

**VILLAGE OF GLENCOE
RESOLUTION NO. R-40-2020**

**A RESOLUTION APPROVING THE 2020 UPDATE TO
GLENCOE AFFORDABLE HOUSING PLAN**

WHEREAS, in 2003, the Illinois General Assembly adopted Public Act 093-0595, the Affordable Housing Planning and Appeals Act, which became effective January 1, 2004; and

WHEREAS, amendments to Public Act 093-0595 were approved on June 28, 2004, which Public Act 093-0595 and its amendments are codified at 310 ILCS 67/1 *et seq.* ("**Act**"); and

WHEREAS, 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 and to provide a forum for affordable housing developers who believe they have been unfairly treated to seek relief from local ordinances and regulations; and

WHEREAS, 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; and

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

WHEREAS, On March 17, 2005, pursuant to Resolution No. R-03-2005, the Village's Board of Trustees adopted an Affordable Housing Plan ("**Original Plan**") the receipt of which

was acknowledged by the IHDA on April 11, 2005; and

WHEREAS, on December 2, 2013, IHDA provided the Village with a notice of the Village's continuing status as a Non-Exempt Local Government under the Act and requested that the Village file an update Affordable Housing Plan no later than June 2, 2015; and

WHEREAS, on May 21, 2015, pursuant to Resolution No. R-19-2015, the Village's Board of Trustees adopted an update to the Original Plan ("**2015 Plan Update**"), which was subsequently submitted to the IHDA; and

WHEREAS, on December 28, 2018, IHDA provided the Village with a notice of the Village's continuing status as a Non-Exempt Local Government under the Act and requested that the Village file an update Affordable Housing Plan no later than June 28, 2020; and

WHEREAS, the Village Board of Trustees hereby finds and determines that it is reasonable, necessary, and desirable for the Village to approve an update to the 2015 Plan Update in the form attached hereto and by this reference incorporated herein as Exhibit A ("**2020 Plan Update**");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF GLENCOE, COOK COUNTY, ILLINOIS, as follows:

SECTION ONE. Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

SECTION TWO. Approval of the 2020 Plan Update. The 2020 Plan Update attached to this Resolution as *Exhibit A* shall be and is hereby approved.

SECTION THREE. Filing of 2020 Plan Update with IHDA. The Village Manager shall be and is hereby authorized and directed to file a copy of the 2020 Plan Update with IHDA, in accordance with Section 25 of the Affordable Housing Act, 310 ILCS 67/25.

SECTION FOUR. Effective Date. This Resolution shall be in effect from and after its

passage and approval in the manner provided by law.

PASSED THIS 18TH DAY OF JUNE 2020.

AYES: Halwax, Lissner, Miller, Mulvaney, Ruben, Vree (6)

NAYS: None (0)

ABSTAIN: None (0)

ABSENT: None (0)

APPROVED THIS 18TH DAY OF JUNE 2020.



Lawrence R. Levin, Village President

ATTEST:



Philip A. Kiraly, Village Clerk

EXHIBIT A

2020 UPDATE TO THE AFFORDABLE HOUSING PLAN

VILLAGE OF GLENCOE
AFFORDABLE HOUSING PLAN
(Updated June 2020 pursuant to Resolution No. R-40-2020)

I. AUTHORITY AND BACKGROUND

In 2003, the Illinois General Assembly adopted Public Act 093-0595, the Affordable Housing Planning and Appeals Act, which took effect on 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 in sufficient quantity to meet the needs of their residents. 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 required 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 Glencoe stating that the Village was classified as a non-exempt local government pursuant to Section 20(b) of the Act. This determination required the Village to prepare and approve an affordable housing plan prior to April 1, 2005. To meet this requirement, the Glencoe Village Board of Trustees established an Affordable Housing Task Force to assist in the preparation of such plan. On March 17, 2005, pursuant to Resolution No. R-03-2005, the Board of Trustees adopted an Affordable Housing Plan ("**Original Plan**"). IHDA acknowledged receipt of the Original Plan on April 11, 2005. On December 2, 2013, IHDA provided Glencoe with a notice of the Village's continuing status as a non-exempt local government under the Act. IHDA requested that the Village file an updated affordable housing plan no later than June 2, 2015. This updated and supplemented plan ("**2015 Plan**") was approved by the Board of Trustees on May 21, 2015 pursuant to Resolution No. R-19-2015. On December 28, 2018, IHDA notified the Village of its continued non-exempt local government status, requiring an updated plan to be submitted no later than June 28, 2020.

In recommending the Original Plan, the Affordable Housing Task Force reported that affordable housing is both desirable and necessary for the Village: Moreover, the Village has always had a strong, diverse housing stock and population and seeks to maintain that diversity – a goal expressed in its Comprehensive Plan of 1996. Continuing to offer housing opportunities to seniors with longstanding ties to the Village and persons who work in the Village also enhances Glencoe's sense of community. However, maintaining diversity remains a challenge as market forces have forced housing and land values upward in Glencoe and throughout the region, and land for new development along the North Shore has become especially scarce.

II. INTENT

It is the intent of the Village to remain in compliance with the Act, pursuant to which Glencoe, as a non-exempt local government, is required to review and submit its updated Affordable Housing Plan to IHDA

by June 28, 2020.¹ In identifying lands and structures that are most appropriate for affordable housing and incentives that may be available to attract affordable housing development, the Village has carefully considered its character and environment as set forth in the Comprehensive Plan, Zoning Code,² Village Code, and other ordinances and regulations of the Village.³

The Village desires to maintain an affordable housing plan that will encourage and attract such development that protects the public health and safety of the Village and will preserve and enhance the character and environment of the Village. Therefore, while the Village recognizes the importance of providing affordable housing throughout Illinois, it must be provided in a way that does not compromise public health or safety or diminish the environment and character that defines Glencoe. Specifically, Glencoe is a well-forested, nearly built-out community with high land values that is predominately developed with stable single-family residential neighborhoods. In addition, the preservation of the large expanses of open space, parks, and recreational lands that define Glencoe's character is a high priority of the Village. Outside of these stable single-family neighborhoods and preserved open and recreational spaces, there are limited areas of commercial and multi-family housing along portions of Green Bay Road, as well as a modest downtown business district. