, Flower Baskets, Christmas decorations.

“MDA maintains and rents Caras Park Pavilion for community events.

“MDA organizes and sponsors Out to Lunch (a weekly summer lunchtime entertainment extravaganza) and Downtown ToNight (an evening time partner to Out to Lunch).”

Contact: Linda McCarthy, *Missoula Downtown Association*, (406) 543-4238, [mda@missouladowntown.com](mailto:mda@missouladowntown.com), [www.missouladowntown.com](http://www.missouladowntown.com). ♦



## **Frequently Asked Question about the Affordable Housing Planning and Appeal Act**

### **1. Why Do We Need the Affordable Housing Planning and Appeal Act at All?**

We need this law because there is a shortage of housing affordable to people who are vital to local economies and who provide critical community services. Many teachers, police officers, nurses, firefighters, and other key occupations cannot afford to live in the communities where they work. Seniors are being priced out of the communities in which they've spent their lives, and young families can't afford to return to the communities where they grew up to raise their own children. Home prices continue to outpace incomes throughout the region. The median home price in the Chicago region grew 37% between 1990 and 2001 while income increased by only 20%.<sup>1</sup> Between 1990 and 2000, the state experienced a 38% increase in the number of "cost-burdened" home owners (households paying more than 35% of their income for ownership housing).<sup>2</sup>

### **2. How Does This Law Really Work?**

The law requires all communities in Illinois with less than 10% affordable housing to approve and implement a housing plan that enables a community to increase its stock of affordable housing. Communities that have more than 10% affordable housing are exempt, as are communities with populations of fewer than 1,000. Applicability to home rule communities has not yet been definitively resolved. The Illinois law also creates a State Housing Appeals Board that, beginning in 2009, can review developers' appeals of certain local decisions affecting proposed developments with moderately priced housing. Any community that has met the affordable housing goal specified in its plan is **automatically exempt** from the authority of the State Housing Appeals Board. Developers may only appeal the decisions of nonexempt municipalities.

### **3. Does This Law Subvert Local Control?**

Beginning January 1, 2009, the State Housing Appeals Board can hear and overturn a local decision affecting an affordable housing development only if five conditions are met. First, a community under 10% affordable housing must fail to prepare, submit, and implement an affordable housing plan. Second, a developer, believing there is a market for such housing, must secure developable land in a community and voluntarily come forward with a proposal that includes at least 20% moderately priced housing as part of the development. Third, the developer's proposal must be denied (or approved with conditions that rendered the project infeasible). Fourth, the developer must decide to appeal the decision. Fifth, the developer must bear the burden of successfully proving to the State Housing Appeals Board that the development was denied (or approved with conditions that rendered the project infeasible) because of its affordable component.

### **4. Who's on the State Housing Appeals Board?**

The Appeals Board consists of seven members: 1) a zoning board of appeals member, 2) a planning board member, 3) a mayor or municipal council/board member (all three from non-exempt communities), 4) a county board member, 5) an affordable housing developer, 6) a housing advocate. The Board is chaired by a retired circuit or appellate judge, the seventh member. The Board is balanced in representation, and the burden falls on the developer to prove unfair treatment.



**BUSINESS AND PROFESSIONAL PEOPLE  
FOR THE PUBLIC INTEREST**

**5. Does This Law Mean Our Community Must Accept Public Housing?**

No. This law has nothing to do with public housing. To the contrary, this law is about removing some of the barriers that prevent the private market from meeting the need for moderately priced workforce housing. This law encourages the production of for-sale housing that is affordable to families earning below 80% of the Area Median Income (AMI), and rental housing for families earning less than 60% AMI. In 2004, 80% of the AMI for the Chicago region was \$57,500 for a household of four and 60% of the AMI was \$45,240 for a household of four.

**6. Does This Law Give Developers Carte Blanche in Our Community?**

No. Developers will not secure land and propose projects unless there is a market for their housing. In order for a developer to access this law, a proposed development must include at least 20% moderately priced housing and must meet all local building, plumbing, electrical, and fire codes. Developers *cannot* appeal denials made on the basis of health and safety provisions or requirements critical to the protection or preservation of the environment. If developers choose to appeal to the State Board, they bear the full burden of proving that the development was denied because of its affordable component. Further, if a community creates an affordable housing plan and meets the goal in that plan, developers will have no leverage over local decisions.

**7. Will This Affordable Housing Have a Negative Impact on Property Values?**

Repeated research has shown that affordable housing has no negative impact on the price or frequency of sales of neighboring home.<sup>3</sup> A 1999 study by the Innovative Housing Institute examined every real estate transaction from 1992 to 1996 in 14 communities of Montgomery County, Maryland, and Fairfax County, Virginia. In both counties, the analysis revealed no difference in price behavior between market-rate homes located within 500 feet of a subsidized or affordable home and those market-rate homes farther away. It also found no difference in price behavior between market-rate homes located adjacent to affordable homes and those farther away.<sup>4</sup>

Here in the Chicago region, a recent study of four very-low-income family housing developments in suburban Chicago – Victorian Park in Streamwood, Liberty Lakes Apartments in Lake Zurich, Waterford Park Apartments in Zion, and Brookhaven Apartments in Gurnee - revealed that affordable housing can have a positive impact on surrounding property values. Numerous studies from around the country support the notion that affordable housing has no negative impact on surrounding property values.<sup>5</sup>

**8. Will This Law Burden Our Local Property Tax System?**

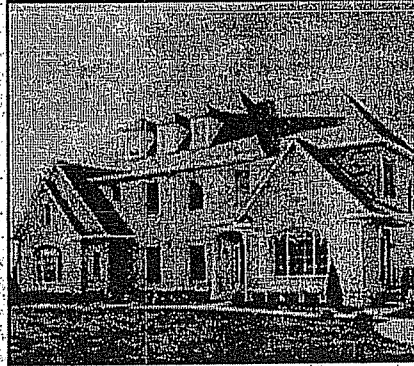
Those who purchase moderately priced housing may often be seniors or childless young professionals who use few public services. Such residents may actually contribute more in local revenues relative to services used. Further, a recent study of the effects of multi-family housing on public services in the Boston area determined that multi-family housing accounted for a disproportionately small number of new students in schools. In fact, in the communities surveyed, multi-family developments contained less than one school-age child per unit on average. Creating affordable housing provides immeasurable benefits to a community and to the region far beyond property tax dollars generated by homes.



## BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST

### 9. Will This Affordable Housing Detract from the Character of Our Neighborhood?

No. Moderately priced housing must comply with the same building restrictions and design standards as market-rate housing. Experience from around the country and in the Chicago region with such mixed-income developments demonstrates that it is very difficult to distinguish market-rate homes from the "affordable" homes. In fact, the pictures below are all pictures of affordable housing.<sup>6</sup>



### 10. Does This Law Push Seniors Aside?

No. In fact, this law can help create critically needed senior housing.

### 11. Won't This Law Force Extra Expenses on Our Community?

This law creates no more expense than market-rate developments. In fact, the effective tax rate (property tax paid relative to the market value) for multi-family developments is significantly higher than single-family homes nationwide. In addition, according to U.S. census data, affordable housing results in fewer cars and fewer children per home on average than market-rate housing.

The Affordable Housing Planning and Appeal Act is a market-based tool. Communities can use a variety of different tools that require little or no public spending to comply with the law (e.g. flexible zoning, creative use of city-owned land).

Further, the law offers numerous benefits. It helps strengthen the social fabric of a community by ensuring that public servants, like police officers, teachers, and firefighters, can afford to live in and be a part of the communities they serve. The law bolsters economic development by helping employers attract and retain workers who are able find housing closer to their jobs. The law also allows working parents to live closer to their jobs, contributing to reduced commute times, traffic congestion, and air pollution.



## BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST

### 12. Our Community Is Already "Built Out." We Have No Land For New Development. How Are We Supposed to Comply?

This law will 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."

Developers are unlikely to come forward with proposals that include affordable housing in communities with little available land and high land costs. Communities with little land could choose the goal of having 15% of all new development or redevelopment set aside as affordable. With this option, the development of affordable housing is tied to new growth or redevelopment. Communities that are not growing would still be in compliance with the law. The Affordable Housing Planning and Appeal Act 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.

### 13. How Can Non Home Rule Communities Comply with this Law?

While home rule units do have more local authority to adopt creative tools to comply with this law, non-home rule units can take a number of steps to plan for and create affordable housing. Non-home rule units can use their zoning codes and city-owned parcels of land to help the private sector create more moderately priced housing. They can partner with willing non-profit and for-profit developers to access existing state and federal resources to create moderately priced housing. They can also work with non-profit entities to create a community land trust that can help to create and keep new affordable housing.

<sup>1</sup> *The Metropolis Housing Index: Housing As Opportunity*. Chicago Metropolis 2020. 2004.

<sup>2</sup> *Chicago Rehab Network 2003 Affordable Housing Fact Book*. Chicago Rehab Network. 2003.

<sup>3</sup> Maxfield Research, *A Study of the Relationship Between Affordable Family Rental Housing and Home Values in the Twin Cities* (Minneapolis, MN: Family Housing Fund, 2000).; Joyce Siegel, *The House Next Door*, Innovative Housing Institute, 1999. <http://www.inhousing.org/housenex.htm>.; Elizabeth Warren; Robert Aduddell, and Raymond Tatlovich. *The Impact of Subsidized Housing on Property Values: A Two-Pronged Analysis of Chicago and Cook County Suburbs*. Center for Urban Policy, Loyola University of Chicago, Urban Insight Series No. 13, 1983.; Paul Cummings and John Landis, *Relationships Between Affordable Housing Developments and Neighboring Property Values*. Institute of Urban and Regional Development, University of California at Berkeley, Working Paper 599, 1993.; Jeffery Baird, *The Effects of Federally Subsidized Low-Income Housing on Residential Property Values in Suburban Neighborhoods*. Northern Virginia Board of Realtors Research Study, December 1980.; Hugh Nourse, "The Effect of Public Housing on Property Values in St. Louis." *Land Economics* 60 (2), 1984.; Carol Babb, Louis Pol, and Rebecca Guy, "The Impact of Federally-Assisted Housing on Single-Family Housing Sales: 1970-1980." *Mid-South Business Journal*, July 1984.

<sup>4</sup> Siegel, Joyce. 1999. *The House Next Door*, Innovative Housing Institute. Available online: <http://www.inhousing.org/housenex.htm>.

<sup>5</sup> Michael MaRous, "Low-Income Housing in Our Backyard: What Happens to Residential Property Values?" *The Appraisal Journal* 64, 1, (1996): 27-34.

<sup>6</sup> Far left: affordable homes in Aurora, IL selling for \$140,000 to \$220,000; Middle: A quadplex in Fairfax County, VA. Each unit sold for \$126,000-\$129,000, while the market-rate homes in the same development sold for about \$800,000. Far Right: a single-family home in St. Paul, MN targeted at households earning \$15,000-\$45,000. Affordable homes sold for \$55,000 for a 2 bdrm - \$75,000 for a 4 bdrm.



## THE AFFORDABLE HOUSING PLANNING AND APPEAL ACT

Public Act 93-0595 and Public Act 93-0678

**Problem:** Many towns and cities in Illinois face shortages in homes affordable to nurses, police officers, teachers, firefighters, secretaries, and others who provide critical community services and help drive the local economy. This shortage can hinder economic development, increase traffic congestion, and limit opportunities for hard-working residents and their children. Unfortunately, local barriers can contribute to this shortage of affordable housing. Unfortunately, local barriers, such as long permit processes or community opposition from a vocal minority of residents, and a lack of planning can contribute to this shortage of affordable housing.

**Solution:** The Affordable Housing Planning and Appeal Act, passed last year, provides new ways to remove inefficient barriers in the housing market and facilitate the creation of affordable housing.

### HOW IT WORKS:

The Affordable Housing Planning and Appeal Act contains two provisions to help encourage the creation of affordable housing in communities that lack it. First, the law requires communities with less than 10% affordable housing to adopt an affordable housing plan by April 1, 2005. Second, the law creates a State Housing Appeals Board that, beginning in 2009, reviews developers' appeals of certain local government decisions affecting proposed affordable housing developments. Applicability to home rule communities has not yet been definitively resolved.

#### (1) The Affordable Housing Plan

- A local government must approve an affordable housing plan that states the total number of affordable housing units needed to reach the goal of 10% affordable housing within its jurisdiction.
- The affordable housing plan must also identify what lands within the local government's jurisdiction are most appropriate for the development of affordable housing, and what incentives can be provided to developers that would attract affordable housing to their jurisdiction.
- The plan must contain one of three very specific goals for increasing the stock of affordable housing in a community: 1) a minimum of 15% of all new development or redevelopment must be affordable; 2) the community will increase its overall percentage of affordable housing by three percentage points; or 3) the community will increase its overall percentage of affordable housing to 10% of the total housing stock.
- The Illinois Housing Development Authority (IHDA) is charged with publishing a list of non-exempt communities and notifying all non-exempt communities of their status. Though the law requires IHDA to do so by October 1, 2004, IHDA published this list of 49 communities in August 2004.

#### Benefits of Affordable Housing and an Affordable Housing Plan

**Stimulates Economic Development:** Implementing an affordable housing plan bolsters economic development by helping employers attract and retain workers who are able find housing closer to their jobs. Access to a pool of potential employees is an important factor a business considers when deciding where to locate and whether to stay in an existing location. Communities benefit along with local businesses, because employees tend to spend their wages in the communities in which they live. The result is a larger tax base, increased demand for goods and services, and local economic growth.

**Strengthens the Social Fabric:** Implementing a plan means that public servants, like police officers, teachers, and firefighters, can afford to live in and be a part of the communities they serve. Seniors have the opportunity to stay in the communities in which they have spent their lives, and young families have a chance to raise their children in the communities in which they grew up.

**Improves Quality of Life:** When working parents can live closer to their jobs, they spend less time commuting and have more time to invest in their children. For example, parents have more time to better prepare their young children for school. Reduced commuting times also result in less traffic congestion and air pollution.



**Exemptions:**

- (1) Communities where 10% or more of the housing stock is affordable are exempt from the law. In August 2004, the Illinois Housing Development Authority (IHDA) published the official list of every Illinois municipality and county and its percentage of affordable housing. 49 municipalities out of over 1200 have less than 10% affordable housing and thus are subject to the law.
- (2) Communities with less than 1,000 people are exempt.
- (3) Communities that can prove that they have met the goal in their affordable housing plan are exempt.

**(2) State-Level Housing Appeals Board**

The Affordable Housing Planning and Appeal Act also creates a State Housing Appeals Board empowered to hear appeals from developers who have been denied in their efforts to build affordable housing in communities that lack it. Communities with 10% or more affordable housing or communities that have met the goal outlined in their plan are NOT subject to the authority of the Appeals Board.

- This board includes governor-appointed representatives of local government, zoning boards of appeals, plan commissions, developers, and housing advocates. The board will be chaired by a retired judge.
- The board may review denials of affordable housing developments. The board may require a municipality to issue all approvals needed for an affordable housing development. The board's Order can be enforced in court.

**WHO THIS LAW SERVES:**

**Working Families**

The Affordable Housing Planning and Appeal Act encourages the production of for-sale housing for families making below 80% of the Area Median Income (AMI), and rental housing for families earning less than 60% AMI. These income levels for a family of four are listed below for key parts of the state:

	<u>80%</u>	<u>60%</u>
- Chicago Six-County Region:	\$57,500	\$45,240
- Davenport-Moline-Rock Island:	\$44,950	\$33,720
- Peoria-Pekin, IL:	\$46,550	\$34,920
- Rockford, IL:	\$47,850	\$35,880
- Springfield, IL:	\$51,900	\$38,940

**Developers of Affordable Housing**

To be eligible to make use of the appeals process, developers must make 20% of the housing units or homes in their development affordable to households at 80% of the area median income as determined by HUD each year.

**Communities that Already Have Affordable Housing and Those that Need Affordable Housing**

Municipalities are exempt from the statute if at least 10% of all housing units are already affordable. This provides municipalities with an *incentive* to plan and actively promote affordable housing in order to gain exemption.

**How Does This Help Local Governments?**

Most local leaders recognize the importance of affordable housing but are concerned about opponents capitalizing on residents' fears and misconceptions. In Massachusetts, for example, the housing appeals law has allowed local officials to evaluate affordable housing proposals on their merits, not on emotions.

**MISCELLANEOUS ARTICLES**

Your Local

# NEWS

## Village: We are exempt

This issue of the Review includes a special report on the new Affordable Housing Law. In this story, local villages explain what they are doing to comply.

By RUTH SOLOMON AND J.T. MORAND  
STAFF WRITERS

Deerfield officials are doing little to comply with the new affordable housing law, maintaining it does not apply to them because they are home rule communities.

Deerfield Village Manager Bob Franz said they have been advised by the village's attorney, Peter Coblenz, they are exempt from the law because of

home rule status.

A section of Deerfield's newly revised long-range plan that addressed the need to find more affordable housing to comply with the law was deleted after Coblenz' ruling, Franz said.

Nevertheless, Deerfield has been attending conferences sponsored by the housing authority and the Northwest Municipal League on the new law. Franz said the village is looking into ways to meet the spirit of the new law, even if legally it may not have to comply.

"Can we be going some things to help?" Franz said.

Deerfield was among 49 Chicago-area communities, and 19 in Lake County, that were notified in an Aug. 10 let-

ter from Illinois Housing Development Authority executive director Kelly King Dibble they needed to have a plan in place to increase affordable housing by April 1.

The authority has a different take on the village being exempt.

"That's not our interpretation," said Bryan Zises, spokesman for the authority, who invited the village to contact the authority for help.

"We have resources available. Last year, we spent more than \$236 million on rental aid and \$125 million more on home ownership aid, giving cash grants and below market mortgages," he said.

A total of 3.5 percent of Deerfield's total housing stock of

This special report on the new Affordable Housing Law continues on pages 9 and 11

\$775 a month for rent and 92-for-sale units with sale prices of \$123,722 or less.

Riverwoods, which is not a home rule community, is also trying to figure out how it can comply with the law.

It has 23 affordable housing units in a total of 1,205, or 1.9 percent. The state says affordable sales price in Riverwoods is \$123,720.

Mayor Bill Kaplan said complying would be impossible to do right now because Riverwoods is almost completely built out with few empty lots left. Those lots will be gone soon, he added.

"If they can show me how to work it, fine," he said.

Kaplan asked how a home-

(Continued on page 16)



Joel Lerner/Staff Photographer

### On the right note

District 109 music teacher Karen Dessent holds a flute for a student to try out during a district-wide band day at Caruso Middle School Sept. 9.

## Church seeks home for office space

By RUTH SOLOMON  
STAFF WRITER

Officials from the fast growing North Suburban Evangelical Free Church, 200 Lake-Cook Road, will come before the Deerfield village plan commission at 8 p.m. tonight with a request to use an Ellendale Road home just next door for church offices.

The church would also use the home for an apartment for maintenance staff and an occasional Sunday morning group adult meeting.

