



# THE CITY OF LAKE FOREST AFFORDABLE HOUSING PLAN

## **Addressing the Housing Needs of Lake Forest's Residents and Workforce**

Adopted October 18, 2010 as an update to The City of Lake Forest 2005 Affordable Housing Plan

## EXECUTIVE SUMMARY

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The City of Lake Forest desires to promote healthy, stable, and vibrant neighborhoods through policies and programs that provide for a variety of housing opportunities. Throughout its history, the City has offered a diverse housing stock that permitted families of varying income levels and with various housing needs to own or rent homes in the community. In recent decades, property values have escalated to the point of discouraging a diverse housing stock. A certain percentage of households that currently live or work in Lake Forest are unable to meet or maintain the household income level necessary for homeownership in the community and, therefore, must look to other communities for housing. These households, such as seniors, families, and workforce professionals in the fields of education, healthcare, public service and others, are part of the fabric of daily life in Lake Forest. Affordably priced senior, family and workforce housing opportunities will help ensure that these groups can continue to impart a direct, immediate and positive impact on the quality of life in Lake Forest.

### Target Goal

The Lake Forest Housing Trust and City Council sees great value to the community in providing affordable and diverse housing opportunities to meet the needs of those vested in the community. To achieve this goal, the following target has been identified for the development of affordable housing in the City over the next ten year period:

- **15% of all new development or redevelopment in the City will be affordable;**  
**Meeting this target, along with the construction of some new units, is expected to result in 50 to 60 units by Year 2020. Once met, the community need should be reevaluated to determine if adjustments to the goals and objectives of this Plan are warranted.**

### Implementation

This goal can be achieved by implementing the Housing Trust's Tool Box Strategies, outlined on page 17 of this plan, and policies and incentives beginning on page 19, which include but are not limited to the following:

1. **Applying the Inclusionary Housing ordinance to new single-family and multi-family developments. The ordinance requires that 15% of units in market rate developments be priced at affordable levels; and**
2. **By proactively seeking out development opportunities with private and not-for-profit partners and placing a priority on those opportunities that leverage physical, financial, social and intellectual resources in support of common affordable housing goals.**

### Recommendations

In furtherance of reaching the objectives outlined in this Plan, the Housing Trust proposes the following recommendations be considered as immediate follow up actions to the adoption of this update to the Plan.

1. **Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Lake Forest Comprehensive Plan to align with the objectives, goals and policies of this Plan.**

2. Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Inclusionary Housing ordinance to apply to new single-family subdivisions.
3. Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Inclusionary Housing ordinance to amend the minimum payment-in-lieu fee.
4. Direct that the Housing Trust undertake a review for the purpose of recommending to the City Council a possible increase in the Demolition Tax amount.
5. Direct that the Housing Trust and Senior Resources Commission undertake a review of the viability of expanding the existing *Neighborhood Home without Walls* rental assistance program in order to provide immediate, inexpensive assistance to low-income senior households.

**Housing Trust Board Members:** Michael Burns Chairman and former 2<sup>nd</sup> Ward Alderman;  
Deborah Haddad, former 4<sup>th</sup> Ward Alderman;  
Thomas Morsch, Jr., 3<sup>rd</sup> Ward Alderman

Approved by the Housing Trust Board on \_\_\_\_\_, 2010

Approved by the City Council on October 10, 2010

**PLAN OUTLINE**

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## **I. DEFINITIONS OF AFFORDABLE HOUSING**

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The following words and phrases, when used in this document, shall have the following meanings.

**AFFORDABLE HOUSING:** Decent, safe, sanitary, and appropriate housing that Low- and Moderate-Income Households can own or rent without having to devote more than approximately 30 percent of their gross income to monthly housing expenses.

**AREA MEDIAN INCOME:** The median income level for the Chicago Area Primary Metropolitan Statistical Area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size. In 2010, the area median income (AMI) was \$52,750 for an individual and \$75,100 for a family of four.

**DEMOLITION TAX:** A tax associated with the issuance of a demolition permit as enacted by the City of Lake Forest that applies to the tear down or removal of a residential structure. The demolition tax provides a dedicated revenue stream for the creation and preservation of affordable housing, while at the same time attempting to mitigate tear-down activity that often removes older, more affordable homes and replaces them with high-end housing.

**EMPLOYER-ASSISTED HOUSING:** A program offered by employers that provides home-purchase or rental assistance as a benefit to employees. EAH provides incentives for employees to live near work. EAH can be used to support any comprehensive housing policy by better connecting the local workforce to new housing options and engaging employers in the local housing discourse.

**INCLUSIONARY HOUSING ORDINANCE:** An ordinance enacted by the City of Lake Forest in 2005, which is codified in Chapter 20A of the City Code. In general, the terms of this ordinance require new market rate residential developments over five units in size to price 15% percent of the units affordably for households earning between 60% and 120% of the Chicago Area Median Income. In exchange, the ordinance provides the developers with certain benefits such as Density Bonuses and Development and Building Permit Fee Waivers as cost off-sets.

**LOW-INCOME HOUSEHOLDS:** For owner occupied units, households that have incomes that do not exceed 80 percent of the Area Median Income. For rental units, households that have incomes that do not exceed 60% of the Area Median Income. (From Chapter 20A, Section A-1 of the City Code.)

**MODERATE-INCOME HOUSEHOLDS:** For owner occupied units, households that have incomes that do not exceed 120 percent of the Area Median Income, or such higher income limit as may be established for a local, county, state, or federal housing program. For rental units, households that have incomes that do not exceed 80% of the Area Median Income. (From Chapter 20A, Section A-1 of the City Code.)



**WORKFORCE HOUSING:** For sale or rental housing that appeals to gainfully employed, essential workers in the community, such as teachers, police officers, firefighters, nurses, medical technicians and office workers, earning between 60% and 120% of the Area Median Income, when priced so that no more than 30 percent of their gross income is devoted to monthly housing expenses.

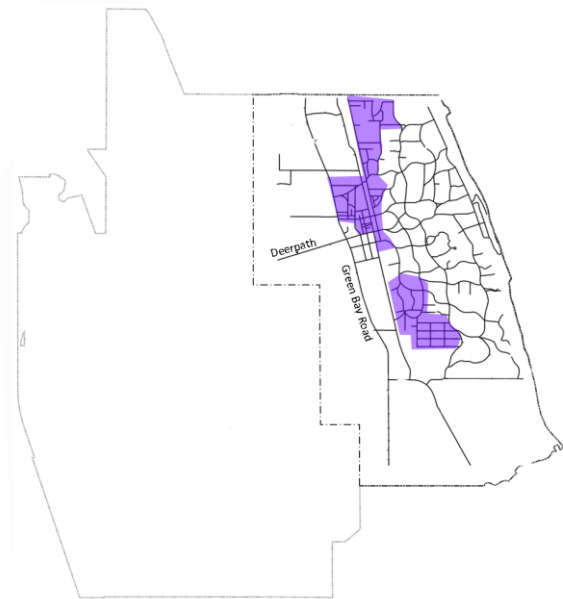
## II. BACKGROUND AND AUTHORITY

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### A. HISTORICAL BACKGROUND

Throughout its history, The City of Lake Forest has offered a diverse housing stock that permitted households and families of varying income levels to reside in the community. By the turn of the century, neighborhoods and housing units in and around the Central Business District had been built to provide modest housing for the men and women who worked on the estates or ran businesses on Western Avenue. The chauffeurs, the gardeners and the shopkeepers, to name just a few, were an integral part of the community and required living in close proximity to where they worked. The West Park neighborhood is one example of a neighborhood that was created to address this need, as described by local historians Arthur Miller and Shirley Paddock.

