

# **VILLAGE OF LAKE BLUFF**

## **AFFORDABLE HOUSING PLAN**

### **I. AUTHORITY**

In 2003, the Illinois General Assembly adopted Public Act 093-0595, the Affordable Housing Planning and Appeals Act, which became effective January 1, 2004. Amendments to Public Act 093-0595 were approved on June 28, 2004. Public Act 093-0595 and its amendments are codified at 310 ILCS 67/1 *et seq.* ("**Act**"). According to the Act, its purpose is to encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. In addition, the Act provides a forum for affordable housing developers who believe they have been unfairly treated, to seek relief from local ordinances and regulations. 310 ILCS 67/10.

The Act contains three major provisions: (1) the Illinois Housing Development Authority ("**IHDA**") has been charged with determining those local governments that must prepare an affordable housing plan and those that are exempt; (2) the Act requires all non-exempt local governments to prepare affordable housing plans and adopt those plans prior to April 1, 2005; and (3) the Act provides an appeal procedure for aggrieved developers of affordable housing.

On August 10, 2004, IHDA sent a letter to the Village of Lake Bluff informing the Village that it was a non-exempt community pursuant to Section 20(b) of the Act. Pursuant to Section 25 of the Act, therefore, the Village must prepare an affordable housing plan and approve the plan prior to April 1, 2005.

### **II. INTENT**

Pursuant to the Act, the Village of Lake Bluff, a non-exempt community as determined by IHDA, is required to adopt an affordable housing plan prior to April 1, 2005. In identifying lands and structures that are most appropriate for affordable housing and incentives that may be available to attract affordable housing developments in the Village, the Village of Lake Bluff has carefully considered the character and environment of the Village, as set forth in the Village of Lake Bluff Comprehensive Plan, Lake Bluff Zoning Regulations, Lake Bluff Village Code, and other ordinances and regulations of the Village. The Village of Lake Bluff desires to establish a plan that will encourage and attract affordable housing developments in the Village of Lake Bluff that are consistent with the public health and safety capabilities of the Village and will protect and preserve the character and environment of the Village. Therefore, while the Village of Lake Bluff recognizes the importance of providing affordable housing throughout the State of Illinois, affordable housing must be provided in a way that does not compromise the public health or safety or destroy the environment and character that defines the Village of Lake Bluff.

It is the intention of the Village of Lake Bluff to comply with the Act. The challenge in doing so is significant without substantial subsidization because of the existing character and environment of the Village, as described in detail in the Village's Comprehensive Plan, Zoning Regulations, and Village Code. Specifically, the environment of Lake Bluff is that of a well-forested, substantially landscaped, and virtually fully built-out community predominated by detached single-family residences. In addition, the few larger expanses of open space, parks, and recreational lands comprise a critical element of the Village whose preservation define and enhance the Village's character and environment. Beyond the single-family and open space elements of Lake Bluff's character and environment, there are limited areas of commercial

development along Illinois Route 176, Illinois Route 43 and U.S. Route 41, as well as a modest downtown business district that is centrally located in the Village. The developed portions of the Village are relatively low-profile buildings when compared to the existing tree canopy found throughout much of the Village.

The Village's infrastructure has historically developed in a manner consistent with the character and environment of the Village in order to protect the health and safety of its residents. In particular, streets, water lines, sanitary sewers, and storm water management facilities have been designed and maintained to accommodate the relatively low-density development in the Village. Similarly, the Village's public works and public safety services and equipment have been developed, acquired, and maintained to address the public health and safety needs that have arisen from the aforementioned character and environment of Lake Bluff. Establishing affordable housing in a manner inconsistent with such character will be detrimental to the Village's environment and put at risk the public health and safety.

It is within this context that the Village has prepared this plan in accordance with the Act. The overall objective of the Village and this Plan is to identify locations for, and to undertake steps to promote, affordable housing in a manner that preserves the character and environment of Lake Bluff and protects the public health and safety.

### **III. AFFORDABLE HOUSING PLAN**

#### **A. 10% AFFORDABLE HOUSING**

According to IHDA's calculations pursuant to Section 20(b) of the Act, as of 2000, the Village of Lake Bluff has 7 affordable for-sale units housing and 95 affordable rental units<sup>1</sup> for a total of 102 affordable housing units in the Village. Thus, IHDA has calculated that 4.70 percent of the Village's total housing units of 2,173 are affordable. In order for the Village to reach exempt status under the Act, the Village must have 10 percent of its total housing stock as affordable housing units, as defined by the Act. Assuming that the total housing unit calculation of 2,173 does not change, the Village needs a total of 218 affordable housing units to be exempt under the Act.<sup>2</sup> After deducting the 102 existing affordable housing units calculated by IHDA from the total affordable housing units required to be exempt from the Act, 115 *additional* affordable housing units are needed in the Village.