Many residents in the Briarwood Vista neighborhood are concerned about the church's use of the home and its effect on property values, said Oscar Adler, one of the neighbors.

open the door for homes to be used for commercial uses in other residential locations in Deerfield, he said.

"Once a precedent is set, it becomes a whole different issue," he said.

Using the home for church property will also result in a loss of at least \$7,600 a year in property taxes, Adler said.

Church officials sought to answer neighbors' concerns with a four-page "Dear Neighbor" letter dated Aug. 20, stating the use of the home would be only temporary, for about two to three years.

The letter stated the home would be used for staff offices for up to 12 individuals meeting Monday through Friday from 8:30 a.m. to 4:30 p.m., an occasional small group adult meeting on Sundays from 8:45 a.m. to 1 p.m. for 8 to 15 individuals and an efficiency apartment for

(Continued on page 17)

### Precedent feared

Having church offices in a former residence could also

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## POLICE BLOTTER

The following incidents were listed among the official reports of the Deerfield police department. Readers are reminded that an arrest by police does not constitute a finding of guilt; only a court of law can make that determination.

### BURGLARY

A \$14,000 pearl necklace, a \$700 sport watch and a \$200 gold watch were missing from a chest in a bedroom on the 1400 block of Dartmouth sometime the evening of Sept. 15. The residents told police they left the front door unlocked so a family member could come by to retrieve some invitations. The invitations were found scattered on the floor. Drawers and a briefcase were also opened in the upstairs bedroom with contents scattered on the floor.

### THEFT

A \$289 hammer drill and a \$120 tool belt with tools were taken Sept. 14 between 11 a.m. and 11:20 a.m. from a car parked in the lot at the Jewel-Osco, 16 S. Waukegan Road.

Rosario Cruz, 23, of 50 Prairie Ave., Highwood, was charged with theft after a woman was observed at 4 p.m. Sept. 3 entering T.J. Maxx, 152 S. Waukegan Road, with a baby and removing a tag from the blanket on a display case and putting it over the child, then taking a total of \$419 in merchandise and leaving the store without paying. Cruz was released on a \$25,000 personal recognizance bond and given a court date of Sept. 28 in Cook County Circuit Court.

### DRUGS

Leidy J. Schultz, 21, of 434 Locust Place, was charged with driving under the influence of marijuana and possession of drug paraphernalia after police stopped a vehicle at 7:51 p.m. Sept. 17 at Ellendale and Lake-Cook roads. Police found two marijuana smoking pipes in a purse on the front seat of the car. Schultz was released on \$300 bond and given a court date of Oct. 6.

### ALCOHOL

Lisa Brown, 17, of 611 Colwyn

Terrace, Deerfield; Laura G. Carr, 17, of 1871 McCraren Road, Highland Park, and Christie E. Blumenfeld, 17, of 1516 Cloverdale, Highland Park, were each charged with consumption of alcohol by a minor after a Deerfield High School dean spotted two girls at a party at 8:30 p.m. Sept. 3 during a football game at the school. A bottle of a vodka and cognac drink mixture was found in the car one of the girls had been driving. Brown and Carr were also charged with possession of marijuana after a smoking pipe was found in Carr's purse and a bottle with marijuana was found in Brown's purse. All three girls were released to their parents. They were formally charged the following week and released after being given court dates.

### TOBACCO

Patoma Rivera, 17, of 839 Barbary Road, Highland Park was charged with possession of tobacco by a minor after cigarettes were found in a car driven by a companion of hers to the party mentioned in the above incident. Rivera was charged the following week and released after being advised of her court date.

### DISORDERLY CONDUCT

Two 16-year-old Deerfield girls and a 15-year-old Deerfield girl were charged with disorderly conduct the evening of Sept. 9 after a report of a driver and two passengers in a car making obscene gestures and threats toward three 15-year-old Deerfield girls who were walking southbound on Waukegan Road by Hazel Avenue. All six girls knew each other as fellow students at Deerfield High School. Deerfield police had met with the girls and their parents last June after an egg throwing incident and warned the girls not to have any further contact. The three girls in the car were released to their parents after being advised of their court dates.

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## Exempt Continued from page 5

owner, who is protected by the village's own zoning laws, is supposed to feel if the state comes in and mandates affordable housing next to his or her home. How can you put a \$270,000 home on a lot in the midst of \$600,000 homes, the average price of a home in

Riverwoods, he asked. Bannockburn was not on the list because it has 17 percent of its housing stock affordable, or 43 of 248 total housing units. Those affordable units are located at Trinity International University, Village Manager Drew Irvin said.

**Chicago Tribune**  
— ONLINE EDITION —

<http://www.chicagotribune.com/news/local/chi-0408120405aug12.1.2510776.story?coll=chi-newslocal-hed>

## 49 towns must add affordable housing

By Courtney Flynn and Susan Kuczka  
Tribune staff reporters

August 12, 2004

The Illinois Housing Development Authority is putting 49 communities on notice that they will be required to offer more affordable housing under a new state law.

The list of towns where less than 10 percent of the housing is considered affordable will be officially released Thursday, and Kenilworth, Oak Brook, Palos Heights and Inverness are among them.

Affordable-home prices in communities on the list are considered to be about \$125,000, and affordable monthly rents are about \$775. Those figures are determined by federal statistics that take into account income and the cost of housing in the Chicago area.

Communities have until April to develop plans to meet affordable-housing goals set by the state, but some towns have already formed task forces and hired consultants to help.

Others are left wondering how they will fulfill the requirements.

In Lincolnshire, where less than 2 percent of the housing stock is considered affordable, Mayor Brett Blomberg questioned where new units could be built.

"I don't know where we'd put that housing. We're basically built out," he said.

The plans must include a way for the municipalities to make 10 percent of their housing affordable, set aside at least 15 percent of new development as affordable or increase overall affordable housing by 3 percentage points.

"They're each going to address this in their own way," said state housing authority spokesman Bryan Zises. "It's going to be very interesting to see what they come up with and what we're able to help them fashion in support of their own particular goals."

Towns that develop plans would be exempt from a state housing-appeals board that will begin operating in 2009. If communities don't come up with plans, rejection of any development proposal that includes affordable housing could be appealed to the state board.

Lincolnshire's Blomberg questioned how a \$123,720 house could be built in a town where the median home price is \$400,000 and going up quickly.

"Homes are being purchased in Lincolnshire for the purpose of tearing them down and rebuilding, and [homeowners are] paying between \$400,000 and \$450,000 just to tear down a home," he said.



## Communities with too little affordable housing.

The Illinois Housing Development Authority on Thursday is expected to release a list of 49 communities that need to offer more affordable housing under a new state law.

## COMMUNITIES HAVE THREE OPTIONS FOR COMPLIANCE:

- Require 15 percent of all new development to be affordable
- Increase its overall affordable housing by 3 percentage points
- Increase its overall percentage of affordable housing to 10 percent

## COUNTY: Cook

## MUNICIPALITY UNITS AFFORDABLE HOUSING

Kenilworth 803 0.40%  
 South Barrington 1,152 1.00%  
 Palos Park 1,740 2.20%  
 Barrington Hills 1,370 2.40%  
 Inverness 2,222 2.50%  
 Western Springs 4,399 3.20%  
 Glencoe 3,111 3.40%  
 Lincolnwood 4,492 3.60%  
 Winnetka 4,176 4.10%  
 Northfield 2,177 4.50%  
 Northbrook 12,197 5.30%  
 Palos Heights 4,153 5.30%  
 Wilmette 10,032 5.50%  
 Olympia Fields 1,878 5.80%  
 Park Ridge 14,284 7.90%  
 Morton Grove 8,177 9.50%

## COUNTY: DuPage

Oak Brook 3,054 1.60%  
 Wayne 703 2.00%  
 Burr Ridge 3,485 2.90%  
 Hinsdale 6,102 8.40%  
 Oakbrook Terrace 1,314 8.80%  
 Naperville 44,832 9.40%  
 Winfield 2,958 9.60%

## COUNTY: Kane

Sleepy Hollow 1,220 6.10%  
 Gilberts 394 7.90%  
 Sugar Grove 1,299 9.40%

## COUNTY: Lake

Green Oaks 1,131 0.40%  
 Kildeer 1,129 0.60%  
 Hawthorn Woods 1,894 0.80%  
 Tower Lakes 451 1.10%  
 Lake Barrington 2,056 1.20%  
 Lincolnshire 2,169 1.80%  
 Riverwoods 1,205 1.90%  
 Deer Park 1,008 2.00%  
 North Barrington 1,000 2.20%  
 Long Grove 1,895 2.80%  
 Deerfield 6,451 3.50%  
 Lake Bluff 2,173 4.70%  
 Lake Forest 6,681 5.10%  
 Third Lake 443 6.30%

## Villages have various tools at their disposal

By LINDSAY BELLER  
STAFF WRITER

When town officials consider down regulations, they all agree that balancing the needs of their communities with the goals of property owners is a tough job.

But how Lake Forest, Highland Park and Deerfield strike to balance varies.

Each community — unique in history, housing stock, property values and population — employs different ways to control teardowns. From zoning regulations to historic preservation commissions, these local governments have tailored their methods to keep intact the individuality of their communities.

### Lake Forest

Lake Forest has rigid measures designed to regulate teardowns and preserve its distinguished streetscapes and architecture. The city requires review processes that result in lengthy permit delays and offers density bonuses to encourage renovations and additions.

City officials, local Realtors and developers each recommend that buyers meet with the city at the beginning of the buying process.

"We want, upfront, for people to have realistic expectations," said Cathy Czerniak, community development director for the city of Lake Forest.

When the number of teardowns began to climb in 1997, the city established four historic districts and increased the standards for teardowns. The Historic Preservation Commission must review and approve both the demolition and replacement structure of homes within these districts.

### Preservationists

Continued from previous page

preservation and is prepared to accept recommendations to the city. In May, Seiden said he believes Deerfield has homes any people would like to save. Wroblewski thinks preservation will become more important to people as they see things in down.

Frank Lloyd Wright's last house "in perfect condition" was torn down, he said. The new owner made a telephone call to make sure he could get a demolition permit for the home before he bought it. Chicago and national news media reported about the possible loss, prompting another owner forward to save the

home.

The Deerfield Train Station was saved in the mid-1970s when the Jaycees organized to paint it in its historical colors. "It's become probably the most symbolic building in town," he said.

But not every home is saved. Wroblewski said the Rappaport House, also known as the Seth Goder home, was the most important home lost in the Deerfield and Bannockburn area last year. The home was built by Earle Rappaport, a Civil Engineer in the early 1900s famous for building the caissons used in the foundations for most of the Loop's buildings.

The Building Review Board considers homes outside the historic districts in the same way, by reviewing both the demolition and replacement structure plans. The process discourages the building of speculation homes.

### Highland Park

Highland Park's chief focus has been on maintaining diversity. The city developed an affordable housing plan, adopted an inclusionary zoning policy and passed other zoning regulations after seeing teardowns increase to 50 or 60 a year while the affordable housing stock was decreasing in the late 1990s.

In May 2002, the city instituted a \$10,000 demolition tax and put the money into the Affordable Housing Trust Fund, which supports public and private efforts to build affordable housing. The tax has generated \$550,000 to date.

"If you're going to remove housing, you should give back," said Howard Wender, chairman of the Highland Park Housing Commission, which oversees the Trust Fund, the Highland Park Illinois Community Land Trust and Single Family Home Ownership Pilot Program.



The Land Trust allows residents to buy an affordable housing unit on city-owned land. By having the resident lease the land from the city, the cost of the home remains affordable for qualified owners.

The program led to the development of Sunset Woods, a 60-unit senior housing project, and a current project of six three-bedroom townhouses that will range from \$132,000 to \$217,000.

This is significant considering that homes costing between \$300,000 and \$350,000 are being torn down and replaced with \$1 million homes, said Michael Blue, Highland Park's community development director.

In August the city council voted to adopt inclusionary zoning, which requires specific numbers of affordable units to be built in new housing developments.

Similar to Lake Forest, Highland Park offers bonuses of up to 200 square feet for additions to the property to prevent teardowns and retain the character of the neighborhood.

"The idea is to create incentive not to tear down but to do an addition," said Michael Blue, Highland Park's community development director.

Both Highland Park and Deerfield have passed zoning regulations to address issues like bulk, height and floor area. (Continued on next page.)

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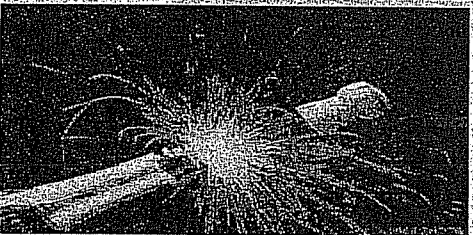
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**Benefits** *Continued from page 10*

strongly that teardowns are an important right of property owners.

Some property owners oppose teardown restrictions, concerned the new rules will lower property values, by restricting what they can do with their property.

Even the officials crafting the rules admit the rights of property owners must be balanced against the zoning protection sought.

Deerfield resident Derek Ragona, who fought efforts by his village to impose teardown restrictions, offers this perspective.

Ragona bought his property in the Poet's Corner neighborhood, where lot sizes are smaller than most in Deerfield, about 12 years ago with the understanding that zoning regulations would allow him to build on his land if he so chose.

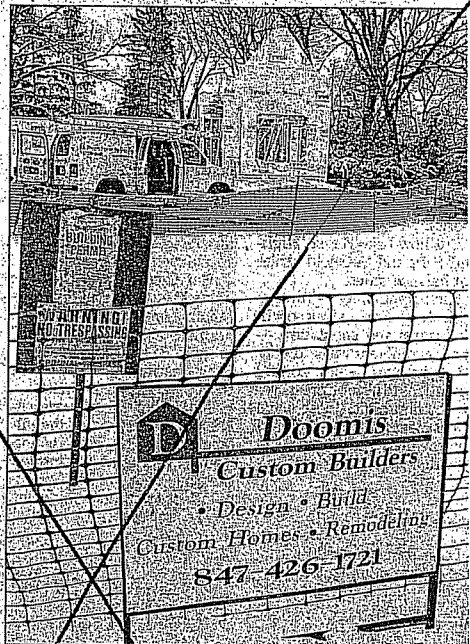
"If I bought my house which I did about 10 or 12 years ago, and the zoning was of a certain kind, I should have the expectation that that zoning should indeed continue, that my rights to build on this land should not be reduced," he said, "and that is not the case."

"If you reduce what can be built on the land significantly, which Deerfield did do, you are very definitely reducing its value," he says.

Lake Forest Realtor Deborah Fischer believes Lake Forest's two-year waiting period to demolish a home can definitely have a negative impact on property values.

She said two years is a long time to wait for a resident who wants to build a new house on their land, which may be mortgage-free for the older resident. For them, it is often cheaper to tear down and build a new home instead of moving to a new house.

"The highest and best use



An example of a teardown is this new home going up in the 600 block of Warrick, pictured in February.

for that site is construction of a new home, with the kind of floor plan suited to today's lifestyle. In Wilmetta, the seller would put it on the market and a builder would pay a premium. In Lake Forest, that's not an option."

"Aren't property values being impacted?" she says.

Rosemary Burger, a Deerfield resident who has watched three \$1 million homes go up in her neighborhood, is also not at all bothered by teardowns.

Burger realized that home

owners who sold to developer were just making an economic decision that made the most sense to them. The land was more valuable than the home sitting on it.

Until Deerfield passed its teardown ordinance, Burger was assuming some day she too would sell her ranch home to a developer. In fact, Burger believed that in the next 11 years, Deerfield would be entirely rebuilt.

"Tell me how this is hurting us. Deerfield is a desirable village to live in and a base of older homes ripe to be torn down," Burger said.

— Ruth Solomon contributed to this story.

**Village tools** *Continued from previous page*

ratios.

Highland Park began the process in the mid to late 1990s and now regulates height, which is measured from street level because of the hilly terrain and with a limit between 30 and 35 feet. Floor area ratio is set on a sliding scale, between 0.15 and 0.4, depending on the size of the lot.

**Deerfield**

Deerfield's regulations are more recent, the result of a task force appointed by the mayor to study the issue. The regula-

tions were passed last year.

Deerfield Trustee and task force chairman Bill Seiden said they looked at other villages and ultimately modeled recommendations after Glencoe, a village which saw teardowns increase in the early 1990s.

Deerfield's regulations include a 35-foot height limit measured from the ground to the top of the roof, a maximum floor area ratio of 0.4, and a side-yard setback that sets a 14-foot height limit at each side lot line and draws a 45-degree angle up toward the center of the property. The home must be built

within this trapezoid shape which ensures that neighbors can see sky from their windows, Seiden said.

Seiden said they may wait for the ordinance to mature before looking at other zoning regulations, like the density bonuses found in Lake Forest and Highland Park.

The task force purposefully avoided including design criteria because they agreed that "beauty is in the eye of the beholder," Seiden said.

Lindsay Beller can be reached at lbeller@pioneerlocal.com.

# Law requires affordable housing

By Ruth Solomon  
STAFF WRITER

Deerfield must come up with a plan to set aside 640 housing units, or 10 percent of its total housing stock, as affordable housing by July 1 as the result of a newly passed state law, director of community development Barbara Houpt told plan commissioners last Thursday.

The 640 units represents 10 percent of Deerfield's housing stock of 6,420 households, according to the 2000 Census.

The requirements of the new law appeared to catch the plan commissioners off guard. "Can Deerfield not comply?" one plan commissioner asked Houpt.

Deerfield: the numbers	
6,420	Number of households in Deerfield
3,288	Number of Deerfield residents in 1980
16,420	Number of Deerfield residents in 2000
\$107,194	Median income of Deerfield households
\$66,973	Median income of Lake County households
1,964	Number of Deerfield households with income greater than \$150,000
515	Number of Deerfield households with income less than \$24,999
66.5	Percentage of adult residents with at least a bachelor's degree
998	Number of seniors older than age 65 in 1980
2,402	Number of seniors older than age 65 in 2000
6,049	Number of residents ages 5 to 24 in 1980
4,822	Number of residents ages 5 to 24 in 2000
19,279	Number of jobs in Deerfield
3	Number of jobs in Deerfield for every household
11,564	Number of jobs in Highland Park
1	Number of jobs in Highland Park for every household

Source: Village of Deerfield Comprehensive Plan, revision draft, October 2003

Pioneer Press/LPK

lot of questions about this law: How it works and how it would be interpreted," he said.

## Home rule exempt?

One item in particular is not clear: whether the law applies to home rule communities, such as Deerfield. While Coblentz said he believed it does, Jason Brelawski, a policy analyst with the Northwest Municipal Conference said it could be interpreted differently.

"The law does not say it pre-empt's home rule authority," Brelawski said. But neighboring Bannockburn, which does not have home rule, would have to comply, Brelawski said.

For towns that do not have any land left to develop for affordable housing, the option remains to redevelop properties, Brelawski said. "The state understands that every town is different," he said.

The term affordable housing can be a hotbed issue. While some may have viewed it to mean low-income, more recently it has meant housing for those who would be considered middle income but cannot afford to live in the towns where they work or grew up, including nurses, teachers, firefighters and seniors.