*A century after its creation in 1907, the park and neighborhood have developed much as laid out by architect and planner Howard Van Doren Shaw. The area was planned with lots of “modest prices and generous terms” (5 years to pay off). The lots were sold at auction in July 1907 and could only be bought by members of The Young Men’s Club. The goal was to provide attractive modest housing to draw and retain a better class of family oriented people who were increasingly required to serve the estate community of Chicagoans here (in Lake Forest). The early lot owners and residents of the neighborhood were mostly working in small businesses or public service.<sup>1</sup>*



Graphic 1. From 1900 thru the 1920s, most affordable workforce housing in Lake Forest was located in the downtown area and neighborhoods surrounding the large estates, including the West Park neighborhood.

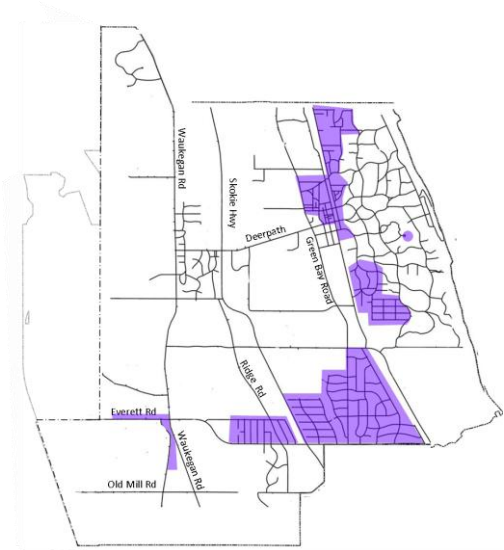
Through the 1920’s, the majority of Lake Forest’s affordable housing was located in neighborhoods surrounding the downtown, in second floor apartments, in the West Park neighborhood, the Northmoor Terrace neighborhood and in areas around Washington Circle-Ryan Place. Lake Forest College made special provisions for housing faculty on its campus. Built over a span of three

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<sup>1</sup> *History of West Park Neighborhood*, Arthur H. Miller and Shirley M. Paddock, August 2006

decades (1916, 1927, 1938), Campus Circle provided modest, but high quality housing for professors.

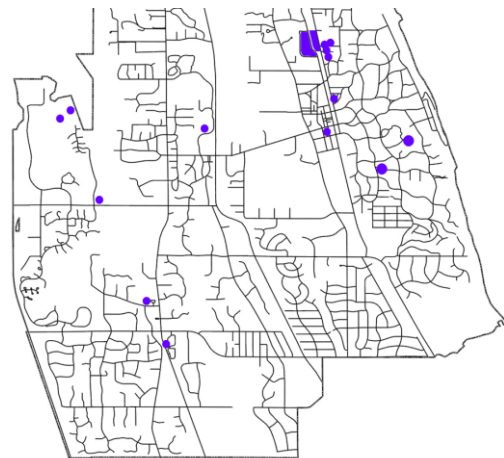
Even up through the 1970s and early 1980s Lake Forest continued to maintain a diversity of housing that served the needs of individuals and families holding working-class business, social, or civic positions. During those same decades, Lake Forest's westward geographic expansion incorporated modest housing that existed in the vicinity of the Everett-Waukegan Road area and created opportunities for new subdivisions of moderately priced homes, such as Whispering Oaks and H.O. Stone, which offered a range of housing options for young families and professionals.



Graphic 2. By the 1960s, a wide variety of affordable and moderately priced housing options existed for seniors and those employed in Lake Forest.

### Affordable Housing Today

Over the past 30 years, the creation of large subdivisions with 1 ½ acre home sites, the conversion of existing affordably priced housing high end homes, and overall rising land values resulting from the increased scarcity of undeveloped land has placed additional pressures the availability of affordable housing in the community. At the same time, new retail and commercial developments, the creation of the world class Conway Office Park - home to major corporations and thousands of employees - and expansion of existing local institutions have increased the need for a readily available workforce that can live in or near Lake Forest.



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Today, existing affordable housing within Lake Forest is limited to some areas around the CBD on North Western Avenue, a limited number of faculty and staff housing on the campuses of Lake Forest College, Lake Forest Hospital and Lake Forest Academy, and the Senior Cottages on Conway Road. With each new development that utilizes land otherwise available for affordable housing or converts existing modest homes to larger expensive homes, the opportunity for the development of affordable housing decreases and the gap between the availability of affordable housing and the need for affordable housing increases.

Graphic 3. Today, existing affordable housing is limited to some areas around the CBD on North Western Avenue, faculty and staff housing on the campus of Lake Forest College, Lake Forest Hospital and Lake Forest Academy and the Senior Cottages.

## B. AFFORDABLE HOUSING PLANNING & APPEALS ACT

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.* 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.

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 City of Lake Forest informing the City that it was a non-exempt community and, in accordance with the Act, that the City must prepare and approve an affordable housing plan prior to April 1, 2005.

*...Therefore, the City of Lake Forest, being a Home Rule unit of local government, is not subject to the [Affordable Housing Planning and Appeals Act].*

*Nevertheless, because the City of Lake Forest desires to promote healthy, stable, and vibrant neighborhoods through policies and programs that provide for a variety of housing opportunities, the City has set targets for affordable housing consistent with the spirit of the Act.*

On November 2, 2004, residents of Lake Forest approved Home Rule status for the City of Lake Forest. Based on the recognized methods of preemption authorized under the Illinois Constitution and Illinois Supreme Court cases, the Affordable Housing Act does not preempt Home Rule authority and thus does not apply to Home Rule units of local government. Therefore, the City of Lake Forest, being a Home Rule unit of local government, is not subject to the Act. Nevertheless, because the City of Lake Forest desires to promote healthy, stable, and vibrant neighborhoods through policies and programs that provide for a variety of housing opportunities, the City has set targets for affordable housing consistent with the spirit of the Act. In March 2005, the Lake Forest City Council approved and filed a Plan with IHDA, not as an acknowledgement of the Act’s applicability, but merely for information.<sup>2</sup>

This 2010 Plan sets targets that are consistent with the spirit of the Act and is filed with IHDA for information. Simply creating a plan will not sustain and increase the availability of affordable housing in Lake Forest. The City Council and Housing Trust agree that such housing is both desirable and necessary for the City. Moreover, the City of Lake Forest has always had a strong, diverse housing stock and population and seeks to maintain that diversity – a goal expressed in the City’s Comprehensive Plan adopted in 1998 and reaffirmed numerous times through policies and actions taken by the City Council in the past seven years.

### **C. SEVEN RESOLUTIONS, ORDINANCES AND ACTIONS THAT HAVE GUIDED**

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<sup>2</sup> In preparing this Plan, the City has referred to and relied on various representations set forth in materials issued by the IHDA.

## LAKE FOREST AFFORDABLE HOUSING POLICY

In March 2007, the City Council held a Strategic Planning Session and identified *Diversity of Housing* as one of the City Council's top 10 priorities. Even before then, the City Council had taken several steps to encourage a more diversified housing stock and to replenish the City's lost affordable housing. Over the past seven years, the City Council has passed a series of innovative ordinances and resolutions that have guided the City's affordable housing policy, as highlighted below.