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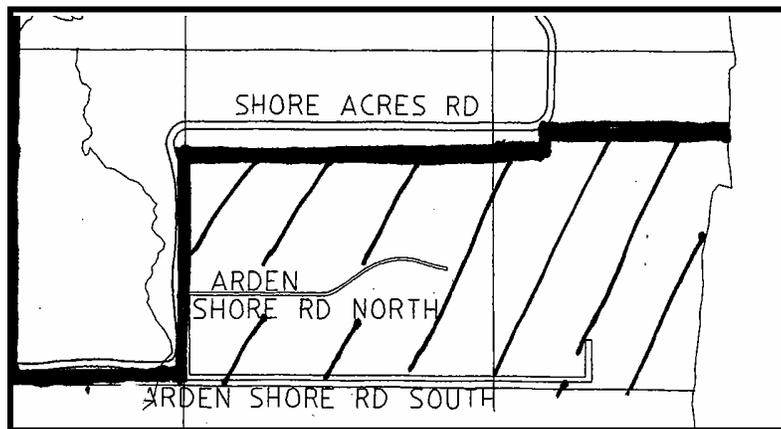
<sup>1</sup> Under Section 15, the Act defines "affordable housing" as that housing whose sale or rental price is within the means of a household that may occupy moderate-income housing (affordable to households with income that is greater than 50% but does not exceed 80% of the area median household income) or low-income housing (affordable to households with income that does not exceed 50% of the area median household income). IHDA calculated the number of affordable units pursuant to Section 20(b) of the Act. The goal of this Plan is to provide affordable housing as defined in the Act. Pursuant to official notices sent by IHDA to the Village (and attached to this Report as Attachment A), the State has determined that the Village is "non-exempt" under the Act. The State has also determined that the "affordable sales price" of for-sale units in the Village is \$123,720, and that the "affordable month rent" of rental units in the Village is \$775.

<sup>2</sup> It is unclear from the Act how a municipality determines the total housing stock in calculating the 10 percent affordable housing number. As the number of total units in the Village changes, so too would the target for affordable units. Additionally, through market forces, changes in occupancy of current affordable units could transform them to units that do not qualify as "affordable housing" without any intervention of the Village. Because it is impossible to predict how housing will be developed in the Village in the future and how market forces may affect existing affordable units, for purposes of complying with the Act the Village has (a) used the total housing unit number reported by IHDA to calculate the 10 percent affordable housing unit number, and (b) set as its target based on the assumption that existing affordable units will continue to serve as "affordable housing" as defined in the Act.

**B. IDENTIFICATION OF LANDS AND STRUCTURES MOST APPROPRIATE FOR AFFORDABLE HOUSING**

In identifying properties and structures that are most appropriate for affordable housing, it is important to note that appropriate does not simply translate to those properties or structures that are vacant and undeveloped. The character and environment of the Village of Lake Bluff is defined by its well-established single family residential development patterns and its public and private open space with minimal amounts of developable land remaining. In light of the existing character and environment of the community, the Village of Lake Bluff has identified that the areas most appropriate for affordable housing developments are:<sup>3</sup>

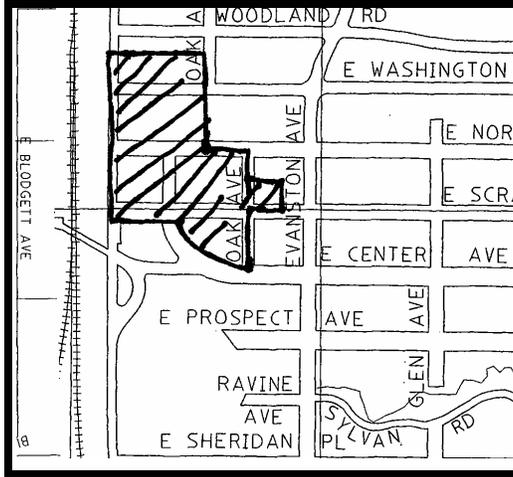
- 1. Area North of Arden Shore Road South and South of Shore Acres Country Club (Approximately 40.9 Acres).**



Lake Bluff Comprehensive Plan contemplates the orderly redevelopment of this area as a Planned Residential Development in a manner compatible with neighboring residential uses. (1997 Comprehensive Plan)