And some towns may comply with the requirement for affordable housing, but limit it to only one segment of the population, namely seniors, some critics have argued.

After 30 months of meetings, Highland Park, on its own, passed an ordinance in August requiring that specific numbers of affordable units be built in new housing developments.

## Public Act

The discussion came up as the plan commission was holding the first of several workshops on a draft document revising Deerfield's comprehensive plan.

"It's an affordable housing plan. You don't have a choice," Houpt said emphatically.

The law, Public Act 93-0595, will become effective on Jan. 1, and addresses what it calls "a shortage of affordable, accessible, safe and sanitary housing in the state" particularly for the local workforce and retired residents.

The law defines "affordable" housing as that with a "sales price or rental amount that is within the means of a household that may occupy moderate-income or low-income housing." For housing units for sale, "affordable" means hous-

ing with mortgage, amortization, taxes, insurance and condominium fees no more than 30 percent of gross annual household income. In housing units for rent, "affordable" means rent and utilities that are no more than 30 percent of household income, the law stated.

Municipalities are exempt if at least 10 percent of their housing stock already meets the requirements.

"Moderate" income is defined as gross household incomes that are greater than 50 percent but not greater than 80 percent of the median gross household income for households of the same size within the county.

Deerfield officials are hoping to meet later this year with the Northwest Municipal Conference to find out more about the new law, Village Manager

Bob Franz said in a telephone interview Friday.

In particular, Deerfield officials need to know how to calculate the cost necessary for a housing unit to be deemed "affordable," Franz said. In addition, Deerfield will need to know what constitutes the geographical area for determining the median household income.

The new state laws are all tied into the 2000 figures for neighboring communities' home values, Houpt told plan commission members. The median home value in Deerfield is \$341,000, according to the 2000 U.S. Census, compared with \$522,200 in Riverwoods, \$380,000 in Highland Park, \$370,800 in Northbrook and \$236,200 in Buffalo Grove.

Deerfield Village Attorney Peter Coblentz called some aspects of the new legislation

"troubling." For example, an appeal procedure with a new State Housing Appeals Board will be available for any developer of affordable housing who comes before a municipality and has the proposal denied or given certain provisions deemed objectionable.

The process of allowing a state body to overrule a local municipality is something new in the law, he said.

"It is moving away from local control of land use to some form of a state or regional appeal," Coblentz said.

The new affordable housing law appeared to catch everyone off guard, even residents.

"It didn't draw any attention," Coblentz said.

Coblentz said much more needs to be learned before Deerfield can begin to comply with the new law. "There are a

# Kirk seeks another Congressional term

By JOANNA PLUTA BROWN  
STAFF WRITER

U.S. Rep. Mark Kirk, R-10th of Highland Park, announced plans Monday to run for election to a third term in Congress, so that he may continue work on environmental, transportation and economic development projects already underway in Cook and Lake counties.



Kirk

Kirk said Monday during a speech at the Winkata Community House.

"This campaign gets off to another start today. Kimberly (Kirk's wife) and I are happy to be a part of this community. It is a very special place, and we need to keep it that way."

Kirk boasted of success on local projects since first being elected in 2000 and announced plans to continue working in many of the same arenas. He has advisory committees on teen issues and the environment and continues to use his military service record as a link to both current servicemen and local veterans.

In Congress, Kirk has supported prescription drug benefits for seniors and a Patient's Bill of Rights, tighter national security following the Sept. 11, 2001 terrorist attacks; impact aid for schools that teach the children of military personnel; and a woman's right to choose an abortion. He serves on the House Appropriations Committee and with the U.S. Naval Reserves one weekend per month in the Pentagon's War Room.

In announcing his run for re-election to a third term Monday, Kirk focused on local priorities.

"Our community is so well educated and has so many advantages showered

upon us, we have the burden of advancement," Kirk said. "The 10th District — which spans both Lake and Cook counties — includes both the best educated zip code (in the country, 60091 in Wilmette and Kenilworth) and the second poorest town (in the state, North Chicago)."

## Drug summit

Most recently, Kirk participated in a club drug summit at Wheeling High School. More than 2,000 students watched representatives from Belgium and the Netherlands commit to better drug enforcement activities, including upgrading property seizure practices, more frequent inspections of cargo bound for North America and the establishment of a Belgian synthetic drug unit.

"Ecstasy is a relatively new club drug that is being marketed specifically to

suburban teens, and 99 percent of the Ecstasy supply is coming from Belgium and the Netherlands," Kirk said Monday. "But we didn't want to beat them over the head with that. We want to work with them."

Locally, Kirk participated in plans to expand the North Chicago military facilities, so that naval recruits receive better training and veterans will have access to medical care at the North Chicago Veterans Administration Hospital. The expansion also created more jobs for civilian residents of the surrounding community.

The biggest project, however, has been expanding the North-Central Metra Rail line with service to Arlington Heights, Buffalo Grove, Libertyville and Gurnee. Kirk said the almost all the funding has been secured.

"Those residents who live along the North line have enjoyed high quality (Continued on page 18)

## LEGISLATIVE NEWS

Sharon Caddigan, AICP

### The "Builders Appeal Act"

The results of legislative actions taken last year will become important issues facing planners and the communities they represent this year. Most specifically, community planners should look into **PA93-0595** and its impact on your community.

PA93-0595, passed into law during last year's session, is the Affordable Housing Planning and Appeal Act.

Essentially, the Act seeks to increase the amount of affordable housing within the state. It requires communities, which do not have at least 10% affordable housing within their existing housing stock, to develop a plan to increase the amount of affordable housing available. (Affordable housing is defined as housing that has a sales price or rental amount that is within the means of low and moderate income households, and where the housing—and associated costs such as utilities and taxes—is less than 30% of said household income.) Communities with greater than 10% affordable housing are considered exempt, and need not submit a plan. The law also stipulates that affected communities must adopt and submit these plans before **July 1, 2004**. The Illinois Housing Development Authority (IHDA) is charged with providing a list of exempt communities. They intend to distribute this list in 2004, although the legislation gives them until 2006 to do so.

What does this mean? It means that many communities have fewer than six months to develop plans consistent with this legislation. What happens if communities fail to develop and submit plans? As of today, not much. However, by 2009 communities without a plan may have their local zoning and/or subdivision authority challenged by developers and overturned by a State Housing Appeals Board, if the Appeals Board finds that local authority impeded the construction of affordable housing. Are Home Rule communities exempt from this legislation? The jury is out on this one. Some municipal attorneys claim that the legislation did not specifically include Home Rule communities and, therefore, they are exempt. Others note that the way Home Rule works, if a community has an affordable housing plan it is not subject to the legislation, however, if they don't have a plan they are.

ILAPA is working with a wide area consortium, including the Metropolitan Mayors Caucus, area Council of Governments, Metropolitan Planning Council and others, to address this issue. One of the goals of this consortium is the adoption of a model plan that communities can use to meet the deadlines of this legislation. This group is also attempting to work with IHDA to develop better definitions and timelines for adhering to the spirit and intent of the law.

If you would like more information on the Act, access the Illinois General Assembly website at [www.legis.state.il.us](http://www.legis.state.il.us). If you're interested in the work of the consortium, please feel free to contact me, at 630-837-0200, or Beth Dever with the Metropolitan Mayors Caucus, at 312-201-4507.

*DeKalb County Regional Planning (Continued from page 10)*

Also indicative of the continued desire to coordinate on issues of regional importance is the fact that the County and member municipalities determined to continue the Regional Planning Commission beyond the end of the unified comprehensive plan. Representatives from the cities and villages concurred that the organization had value as a forum where news of development, growth and changes taking place in the individual communities could be exchanged, where issues of regional importance could be discussed and common approaches developed, and where experiences and resources related to managing development could be shared. Unlike the first two years of its existence where the County funded the operation of the Regional Planning Commission, for the coming year that funding is being provided by contributions from each of the participating municipalities.

The future of DeKalb County, its cities, and its agricultural industry and heritage remains uncertain. No one claims to have an unclouded crystal ball, and there are factors that will influence development that are beyond government control. But the unified comprehensive plan project stands out as a unique and positive example of cooperation and coordination by the units of local government on issues of regional importance. As long as the elected and appointed officials continue to plan together, they have a much better chance of directing what grows in the farm fields of DeKalb County.

*Paul R. Miller, AICP is the director of the DeKalb County Regional Planning Commission*

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## Village takes it slow on new housing law

By KIMBERLY FORNEK  
STAFF WRITER

Long Grove's village attorney recently advised the village Plan Commission to take small steps toward meeting the requirements of the state affordable housing law.

The state is requiring municipalities in which at least 10 percent of the housing stock is not available at the "affordable" buying price of \$123,000 or for the monthly rent of \$775 to meet criteria by April 1 designed to increase the amount of affordable residences.

Village attorney Julie Tappendorf recommended the Long Grove Plan Commission determine "what are the small goals Long Grove can put together to show we are working toward the (larger) goal."

"I know this is difficult," she said.

But, Tappendorf added, "I don't think anyone disputes that affordable housing is a good thing."

Plan Commissioner Camy Gould said the housing requirement runs counter to Long Grove's philosophy of fostering open space and large residential lots, the purpose of which "is not to keep people out, but for environmental reasons." A law that requires homes be built in Long Grove to sell for \$125,000 would require much denser development.

"I fundamentally have an issue with that," Gould said. "It's changing what Long Grove is about."

"It doesn't make sense in our village," agreed Karen Schultheis, another member of the Plan Commission. "We are being forced to change when there is no outcry."

"We have an obligation to protect our homeowners' value," said Commissioner Nicholas Fasano.

Commissioner Joseph Di Iorio observed that a vacant lot in Long Grove sells for more than \$125,000. People who want to move into the Ravenna subdivision being built on the former site of the Indian Valley Golf Course are paying \$700,000

to \$800,000 for houses on a quarter-acre lot, he said. "And their back yards are on (state) Route 83."

Other members of the Plan Commission, including Robert Jenkins and Eduardo Acuna, defended the spirit of the law.

"It's not a bad thing to introduce diversity to the community," Acuna said.

Jenkins observed that a person's income generally doesn't indicate what kind of person they are.

But commissioner Lisa Phillips argued, "We don't have the infrastructure to support" multifamily housing or houses on small lots. "We don't have sewers, we don't have public water."

Most of the residents in Long Grove use septic fields and wells.

"You can't put a septic field on a quarter-acre lot," Phillips said. And she questioned the fairness of installing sewer and water pipes for "affordable" housing units.

"This village has not afforded that (service) to its residents," Phillips said.

Richard Koenig, a Long Grove resident who attended the Plan Commission meeting, offered to help the commission develop a housing plan. The executive director of a nonprofit agency that supports affordable housing, Koenig said the intent of the law is for municipalities "to make a good-faith effort" to find housing opportunities for lower-income people.

"That includes seniors, people who work in the community but end up commuting for hours to get to their jobs, and young families," Koenig said.

The state, according to Koenig, "puts the standard out there. You do the plan, and the plan gets you to think about opportunities that you never thought of before."

Tappendorf advised that village staff should first compile an inventory of potential buildings or land that could be used for affordable housing. The Plan Commission is expected to continue discussing the issue at its Nov. 2 and subsequent meetings.

## Trick-or-treat hours set

Village officials ask parents and children to limit their Halloween trick or treating to between 2 p.m. and 7 p.m., Sunday, Oct. 31. Parents also are encouraged to accompany their children or have another responsible adult accompany their children as they go from house-to-house trick or treating.



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# Long Grove picks possible 'affordable' housing sites

By KIMBERLY FORNEK  
STAFF WRITER

To comply with state law, Long Grove officials are trying to figure out where moderately priced homes can fit in their community. So far, they have identified three possible spots near the village's borders.

A state law passed in 2003 requires at least 10 percent of every municipality's housing units be "affordable." In Cook and Lake counties, a sale price of about \$125,000 or a monthly rent of \$775 meets the state's definition of an affordable home, based on the area's median income.

Long Grove was one of 49 area towns recently identified as not meeting the 10 percent minimum. The first requirement for the 49 towns is to submit to the Illinois Housing Development Authority by April 1 a plan on how they will increase affordable housing in their communities.

"In order to have an effective plan, we have to identify specific parcels," Village Attorney Victor Filippini told the Long Grove Village Board last week.

The village Plan Commission studied the issue and Long Grove's comprehensive plan and recommended three sites: The intersection of Old Route 53 and Lake-Cook Road, a portion of which Menards now has under contract for a home-im-

**All this does is nominate the sites. None of this changes the zoning.**

**Village President Tony Dean**

provement store; an area south of Midlothian Road and west of the intersection of state routes 83 and 60 at the northern end of the village; and the northwest corner of Old McHenry Road and Old Route 53.

But Village Trustee Stephanie Hannon had reservations about including the last site on the short list because of the traffic volume already in the area. Affordable housing indicates a higher density than the typical Long Grove lot, which is an acre or more. If an apartment complex or condominiums were built at Old McHenry and Route 53, "you could be adding 200 more people" to the area, Hannon said.

"We have so much traffic in this general area already," she added. "The cars on Old McHenry (heading north) are backed up all the way to Cuba Road."

Hannon said drivers cut

through the Country Club Estates subdivision where she lives to shorten their trip.

"They are trying to get to 53, and there are only a few ways to do it," she said.

Village officials have argued the village lacks a water and sewer system that would be needed to serve higher-density apartment and condominium developments that would help the village meet its affordable-housing quota. And members of the Plan Commission during their discussions expressed skepticism that developers would build houses in Long Grove to sell for \$125,000 or less.

But Village President Tony Dean reminded the Board that the first step toward compliance is simply formulating a plan.

"All this does is nominate the sites," Dean said. "None of this changes the zoning."

Nothing in the housing plan entitles someone to get the zoning on a site changed to a higher density or other category, Dean said.

"We won't lose our zoning autonomy. We just won't. To me, this is a smart plan," he said. "We certainly don't want to tell the (housing authority) we think it's impossible, go fly a kite."

The Village Board will evaluate the housing plan further before submitting it to the state.

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# Smolin will not seek re-election to District 21 School Board

By CASEY MOFFITT  
STAFF WRITER

Ron Smolin has decided to move on from his duties on the Wheeling Elementary School District 21 Board and not seek a third term in the April 5 election.

Candidate filing ended Jan. 25, and Smolin said he believed it was time for him to pursue other endeavors and let someone new sit on the board.

"I have no regrets," he said. "I think a lot of good things happened on the board during the last eight years."

Smolin was on the board during some tumultuous times for the district. As a board member, Smolin helped lead the district through a school boundary change, hire a new superintendent and conduct three successful referendum campaigns. Those referendums included acquiring a

property tax rate increase and securing more than \$21 million to repair all 12 district school buildings.

"We had our ups and downs, but I thought we did real well through those eight years," Smolin said. "I want to wish good luck to the next four who will be part of the School Board."

Smolin has a daughter in the eighth grade at Holmes Middle School. He also has a son enrolled at DePaul University who was educated through the District 21 system. He said he decided to run for the board in 1997 to serve the community.

"I ran because I had a lot of pride in the district," he said. "It was a big part of my life, and being part of the decision making with a group of colleagues was a great experience."

Smolin said he plans to continue to follow the goings-on of the district and will continue to serve the community as an election judge.

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**ARTICLES REGARDING ALTERNATIVE VIEWS ON AFFORDABLE (WORK FORCE) HOUSING**

# Affordable Housing Act Housing advocates to address real needs ignore the law's flaws

State Rep. Julie Hamos, D-18th, was a sponsor of the Affordable Housing Planning & Appeal Act.

By REP. JULIE HAMOS

**T**he new Affordable Housing Planning & Appeal Act was developed after research, analysis and public hearings confirmed that there are severe housing shortages that affect every community in Illinois.

## PRO

Housing costs have increased so dramatically that the people who have spent their lives in a community are now being priced out of housing there. Workers cannot afford to live in the towns where they work. Who are these people? Not strangers - but seniors, their grown children with their young families, and the teachers, police officers, firefighters, nurses and social workers who are part of the fabric of our communities.

The Affordable Housing Planning & Appeal Act encourages municipalities to select from a menu of options to create moderately-priced housing opportunities for middle-income buyers who earn "80 percent of area median income" or \$57,000 for a family of four. The law has absolutely nothing to do with public housing or Section 8, as some have misrepresented.

The law promotes local control and decision-making, quite the opposite of what the opponents are claiming. The key goal of the law is for municipalities to develop their own housing plan based on the unique character of their community. Only where no plan has been adopted will a newly created Housing Appeals Board, beginning in 2009, have the right to review certain local decisions

regarding developments that exclude affordable housing. For municipalities with a plan, the Housing Appeals Board will have no jurisdiction.

A similar law has worked for 30 years in Massachusetts, where over 30,000 units have been developed for this middle-income bracket, all in affluent villages and towns comparable to those here. These units have been incorporated into well-maintained luxury condos and townhouses, indistinguishable on the outside from other "market rate" units - with residents who are also indistinguishable as they go about their daily lives. Studies have shown that there is no negative impact on surrounding property values.

The state's new housing policies are premised on the notion that the participation of every community is needed to address our housing needs. The Affordable Housing Planning & Appeal Act focuses on those communities that have less than 10 percent "affordable housing." Since about 1,250 communities statewide already meet this threshold, only 49 communities are currently affected by this law.

The law was the bipartisan product of negotiations among organizations representing municipalities, civic and advocacy organizations, business groups and legislators. Well-attended public hearings were held throughout the state, including in Wilmette organized by the Interfaith Housing Center of the Northern Suburbs. Hearings on the future of the Mallinckrodt campus further demonstrated the need for moderately-priced housing for seniors - opposed by some of the same people who now oppose this new state law.

I hope that the ensuing process will be based not on misinformation and distortion, but on facts, information and innovative planning within the spirit of the new law.

Anne Leary is the president of New Trier-Neighbors, an organization opposed to the Affordable Housing Act.

By ANNE LEARY

**F**air governance is perhaps the most precious product of an open and thriving democracy. Citizens work to continue the balance and fairness of government by voting, volunteering and through attention to important issues. It is the duty of responsible citizens to promote good governance at every opportunity - even in the face of unjust opposition.

## CON

In the case of the new Illinois Affordable Housing law, good governance is being threatened under many pretexts. Unfortunately, instead of our elected officials protecting our villages and towns, it's up to local residents to fight to protect our personal and property rights.

This is a severely flawed and unfair law. It strips control of local zoning from villages, placing over-riding authority in a governor-appointed board. This board can operate where and when it sees fit, issuing arbitrary decisions with no input from local communities or residents.

The state dictates the number of new dwellings to be built or acquired, but doesn't say how to comply. And the state is offering virtually no financial support in order to build these developments. The state makes the law but village residents will pay for it.

Worse than the alarming possibilities, this statute does not address the problems it intends to fix. Through the dramatic increase in taxes, the law actually makes it

harder for low-income residents and fixed-income seniors to stay in their current homes. By driving out current low and middle income residents, the law creates a wider gap - economic polarization - between low-income to wealthy. By demanding huge increases in housing availability, this law demands large developments for built-out, "landlocked" communities - areas where open space is virtually non-existent.

Hundreds of North Shore residents turn to their local governments for answers to innumerable questions: higher taxes, greater density, large development sites, loss of zoning control. Local officials have no answers.

Even the Illinois Department of Housing Administration - the body charged with overseeing execution of the law - has no idea how it can be implemented. Proponents of this law refuse to consider its flaws and errors, casting opponents as racists or snobs.

The people who oppose this law are not racists or snobs. They are a diverse group of hard-working taxpayers who contribute to their communities, care for their families and cherish fair government. They are people who view the larger and damaging effects of this law and are confounded by it. They do not want a state appointed board dictating high-rises in their villages; they respectfully oppose unfair laws and the rationale used to implement them.

Worst of the many problems this law entails is the failure of our elected officials to open this process to the general public. By failing to engage affected communities in dialogue during the drafting process of this law, by placing the needs of special interest groups ahead of residents, our state legislature has neglected its primary function - to accurately and forthrightly protect the needs of their entire constituency.

## LETTERS

Continued from page 12

### Kirk lets seniors down

Highland Park/Seniors on Medicare are being very badly served by U.S. Rep. Mark Kirk.

He voted for Bush sponsored legislation that specifically denies the right of Medicare to bargain with drug companies to lower the costs of life saving

medications for seniors and in sharp contrast encourages other federal agencies and private health organizations to negotiate with these same companies to lower their costs

for drugs.

These same seniors are further abused by being denied the right to purchase their medications from a registered and licensed pharmacy in Canada at costs that are as low as 50 percent less than costs here in the United States. Such purchases are outlawed by the Bush administration.

On this issue alone, although there are others, he doesn't deserve senior support for his reelection to Congress. His committee will vote on this bill on November 1. Here are just two examples of the difference in these prices. A 30-day supply of a 20 mg statin (Lipitor) in

Canada costs just \$70. In the U.S. the cost is about \$110. Similarly, a 30 day supply of an urgently needed major blood pressure 10 mg drug (Altace) costs \$37 in Canada and in the U.S. the cost is \$61.59. The State of Minnesota investigated and approved this Canadian source and there are many others. Our own governor is supporting legislation to permit such purchases.

The Canadian figures are from the Web site [www.AmeriCanMedis.com](http://www.AmeriCanMedis.com) which has been recommended and inspected by the State of Minnesota. Their phone number is 1 (800) 469-0955. Their maximum

mailing charge for the purchase of a number of medications is \$12, delivery is about 10 days.

Nathaniel Friedman

### Music Store thanks community

Deerfield/The Village Music Store in Deerfield has completed its successful Summer Concert Series held in the Starbucks-Red Star Plaza in downtown Deerfield and it's time for "Thank You's."

Thanks to Darcy Tapper at the Prime Source Center for providing the space and facilities.

And thanks to the performers who provided the great music for the 8 concerts ... the Big Band Sound of Deerfield, the Traveling Folk Music Show, the Burn Rome Burn rock band, Rebecca Nixon and her band Dream, the Smooth Jazz Group, and the Cabana Band. The audiences were great and we appreciate their support and enthusiasm.

The Village Music Store is completing its 41st year in Deerfield and we are happy to have provided this summer entertainment by our teaching staff to our many friends on the North Shore.

Bob Gand

# Towns want local control

BY JOHN ROSZKOWSKI  
STAFF WRITER

Although Kenilworth has a population of only about 2,500, it is required to come up with a plan to provide affordable housing under a new state law.

With median home prices exceeding \$1 million and little vacant land available for new development, Kenilworth officials wonder whether such a plan makes sense for their community.

"Kenilworth is a small community with no available land. By far the most common development (option) is single family teardowns and rebuilds and given the land economics here, I'm not

quite sure how we address the affordable housing issue," said Max Slankard, village manager of Kenilworth.

A total of 49 Illinois towns, including Kenilworth, are on the Illinois Housing Development Authority's non-exempt list and under the Affordable Housing Planning and Appeal Act must come up with a plan to provide more affordable housing by April 2005.

Many of the towns on the list fear the consequences of the law. By far the biggest fear is loss of local control.

Non-exempt communities that fail to adopt or adhere to a plan will be subject to a newly created State Housing Appeal Board that can review developers' ap-

peals of local government zoning decisions that impact proposed affordable housing developments. The board will begin hearing appeals in 2009.

"It takes local control away from the municipalities and places it down in Springfield," said Chris Martin, assistant city manager for Lake Forest. "That's a big issue for a community like Lake Forest that prides itself on maintaining its community character and the diversity of its housing stock. We feel it's not really necessary for the state to step in and mandate a number of (affordable housing) units."

Lake Forest has 339 affordable rental and single-family housing units in the

city. It would need an additional 329 units to meet the 10 percent threshold set forth in the act, Martin said.

Tim Clarke, community development director for the village of Lincolnwood, said providing affordable housing is "a noble concept" but thinks the law as written is flawed.

One of Clarke's major concerns is where new affordable housing would be located in Lincolnwood since most of the community is already built out. He said the most likely locations for affordable housing would be vacant industrial or commercial properties.

"An unintended consequence (of the law) is..."  
(Continued on page 14)

## Towns model successful housing programs

BY JOHN ROSZKOWSKI  
STAFF WRITER

Rocky and Stella Flores have wanted to buy a home in Highland Park for some time but did not think they could afford it because of the high cost of housing in the community.

The Flores, who live in an apartment, were looking for a more permanent home for their two children. With help from the Highland Park Illinois Community Land Trust, one of the community's new affordable housing initiatives, the Flores family will be moving into a new townhouse on Temple Avenue.

"We could buy a home in another town, but we don't want to leave Highland Park," said Rocky Flores, who works in Highland Park as a maintenance worker in the city's public works department.

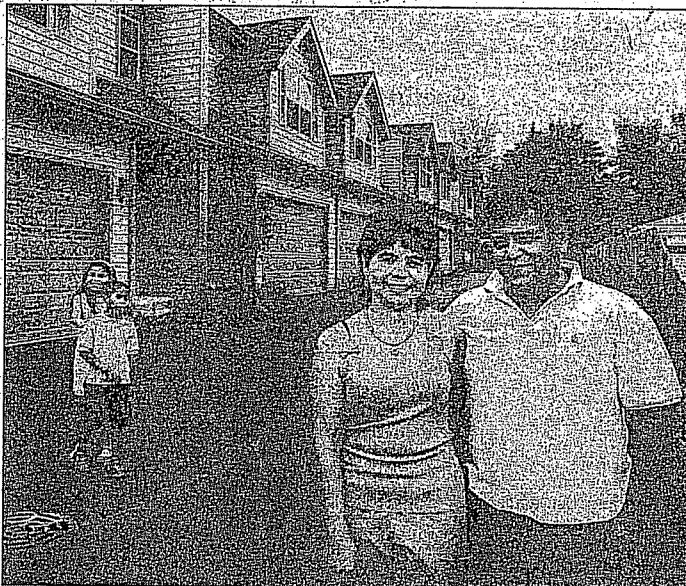
Many suburban towns, such as Oak Park, Evanston and Arlington Heights, have had affordable housing programs in place for years, funded largely by federal and state housing dollars. Those communities are exempt from the new affordable housing law because more than 10 percent of their housing stock is deemed affordable by the Illinois Housing Development Authority.

And Highland Park, though on the non-exempt list, is still ahead of many others in planning for affordable housing. These towns have served as a model for those on the list.

"The village of Oak Park has been active in the area of affordable housing for probably close to 50 years," said Edward Solan, executive director of the Oak Park Housing Authority.

The Oak Park Housing Authority administers federal housing assistance programs including the Housing Choice Voucher Program, formerly known as Section 8, which provides rental subsidies to help low-income residents lease privately owned apartments. The housing authority also owns and operates three multifamily apartment buildings for elderly and disabled residents, also supported by federal housing funds.

Solan is also director of the Oak Park Residence Corporation, a not-for-profit organization that develops affordable housing in Oak Park. The organization,



Diana O'Mahoney/Staff Photographer

Stella and Rocky Flores hope to move into their new Highland Park home at the end of the month. The Flores family have wanted to buy a home in Highland Park for some time, but couldn't afford it. With help from one of the community's new affordable housing initiatives, however, the couple and their two children are moving from their apartment.

with help from the city and federal funds, has acquired and rehabbed more than 20 multifamily housing buildings and manages 15 apartment buildings containing 360 rental units, many of which are affordable units.

Arlington Heights participates in a state grant program that helps first-time home buyers purchase a new home.

### Arlington helped 55

"Since we started the program in 1996, we've assisted 55 home buyers in purchasing their first home that they may not have been able to do otherwise," said Charles Witherington Perkins, director of planning and community development for Arlington Heights.

Wright House is another example of the city's affordable housing success sto-

ries. The city recently assisted a not-for-profit organization in acquiring an apartment building and rehabbing it for low- to moderate-income housing.

The city also administers the federal single family rehab program that assists low- and moderate-income residents in Arlington Heights in making needed home repairs, Perkins said.

Evanston recently used federal housing funds for a project to help convert a 24-unit apartment building on Clyde Avenue into 12 condominium units for low-income residents, said Donna Spicuzza, housing planner for Evanston.

The community directs other funds from the U.S. Department of Housing and Urban Development into projects, and the mayor has special housing funds used to assist low-income tenants with rent and rehabbing multi-family buildings, Spicuzza said.

Spicuzza said about 26 percent of the housing stock in Evanston has been deemed affordable, thus exempting the city from provisions of the new state law.

"There's a lot of student housing and single family housing that meets the needs of first-time home buyers and low- to moderate-income residents. We've traditionally had a diverse housing stock and a diverse population, and we're interested in preserving that diversity too," she said.

Highland Park adopted an affordable housing plan in 2001. One of the plan's recommendations included establishing a housing trust fund to assist affordable housing developments in Highland Park. The fund was created through a special \$10,000 tax on teardowns and has already collected about \$900,000 for affordable housing projects in the community, said Lee Smith, senior planner for Highland Park.

The Highland Park Illinois Community Land Trust, a not-for-profit 501(c)(3) corporation, was created in March 2003 as an outgrowth of the city's efforts to provide more affordable housing, said Mary Ellen Tamasy, the organization's executive director. It has used money from the trust fund to subsidize six affordable townhouse units on Temple Avenue for low- to moderate-income families. The Flores family will be living in one of those townhouse units.

Highland Park also established the state's first inclusionary zoning ordinance in August of 2003, which requires 20 percent of the units of any housing development of five units or more to be set aside as affordable housing, Smith said.

The challenge to provide affordable housing can be greater in other communities like Highland Park, where housing prices are very high and there is little land available for new development.

In 2002, the median home price in Highland Park was \$430,000, Tamasy said, which makes it very difficult for even someone making a moderate income to afford buying a home in the city.

"I always say if affordable housing was easy, I wouldn't have a job. It is scarce in this area. You have to bring a lot of people to the table to make it happen," she said.



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**Control** *Continued from page 11*

law) may be an exodus of industry for affordable housing because in a community like Lincolnwood, those are the most logical locations for affordable housing. Ultimately, what you might end up doing is replacing jobs with affordable housing," he said.

Also, any kind of new housing development can increase the burden on schools and local services such as police and fire, Clarke said.

"The local school district is concerned about any increase in housing units in the community. Every child, whether they're from a wealthy family or a low-income family, produces cost for the school district because of the cost of education," Clarke said.

Tim Schuenke, city manager of Park Ridge, said he does not think the law will have a significant impact on Park Ridge because already close to 8 percent of the town's housing stock is considered affordable. But he does agree with those who criticize loss of local control.

"I understand the premise of having affordable housing for people who work in town to be able to live there. That is certainly a worthwhile goal," Schuenke said. "I do think it's erroneous in the fact that it's another state mandate without any funding."

One positive aspect of the

law, however, is it may get communities thinking about ways to provide affordable housing.

"The good thing is it brings the issue of affordable housing to the forefront and kind of forces the hand of some of these communities to deal with the issue," said Michelle Guericke, a senior planner for Lake County.

Some affordable housing advocates think the law will have a positive effect and believe many of the fears are unfounded.

"I think it's a beginning. It sends a message to communities that affordable housing is, both needed, valued and expected," said Lisa Tapper, executive director of the Affordable Housing Commission of Lake County, a non-profit affordable housing agency that serves the county.

While acknowledging some aspects of the legislation may need to be ironed out, Tapper said it's a mistake to think property values will decline or schools will be unnecessarily burdened if more affordable is offered in communities.

"I don't think it has a negative impact on property values," she said. "Property values have increased all across the board in Lake County, from those units that are considered affordable to high-end units."



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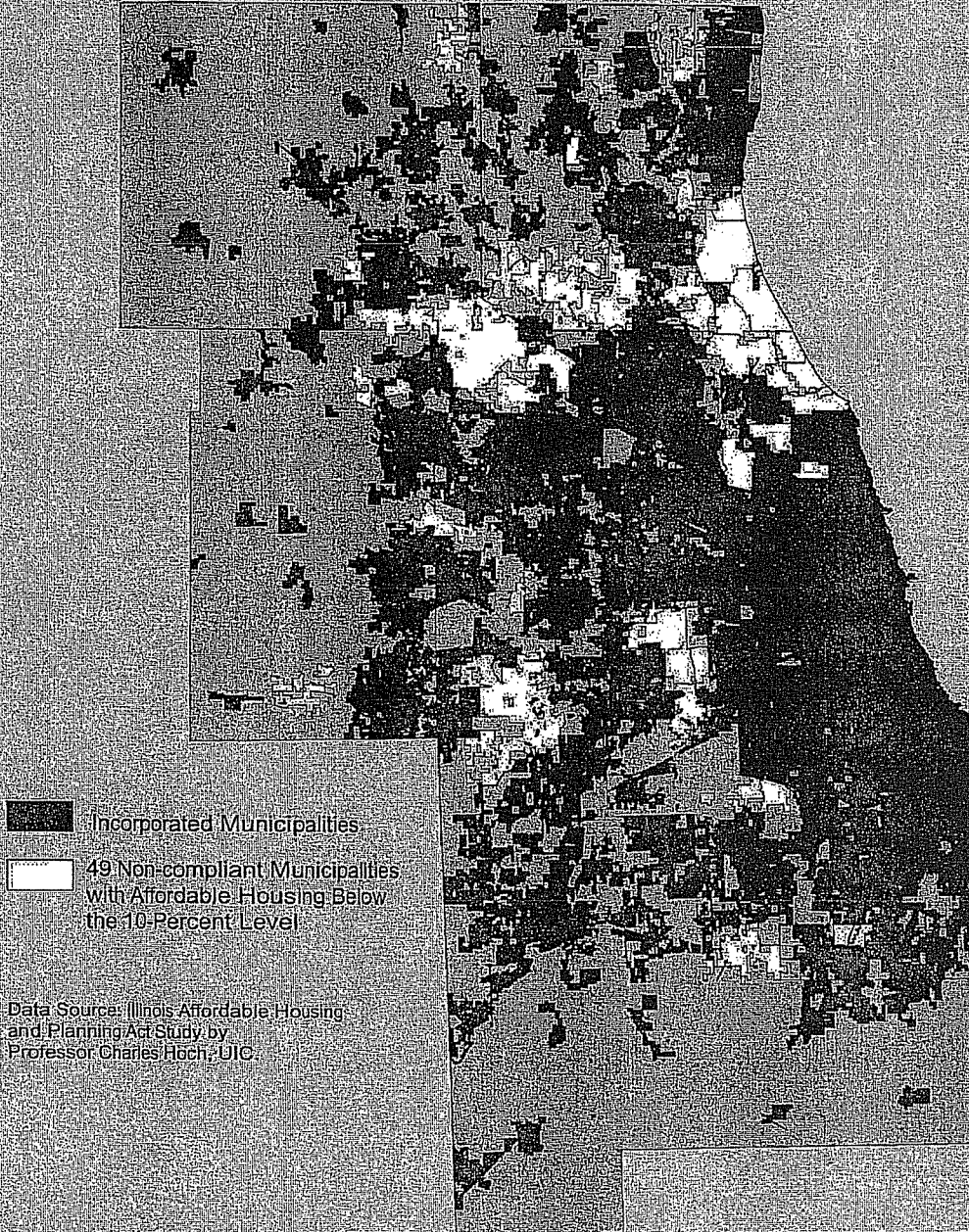
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# Suburban Response Illinois Affordable Housing and Planning Act

**UIC** Chicago Metropolitan Region



Data Source: Illinois Affordable Housing  
and Planning Act Study by  
Professor Charles Hoch, UIC



## Suburban Response to the Illinois Affordable Housing and Planning Act

Read the entire report at the Great Cities Urban Data Visualization Lab website: [www.uic.edu/cuppa/udv](http://www.uic.edu/cuppa/udv)

### Housing Inequality in the Suburbs

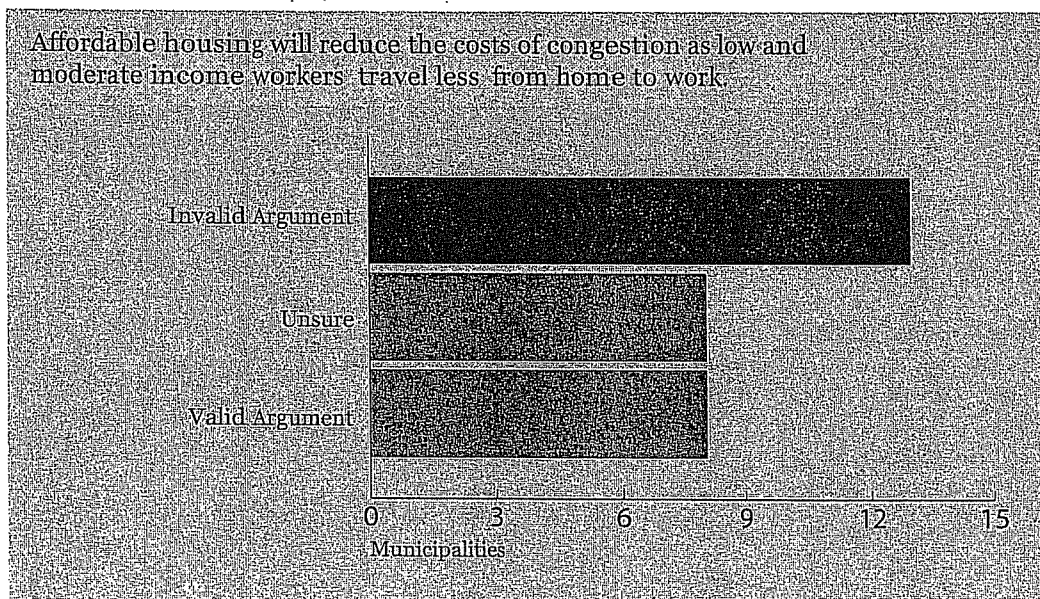
Affordable housing is difficult to purchase or rent in many Chicago suburbs. When municipalities adopt land use regulations that restrict parcel size and dwelling type, they eventually may exclude low-, moderate-, and even middle-income buyers. This practice intensifies the segregation of home values into stratified municipalities across the entire regional housing market. At the high end, municipalities with marketplace cachet (e.g., Oak Brook or Winnetka) use their authority to maintain and enhance prosperity. At the low end, municipalities struggle to improve market attractiveness with few fiscal resources and many needy residents (e.g., Ford Heights or Maywood). Most municipalities fall somewhere between the two extremes.

### A Mandate to Reduce Inequality

On January 1, 2004 the Affordable Housing Planning and Appeal Act (P.A. 93-595/P.A. 93-678, cited as 310 ILCS67/) came into effect in the State of Illinois to increase the supply of housing for low- and moderate-income families in every local jurisdiction. Last August, the Illinois Housing Development Authority (IHDA) identified 49 Chicago suburbs that do not have enough affordable housing to pass the 10-percent compliance level. These municipalities have until April 2005 to make and adopt an affordable housing compliance plan. The mandate places responsibility for additional affordable housing on local municipalities with little motivation or experience in housing for moderate- and low-income residents.

### Local Responses to the Mandate

Officials for 29 of the noncompliant municipalities responded to a phone interview conducted by Professor Charles Hoch in the Urban Planning and Policy Program at University of Illinois at Chicago. According to the survey results, many officials believe affordable housing would enable city employees to live close to work, but many doubted that affordable housing would reduce traffic congestion or the stigma of affordable housing. These officials find themselves squeezed between local autonomy and state authority. The fact that so many declined to participate in the survey signals local concern about complying with an unpopular mandate.



Suburban Response

Illinois Affordable Housing and Planning Act

Making Affordable Housing Plans

As of January 2005, many suburbs had assessed their prospects for compliance, but only half had started making plans. Municipalities lack vacant land, and they face high land values that increase the subsidy needed to make affordable housing economically feasible. Some home-rule municipalities hope to elude the mandate by arguing that their status makes them ineligible. Others challenge the IHDA classification, arguing that more accurate calculations put them in compliance.

Expectations and Realities

The mandate has put affordable housing on the agenda of local municipalities, but realistically, they cannot fulfill the mandate. If all noncompliant municipalities were to meet the 10-percent requirement tomorrow, the 7100 new affordable dwellings they provide would supply only a small portion of the growing demand.

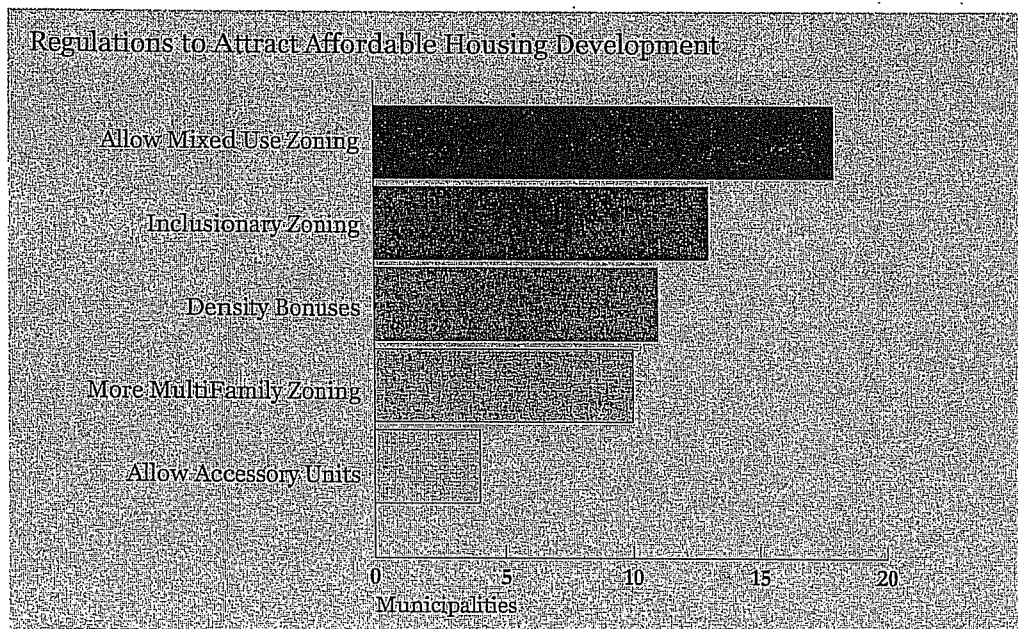
Ironically, the most exclusive municipalities with the largest affordability gap can do little to close the gap in the short term. Highland Park, a quite prosperous municipality, adopted an especially innovative affordable housing plan five years ago. Their task of meeting affordable housing goals has proven more difficult than expected due to high land values and the lack of vacant land.

The mandate proponents hope noncompliant municipalities will tap new sources of revenue, such as local housing trust funds, to subsidize affordable units. But these municipalities will also seek funds from regional, state and federal sources, and their success will reduce the funds available to others building in less expensive locales.

Planning the Long View

There are ways to make mixed-use, mixed-income subdivisions fit attractively within the landscape of prosperous neighborhoods. To pursue these alternatives, however, local officials and residents in neighboring suburbs must envision affordability as a source of value.

Local municipal officials have already formed regional associations like the Barrington Area Council of Governments (BACOG) and the DuPage Mayors and Managers Conference (DMMC) that voluntarily collaborate on issues that span municipal boundaries: annexation agreements, water resource management, and transportation plans. Officials should use the affordable housing mandate to encourage agreements across a geographic area large enough to make affordable housing feasible.



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## The Affordable Housing Planning and Appeal Act—The new Illinois affirmative action housing program

By Ronald S. Cope, Chicago

The Affordable Housing Planning and Appeal Act became effective January 1, 2004. 310 ILCS 67/1 *et seq.* This Act requires that all local governmental bodies having zoning authority provide that at least 10 percent of their year-round housing units constitute affordable housing. Affordable housing under the Act means moderate- or low-income housing. If a municipality fails to meet this standard, then it must submit a plan to the Illinois Housing Development Authority showing how it will come into compliance. In addition, if a developer of low- or moderate-income housing believes that he or she was "unfairly denied or unreasonable conditions were placed upon approval of a development, that developer may appeal the decision of the local governmental body to a newly-created State Housing Appeals Board challenging the decision. This newly-created Board would then have the power to "affirm, reverse, or modify the conditions of, or add conditions to, a decision made by the approving authority." In short, this Board would take over from local government zoning authority as it relates to low- and moderate-income housing. This affirmative action plan to mandate low- and moderate-income housing in every jurisdiction is extremely far-reaching.

As initially passed, the Act would have required municipalities to prepare a plan to be submitted to the Illinois Housing Development Authority by July 1, 2004 (§ 25.) This time frame is obviously impossible and the sponsors of this Act are now in the process of seeking an amendment which would give municipalities until April 1, 2005 to complete this work. Even using this new date, such a requirement is extremely ambitious.

### The real purpose of the Act

On its face the Affordable Housing Planning and Appeal Act states that "there exists a shortage of affordable, accessible, safe, and sanitary housing in the State." However, the Illinois Municipal League in Legislative

Bulletin 2003-21 states the following:

Over 95 of 102 counties and approximately 1,140 of 1,298 municipalities are exempt from this legislation because they meet the minimum requirements found in this Act.

Therefore, the overwhelming majority of local governmental bodies within the State are exempt from the legislation because they meet the Act's standards. A more recent update of data provided by the Illinois Municipal League suggests that only 80 municipalities are not in compliance with the Act. Significantly, the largest municipality in the State, Chicago, is not listed as needing to come into compliance with the Act.

One of the arguments stated by the proponents of this legislation is that it offers the opportunity to require housing for persons who work for the municipalities such as police, fire personnel and others. In this connection, it is good to remember the definition of "affordable housing." It means "housing that has a sale price or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. If one takes the median income for the Chicago metropolitan area as of the 2000 census of \$51,680 and takes 80 percent of that number, in order for the household to qualify, its earnings would have to be \$41,344 or less. Comparing that number with the salaries reported to be paid by municipalities that are not exempt under the Act, it is hardly likely that many households made up of employees of the municipalities shown not to be exempt would qualify for affordable housing. So it is not likely that this Act will benefit persons working for the municipalities which are not exempt.

The Act seems to have more social than economic implications and appears to be aimed at municipalities with high-income households and expensive single-family homes. In short, it appears to be more of an eco-

conomic integration program targeting the wealthy suburbs than having any real connection with providing affordable housing or locating low-income wage earners near available jobs.

This issue has a history dating back to *Metropolitan Housing Development Corporation v. Village of Arlington Heights*, 429 U.S. 252 and on remand, 558 Fed.2d 1283 (7<sup>th</sup> Circuit 1977). In this case, the District Court found that the Village's motivation in denying the application for rezoning for low-income housing was based on its concern for property values and the integrity of its zoning plan and that there was no act of invidious discrimination that would require the showing of a compelling state interest to uphold the zoning. The Seventh Circuit Court of Appeals reversed. 517 Fed.2d 409 (7<sup>th</sup> Circuit 1975). In doing so, the Court sought to assess the Village's decision in light of its historical context and ultimate affect. The Court found that Arlington Heights had exploited a long history of segregated housing patterns in the metropolitan area by failing to integrate its community and was attempting to avoid its responsibility by rejecting "the only present hope of making even a small contribution toward eliminating the pervasive problem of segregated housing." This decision of the Seventh Circuit Court of Appeals held that Arlington Heights had an affirmative duty to alleviate the problem of segregated housing. The United States Supreme Court, in reversing the Seventh Circuit, stated:

Our decision last term in *Washington v. Davis*, 426 U.S. 229 (1976) made it clear that official action will not be held unconstitutional solely because it results in a racially disproportionate impact.

"Disproportionate impact is not irrelevant, but it is not the sole touchstone of an invidious racial discrimination." *Id.* at 242. Proof of racially discriminatory intent or purpose is required to show a violation of the equal protection clause. 429 U.S. at 265.

There was no evidence which required a finding that Arlington Heights had administered its zoning policy in a discriminatory manner. Therefore, there was no constitutional requirement of providing for low- and

moderate-income housing, even where the effect of not providing for that housing perpetuated racially segregated housing.

In New Jersey, the New Jersey Supreme Court tried a different tack and held that under that state's Constitution, the Township of Mount Laurel had an obligation to act affirmatively to alleviate segregated housing patterns and to set aside certain amounts of land for the encouragement of low- and moderate income housing. *Southern Burlington County NAACP v. Township of Mount Laurel*, 67 N.J. 151, 336A2d 713 (1975). Indeed, the New Jersey Supreme Court, in a remarkable display of judicial activism, decided that the entire region had an obligation to provide for low- and moderate income housing. Interestingly, this decision had little effect on encouraging municipalities to fall into line with the policies of the Court. Instead, it became necessary in the case of Mount Laurel II, *Southern Burlington County: NAACP v. Township of Mount Laurel*, 92 N.J. 158, 456A2d 390 (1983), for the New Jersey Supreme Court to take further action. In a 248-page opinion, the Chief Justice reaffirmed the court's earlier *Mount Laurel* holding and then set about to judicially legislate what the court believed to be the necessary affirmative measures to realistically provide for low-income housing. In that case, the court established panels of trial judges to oversee housing needs for particular municipalities as well as special masters (fact-finders to serve the court) to assist in this operation.

Here in Illinois, it is a majority of the State Legislature which has taken up the reasoning of the New Jersey Supreme Court and the views of the plaintiffs in the *Metropolitan Housing* case and has mandated municipalities to engage in affirmative action toward integration. The Affordable Housing Planning and Appeal Act is an affirmative action housing plan to achieve the same ends denied by the federal courts. The new Act reflects this same theme of seeking to obtain low- and moderate income housing scattered throughout suburban areas by requiring that such housing be built throughout the State, with each suburb taking on its "fair share" of such housing. Under this new Act, there is obviously no need to prove that segregated housing is a result of an intent to discrimi-

nate. Instead, the legislature is simply putting the burden on each municipality to take action to promote integration and, if it fails to do so, upon a complaint by a "developer" to have a super zoning board of appeals created by the State, order that such integration take place.

### Home rule

The Act does not specifically preempt home rule. While there are arguments being made by the Illinois Housing Development Authority that the Act was intended to preempt home rule, the Act does not contain the preemption language. Under the Illinois Constitution (Ill. Constitution Article VII, Section 6(g)) the General Assembly may pass a law which preempts home-rule municipalities. However, the cases hold that the General Assembly must include an explicit statement restricting the power of home rule municipalities. See *Scadron v. City of Des Plaines*, 153 Ill.2d 164, 187 (1992). The Act does not contain any such specific language. Therefore, as the Act is presently constituted, it does not apply to home rule units. The General Assembly would have to preempt home rule authority by a 3/5 vote (Ill. Constitution Article 7, § 6(g)). Therefore, home rule municipalities are not required to comply with the Act.

### What must a non-exempt municipality do?

#### a) Do a survey

First, the municipality must do a survey of all housing units within its borders and then determine which of those units qualifies as affordable housing. Under the 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." Moderate-income housing is defined as "housing that is affordable, according to the Federal Department of Housing and Urban Development for either home ownership or rental, that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50 percent but does not exceed 80 percent of the median gross household income for households of the same size within the county in which the housing is located." Low-income housing is defined as "housing that is affordable, according

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

At the initial stage, the municipality is required to determine the total number of affordable housing units necessary to exempt it from the Act. It is up to the municipality to conduct this survey and to, apparently, assign personnel within the municipality to carry out the mandate of the Act. Beginning October 1, 2004, the Illinois Housing Development Authority is required to determine which local governments are exempt.. from the operation of... the Act... "

### b) Make up a plan

In addition to doing the survey, and, perhaps more difficult, is the requirement of identifying properties 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..." This, of course, requires a process very similar to the process a municipality follows when it prepares a Comprehensive Plan. Many communities are already completely built so that there is very little vacant land available. Some of the vacant land may be extremely valuable industrial or commercial sites. In regard to property that may be converted or would be suitable for rehabilitation, this most clearly envisions rundown or dilapidated properties or even vacant properties. It is unlikely that the owner of an existing apartment complex within the community who has units fully-rented at market rates would be prepared to convert that building into affordable housing units. Much depends on the housing stock of the particular community.

It is clear, however, that what the State is requiring is considerable time and effort and, undoubtedly, the services of a planner and persons within the real estate community to assist in the process. In a community where single-family homes are selling at say, a minimum of \$300,000 per home and the only remaining vacant land is

either for commercial, industrial or single-family residential use, it is not likely that the municipality will be able to readily identify any of that property for affordable housing. It would require not only "identification" but a determination of converting those properties into another zoning district classification, which would allow for highly intense multiple-family residential housing. This is a costly process and it is unlikely that most municipalities have planned their budgets in such a way as to allow for this expenditure. It requires diverting funds which would otherwise be used for salaries or some other public purpose to carry out the requirements of the Act.

### c) Financial incentives

The municipality is also required to set forth "incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdiction; and [in addition set forth] a goal of a minimum of 15 percent 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 three percentage point increase in the overall percentage of affordable housing within its jurisdiction every five years as defined in Section 20 of this Act; or a minimum of a total of 10 percent of affordable housing within its jurisdiction." (S.H.A. 310 ILCS 67/25 (b)(ii)(iii)(iv)).

The following are specific financial incentives which might be employed:

- (1) Waiver of developer donation fees to schools and park districts. This, of course, would require the cooperation of the school districts and the park districts which might be extremely reluctant to waive such fees if a large number of school children or park users were to be generated from the development.
- (2) Bond financing. The bonds can be issued by the local government or through IHDA, the Illinois Housing Development Authority, which can issue the bonds on behalf of local government. There are statutory procedures set forth for the issuing of low- and moderate-income housing bonds.
- (3) Tax Increment Financing. TIFs can be created in areas which are designated as blighted areas. Under this process any incremental tax gener-

ated by the development can be used to help fund the project. The use of this financing method requires the expertise of attorneys and other consultants. Certainly in areas where a municipality is looking at the need for redevelopment because of blighted conditions, this could be a valuable tool while at the same time encouraging affordable housing.

- (4) The use of special service areas. Where a subdivision of multiple-family housing is to be created, the use of a special service area to help finance public improvements can also afford a developer substantial financial incentive.
- (5) State and federal tax credit programs. These are available to developers of affordable housing. They provide an equity contribution to affordable housing through the sale of tax credits to investors, thereby generating non-debt funds that can be added to the development's overall funding.
- (6) The Illinois Affordable Housing Trust Fund. This is administered by IHDA. This state funding source assists in the provision of affordable housing for low- and very low-income households.

### Inclusionary zoning

In addition to the foregoing financial incentives, there is a tool which has been suggested and which is being employed in various municipalities around the country, which is referred to as an Inclusionary Zoning Ordinance. This type of ordinance is very much like an affirmative action plan adopted by the municipality. Because it seems to be the principal tool being suggested by advocates of affordable housing, it needs to be addressed in some detail.

#### A. What is inclusionary zoning?

The Metropolitan Mayors Caucus has available a model Inclusionary Zoning Ordinance. The purpose of the ordinance is to seek to "fulfill the policy goal of the State of Illinois as stated in the Affordable Housing Act." It also includes other purposes, including: "to achieve a diverse and balanced community with housing available for households of all income levels as a matter of basic fairness..." The basic function of the ordinance is to require

that, wherever a development of a certain minimum number of residential units are to be constructed, that the developer must include a certain percentage of affordable housing as defined by the Act. Therefore, under the ordinance no development will be approved for construction unless the developer includes this percentage of affordable housing. For example, under the ordinance provided by the Metropolitan Mayors Caucus, any new residential development meeting a threshold number of units, for example, 10 or any substantial rehab or a condominium conversion must include a percentage of affordable housing, say, 20 percent. It is pointed out in the ordinance referred to that "communities often require 20 percent of affordable housing when a developer receives financial assistance, say, in the form of TIF funds or where there is no financial assistance, 15 percent of affordable housing units.

There is also a provision for so-called density bonuses. What this means is that if a proposed development is covered by the Act, say, it's a multiple-family development of the minimum size, a density bonus is provided equal to one regular "market-rate dwelling unit for each affordable dwelling unit." So, for example, if it is necessary for the developer to agree to include two affordable housing units within the development, the developer would be allowed to build an additional two units above and beyond what the zoning would otherwise allow. If 10 units were proposed, then the developer would be allowed to build 12 units, of which two would have to be affordable housing. Whether the additional two units make up the cost to the developer of having to sell two units at substantially below market is, of course, a question dependent upon the economics of the particular development. There might also be additional cost offsets in the form of increasing the maximum floor area ratio and the height of the development.

It might also be the case that a developer of market units would pay a fee, in lieu of having to provide affordable housing units, which would go to an affordable housing trust fund for use in assisting with the construction of affordable housing.