1. ***Resolution 03-19 to Support and Encourage the Development of Affordable/Diverse Housing.*** Approved 2003: A resolution passed by the City Council in support of creating affordable housing in Lake Forest for those who are income qualified and live or work in the community.  
Language from Resolution:
  - Whereas, certain populations that currently live and work in Lake Forest are unable to meet or maintain the household income level necessary to support homeownership and, therefore, must look to other communities for housing;
  - The City Council is committed to encouraging the development of affordable housing units that meet the needs of Lake Forest residents and those vested in the community.
  - The City Council is committed to encouraging the development of affordable housing units through various means including use of city owned property, legislative initiatives, and development incentives among others.
  - The City Council is committed to working to maximize access to private capital investment in developing affordable housing.
2. ***Inventory of City-Owned Property for Possible Use for Affordable Housing.*** Approved 2004: An inventory of City owned property prepared by the Planning and Preservation Committee of the City Council was approved by the City Council in 2004. This inventory identifies City-owned property that would be appropriate for development with affordable housing. This inventory has informed the Housing Trust's decision making process for identifying Affordable Housing Development Opportunities.
3. ***The City of Lake Forest Affordable Housing Plan.*** Approved 2005: A policy report that identifies the City's goals for the creation of affordable housing and incentives that will be considered in order to achieve those goals. The Plan also identifies areas within the City that are appropriate for the development of affordable housing. A recap of the Plan's strategies and the actions taken to date is provided in the next subsection.
4. ***Inclusionary Housing Ordinance.*** Approved 2005: Provides that developers of private market rate housing set aside 15% of the housing units for affordable housing to meet the needs of a range of household income levels. This ordinance applies to single-family and multi-family residential developments of 5 units or more.
5. ***Housing Trust Fund and Housing Trust Board.*** Approved 2006: The trust fund provides financial resources to address the City's affordable housing needs of individual and families of Low- and Moderate-Income Households by promoting, preserving, and producing long-term affordable housing; providing housing-related services; and, providing support for not-for-profit



organizations that actively address the City's affordable housing needs. The Housing Trust Board was appointed by the City Council to lead the City's affordable housing initiatives; advise the City Council on affordable housing matters; administer the requirements of the Inclusionary Housing Ordinance, manage and administer the expenditure of the Trust Fund dollars, and actively pursue opportunities to create new affordable housing through the development or purchasing of housing units.

Language from Ordinance:

- The Housing Trust Fund may provide financial support for a wide variety of Eligible Activities that serve persons in Low- and Moderate-Income Households, including, without limitation, (a) seniors on fixed incomes; (b) persons with disabilities who require accessible Affordable Housing; (c) persons employed in the City but financially unable to live in the City; (d) single-parent families; and (e) young households.

6. **Demolition Tax Ordinance.** Approved 2006: Assesses a \$10,000 tax for the demolition of single and two-family homes and \$5,000 per unit for multi-unit buildings. Half of the tax is allocated directly to the Lake Forest Housing Trust Fund. The other half is allocated to the City's General Fund.

7. **Resolution 2008-13 in Support of Inter-jurisdictional Housing Initiative.** Approved 2008: A letter of intent passed by the City Council to participate in cooperation with adjacent municipalities in an effort to address the workforce housing shortage on the North Shore.

Language from Ordinance:

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

### III. AFFORDABLE HOUSING PLAN

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Lake Forest has had a rich history of housing diversity, including affordable housing units for households of low- and moderate-incomes. Increasing land values resulting from the increased scarcity of undeveloped land and the conversion of existing affordable housing units into more expensive units have placed additional pressures on the availability of affordable housing for seniors and families in the community. New commercial developments and expansion of existing institutions in the City over the past decade have also increased the need for a readily available workforce in or near the City, requiring attainable housing for a wider range of households. With each new development that utilizes land otherwise available for affordable housing or converts existing modest homes to larger expensive homes, the opportunity for the development of affordable housing decreases and the gap between the availability of affordable housing and the need for affordable housing increases.<sup>3</sup>

Therefore, the City of Lake Forest has adopted this Plan, the *2010 Affordable Housing Plan: Addressing the Housing Needs of Lake Forest's Residents and Workforce*, with its goals, policies and incentives to attract high quality affordable housing that will meet the needs of those who live and work in this community.

In identifying policies, approaches and incentives that may be available to attract affordable housing developments, and in identifying lands and structures that are most appropriate for affordable housing, the City of Lake Forest has carefully considered the character and environment of the City. In addition, consideration has been given to the City's Comprehensive Plan, Zoning Code, and other applicable public health and safety provisions of the City's Code, ordinances and regulations.<sup>4</sup> The City of Lake Forest desires to establish a plan that will encourage and attract affordable housing developments that are consistent with those ordinances, regulations, and Code provisions that are intended to protect the public health and safety or that will protect or preserve the character and environment of the City and which can be provided with quality services such as adequate public safety services, schools, and infrastructure. Therefore, while the City of Lake Forest 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 City of Lake Forest.

The City of Lake Forest has set targets for affordable housing units consistent with the spirit of the Act. The challenge in doing so is significant without substantial subsidization because of the existing character and environment of the City. Specifically, the environment of Lake Forest is a forested, nearly fully built-out community of predominately detached single-family residences. In addition, large expanses of open space, parks, and recreational lands comprise a critical element of the City whose preservation define and enhance the City's character and environment. There are limited areas of multi-family housing, a modest central business district centered on historic Market Square, and a secondary neighborhood business district along Waukegan Road. The developed portions of the City are relatively low profile buildings when compared to the existing tree canopy found throughout much of the City.

The City's infrastructure has historically developed in a manner consistent with the community. In particular, streets, water lines, sanitary sewers, and storm water management facilities have been designed

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<sup>3</sup> See the Appendix to this Plan for information on the total number of affordable units needed for Lake Forest to meet the 10 percent level of affordable units as set forth in the Act.

<sup>4</sup> Although the City is not subject to review by the State Housing Appeals Board to be created under the Act, this focus on compliance with the public health and safety standards set forth in the City's codes is consistent with IHDA's statement that the State Housing Appeals Board to be created under the Act is not expected to "override local zoning ordinances or building codes." *Affordable Housing Planning and Appeals Act (310 ILCS 67/): Recommended Procedural Guidelines for Compliance* at 24 (IHDA, 11/23/04) (the "**IHDA Guidelines**").

and maintained to accommodate the relatively low-density development in the City. Similarly, the City's public works and public safety services and equipment have been developed, acquired, and maintained to address the public health and safety needs of the low density, primarily residential community. Establishing affordable housing in a manner inconsistent with this character would not be in the long-term best interest of the City and could threaten the community's character, property value, and quality of life.

It is within this context that the City has prepared this Plan. The overall objective of the City 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 Forest and protects the public health and safety of the community.

## **A. GOALS**

The City of Lake Forest has identified the following targets for the development of affordable housing in the City over the next ten year period:

- 15% of all new development or redevelopment in the City will be affordable;<sup>5</sup> or
- 3% increase in affordable housing units in the City over the number of affordable units calculated by IHDA.

These targets are consistent with the target identified in the City's 2005 Plan . It is the goal of this plan to pursue these targets by implementing the various Tool Box strategies outlined in subsection B, below, including 1) the Inclusionary Housing ordinance which will require that 15% of units in market rate developments over 5 units in size be priced at affordable levels; and 2) by proactively seeking out development opportunities with private and not-for-profit partners.

### **10 YEAR TARGET – 50 to 60 units by Year 2020**

Based on the stated targets and attainment of the aforementioned goal , if the City experiences growth over the next ten years consistent with a Forecasted Housing Growth rate of 4.5%-5.5%, the number of new affordable units that will result from implementing the City's Tool Box strategies will be 50 to 60 units<sup>6</sup>.