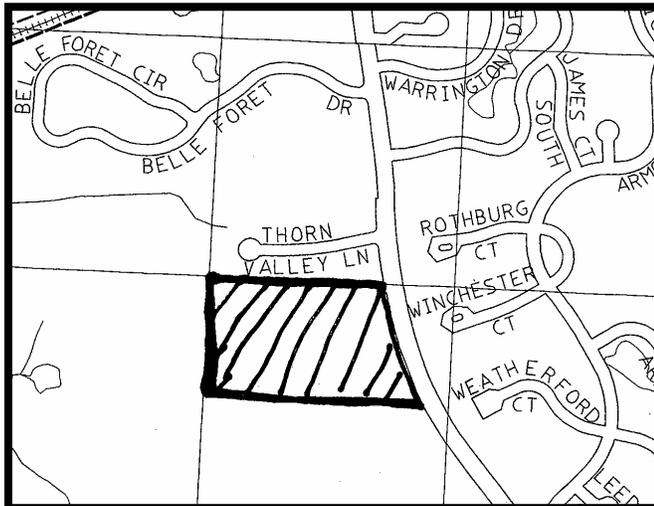
<sup>3</sup> The Village's identification of properties or structures most appropriate for affordable housing development does not ensure that these properties will be developed with affordable housing, nor does it create any entitlement therefore. Conversely, such identification is not intended to affect the existing development rights currently vested in such properties.

**2. Area East of Sheridan Road, North of East Center Avenue and South of East Woodland and West of Oak Avenue (Central Business District – Approximately 12 Acres)**



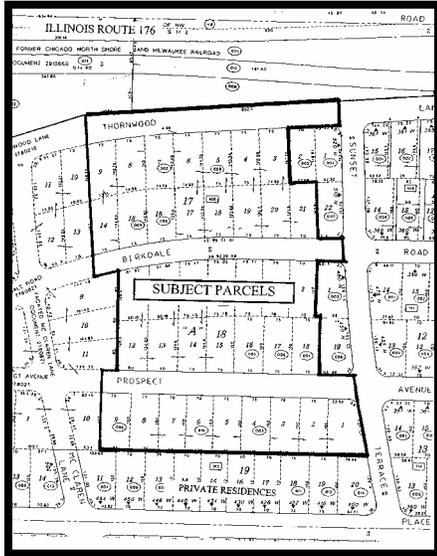
Lake Bluff Comprehensive Plan contemplates maintaining the unique residential character of the Central Business District (CBD) while maintaining the existing zoning classifications of the CBD. (1997 Comprehensive Plan)

**3. Area West of Green Bay Road; East of the Golf Course; North of Central School; and South of Thorn Valley Lane (Approximately 16.2 Acres).**



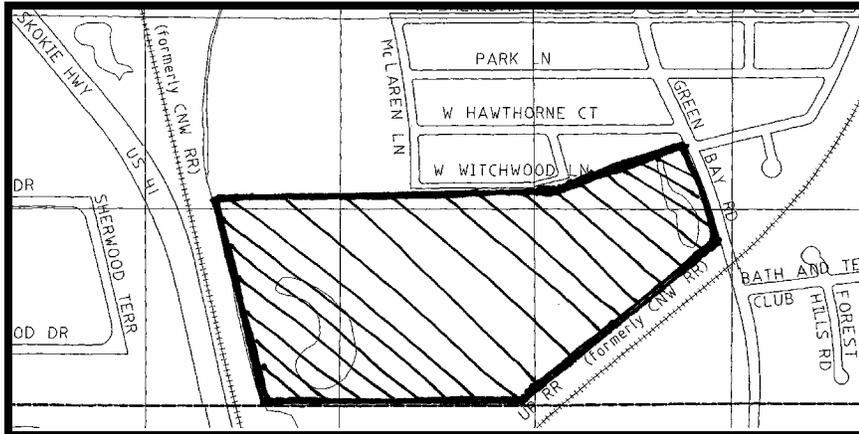
Lake Bluff Comprehensive Plan contemplates this property as higher density Planned Residential Development and the possibility for empty nester housing similar to Amour Woods. (1997 Comprehensive Plan)

4. **Area South of Route 176; West of Sunset Terrace; East of the Joint Action Water Agency; and North of West Sheridan Place (Approximately 10 Acres).**



Village owned parcel located east of JAWA and south of Route 176. Lake Bluff Comprehensive Plan contemplates this property for development as a park site first and second for relatively low density, lower cost multifamily housing if a sufficient number of housing units cannot be located elsewhere in the Village. (1997 Comprehensive Plan)

5. **Area West of Green Bay Road; North of Union Pacific Freight Line Spur; South of West Witchwood Lane; and East of Union Pacific Freight Line (Harrison Conference Center - Approximately 47 Acres).**



When a change in use is proposed for the Harrison Conference Center, the Lake Bluff Comprehensive Plan suggests considering redevelopment in a manner that services as a compatible transition between the residential area to the north and south of this property. (1997 Comprehensive Plan)

Even within those areas, any sites that are used for new construction or adaptation of existing units must:

- \* Provide compatibility with established land-use patterns, surrounding land uses and the Village's Comprehensive Plan;
- \* If possible, be in mixed-use developments (for multi-unit structures);
- \* Not concentrate the affordable housing units; and
- \* Be located where there is adequate infrastructure to support such housing developments.