**B. There are at least two serious problems with the inclusionary**

**zoning ordinance.**

As has already been discussed, the Affordable Housing Planning and Appeal Act does not preempt home rule. Yet it would seem clear that only home-rule municipalities would have the authority to enact an Inclusionary Zoning Ordinance. Since home-rule municipalities are not covered by the Act, they need not enact an Inclusionary Zoning Ordinance. Therefore, the burden of enacting such an ordinance would fall on a non-home-rule municipality, yet there is nothing in the Act which cedes to non-home-rule municipalities the type of zoning authority necessary to pass an Inclusionary Zoning Ordinance. Non-home-rule municipalities derive their power to enact zoning laws from the Illinois Municipal Code 65 ILCS 5/11-13-1. This Act does contain some general language regarding the promotion of the "public health, safety, comfort, morals and welfare..." however, that language is followed by a specific litany of the types of actions that may be taken. There is nothing in the Act which authorizes zoning considerations based upon the social and economic considerations referenced in the Inclusionary Zoning Ordinance. Whether or not such an ordinance would be sustainable would await a court test.

In a Virginia case, *Board of Supervisors of Fairfax County v. DeGross Enterprises, Inc.*, 198 S.E.2d 600 (Virginia 1973), the Virginia Supreme Court considered an amendment to a county zoning ordinance that required developers to set aside 15 percent of their residential units for affordable housing. The court held the zoning amendment invalid, stating the following:

The amendment was improper because it constituted "socio-economic zoning."

According to the court, the county only had the authority under the statutes to pass traditional zoning ordinances which were directed to the physical characteristics of the land. 198 S.E.2d 600 at 602. Furthermore, the court found that the amendment violated the Constitution, which prohibits taking property for public purposes without just compensation. The court stated that, because the amendment required rental and sales prices that were not fixed by a free market, there was a taking of the differential in

values. Id. at 602.

As to the payment of a fee for a development in lieu of setting aside 10 percent of the units as affordable, the Court in *Dacey v. Town of Barnstable* (Barnstable Supreme Court 2000) held that this was a tax which the municipality could only apply if granted specific authority by the state legislature. The court held it was not a permissible fee. As the court noted, the charges were not intended to compensate Barnstable for services provided in reviewing the plans and other services of the municipality but to provide for a fund for affordable housing.

However, in the case of *Homebuilders Association of Northern California v. City of Napa*, 90 Cal App. 4th 188; 108 Cal Rptr. 60 (2001), a City of Napa Inclusionary Zoning Ordinance requiring 10 percent of all residential units to be used for low- and moderate-income housing was upheld primarily because the ordinance contained a provision which allowed the developer to appeal to the City for a reduction or adjustment or even a complete waiver of the requirements of the ordinance "based upon the absence of any reasonable relationship or nexus between the impact of the development and... the inclusionary requirement." 90 Cal App. 4th at 199. See also the United States Supreme Court decision in *Dolan v. City of Tigard*, 512 U.S. 374 (1994), which is a case dealing with what constitutes a taking when an involuntary contribution is required to obtain a building permit.

However in Illinois, in order to impose an impact fee or to impose a similar type of economic condition upon a developer, it is more likely that a more stringent Illinois test would be applied. In Illinois the exaction required of the property owner must be "specifically and uniquely" attributable to the development. *Pioneer Trust & Savings Bank v. Village of Mount Prospect*, 22 Ill.2d 375, 176 N.E.2d 799 (1961). See also *Kruegoff v. City of Naperville*, 41 Ill.App.3d 334, 354 N.E.2d 489 (2d Dist. 1976), affirmed 68 Ill.2d 352 (1977).

Therefore, there is the rather paradoxical situation that the Act does not apply to home rule units and yet only home rule units may have the authority under their general powers to enact a so-called Inclusionary Zoning Ordinance. It has not been determined but it is certainly probable that a court

would find that non-home rule municipalities do not have the authority under the zoning enabling legislation to enact the Inclusionary Zoning Ordinance.

In any event, the ordinance would have to pass muster under the constitutional standards of the State and there might well be a question as to whether the exaction being required of the developer to provide either units of affordable housing or to pay a fee in lieu thereof is specifically and uniquely attributable to the particular development. For those who might argue that providing an equivalent number of bonus market units is a form of "compensation," it should be pointed out that the compensation may not, in fact, be a fair measure to the developer of the amount of loss or taking and, that in any event, the taking comes first and, under the Illinois Constitution, the amount of compensation is later to be determined by a court proceeding unless agreed upon by the property owner.

### Enforcement of the Act

#### 1. The State Housing Appeals Board

The Act calls for the creation of a Housing Appeals Board consisting of seven members appointed by the Governor. In addition, the Chairman of the Illinois Housing Development Authority is an *ex officio* member. The Act also authorizes the Illinois Housing Development Authority to adopt such "other rules and regulations as it deems necessary to carry out the Board's responsibilities under the Act and to provide direction to local governments and affordable housing developers." S.H.A. 310 ILCS 67/50. The Board has the authority to "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."

#### 2. Who is an affordable housing developer?

Any non-profit entity, limited equity cooperative or public agency or private individual, firm, corporation or other entity "seeking to build an affordable housing development" is an affordable housing developer who can bring an action before the Board. What exactly

constitutes "seeking to build an affordable housing development" remains to be determined. May it be someone who has sent a letter to a municipality advising that he or she is desirous of building an affordable housing development even though that individual does not have the financial ability to build such a development? May it be a not-for-profit organization which advocates the building of affordable housing but does not in itself build affordable housing? May it be someone who has taken an option on property within the municipality subject to obtaining a zoning change, say from commercial or industrial to high-density residential?

#### 3. What is the burden placed on the developer in an appeal to the Board?

The developer must bear the burden "of demonstrating that he or she has been unfairly denied or unreasonable conditions have been placed upon the tentative approval (whatever that is to mean) for the application for an affordable housing development." The question of what is "unfair" or "unreasonable" is certainly up in the air and appears to give the Board extremely wide leeway. The Act further provides that the Board is to consider "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 the Act." Again, the question might reasonably be asked as to what is "an undue burden?" On one level, any zoning restriction which requires that only single-family residential units be built on a particular parcel of land where, of course, due to the economic circumstances it is necessary to transform the land into multiple-family housing might be deemed "an undue burden."

Whether the Act is truly intended to give this state board unfettered discretion to interpret the words "undue burden" or "unfairly denied" remains to be seen. If, in fact, traditional zoning considerations must give way to the economic and social considerations of affordable housing, then it might well be that no zoning restriction which prohibits the density requirements needed for affordable housing will pass muster before the Board. On the other hand, if traditional zoning cases may still be applied in determining the

validity of the zoning under the Zoning Enabling Act, e.g., the LaSalle factors, *LaSalle Nat'l Bank of Chicago v. County of Cook*, 12 Ill.2d 40, 145 N.E.2d 65 (1957), and if the zoning classification is valid under those factors, then the Board and ultimately an appellate court would have to decide whether these new, rather vague standards, are intended to trump the traditional zoning standards. While the case before the Board is considered to be *de novo*, there is nothing in the Act which incorporates any reference to the validity of the zoning ordinance in question under a traditional view. However, it might well be argued that if the zoning is valid under the traditional view of zoning, the municipality did not act "unfairly" or "unreasonably" in refusing to give tentative approval to the development.

#### 4. Grounds for dismissing the appeal.

The Board is required to dismiss the appeal if the local governmental body has adopted an affordable housing plan as defined in the Act; has submitted the plan to the Illinois Housing Development Authority within the time frame required by the Act; and if the local governmental body has implemented its plan so as to meet its goal. Its goal might be a minimum of 15 percent of new development would be affordable housing; or a minimum of a three percentage point increase in the overall percentage of affordable housing every five years beginning January 1, 2005 or 10 percent of its total year-around housing units are affordable.

The Board is also required to dismiss the appeal if the municipality is exempt from the Act (this simply means that the Act is not applicable because the 10 percent requirement is satisfied).

The Board is required to dismiss any appeal if the reasons for denying the application related to so-called "non-appealable local government requirements under the Act." These non-appealable requirements are defined under the Act to mean "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."

Significantly, zoning is not listed as one of the non-appealable local government requirements.

### D. The Power of the Board

The Board has the authority to "affirm, reverse or modify the conditions of or add conditions to, a decision made by the approving authority." This is a very broad mandate which could include, in effect, rezoning property within the municipality. This is very different from the authority given to the courts which are limited to determining whether or not a particular zoning classification is valid. A court has no authority to rezone the subject property. As the court stated in *LaSalle National Bank v. City of Chicago*, 130 Ill. App.2d 457, 264 N.E.2d 799 (1<sup>st</sup> Dist. 1970):

The issue here is how a decree in a zoning case is to be framed. While the courts possess the authority to pass upon the validity of a zoning ordinance, this authority does not include the power to determine the ultimate zoning classification.

*Reeve v. Village of Glenview*, 29 Ill.2d 611, 195 N.E.2d 188 (1963).

Since the practical effect of declaring an existing zoning ordinance void in regard to a particular piece of property is to leave that piece of property in an unzoned condition, the court may frame its order in reference to a specific proposal before it and find that the contemplated use would be a reasonable one... However, the court must exercise this authority with extreme care to avoid any encroachment into the legislative function of zoning...

The present legislation is not as scrupulous in regard to the authority delegated to the State Housing Appeals Board. The ability to "modify the conditions of, or add conditions to, a decision made by the approving authority" appears to go well beyond the authority vested in a court.

Therefore, not only does local government lose its zoning authority under this Act, but that authority, legislative in nature, is now being delegated to an appointed state board which appears to have almost unfettered discretion as to how it will act.

Whether this discretion would be tempered by an appellate court interpretation of the Act remains to be seen.

### E. Appellate court review.

The Act allows for an appellate court to review a decision of the Board. The Act does not spell out how that review would be taken but one might assume that it would be in the form of an administrative review with the record of the Board going to the appellate court. Whether the decision of the Board is to be given the same deference as an administrative agency, is yet to be determined, but that would be the normal process if the Board is deemed to be an administrative agency.

### Conclusion

This new law is extremely far-reaching. It is clearly a usurpation of the zoning authority of local government. It also appears to be a continuation of the social agenda embarked upon in the *Metropolitan Housing* case. Whether it is necessary to have integrated housing in well-to-do suburbs is a policy issue which should be clearly framed and then decided by the legislature. Instead, this Act fails to come to grips with those issues. It is particularly significant that such a small number of municipi-

palities compared to the total number of municipalities in the State fail to meet the 10 percent guidelines. Whether there should be enclaves of housing for the well-to-do is certainly a different issue than whether there is a sufficient amount of affordable housing in the State. Clearly, as the United States Supreme Court has recognized, it is one thing to engage in intentional racial discrimination and it is another thing in a capitalist society for those who have the means to be able to afford choices which are not available to those with fewer financial resources.

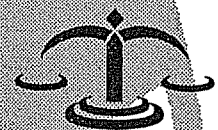
In addition, the Act sets forth rather vague standards which will be the subject of litigation. It is not clear whether those standards are intended to transcend the standards set forth in the *LaSalle Nat'l Bank* case when deciding a zoning matter. In short, the Act serves a particular social agenda at the expense of the authority of local government, especially in the sensitive area of zoning. Local government is the government closest to the people and for the State Legislature to intrude, once again, so pervasively into the social fabric of a community should make local government officials and those who support local government take warning of a dangerous trend.

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## MEMORANDUM

TO: Kent Street, Village Manager

FROM: Jeff Ryckaert, Principal Planner

DATE: September 28, 2007

RE: Regional Approach to Affordable Housing, and Employer Assisted Housing (EAH)

### Regional Approach to Affordable Housing

I recently attended a meeting hosted by the Metropolitan Planning Council (MPC) about workforce housing (affordable housing) solutions in the region. The Metropolitan Planning Council is a non-profit, nonpartisan group of businesses and civic leaders committed to serving the public interest through the promotion and implementation of planning and development policies for a competitive Chicago region.

Workforce housing is affordable housing for middle income people who will fill jobs in fields as diverse as teaching, law enforcement and health care, especially at entry level salaries. Providing adequate affordable housing for people so they don't have to expend huge portions of their income on housing or spend hours commuting is a challenge facing many communities across the United States. Workforce housing helps people live near their workplaces so they enjoy reduced commuting times and transportation costs. Workforce housing may help local employers attract and retain the people who maintain the health of the business sector, keep the community safe, and who teach at our schools.

The MPC brought in a speaker by the name of Arthur Sullivan to tell about the regional approach to affordable housing in the suburbs of Seattle. Mr. Sullivan is the program manager for an organization known as ARCH (A Regional Collation for Affordable Housing). ARCH is an inter-local agency (a voluntary government organization) that helps cities increase and preserve affordable housing on a regional approach. It consists of 15 cities with relatively high housing costs and a population of 350,000. ARCH allows smaller cities to address the complex issue of affordable housing and standardizes procedures among members. ARCH manages a regional housing trust fund. A community can get credit for housing in another town if they contribute money to the trust fund. The goal is to place affordable housing in all participating communities. The land use control is still at the local level (the local jurisdiction still retains the zoning control). Basically, ARCH helps pool resources among communities. Attached is some information regarding ARCH.

ARCH has four (4) main areas of concentration:

1. Directly assist below market rate housing through awarding loans and grants for projects that have below market rate housing; make surplus public land available for housing; and waive impact fees and permit fees.
2. Develop housing policies and strategies; assist with developing housing regulations (e.g. density incentives for affordable housing and senior housing).
3. Implements and administers housing programs including preparing funding contracts and monitoring affordability and loan repayments; negotiate to get below market rate housing and market rate projects; assist people looking for below market ownership and rental housing; oversee resales of below market ownership homes (and track local housing production annually).
4. Engages the broader community on local housing issues, including participating in discussions about housing at meetings and public forums; generating public education materials (brochures and housing tours); and making community awards to recognize persons, projects and programs that result in outstanding housing efforts.

ARCH's Housing Trust Fund has a goal of attaining an equitable distribution of resources for affordable housing. Through the ARCH Parity Program, there are goals for how much each community should be contributing to the housing trust fund. Each city's goal is stated as a range based on several factors – current population, projected housing growth, and projected employment growth. ARCH does not mandate financial commitments in any year. The Metropolitan Planning Council has prepared a sample North Shore Parity Program based on the ARCH model that showed Deerfield's low annual contribution would be \$102,514 and its high annual contribution would be \$173,262 (see attached). Also attached is a description of the ARCH Parity Program that indicates the objectives of the parity program, and how ARCH calculates the housing assistance goals.

*Status: The MPC is now assessing the feasibility of establishing a regional affordable housing program similar to ARCH in the Chicago region. They have asked the participants in the meeting to fill out a survey to gauge the level of interest. Attached is a copy of the survey that was returned to the MPC.*

### **Employer Assisted Housing (EAH)**

Employer Assisted Housing (EAH) refers to a variety of programs employers use to help their employees find and finance housing closer to the workplace. It can take the form of counseling about home buying, direct financial help with a down payment, closing costs, and mortgage payments, rental assistance or some combination of these. Attached are some articles that deal with EAH and more information on employer assisted housing is available at [reachillinois.org](http://reachillinois.org).

Earlier this summer, the Metropolitan Planning Council hosted an event for area employers in Deerfield, Highland Park, Highwood, Lake Forest, and Northbrook to discuss how they can tap resources and adopt strategies to provide more housing options for local workers. Trustee Barbara Struthers attended this meeting. One possibility is expanding locally proven models such as employer assisted housing which has helped more than 1,000 workers from 60 companies in the region buy homes. The Metropolitan Planning Council indicated that approximately 40 employers came to the meeting and they hope to have some more businesses creating their own EAH programs in the near future. The Metropolitan Planning Council is now working on some outreach to Deerfield area employers. Attached is the correspondence I have had with them on this issue.

cc:

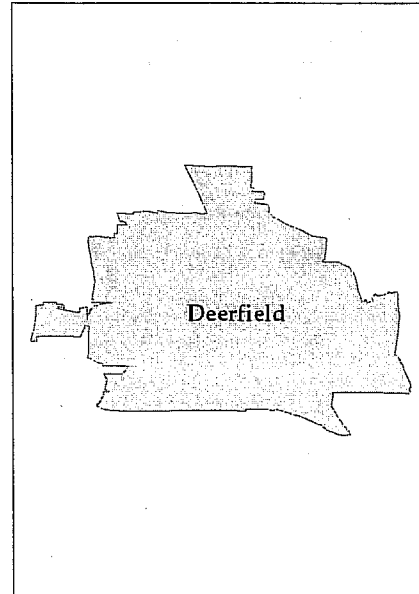
Phil Kiraly

# Deerfield

Responding to the Housing Crunch

**The Situation:** From 1990 to 2000 the Village of Deerfield lost 14.2 percent of its rental homes. That rate has slowed – it lost 3.2 percent of its rental homes between 2000 and 2006 – but negative trends are projected until at least 2011. As of 2006 there were approximately 530 rental homes in Deerfield, making up only 7.5 percent of its housing stock. Deerfield's estimated average home price for 2006 was \$520,452, well above the affordable price for a four person household at 80 percent AMI\*, \$198,667.

As of 2000 rental and for-sale homes were affordable at 30 percent of income primarily to high-earning households, but projections suggest that by 2030 there will be a much flatter demand curve, as the number of homes demanded by low to moderate-earning homes increases.



**The Response:** At this time, Deerfield does not have an Affordable Housing Plan. However, it has demonstrated receptiveness to developing one that is practical and which accounts for the community's relative lack of vacant land on which to build. Deerfield recognizes its shortage of workforce housing options and is committed to exploring appropriate and innovative strategies to address that shortage. Language in the Comprehensive Plan indicates a need for diversified housing in the Village, and the Village has worked with developers when opportunities arise to develop or redevelop significant parcels for residential uses. Potential sites for new homes for working families in Deerfield have been identified by staff. The Village has a positive track record addressing the demand for senior housing, and wants to make headway on its workforce housing options. At the present time, Deerfield has a Senior Assistance Program where residents who are at least 62 years old, maintain an independent household, and meet certain income limits, may be eligible for financial assistance under the Village's Senior Housing Subsidy. Furthermore, the Village's Human Relation Commission approves seniors for housing subsidies. As it looks beyond senior housing, Deerfield is considering EAH, preservation tools, infill development, and other proactive strategies.

\* See Area Median Income page for more details on AMI

\*\* All information from 2000 U.S. Census, 2005 American Community Survey, IHDA, Fregonese Associates, Chicago Tribune, and SRC, LLC.

**BACKGROUND MATERIAL FOR ARCH (A Regional Coalition for Housing) including the Parity Program.**

## A Regional Coalition for Housing – ARCH, King County Washington



### Background

A Regional Coalition for Housing (ARCH) is quasi-governmental organization that manages a regional housing trust fund located in King County Washington, near Seattle. ARCH is a cross-jurisdictional collaboration that includes King County and 13 cities and towns. Both ARCH and the trust fund were established simultaneously in 1993. Since then, the trust fund has committed more than \$22 million to the creation and maintenance of 2,200 units of affordable housing throughout the county. Approximately half of these homes are family housing, 36 percent are senior, six percent are homeless/transitional housing, and eight percent support people with special needs. In addition to providing funding, ARCH also provides housing staff assistance to each participating municipality by administering their housing programs and working directly with the development community.