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<sup>5</sup> This target is established based on the definition of "development" and "redevelopment" as defined in the *IHDA Guidelines* (pp. 12-13).

<sup>6</sup> Because of the overall uncertainty of the real estate development industry and the changing regulatory environment in which such development occurs, this target represents only an estimate of the potential number of units that could be generated if the forecasted rate of growth is achieved.

**GETTING 50 TO 60 UNITS -- Development Opportunities on the Horizon**

**Certain development projects have been identified that , if approved and completed, could help the City attain its target of affordable units over the next ten years. These include:**

Barat College Units (Inclusionary)	10
MS Redevelopment Units (Inclusionary)	15
Everett & Telegraph Units (HT initiated)	15
<u>LF Hospital (Public-Private Partnership)</u>	<u>14</u>
<b>Total Affordable Units Generated</b>	<b>54</b>

*After the ten year target is met, reevaluate the community need to determine if adjustments to the goals and objectives of this Plan are warranted.*

## B. HOUSING TRUST TOOL BOX STRATEGIES

The Housing Trust will implement or support a variety of approaches as its goal for achieving the objectives and attaining the target number of affordable units under this plan. These approaches – the City’s “Tool Box strategies” – include the following.

### **Housing Trust Initiated Projects:**

City initiated development of senior, family or employee focused housing on city-owned sites identified in this Plan as appropriate of affordable housing. These project types will seek out opportunities to leverage trust fund dollars or acquire outside funding to offset development costs.

### **Public Private Partnerships:**

Partnerships with local employers, institutions, others, such as LF College, LF Hospital, the local schools.

### **Inclusionary Housing Projects:**

Units created by private developers thru the requirements of the Inclusionary Housing Ordinance.

### **Employer-Assisted Housing Program:**

Work with local and regional employers to encourage investment in workforce housing solutions, such as providing homebuyer education, down payment assistance and loan guarantee programs.

### **Inter-jurisdictional Cooperation:**

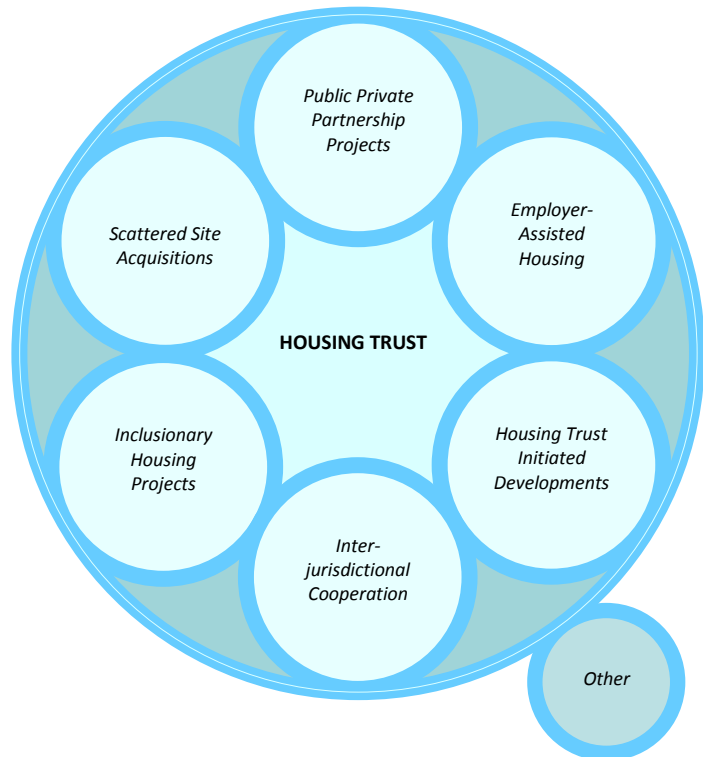
Work across jurisdictional boundaries with neighboring communities to address the shortage of affordable and workforce housing regionally.

### **Scattered Site Acquisition:**

Purchase existing units to preserve as affordable rental or deed restricted for-sale.

### **Other - Private Affordable Housing Development:**

Provide support for private development of affordable housing by other organizations or not-for-profits outside the sphere of the Housing Trust.



## C. IDENTIFICATION OF LAND 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 City of Lake Forest 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.<sup>7</sup> Based on that, the following characteristics have been identified as the most appropriate for affordable housing developments:<sup>8</sup>

### Highest Priority Areas for Affordable Housing Development

- Properties located in and around the City’s business districts (B-1, B-2, B-3, B-4, O-1 Zoning Districts)
- Properties located in multi-family residential districts
- Properties identified as appropriate for Affordable Housing in the City’s Inventory of City-Owned Property
- Land associated with Lake Forest College Campus
- Land associated with Barat Campus
- Land associated with Northwestern Lake Forest Hospital Campus
- Properties within walking distance to shopping, Metra and other transportation hubs, or city services such as the Senior Center
- Public-Private partnership opportunities

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 City’s Comprehensive Plan.<sup>9</sup>
- Be located where there is adequate infrastructure and services to support such housing developments, including but not limited to access to public transportation, shopping, the library and parks.

### Locations Appropriate for Affordable Housing

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<sup>7</sup> As a built-up community, there is little undeveloped land in Lake Forest other than parks and similar public spaces. Because the maintenance of adequate open space and recreational land is integral to protecting the character and environment of Lake Forest, such public and semi-public lands may not be appropriate for conversion to development for affordable housing or other purposes, which is consistent with the IHDA Guidelines. See IHDA Guidelines at 24.

<sup>8</sup> The City’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. Conversely, such identification is not intended to affect the existing development rights currently vested in such properties.




<sup>9</sup> The Comprehensive Plan is the City of Lake Forest’s official statement to guide its physical, economic, environmental and social development. The Plan is intended to serve as a guide for future policy decisions, and its recommendations can be reconsidered in the presence of compelling circumstances. In addition, the Comprehensive Plan is advisory and should not, in and of itself, be construed to control the use of property except as such part may be regulated by ordinances duly enacted by the City Council of The City of Lake Forest.

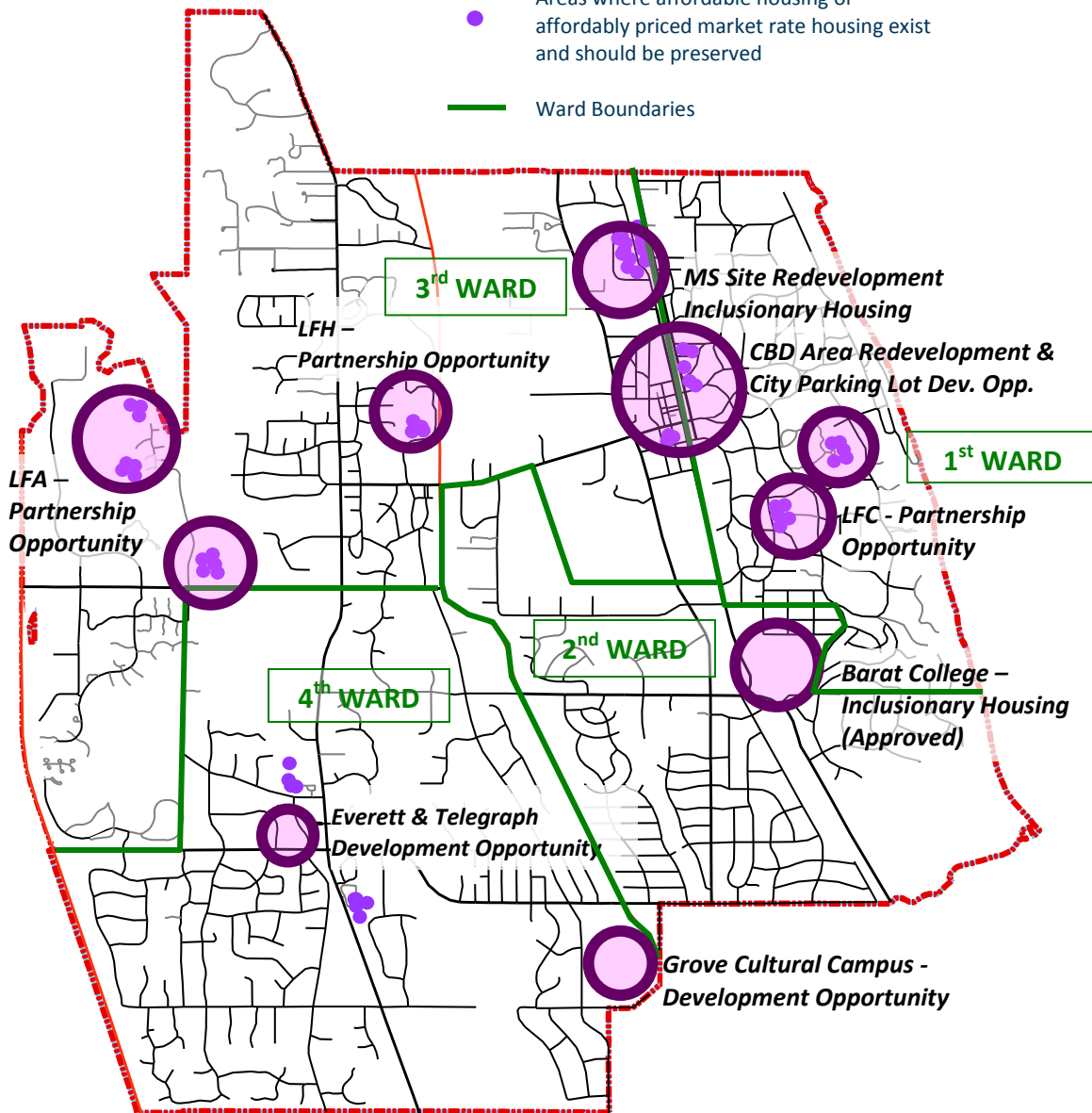
The following table and map identify locations and development types that are considered appropriate and high priorities for affordable housing. The table and map are provided as a guide for future decision making and prioritization of future development opportunities, and its recommendations can be reconsidered in the presence of compelling circumstances. Likewise, other development opportunities not identified in this table and map may, after careful consideration of the character and environment of the City, be determined to be appropriate locations for affordable housing. In addition, this table and map are advisory and should not, in and of itself, be construed to control the use of property except as such part may be regulated by ordinances duly enacted by the City Council of The City of Lake Forest.

**Table 6. Development Opportunities**

<b>SITE</b>	<b>POTENTIAL OPPORTUNITY TYPE</b>	<b>POTENTIAL DEVELOPMENT FOCUS</b>	<b>POTENTIAL TARGET INCOME RANGE</b>
MS Redevelopment Site (City-Owned)	City/HT Initiated or Inclusionary Housing Development Opportunity	Senior Focus or Mix Seniors, Families, Workforce Focus	Mixed Market Rate & Below Market Rate 60% to 120% AMI
CBD Area / CBD Parking Lots	City/HT Initiated or Inclusionary Housing Development Opportunity	Mix Seniors, Families, Workforce Focus	Mixed Market Rate & Below Market Rate 60% to 120% AMI
1176 – 1180 Everett Road Goldberg Downey Site (City-Owned)	City/HT Initiated Development Opportunity	Mix Seniors, Families, Workforce Focus	Mixed Market Rate & Below Market Rate 60% to 80% AMI
Grove Cultural Campus (City-Owned)	City/HT Initiated Development Opportunity	Senior Focus	Below Market Rate 60% to 80% AMI
Barat College Site	Inclusionary Housing Opportunity	Mix Seniors, Families, Workforce Focus	Mixed Market Rate & Below Market Rate 60% to 120% AMI
Lake Forest Hospital	Partnership Opportunity	Workforce Focus	Below Market Rate 80% to 120% AMI
Lake Forest College	Partnership Opportunity	Workforce Focus	Below Market Rate 80% to 120% AMI
Lake Forest Academy	Partnership Opportunity	Workforce Focus	Below Market Rate 80% to 120% AMI

# Development Opportunities Map

-  Areas identified as most appropriate for development with new affordable housing
-  Areas where affordable housing or affordably priced market rate housing exist and should be preserved
-  Ward Boundaries





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

Subject to considerations of the public health and safety and protecting and preserving the character and environment of Lake Forest, the following policies and incentives shall be considered for adoption by the City Council and thereafter implemented by the Housing Trust to encourage the development of affordable housing in the community:

### **General Affordable Housing Policies**

- ***Affordable Housing Objective***

The City of Lake Forest and the Housing Trust will work to address the City's affordable housing needs of individual and families of Low- and Moderate-Income Households residing or working in the community, including, without limitation (a) seniors on fixed incomes; (b) residents with disabilities who require accessible Affordable Housing; (c) persons employed in the City but financially unable to live in the City; (d) single-parent families; and (e) young households. The City through the actions of the Housing Trust and its trust fund resources, will promote, preserve, and produce long-term affordable housing; provide housing-related services; and, provide support for not-for-profit organizations that actively address the City's affordable housing needs.

- ***Proactive Approach***

The City and Housing Trust will take a proactive approach to encouraging the creation or preservation of affordable housing units. Simply relying on the Inclusionary Housing Ordinance to generate affordable units through market rate developments will not sufficiently address the immediate need within the community. Therefore, the Housing Trust will actively seek out and initiate opportunities to create or preserve affordable units through the Tool Box approaches identified in Section III.B of this Plan.

- ***Leverage Resources Efficiently and Effectively***

The City and Housing Trust will place a priority on opportunities that leverage physical, financial, social and intellectual resources from private, non-profit, and government sources in support of common affordable housing goals. The Housing Trust will coordinate resources for the most effective use in meeting housing needs. The Housing Trust will efficiently access and utilize outside resources and funding, maximize the impact of limited public resources, and cooperate with developers attempting to use tax credits, IHDA Housing Trust Funds (matching funds), and other funding sources.

- ***Flexibility and Responsiveness***

The Housing Trust will remain flexible to meet changing community needs and desires and will base decisions on sound data and best practices.

- ***Advocacy and Education***

The Housing Trust will work to raise awareness about the need for affordable housing in the community, educate the public and City officials about the benefits of having quality affordable housing, and advocate for inclusion of affordable housing in all City plans and policies.

- ***Senior Housing***

The Housing Trust will collaborate with the Senior Resources Commission to ensure that the needs of seniors not met by existing senior housing is identified and quantified and that important physical characteristics for future senior housing are identified. The 2010 Affordable Housing Plan identifies multiple opportunities for Senior-focused housing. As these opportunities arise, it will be important to have a clear understanding of the community's senior housing needs.

The Housing Trust will consider other ways to support senior housing, including expansion of the existing successful *Neighborhood Homes Without Walls* rent subsidy program in order to provide immediate, inexpensive assistance to low-income seniors. Currently this program is funded by an annual subsidy provided by Presbyterian Homes. This program serves approximately 10 households and funding is fully subscribed. Although the program is not heavily advertised, there is evidence to suggest that there may be other senior households in the community that would be eligible for subsidy assistance. Working with the Senior Resources Commission, a study should be conducted to identify the need within the community for expansion of this program, as well as available funding sources.

▪ ***Public-Private-Not-For-Profit Partnerships***

The Housing Trust will strive to develop partnerships with local institutions and businesses that share a common goal in creating affordable housing and workforce housing opportunities. By establishing strategic partnerships with organizations that share a common interest in affordable and workforce housing, collaboration can maximize resources, enabling partners to accomplish as a group what they could not accomplish individually. The Housing Trust will place the highest priority on partnerships with Lake Forest College, Northwestern Lake Forest Hospital and the public & private schools located in the community.

▪ ***Inclusionary Housing***

For Inclusionary Housing developments, the City and Housing Trust will advocate for the construction of affordable units on the site of multi-family developments in a manner consistent with the provisions of the ordinance, unless a strong compelling reason justifies accepting Payment in Lieu as an alternative to on site construction.

▪ ***Employer-Assisted Housing/Live Near Work***

The Housing Trust will encourage local businesses, corporations and institutions to enact Employer-Assisted Housing programs. Employer-assisted housing (EAH) describes any number of ways employers can invest in homes for the local workforce – including mortgage and rental assistance programs. EAH programs benefit both employees and businesses. By helping employees buy or rent homes close to work or transit, employers help reduce the long commutes that contribute not only to time away from family, traffic congestion and air pollution, but also to employee stress and fatigue. For businesses, the benefits of EAH programs have been shown to improve workforce loyalty and productivity and reduce tardiness, absenteeism and turnover. By improving workforce retention, businesses reduce costs associated with recruitment and training for new employees. EAH programs can help businesses and institutions remain competitive by offering an incentive to attract well qualified employees that may not otherwise be able to afford to live in the community.

**Development Policies**

▪ ***Local Preference Groups***

The City and Housing Trust will ensure that programs, policies and development opportunities provide a preference for Lake Forest residents, with a focus on senior residents as one of the

priority target groups, and employees who work in Lake Forest. The Housing Trust recognizes that some development opportunities, due to their location, proximity to services or funding opportunities, may lend themselves to a specific focus, such as seniors, families or workforce. For Inclusionary Housing developments, the specific preferences identified in the ordinance should apply unless adjusted in accordance with the provisions of the ordinance. For other development opportunities, the following local preferences should apply for income qualified households, 1) Lake Forest senior residents; 2) Lake Forest non-senior residents, 3) Employees of Northwestern Lake Forest Hospital and Lake Forest College; 3) Employees with the public and private schools & public service employees.

▪ ***Dispersal of Affordable Housing Developments and Units***

The City and Housing Trust will encourage the dispersal of new small scale affordable housing developments (containing twenty units or less) throughout the community, rather than the concentration of a large grouping of affordable housing units in one general area. The Development Opportunities Table and Map in Section III.C of this Plan shall serve as a guide. Developments containing both affordable and market rate units, such as Inclusionary Housing developments, by their nature will yield opportunities to mix both market rate units and below market rate units within the same development. In these cases the City and Housing Trust will encourage the dispersal of below market rate units throughout the development.

Notwithstanding the policy preference for dispersal of affordable units, the City recognizes that , under appropriate circumstances, small scale developments (twenty units or less) may be entirely affordable if the development is of a high quality site design and architectural design that it will ensure compatibility the character of surrounding neighborhoods and with surrounding established land-use patterns.

▪ ***Mixed Use Developments***

Within the Central Business District, the City and Housing Trust will encourage developments that contain mixed uses with retail/service on the ground floor and residential above, if appropriate based on surrounding established land-use patterns.

▪ ***Developments for Seniors, Families or Workforce Housing***

In general, the City and Housing Trust will encourage affordable housing developments that are targeted to a mix of households including seniors, families and workforce, rather than targeted to one specific group. However, from time to time some development opportunities may lend themselves to a specific focus depending on location or proximity to transportation, services, or employment centers. The Development Opportunities Table and Map in Section III.C of this Plan shall serve as a guide.

▪ ***Long Term Affordability & Long Term Maintenance***

As the City and Housing Trust evaluate development opportunities and proposals, among the highest priority considerations shall be ensuring there is a mechanism to maintain long term affordability for any unit created and ensuring there is a mechanism for long term maintenance of units, both rental and for sale properties.

▪ ***Tax Credits and IHDA Housing Trust Funds***

The City and Housing Trust will cooperate, and potentially partner, with developers attempting to

use Tax Credits, IHDA Housing Trust Funds or other funding sources to leverage resources and limit the use of city tax dollars in the creation or preservation of affordable housing.

▪ ***Waived or Reduced Development and Permit Fees for Affordable Units***

The City and Housing Trust will encourage the waiver or reduction of all of the otherwise applicable application fees, building permit fees, plan review fees, inspection fees, sewer and water tap-on fees, demolition permit fees, impact fees, and other development fees and costs associated with affordable housing units, which may be imposed by the City.

**Other Incentives**

The City of Lake Forest may, after a careful review to ensure that the public safety and health and the character and environment of the City will be protected and preserved, consider adopting and implementing, or otherwise facilitating, the following actions, policies and incentives to encourage the development of affordable housing in the City:

- Amendments to the City's Zoning Code to allow affordable Accessory Dwelling Units and reuse of existing caretaker residences, coach houses, and garage apartments as affordable units;
- Amendments to the City's Comprehensive Plan to align with the objectives, goals and policies of this Plan;
- Support county initiatives that lower taxes on affordable housing units;
- Reduced water billing rates for affordable units.<sup>10</sup>

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<sup>10</sup> This may be impacted by any bond covenants that the City may have in place from time-to-time.

## **E. RECOMMENDATIONS**

It is the objective of this Plan that, by continuing the activities already commenced to encourage affordable housing and pursuing and achieving the policies set forth above and the recommendations set forth below, the City will have achieved the basic goals of this Plan,<sup>11</sup> while taking steps to create conditions amenable to ultimately achieving the stated affordable housing targets in Lake Forest consistent with the spirit of the Act and in a manner that will not impact the health and safety capabilities of the City and will protect and preserve the character, environment, and property values of the Lake Forest community.

In furtherance of reaching the objectives outlined in this Plan, the Housing Trust proposes the following recommendations be considered as immediate follow up actions to the adoption of this Plan.

- 1. Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Lake Forest Comprehensive Plan to align with the objectives, goals and policies of this Plan.**
- 2. Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Inclusionary Housing ordinance to apply to new single-family subdivisions.**
- 3. Direct that the Plan Commission undertake a review for the purpose of recommending to the City Council possible amendments to the Inclusionary Housing ordinance to amend the minimum payment-in-lieu fee.**
- 4. Direct that the Housing Trust undertake a review for the purpose of recommending to the City Council a possible increase to the Demolition Tax.**
- 5. Direct that the Housing Trust and Senior Resources Commission undertake a review of the viability of expanding the existing *Neighborhood Home without Walls* rental assistance program in order to provide immediate, inexpensive assistance to low-income senior households.**

## **2010 AFFORDABLE HOUSING PLAN: ADDRESSING THE HOUSING NEEDS OF LAKE FOREST'S RESIDENTS AND WORKFORCE**

### **Appendix – Assessing the Affordable Housing Need in Lake Forest**

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<sup>11</sup> Obviously, the City cannot control market forces that affect the affordability of land and housing within Lake Forest, nor the income levels of households that serve as the benchmark for determining affordability. This is particularly true given the small size of the City 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.