### **C. AFFORDABLE HOUSING POLICIES AND INCENTIVES**

The Village of Lake Bluff may, after a careful review to ensure that the public safety and health and the character and environment of the Village will be protected and preserved, consider adopting and implementing, or otherwise facilitating, the following policies and incentives to encourage the development of affordable housing by both for-profit and non-profit developers in the Village.<sup>4</sup>

- \* Expedited or reduced costs of permitting fees for affordable units;
- \* Municipal property tax abatements;
- \* Cooperation with a developer attempting to use IHDA Housing Trust Funds (matching funds);
- \* Preparation of development bonus policy;
- \* Establishment of a Community Land Trust; and
- \* Employer-assisted housing.

### **D. GOALS**

The Village of Lake Bluff has identified the following targets for the development of affordable housing in the Village.<sup>5</sup>

- 15% of all new development or redevelopment in the Village will be affordable; or
- 3% increase in affordable housing units in the Village over the number of affordable units calculated by IHDA pursuant to Section 20(b) of the Act.

In furtherance of reaching these targets, the Village of Lake Bluff establishes the following goals for its Affordable Housing Plan:

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<sup>4</sup> Unless and until the General Assembly acts to provide statutory authority to non-home rule municipalities to adopt and implement inclusionary housing requirements, the Village of Lake Bluff is not authorized to adopt or implement such policies.

<sup>5</sup> These targets have been established in accordance with the Act and the assumptions set forth in this Plan, and particular in footnote 3 of this Plan.

1. Development of an ongoing public information program to educate residents and community groups about the Affordable Housing Plan. The Public information programs to include distribution of information in the Village newsletter, on the Village website, via the Village email list serve and directly to various community groups and organizations.
2. Within one year of its approval of the Affordable Housing Plan, the Village Board shall refer to the Plan Commission for public hearing possible amendments to the Lake Bluff Comprehensive Plan to encourage and attract Affordable Housing in the Village while protecting the public health and safety and in a manner consistent with the character and environment of Lake Bluff.
3. Within one year of its approval of the Affordable Housing Plan, the Village Board shall refer to the Zoning Board of Appeals for public hearing possible amendments to the Lake Bluff Zoning Regulations and Lake Bluff Zoning Map to encourage and attract Affordable Housing in the Village consistent with the public health, safety, character, and environment of the Village, including without limitation the following:
  - a. Density bonuses for developments that provide affordable housing units.
  - b. Text amendments to permit multiple family and senior housing developments.
  - c. Map amendments to rezone parcels identified as most appropriate for affordable housing.
4. Within eighteen months of its approval of the Affordable Housing Plan, the Village Board shall appoint a standing committee of the Village Board to study affordable housing issues.
5. Within two years of its approval of the Affordable Housing Plan, the Village Board shall request that the Finance Committee of the Village Board compile information and prepare a report regarding federal and state financial programs, including grants and other sources of funding, available to assist the Village and affordable housing developers in developing affordable housing in the Village.
6. Within three years of its approval of the Affordable Housing Plan, the Village Board shall request that the committee on affordable housing meet with non-profit affordable housing agencies and groups to discuss issues relating to affordable housing, including potential incentives.
7. Not less than every three years following approval of the Affordable Housing Plan, the Village Board shall review and update the Affordable Housing Plan.

Obviously, the Village cannot control market forces that affect the affordability of land and housing within Lake Bluff, nor the income levels of households that serve as the benchmark for determining affordability. This is particularly true given the small size of the Village vis-à-vis the larger area against which it is measured for establishing affordable housing targets. Because of these imponderables, as well as the overall uncertainty of the real estate development industry and the changing regulatory milieu in which such development occurs, it is not and cannot practically be a goal of this Plan to meet the target levels of affordable housing

units stated above in any specific time frame. Rather, it is the objective of this plan that, by pursuing the goals set forth above, the Village will have created conditions amenable to ultimately achieving the stated affordable housing targets in Lake Bluff in a manner that will not impact the health and safety capabilities of the Village and will protect and preserve the character and environment of the Lake Bluff community.

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