### The Parity Program

The majoring of funding for this trust fund comes from the participating municipalities. The trust fund aims to help affordable home builders leverage additional funding sources and provide gap financing for these affordable developments.

Each participating jurisdiction contributes funds to the ARCH housing trust fund. In 1998, ARCH created a Parity Program that establishes benchmarks for the level of contributions made by participating jurisdictions. The Parity Program provides guidelines to ensure that all members of the coalition receive an equitable distribution of trust fund resources and sets funding goals for each participating jurisdiction. These funding goals are based on a five-year plan that allows each coalition member the flexibility to contribute based on their ability each year as long as they meet their five-year funding target. This funding goal is also stated as a range rather than as a single formula. The range of contribution amount for each municipality is based on future population, employment, and housing growth. In addition, the contribution itself is flexible. ARCH does not dictate what source the contribution comes from. Local revenue sources have included: general funds, Community Development Block Grant, payments by developers, loan repayments, interest earnings, fee waivers, infrastructure improvements, and contributions of land. ARCH encourages creativity and flexibility. Currently, one-third of municipal contributions come from sources other than general funds.

Participating cities are not penalized if they do not reach their year-to-year or five year funding goals. Instead, ARCH closely tracks contributions and reports on where the funding is going (e.g. what municipalities are getting in new developments) in order to hold each city accountable. Through this detailed reporting, the trust fund relies on peer pressure and accountability to ensure each city contributes its fair share.

Since King County has its own Housing Trust Fund, it only contributes financially towards administrative costs to cover several programs that ARCH administers for the County.

### Organization Structure

ARCH is an inter-local agency – a quasi-governmental organization. It is not a 501(c)(3).

ARCH's organizational structure includes:

- **Council.** Each participating jurisdiction's city council approves ARCH's annual work program and budget and takes final action on the use of local resources.
- **Executive Board.** Comprised of the City Manager or Mayor from each participating jurisdiction. This board oversees the operation of ARCH and makes project funding recommendations to the city council.
- **Citizen Advisory Board.** Provides initial recommendations on the use of local government resources, and maintains a high level of understanding of affordable housing issues in each community. ARCH works diligently to solicit participating jurisdictions for candidates for this advisory board and chooses members based on skill sets and geography
- **Staff.** Responsible for implementing ARCH's program and for staffing the board. The staff includes those hired directly by ARCH and municipal staff assigned to work with ARCH.

### Geographical Boundaries

ARCH was initially founded by the county and three cities, but early on, they outlined the fund's geographic boundaries based on similar market conditions. Eventually, all 13 municipalities within those boundaries joined the coalition.

### Lessons Learned

- **Detailed tracking and reporting.** Tracking and reporting fund sources and uses encourages accountability and equity. Participating jurisdictions see which cities are meeting contribution goals and where those funds are being allocated – where actual development is occurring.
- **City contribution goals based on future projections.** Calculating the contribution range for each community is based on housing, job and population growth and helps to avoid penalizing a city for current disparities and provides them the opportunity to look ahead and respond to future regionally focused housing challenges (avoids “finger pointing”).
- **County involvement.** Although the County does not contribute directly to the fund, having it as a partner supports the regional focus and provides political capital
- **Cities with similar market conditions.** Selecting partners with similar market conditions, including employment growth and housing costs, helps to reduce the potential competition and disparity (e.g. low-income, low land cost community gets disproportional share of affordable housing)
- **Contribution flexibility.** Encouraging creativity in the city's contributions provides flexibility as the city's budget situation changes from year-to-year and ultimately supports consistent revenue for the trust fund.
- **Checks and balances.** The citizen advisory group makes initial project funding recommendations that the executive board then reviews and recommends to the city councils. The city councils have final say over project funding and provide detailed checks and balances to ensure that funds are being distributed equitably and effectively.

## ARCH Parity Program

TO: City Councils of ARCH Member Cities

FROM: Rich Conrad, Chair, ARCH Executive Board

SUBJECT: Recommendations on 'Parity'- Local Assistance for Affordable Housing

DATE: July 9, 1998

Last year, during an assessment of ARCH's activities, the issue of 'Parity' was raised. The objective of Parity is to establish a means for members to achieve an equitable distribution of resources being contributed for affordable housing. This issue was raised because it appears that such a balance has not existed to date, especially during the initial years following the establishment of ARCH. For background information on the ARCH Trust Fund, see Table A (Source and Use of ARCH Trust Fund by Jurisdiction) and Table B (List of Projects Funded) attached to this proposal.

Enclosed for your consideration is a proposal on how to address Parity. This proposal was developed by a working group comprised of representatives from member Councils, the ARCH Executive Board, and staff.

The working group met twice in the last 9 months to develop the attached proposal regarding Parity. They have requested that councils be briefed on the proposal, and if any significant issues are identified, the working group will reconvene later this year to address any issues.

ARCH's objective is for each Council to adopt the concept of Parity. While this does not require formal action by individual councils, it is the intent of the Executive Board for the Parity concept to be integrated into the overall operation of ARCH, and for member cities and Councils to actively pursue achieving the goals of the Parity program. One way this will be implemented is that in the future, as part of your budgetary process, member cities will have explicit goals presented to them, and you will receive progress reports on how these goals are being achieved by all the members.

## OBJECTIVES OF PARITY PROGRAM

The overall objective of the Parity program is to establish a means for members to attain an equitable distribution of resources being contributed for affordable housing. Below is an outline of the proposal and its objectives. In framing the proposal, the following issues were considered:

- o Does each member have a responsibility to provide a 'fair share' of east King County's affordable housing needs?
- o How do we measure each member's fair share of affordable housing?
- o How do we know when each member has achieved, or is making progress toward achieving, its fair share of affordable housing?
- o How do we make things fair for all, given that resources are not the same for all?
- o In what time frame should the Parity objectives be achieved, and how formal will they become (e.g. goal, objective, requirement of membership)?

### PROPOSAL

State goal for each city as a range rather than as a single figure (see chart).

No one single formula appropriately considers the variety of issues faced by the member cities. Establishing a range finesses the issue of devising a single formula acceptable to all members.

Formulas used to establish each city's range are based on several factors (see attached description of formulas):

- Current Population
- Projected Housing Growth
- Projected Job Growth

Establish an overall minimal/baseline goal (\$1 million annually), which is based on past levels of overall contribution.

Establish a challenge to do more (up to \$2 million annually) as an acknowledgment of the levels of need in the community.

Do not mandate a specific level of commitment by any city in any specific year.

Acknowledge that members can face different budget situations from year to year

Measure accomplishments over a 5-year period

Years of relatively low commitment can be offset by years with higher commitments

Encourage a variety of means for cities to accomplish their goal:

- Direct monetary assistance from general funds or CDBG funds
- Indirect monetary assistance such as fee waivers
- In-kind contributions such as donated land

# HOW HOUSING ASSISTANCE GOALS ARE CALCULATED

## I INITIAL FORMULAS

Three formulas were developed, each using a different factor to determine levels of assistance.

Formula 1: Current population. Each member's contribution is based on its population relative to the member cities= total population. For example, Kirkland's population (43,720) is approximately 17% of the overall population of the seven member cities (258,240), so its contribution would be 17% of any overall goal.

Formula 2: Projected New Housing. Each member's contribution is based on its amount of projected housing growth (based on its Comprehensive Plan) relative to the member cities= total projected housing growth. For example, Bothell is projected to add 85 new housing units annually, which is approximately 5.25% of all the projected new housing among the member cities (1620 units annually). Thus Bothell's contribution would be 5.25% of the overall goal.

Formula 3: Projected New Jobs. A factor in the demand for housing is the creation of jobs. The third formula bases each member's contribution on its amount of projected job growth (based on its Comprehensive Plan) relative to the member cities= total projected job growth. For example, Bellevue is projected to add 1,400 jobs annually, which is approximately 35% of all the projected new jobs among the member cities (3,980 annually). Thus Bellevue's contribution would be 35% of the overall goal.

Because all the members have different circumstances, it was felt that it would be more appropriate to develop three distinct formulas rather than develop a single formula that would have required establishing a relative weight to each of the factors described above.

## II. FINAL CHART

Based on the formulas above a final chart was developed (attached).

First, an overall minimal goal of \$1 million was established. This figure was picked because it approximated the levels of contribution that members had made the last several years.

Second, using the formulas from above, the allocation of \$1 million (the lower end of each city's range) was based on using the individual formula from each member that resulted in its lowest contribution.

Third, using the formulas from above, the upper range was established using the individual formula for each city that resulted in its highest contribution.

For example, for Issaquah, Formula 1- Population was used to calculate the low (Baseline) range of its goal, and Formula 2-Projected New Housing, was used to calculate the high range of its goal. While for Woodinville, its low range is based on Formula 3- Projected New Jobs, and its high range is based on Formula 2- Projected New Housing.

Sample Northshore Parity Program

	2030 Population Growth	Percentage of Total	2030 Projected Housing Growth	Percentage of Total	2030 Projected Employment Growth	Percentage of Total
Northbrook	6,752	50%	2665	52%	17,462	63%
Lake Forest	1,874	14%	786	15%	3,121	11%
Highland Park	3,238	24%	495	10%	51	0%
Highwood	-374	-3%	19	0%	133	0.5%
Deerfield	1,971	15%	1195	23%	6,829	25%
<b>Total</b>	<b>13,460</b>	<b>100%</b>	<b>5159</b>	<b>100%</b>	<b>27,596</b>	<b>100%</b>

\*All projections from NIPC 2030 Forecast

<b>5-Year Goal</b>	<b>\$3,500,000</b>	<b>With Employer Match</b>	<b>\$7,000,000</b>
<b>Annual goal</b>	<b>\$700,000</b>	<b>Annual Employer Match</b>	<b>\$700,000</b>

	Low Annual Contribution	High Annual Contribution	Minimum Five Year Total	Maximum Five Year Total
Northbrook	\$ 351,133	\$ 442,936	\$ 1,755,667	2,214,678.52
Lake Forest	\$ 79,174	\$ 106,578	\$ 395,868	532,890.59
Highland Park	\$ 1,297	\$ 168,393	\$ 6,486	841,966.83
Highwood	\$ 1,000	\$ 3,361	\$ 5,000	16,806.70
Deerfield	\$ 102,514	\$ 173,232	\$ 512,572	866,160.95
<b>Total</b>	<b>\$ 535,119</b>	<b>\$ 894,501</b>	<b>\$ 2,675,593</b>	<b>\$ 4,472,504</b>

\*Assumes a minimum contribution of \$1,000 annually

**Sample Large 12-jurisdiction Parity Program**

	2030 Population Growth	% of Total	2030 Projected Housing Growth	% of Total	2030 Projected Employment Growth	% of Total
Arlington Heights	6,410	16.0%	2652	14.6%	3,335	5.5%
Buffalo Grove	2,349	5.9%	1195	6.6%	4,300	7.1%
Deerfield	1,971	4.9%	1195	6.6%	6,829	11.2%
Gurnee	6,957	17.4%	3084	17.0%	10,744	17.7%
Highland Park	3,238	8.1%	495	2.7%	51	0.1%
Highwood	-374	-0.9%	19	0.1%	133	0.2%
Lake Forest	1,874	4.7%	786	4.3%	3,121	5.1%
Libertyville	373	0.9%	199	1.1%	6,228	10.2%
Mount Prospect	1,784	4.5%	1250	6.9%	2,608	4.3%
Northbrook	6,752	16.9%	2665	14.7%	17,462	28.7%
Palatine	6,886	17.2%	3264	18.0%	968	1.6%
Rolling Meadows	1,747	4.4%	1363	7.5%	5,008	8.2%
<b>Total</b>	<b>39,967</b>	<b>100%</b>	<b>18167</b>	<b>100%</b>	<b>60,787</b>	<b>100%</b>

\* All projections from NIPC 2030 Forecast

<b>5-Year Goal</b>	<b>\$7,200,000</b>	<b>With Employer Match</b>	<b>\$10,200,000</b>
<b>Annual goal</b>	<b>\$600,000</b>	<b>Annual Employer Match</b>	<b>\$600,000</b>

	Low Annual Contribution	High Annual Contribution	Minimum Five Year Total	Maximum Five Year Total
Arlington Heights	\$ 78,994	\$ 230,940	\$ 394,970	\$ 1,154,699
Buffalo Grove	\$ 84,628	\$ 101,872	\$ 423,139	\$ 509,361
Deerfield	\$ 71,023	\$ 161,779	\$ 355,115	\$ 808,897
Gurnee	\$ 244,417	\$ 254,513	\$ 1,222,083	\$ 1,272,566
Highland Park	\$ 1,211	\$ 116,665	\$ 6,057	\$ 583,323
Highwood	\$ 1,000	\$ 3,139	\$ 5,000	\$ 15,696
Lake Forest	\$ 62,264	\$ 73,939	\$ 311,320	\$ 369,696
Libertyville	\$ 13,437	\$ 147,540	\$ 67,184	\$ 737,700
Mount Prospect	\$ 61,789	\$ 99,117	\$ 308,947	\$ 495,586
Northbrook	\$ 211,273	\$ 413,652	\$ 1,056,365	\$ 2,068,260
Palatine	\$ 22,927	\$ 258,723	\$ 114,634	\$ 1,293,616
Rolling Meadows	\$ 62,960	\$ 118,643	\$ 314,798	\$ 593,217
<b>Total</b>	<b>\$ 915,922</b>	<b>\$ 1,980,523</b>	<b>\$ 4,579,612</b>	<b>\$ 9,902,617</b>

\*Assumes a minimum annual contribution of \$1,000

**Sample NorthWest Parity Program**

	2030 Population Growth	Percentage of Total	2030 Projected Housing Growth	Percentage of Total	2030 Projected Employment Growth	Percentage of Total
Arlington Heights	6,410	33%	2652	27%	3,335	21%
Buffalo Grove	2,349	12%	1195	12%	4,300	26%
Mount Prospect	1,784	9%	1250	13%	2,608	16%
Palatine	6,886	36%	3264	33%	968	6%
Rolling Meadows	1,747	9%	1363	14%	5,008	31%
<b>Total</b>	<b>19,176</b>	<b>100%</b>	<b>9755</b>	<b>100%</b>	<b>16,250</b>	<b>100%</b>

\*All projections from NIPC 2030 Forecast

<b>5-Year Goal</b>	<b>\$3,500,000</b>	<b>With Employer Match</b>	<b>\$7,000,000</b>
<b>Annual goal</b>	<b>\$700,000</b>	<b>Annual Employer Match</b>	<b>\$700,000</b>

	Low Annual Contribution	High Annual Contribution	Minimum Five Year Total	Maximum Five Year Total
Arlington Heights	\$ 143,649	\$ 233,974	\$ 718,246	1,169,869.50
Buffalo Grove	\$ 85,740	\$ 185,253	\$ 428,698	926,264.31
Mount Prospect	\$ 65,123	\$ 112,363	\$ 325,617	561,813.96
Palatine	\$ 41,692	\$ 251,376	\$ 208,460	1,256,881.48
Rolling Meadows	\$ 63,787	\$ 215,751	\$ 318,934	1,078,754.25
<b>Total</b>	<b>\$ 399,991</b>	<b>\$ 998,717</b>	<b>\$ 1,999,955</b>	<b>\$ 4,993,583</b>

\*Assumes a minimum contribution of \$1,000 annually

Inter-jurisdictional Housing Trust Fund Survey [Exit this survey >>](#)

### 1. Inter-jurisdictional Housing Trust Fund survey

As a participant in the conversation that the Metropolitan Planning Council and Metropolitan Mayors Caucus convened on August 23rd, 2007 with Mayors and staff from Arlington Heights, Deerfield, Highland Park, Lake Forest, Mount Prospect, Northbrook, and Palatine, we are requesting that you take a moment to fill out the survey below to help inform us as we begin to assess the feasibility of establishing a program similar to ARCH in the Chicago region.

We look forward to your feedback!

**1. List the name of the community you represent**

Village of Deerfield

**\* 2. Do you think your community would be interested in participating in a regional housing program with neighboring towns?**

Yes  
No

**\* 3. Do you think your community would be willing to contribute resources to a regional housing program? (If no, skip to question 5)**

Yes  
No

**4. If you answered yes to the question above, which resources do you think your community would be able or willing to contribute to a regional housing program?**

Community Development Block Grant

HOME funds

Land donation

General Operating

Fee waivers (permit, impact, etc)

Housing Trust Fund

Revenue from dedicated source (i.e. tear down tax, real estate transfers tax)

Staff time for start up

Other (please specify)

**\* 5. Please check below the five most important resources/services a regional housing program could provide**

Funding resource

Housing staff

Program administration

Strengthened employer and developer relationships

Consistency among programs, ordinances, and practices

Assistance in moving development forward

Identifying development opportunities

Putting together financing packages

Other (please specify)

**\* 6. Please prioritize the issues that a regional housing program should address by ranking the top five (1=highest priority, 5=lowest priority)**

	Highest Priority	Medium Priority	Low Priority	Lowest Priority
Housing for the growing workforce 1	✓			
Housing rehabilitation 5				
Rental housing development 4				✓
Homeownership development 3			✓	
Preservation of existing affordable housing 2		✓		

**\* 7. At the August 23rd meeting, two options were discussed. The first option was for all of the communities (10-12 in total) to pool their resources into one housing program. The second was to create separate programs. Please choose which you think is most feasible.**

One large program (skip to question 9)

Seperate programs (continue to question 8)

**8. If you answered "Seperate Programs" above, please check how communities should be clustered under different programs**

By geography (communities that are close together make up one program)

By county (regional housing programs are organized by county, i.e. a Lake County regional housing collaboration)

By issue area/priority (regional housing programs are organized by issue focus, i.e. housing rehabilitation)

By market conditions (communities with similar market conditions make up one program, i.e. high housing costs)

\* 9. How important would employer participation (i.e. employers contributing) in a regional housing trust fund be in order for your community to participate?

Not important

Neutral

Somewhat Important

Very important

\* 10. Attached in this email is the example Parity Program that was developed to solicit feedback from you during the August 23rd meeting. Please review and comment on what works, what doesn't work, and how we could refine and adjust these calculations. Are there other variables and issues that should be considered?

The parity program is a good concept. A positive aspect of the parity program is that it allows flexibility by basing each city's goal as a range rather than a single amount in each year. The annual contribution seems reasonable but it's too early to determine if the annual contribution

numbers are acceptable to the elected officials.

Done >>

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ARTICLES ON EMPLOYEE ASSISTED HOUSING (EAH)

## Right at Home: Local Support for Employer-Assisted Housing

By Samantha DeKoven

Everyone gains when employees live close to their workplaces. They can devote more time to their work, families and communities. Employers reduce turnover costs and increase their appeal to new employees. Communities benefit from increased local investment and a more stable housing stock, while shorter commutes reduce stress on transportation infrastructure and the environment. This issue of *ideas@work* provides background, case studies and resources to help municipal and county leaders determine how employer-assisted housing (EAH) programs can benefit employers and employees, and how government can support local EAH initiatives.