**What is Affordable Housing and the Target Market in Lake Forest?**

In 2010, the Area Median Income (AMI) for the Chicago area Primary Metropolitan Statistical Area, which includes Lake Forest, was \$52,750 for an individual and \$75,100 for a family of four. The City of Lake Forest’s Affordable Housing program and Inclusionary Housing ordinance are written to address the housing needs of households earning between 60% and 120% AMI.

Under the City’s Affordable Housing program, the actual income limits that correspond to the 60% to 120% range vary depending on 1) household size; and 2) whether a housing unit is For Sale or Rental.

For Rental Units, the City’s Inclusionary Housing ordinance targets households that fall within the income range of 60% to 80% AMI (with a minimum of half the units in a development required to be rented to households earning up to 60% AMI). For For-Sale Units, the ordinance targets households that fall within the income range of 80% to 120% AMI (with a minimum of half the units in a development required to be sold to households earning up to 80% AMI).

Table 1, below identifies the corresponding 2010 maximum income limits for households between 1 and 4 persons in size. For households larger than 4 persons the income limits increase accordingly. This table illustrates the range of income levels that this plan serves.

**Table 1. Maximum Income Limits per Household Size**

	1 person household	2 person household	3 person household	4 person household
Rental Range { Income Limits 60% AMI	\$31,650	\$36,180	\$40,680	\$45,225
{ Income Limits 80% AMI	\$42,200	\$48,250	\$54,250	\$60,300
For Sale Range { Income Limits 120% AMI	\$63,300	\$72,375	\$81,375	\$90,450

*A Few Examples: Under the Inclusionary Housing Ordinance, For Sale units must be priced in a range that would be affordable to a single person household earning up to \$42,200 per year, or a family of three earning up to \$81,375 per year. Rental units must be priced in a range that would be affordable to a single senior earning up to \$31,650 per year, or a family of three earning up to \$54,250 per year.*

In other words, the City’s Affordable Housing program provides for a wide range of income levels from single- and two-person households earning between \$31,650 and \$48,250 per year, to families of 4 earning up to \$90,450 per year, to larger households.

- The five affordable Senior Cottages located on Conway Road are intended to serve a very-low income senior population. Currently the units serve seniors earning up to approximately 50% AMI or \$26,375 per year for a 1-person household and \$30,156 for a 2-person household.
- A pending development proposal would accommodate households that fall within the 60% AMI range for rental units.

With these target income limits defined, an appropriate question to ask is how many households or families that live or work in Lake Forest fall within these income ranges?

**Determining the Number of Residents and Workforce That Qualify**

## **Residents**

According to the last official U.S. Census in 2000, the City of Lake Forest had a population of 20,059. The City's population is estimated to have increased by 4.6% over the past nine years to 20,991,<sup>12</sup> and is projected to increase another 1.8% by 2013. The projected population by year 2020 is 21,900 and by year 2040 is 22,800<sup>13</sup>.

The number or percentage of households that fall within the target income level range of 60% to 120% AMI can be determined by looking at available economic data for Lake Forest. The most accurate data will be gleaned from the official 2010 Census results due out next year. In the absence of that data, some information from the 2000 Census and the 2006-2008 American Community Survey can provide a general estimate.

When adjusted for inflation, the 2000 Census found that 15.2% of all Lake Forest households and 11% of all families had incomes below \$50,000 per year.<sup>14</sup> Approximately half of those households were non senior households and half were senior households. Table 2 on the next page provides a breakdown of the number of households per income level, by non senior and senior household types. The highlighted cells reflect those households with incomes that fell between \$30,000 and \$75,000 per year, representing a total of 1,298 households or 19.3% of all households. Of those, 62% were non senior households and 38% were senior households.

More recently, the U.S. Census Bureau's 2006-2008 American Community Survey of Household Income in Lake Forest, shown in Table 3, found that approximately 1,073 households, or 15.3%, had incomes within a more narrowly defined range of \$35,000 to \$75,000.

In May and June 2010, the Housing Trust conducted a Housing Survey of senior and non senior households. For senior households, the survey showed that 33% of respondents identified their household income from all sources as below \$80,000 per year; 22% had incomes within the range of \$40,000 and \$80,000 per year; 17% below \$60,000 and 10.9% below \$40,000 per year. When asked about reasons for why they may consider moving from their current residence, most seniors identified the top reasons for moving as:

- **Downsizing**
- **Cost of maintaining current home**
- **Burden of State and Local Taxes**
- **Cost of Healthcare**

The majority of senior households also expressed concern about the ability to remain in Lake Forest and find suitable affordable housing the next time they move; **52% of senior respondents stated that they would prefer to remain in Lake Forest but are uncertain about the ability to find affordable housing.**

For non senior residents, 30% of respondents identified their household income from all sources as below \$80,000 per year and 24.4% had incomes within the range of \$40,000 and \$80,000 per year; with 18.9% below \$60,000 and 5.6% below \$40,000. When asked about reasons for why they may

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<sup>12</sup> Source: U.S. Census Bureau, 2009 Population Estimates. Updated demographics from the 2010 Census conducted earlier this year won't start to be released until the end of this year through the first half of 2011.

<sup>13</sup> Population projection provided by Chicago Metropolitan Agency for Planning (CMAP).

<sup>14</sup> Source: U.S. Census Bureau 2000 Census

consider moving from their current residence, most seniors identified the top reasons for moving as:

- **Job related**
- **Cost of maintaining current home**
- **Burden of State and Local Taxes**
- **Downsizing**

A significant proportion of non senior households also expressed concern about the ability to remain in Lake Forest and find suitable affordable housing the next time they move; **42% of respondents stated that they would prefer to remain in Lake Forest but are uncertain about the ability to find affordable housing.**

**Table 2. Household Income Level by Household Type**

Number of Households per Income Level (total earnings from all sources) By Non Senior and Senior Households	
<b>Total Households in Lake Forest:</b>	<b>6,723</b>
<b># of Households Earning Less than \$10,000/ Yr.</b>	<b>107</b>
<i>Non Senior Households</i>	46
<i>Senior Households</i>	61
<b>\$10,000 to \$19,999</b>	<b>277</b>
<i>Non Senior Households</i>	94
<i>Senior Households</i>	183
<b>\$20,000 to \$29,999</b>	<b>365</b>
<i>Non Senior Households</i>	193
<i>Senior Households</i>	172
<b>\$30,000 to \$39,999</b>	<b>278</b>
<i>Non Senior Households</i>	179
<i>Senior Households</i>	99
<b>\$40,000 to \$49,999</b>	<b>307</b>
<i>Non Senior Households</i>	169
<i>Senior Households</i>	138
<b>\$50,000 to \$59,999</b>	<b>320</b>
<i>Non Senior Households</i>	182
<i>Senior Households</i>	138
<b>\$60,000 to \$74,999</b>	<b>393</b>
<i>Non Senior Households</i>	272
<i>Senior Households</i>	121
<b>\$75,000 to \$99,999</b>	<b>480</b>
<i>Non Senior Households</i>	348
<i>Senior Households</i>	132
<b>\$100,000 to \$124,999</b>	<b>653</b>
<b>\$125,000 to \$149,999</b>	<b>445</b>
<b>\$150,000 to \$199,999</b>	<b>773</b>
<b>\$200,000 or more</b>	<b>2,365</b>

2000 Census

**Table 3. American Community Survey – 3 Year Estimates 2006-2008<sup>15</sup>**

INCOME FOR LAKE FOREST HOUSEHOLDS			
<b>Total households</b>	<b>7,026</b>	<b>100%</b>	
Less than \$10,000	121	1.7%	
\$10,000 to \$14,999	162	2.3%	
\$15,000 to \$24,999	261	3.7%	
\$25,000 to \$34,999	306	4.4%	
<b>\$35,000 to \$49,999</b>	<b>401</b>	<b>5.7%</b>	<b>15.3%</b>

<sup>15</sup> Source: U.S. Census Bureau. ACS estimates are period estimates that describe the average characteristics of population and housing over a period of data collection. The 2006-2008 estimates are averages over the period from January 1, 2006 to December 31, 2008.