**M**ore and more business leaders understand that meeting the demand for workforce housing requires their involvement. Gov. Rod Blagojevich's administration has executed new policies to encourage municipalities to meet the needs of people who live in their communities. The time is right for local leaders to leverage private sector investment to complement public support of housing solutions.

Advocate Bethany Hospital in Chicago became interested in EAH as a way to keep people in their jobs and reduce turnover expenses. "We are interested in housing issues overall because we believe employer-assisted housing will reduce our own turnover," said Brenda Mitchell, Bethany's human resource consultant. "Every time we lose an employee, it costs us."



PHOTO BY ANDREW CAMPBELL

Riverdale Mayor Zenovia Evans started an employer-assisted housing initiative for municipal employees in November 2002.

*ideas@work* is a series developed by the Campaign for Sensible Growth to showcase innovative solutions and best practices, particularly at the local level. Volume 2 covers issues such as:

- technology and sensible growth
- transit-oriented development
- design and open space
- historic preservation
- rewriting a zoning ordinance

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For the complete series, visit [www.growingsensibly.org](http://www.growingsensibly.org).

The growing mismatch between employment growth and where workers can afford to live creates significant costs for employers, as lengthy commutes reduce employee productivity by increasing tardiness and absenteeism. In addition, the stress of long commutes translates into unhappy and less motivated workers. And, employers have lost employees to jobs closer to home as they seek to reduce time spent traveling to work – time better spent elsewhere.

EAH is not a new concept. However, it is rapidly gaining momentum as an effective strategy for policymakers and a broad range of employers to address housing needs and workforce challenges. Lake Forest College, Loyola University, University of Chicago and Wheaton College have encouraged employees to live in nearby communities through a variety of programs. The City of Chicago, City of Evanston and other municipalities offer down payment assistance or reduced interest loans to police officers buying homes in the communities they serve. Holy Cross, Lake Forest and St. Bernard Hospitals offer local housing initiatives. Bank of America, Bank One and Fannie Mae offer down payment assistance to help their employees buy homes.

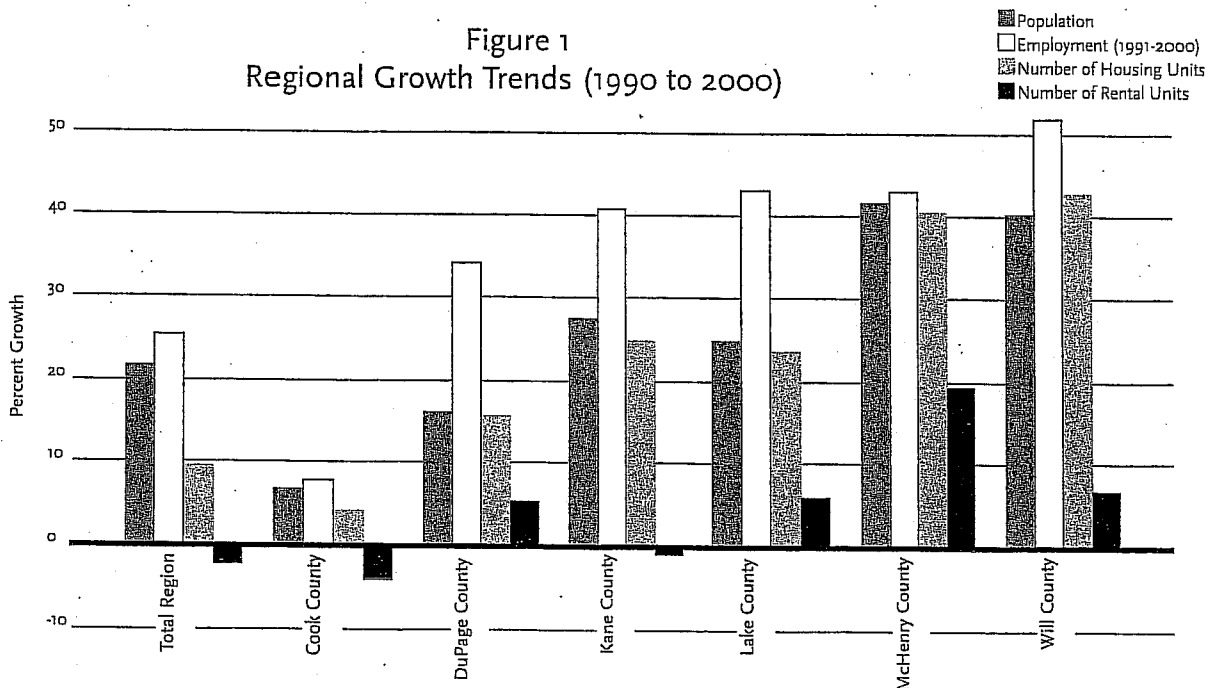
The need for sound public/private initiatives to facilitate living near work is becoming more broadly understood. As the Metropolitan Planning Council's (MPC) 1999 Regional Rental Market Analysis demonstrated and 2000 Census data confirm, thousands of entry-level workers cannot afford housing near their workplaces. Census data also show an increase in commute times, particularly for workers in those parts of northeastern Illinois that have affordable housing but few jobs.

***"We are interested in housing issues overall because we believe employer-assisted housing will reduce our own turnover."***

*Brenda Mitchell, Advocate Bethany Hospital*

Figure 1 highlights the region's growth between 1990 and 2000, showing significant increases in population and employment opportunities. Growth in numbers of housing units, however, particularly rental housing units, has not kept pace.

Figure 1  
Regional Growth Trends (1990 to 2000)



Source: 2000 U.S. Census and Ill. Dept. of Employment Securities, 2001

<sup>1</sup> MPC's Regional Rental Market Analysis estimated that more than 250,000 entry-level workers in the six counties cannot afford rental housing close to work.

## Roles Government Can Play

Local, regional and state governments can play important roles by offering EAH programs to their own workforces, and promoting them to local businesses. Communities benefit from reduced traffic, increased local investment and improved community ties. The State of Illinois encourages private investment in workforce housing by offering matching funds and tax credits. The Illinois Housing Development Authority (IHDA) matches dollar-for-dollar an employer's contribution to a worker's down payment or closing costs. The Illinois Affordable Housing Tax Credit provides \$.50 in tax credits for each \$1 invested in EAH programs.

### Be A Good Employer

Communities in need of community development can offer EAH to their employees to boost local investment. Mayors in high job growth areas can help their employees live in those communities with expensive housing markets. For communities with residency requirements, EAH programs provide an incentive to accompany the mandate and help recruit new employees. Governments with high turnover may find that an EAH benefit improves retention. The Village of Riverdale has approved a down payment assistance initiative to address several of these objectives – encouraging employees to choose to live in Riverdale, boosting their financial investment in the community and increasing their personal commitment to the community.

**“Local or county governments can take advantage of state matching funds and offer EAH to their employees.”**

*Riverdale Mayor Zenovia Evans, Chair of the Metropolitan Mayors Caucus Housing Task Force*

### Promote Local Business Involvement

Governments can provide incentives to encourage local employers to develop EAH programs. By offering EAH to their own employees, government agencies serve as models for local businesses. Governments can also provide funding to cover some of the costs of a program for private employ-



PHOTO BY ANDREW CAMPBELL

*Kerri Jantzen, a 6 1/2 year Bank One Veteran, took advantage of employer-assisted housing to buy a condominium in Chicago's Gold Coast neighborhood within easy access of his Loop office.*

ers. The City of St. Charles is offering an EAH program to its own employees and providing funds to cover the counseling costs for employees of local employers, reducing the costs to those employers as they launch initiatives for their workers. The City hopes to encourage private investment in support of workers' housing, and help these local employees access St. Charles' expensive housing market.

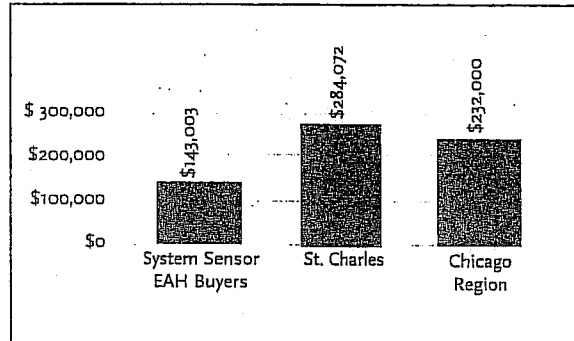
Government entities can also encourage employer investment in EAH by partnering existing programs with employer initiatives. To support homeownership goals of local residents, the City of Chicago offers rehab and purchase loans, closing cost and down payment assistance, and programs to create new, affordable, single-family housing. Working with REACH partner Neighborhood Housing Services of Chicago, the Chicago Department of Housing is leveraging employer investment in worker housing by actively marketing its programs to the employees of participating employers. The Affordable Housing Corporation of Lake County can use county funds to match the employer's assistance with an additional \$5,000 for the new homebuyer.

## System Sensor, St. Charles, Illinois

As the first regional employer to use the REACH model, Pittway Corporation CEO King Harris saw EAH as a way to maintain the company's business edge and reduce turnover through innovative workforce benefits. Pittway Corporation worked with MPC and the Joseph Corporation, the Aurora-based REACH partner, to develop a unique program at its System Sensor plant in St. Charles. In 1999, the company committed to provide \$5,000 in down payment assistance to help as many as 50 qualified employees buy homes closer to work. Assuming an employee stays with the company for five years, the \$5,000 loan is fully forgiven. If an employee leaves the company within that time, the unforgiven portion must be repaid. Pittway also contracted with the Joseph Corporation to provide counseling and homeownership education. Developed as a two-year pilot, the program was suspended at the end of 2001 when Honeywell acquired System Sensor, but was reinstated in January 2003.

Figure 3 shows the average sale prices for homes in St. Charles and in the Chicago region overall.

Figure 3  
Average Home Sale Prices



Source: Applied Real Estate Analysis survey of sales activity for one year, ending Nov. 1, 2002

Figure 4  
How System Sensor's Employer-Assisted Housing Program Works

System Sensor approves eligible employees to participate in EAH program



Joseph Corporation provides credit counseling and assistance during the home buying process



System Sensor employee finds home to buy within 15 miles of work



Employee buys home with \$5,000 down payment/closing cost assistance from System Sensor

### Highlights

NEW HOMEOWNERS AS OF SEPTEMBER 2003: 43

PARTICIPATING EMPLOYEES' MEDIAN INCOME: \$54,700

HOUSEHOLD MEDIAN INCOME: \$48,900

AVERAGE TENURE AT SYSTEM SENSOR: 7 years

MEMBERS OF RACIAL OR ETHNIC MINORITY GROUPS: 27

FIRST-TIME HOMEBUYERS: 31

- System Sensor credits EAH with saving more than \$100,000 per year through reduced turnover costs

- Media attention included a mention in the *Wall Street Journal*, a profile in *Newsweek*, and stories in the *Daily Herald*, *Kane County Chronicle*, and *Chicago Tribune*

Figure 5  
System Sensor Cost-Benefit Analysis

	2000	2001
Downpayment/closing cost assistance	\$5,000 x 16 participants = \$80,000	\$5,000 x 19 participants = \$95,000
Joseph Corporation homeownership counseling and program administration	\$20,000	\$20,000
MPC program design and evaluation	\$7,500	\$7,500
Savings due to reduced turnover, recruitment and training	\$207,500	\$247,500
<b>Net savings to System Sensor</b>	<b>\$100,000</b>	<b>\$125,000</b>

Source: System Sensor, 2002

## Northwest Community Healthcare, Arlington Heights, Illinois

Northwest Community Healthcare (NCH) saw an EAH program as a way to encourage employees to live closer to the hospital, thereby reducing turnover costs and increasing the number of staff who would be available to work off-hours or emergency shifts. Funding for the program was approved in October 2001. Hospital executives considered purchasing an apartment building nearby to offer to employees at affordable rents, but instead took advantage of state tax credits and matching funds to roll out an EAH homeownership program to employees. The program was administered by the North West Housing Partnership.

The new initiative was announced in March 2002. The program is available to employees who have worked for the hospital for at least a year and earn less than \$70,500. The employee should also be a first-time homebuyer, and the home must be within a 10-mile radius of the hospital. Like System Sensor, the hospital offers \$5,000 loans forgiven at 20 percent per year over five years. If an employee leaves before completing the five-year commitment, the portion that has not been forgiven must be repaid to the hospital.

As of August 2003, 10 NCH employees had bought homes. The hospital has also benefited from heightened exposure in the local community, including coverage in area newspapers and an appearance by Mark Lusso, vice president of Northwest Community Healthcare, on WTTW Channel 11 as part of the Chicago Matters series on housing.



Darlene Dugo, Fannie Mae, presents a plaque to Northwest Community Hospital in recognition of their employer-assisted housing initiative. Also shown are Arlington Heights Mayor Arlene Mulder, Donna Thomas, North West Housing Partnership and Mark Lusso, Northwest Community Healthcare.

# Bank One, Metropolitan Chicago

Bank One offers \$2,500 grants to help with down payment and closing costs for employees purchasing their first homes. The employee needs to have been employed with the bank for one year to participate, and his income must be less than 80 percent of the area's median income. Bank One has committed \$500,000 toward this program.

In northeastern Illinois, Bank One has partnered with MPC and all eight REACH partners, leveraging IHDA matching dollars to provide eligible employees with a total of \$5,000 of assistance. Bank One and the REACH partners set a goal of assisting 25 new home-

buyers during the first year of the program. Since the local launch in June 2002, more than a dozen Chicago-area employees have qualified for the program and six participants have successfully bought new homes.

Bank One managers believe the initiative fosters loyalty and commitment to the company, in turn creating a desire to serve bank customers better. Given the competitive marketplace for banking associates, the bank sees its investment in EAH as a way to ensure Bank One is an attractive place to work.

Figure 6  
Bank One's Employer-Assisted Housing Program

	Chicago	Nationwide (including Chicago)
Total new homeowners	18	195
Grant amount	\$2,500 + taxes	\$2,500 + taxes
Average mortgage amount	\$101,837	\$90,480

Source: Bank One, July 30, 2003

## Steps to Implementation

### Put a program in place

MPC and REACH partners are available to help determine the economics of an EAH program for any organization. A cost-benefit analysis examines the value of an EAH initiative, taking into consideration turnover expenses and projected savings. MPC and REACH partners also provide a housing needs survey to help determine whether employees currently own or rent, how they get to work and if they would be interested in moving closer to their jobs. The survey can be customized to meet the particular needs of each employer. After these evaluation steps, MPC and REACH partners work with an employer to design and implement an EAH initiative.

### Introduce EAH to local employers

Local or county governments can help introduce EAH to local employers. Government or business associations can invite employers to attend presentations, or schedule individual meetings. MPC and REACH partners can arrange presentations for groups convened to learn about EAH. By offering to help cover program counseling costs or targeting existing housing programs to employees of local companies, governments can provide financial incentives to employers to invest in EAH and a boost to workers looking to buy homes in the community.

**CORRESPONDENCE WITH METROPOLITAN PLANNING COUNCIL REGARDING  
EMPLOYER ASSISTED HOUSING (EAH)**

Jeffery S.  
Ryckaert/Community  
Development/Deerfield  
09/14/2007 02:06 PM

To ljernigan@metroplanning.org  
cc  
bcc  
Subject Workforce Housing

Lillie,

I wanted to follow up from the MPC meetings last month regarding workforce housing.

At the meeting on August 23, there was some discussion regarding the follow up with the employers who came to the June meeting. I believe you indicated that some employers may be creating EAH programs, including major employers in Deerfield . Can you provide me a status report on any Deerfield EAH programs.

At the meeting on August 24, I believe that program was recorded for National Public Radio. How can I get a tape or transcript of the August 24 meeting?

I also recall the mention of a video tape being available on the issue of building broader community support for affordable house (I believe it was of a recent meeting in the northwest suburbs, but not for sure). If you can send me a copy of that video, I sure would appreciate it.

Thanks.

Jeff Ryckaert, Planner  
Village of Deerfield, IL  
850 Waukegan Road  
Deerfield, IL 60015



"Lillie Jernigan"  
<ljernigan@metroplanning.org>  
g>  
09/19/2007 11:59 AM

To "Jeffery S. Ryckaert" <jryckaert@deerfield-il.org>  
cc  
bcc

Subject RE: Workforce Housing

History

✉ This message has been replied to.

Hi Jeff!

My apologies for the delay, I was on vacation for several days. I will send you a few copies of the DVD, "Welcome Home, Housing Our Community". I'll put them in the mail today.

There were three Deerfield employers present at the June 15<sup>th</sup> event:  
**Township H.S. District 113**  
**Baxter**  
**Walgreen Company**

I've attached the employer list we received from Deerfield early on in the planning stages of employer outreach. We invited all those employers to the event, most of the contact names were pulled from the internet...so, not necessarily the best way to reach decision makers! We could look at doing a smaller meeting for just Deerfield employers, and utilizing relationships you and others at the Village have with employers to create a more impactful discussion.

Baxter's representative was very intrigued by the ideas shared, although I have not been able to catch up with her since. We are creating a proposal for Walgreen Company right now...and so we might have some progress there to speak of soon. These types of initiatives take a long time to build...so any assistance with outreach and follow up is greatly appreciated! Let's talk more about how we can team up most effectively. I also attached the one-pager handout we circulated at the event on Deerfield. You might even have seen it as we were getting approval from the Village.

For the link to listen to the roundtable discussion from 8/24, try this:  
[http://www.chicagopublicradio.org/Program\\_AMP\\_Archive.aspx](http://www.chicagopublicradio.org/Program_AMP_Archive.aspx)


OR, go to [chicagopublicradio.org](http://chicagopublicradio.org), then look for "Chicago Amplified", then search the "partner list" for Metropolitan Planning Council. That is our only recording with them so far, therefore it is easy to find.

Thanks for checking in, Jeff. I'm looking forward to talking with you more.  
Best,  
Lillie.

*Lillie Jernigan, Consultant*  
*Employer-Assisted Housing*  
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Visit [reachillinois.org](http://reachillinois.org) for a wealth of information about Employer-Assisted Housing

Jeffery S.  
Ryckaert/Community  
Development/Deerfield  
09/26/2007 03:30 PM

To "Lillie Jernigan" <ljernigan@metroplanning.org>  
cc  
bcc  
Subject RE: Workforce Housing 

Lillie,

Sorry for the delay in getting back to you.

I think if we get one company like Walgreens to commit to and develop an Employer- Assisted Housing program that could be a catalyst for other major employers to do the same thing. If possible, we would like to see a copy of the Walgreens proposal you are developing.

You had mentioned in the email about teaming up on this issue. Do you know how much staff time this could take on a weekly basis as there are only 2 planners in the Planning Department and one secretary. I would like to be able to tell our new Village Manager Kent Street how much time this would involve.

Please copy us on any letters you have sent to Deerfield area employers. A good source for the contact person might be the Deerfield Bannockburn Chamber of Commerce's website at Dbrchamber.com and click on business directory. I will be faxing you a list of a few more major Deerfield employers.

Thanks so much.  
Jeff Ryckaert

"Lillie Jernigan" <ljernigan@metroplanning.org>



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