\$50,000 to \$74,999	672	9.6%	
\$75,000 to \$99,999	599	8.5%	
\$100,000 and over	4504	64.1%	

### Workforce

Over the past two decades, Lake Forest and its immediate surroundings has become a jobs center and Lake Forest proper has become an importer of jobs. As of 2008, 14,470 jobs were located within the incorporated boundaries of Lake Forest.

According to the U.S. Census Bureau’s 2008 Local Employment Dynamics data, more than 50% of jobs in Lake Forest paid \$40,000 or less per year, accounting for 7,258 employees. The same employment data shows that earnings for jobs in Lake Forest have consistently increased as the overall number of jobs has grown. From 2003 to 2008, the percentage of jobs paying less than \$40,000 per year has fallen from 58% to 50.2%, while jobs paying over \$40,000 have risen from 39.6% to 49.8%. This would generally indicate a positive trend for the quality of jobs being created in Lake Forest; however, over the same period the percentage of employees who also lived in Lake Forest fell from 11% to 7%, suggesting that although incomes continue to rise, Lake Forest’s housing stock remains unattainable for the majority of workers unless provided by the employer, as is the case with several local institutions, such as Lake Forest College, Lake Forest Academy and Lake Forest Hospital.<sup>16</sup>

The data suggests a clear gap between the location of jobs and the availability of housing. This gap between jobs and housing is not unique to Lake Forest. According to Metropolitan Planning Council, within the five communities of Lake Forest, Highland Park, Highwood, Deerfield and Northbrook, about 60,000 employees representing more than two-thirds of the workforce earn less than \$50,000 per year. But only 5,000 or so homes – 13% of local homes in those combined communities - are affordable to those families.<sup>17</sup>

### What a Household Earning Between 60% and 120% AMI Can Afford to Rent or Buy

Affordable housing is defined as what a household can afford without having to devote more than approximately 30 percent of their gross income to monthly housing expenses. The following chart identifies what a household earning between 60%

#### LAKE FOREST AS A GROWING JOBS CENTER

Employment in Lake Forest increased from **10,853 to 14,470 (25%)** between 2003 and 2008.<sup>1</sup>

**Northwestern Lake Forest Hospital and Lake Forest College, as well as other educational institutions has repeatedly expressed their concern at the lack of affordable housing.**

#### HOUSING SURVEY DATA RESULTS

Employee respondents identified the following reasons for moving to Lake Forest

**98%**

**Currently drive, alone to work**

**54%**

**Drive between  
30 – 60 minutes to work**

<sup>16</sup> Source: U.S. Census Bureau 2008 Longitudinal Employer-Household Dynamics Data

<sup>17</sup> Analysis conducted by Fregonese Associates for Chicago Metropolis 2020 and the Metropolitan Mayors Caucus. Further data analysis conducted by czb, LLC, in 2007, for the Metropolitan Planning Council.

and 80% AMI can afford to rent, and what a household earning between 80% and 120% AMI can afford to buy.<sup>18</sup>

**Table 4. Affordability Chart**

For Sale Affordability Chart - 2010				
Income Limits per Household Size	1 Person Household	2 Person Household	3 Person Household	4 Person Household
80% AMI – Income Limit	\$42,200	\$48,250	\$54,250	\$60,300
Affordable Home Price	\$140,667	\$160,833	\$180,833	\$201,000
120% AMI – Income Limit	\$63,300	\$72,375	\$81,375	\$90,450
Affordable Home Price	\$211,000	\$241,250	\$271,250	\$301,500

Rental Affordability Chart - 2010				
Income Limits per Household Size	1 Person Household	2 Person Household	3 Person Household	4 Person Household
60% AMI	\$31,650	\$36,180	\$40,680	\$45,225
Affordable Rent	\$791	\$904	\$1,017	\$1,130
80% AMI	\$42,200	\$48,250	\$54,250	\$60,300
Affordable Rent	\$1,055	\$1,206	\$1,356	\$1,507

**Current Availability of Housing in Lake Forest at these Price Points**

In 2000, there were 7,001 housing units in Lake Forest, of which 6,681 units were occupied. Approximately 87% of units were owner-occupied and 13% (859 units) were rental. Since 2000, approximately 700 new housing units have been constructed, though a large percentage of those completed in the last couple years may be vacant as a consequence of the economic recession and downturn in the housing market. Five new rental units were constructed in 2002 – the five Senior Cottages located on Conway Road, which are subsidized for very-low income seniors.

<sup>18</sup> Income limits and affordability prices will change based on the median income level for the Chicago area Primary Metropolitan Statistical Area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size.

In 2004, IHDA determined that only 5.10% of owner-occupied and renter-occupied housing in Lake Forest was affordable as calculated under Section 20(b) of the Act. Under IHDA's calculations, of the 6,681 occupied housing units in the City for which affordability could be determined, only 339 units were affordable.<sup>19</sup> Thus, an additional 329 affordable units are necessary for 10% of the City's housing units to be affordable. The next official calculation of the number of affordable units in Lake Forest will be available after the 2010 Census data has been published.

**Table 5. Value of Owner-Occupied Housing 2006-2008**

\$199,999 or less	2.8%
\$200,000 to \$299,999	2.6%
\$300,000 to \$499,999	10.0%
\$500,000 to \$999,999	44.9%
\$1,000,000 or more	39.8%
Median (dollars)	\$900,000

Based on projections between 2006 and 2008, approximately 5.4% of the City's Owner-Occupied housing units was estimated to be valued at \$300,000 or less (corresponding closely with the City's affordable housing range), and 2.8% was valued at \$200,000 or less.<sup>20</sup>

### **Real Estate Sales**

According to the Multiple Listing Service of Northern Illinois (MLSNI), at the start of August 2010 there were 381 single-family homes and 79 condominium units listed for sale in Lake Forest ranging from \$112,000 to \$15,000,000. The mean list price of for sale units was \$1,249,000. The mean list price of a condominium unit in Lake Forest was \$599,000. Of those listings, just 3 single-family homes and 6 condominiums were listed for \$200,000 or less. Another 18 properties were listed for sale under \$300,000, falling within the City's target affordability range - 8 single family homes and 10 condominiums.

Available rental units included an additional 26 single-family homes and 4 condominium units, of which just 2 single-family homes and 2 condominium units were available for \$1,500 or less per month (within the City's affordability range).

### **Short Sales and Lender Owned Properties**

There is a perception that short sales and foreclosures within the community offer an opportunity for affordable housing. An examination of short sale and foreclosure listings shows that most properties are still outside of the affordability range. In August 2010, 22 homes in Lake Forest were listed as short sales or lender owned, ranging in price from \$5,900,000 to \$297,000. The mean list price was \$1,256,000. Just two listings were available for under \$300,000.

The above figures indicate that most of the existing housing stock in the community does not include affordable housing as defined by the Affordable Housing Plan.

G/ComDev/Affordable Housing/Affordable Housing Plan/2010 AH Plan 101810

<sup>19</sup> Under Section 15, the Act defines "affordable housing" as 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.

<sup>20</sup> Source: U.S. Census Bureau's 2006-2008 American Community Survey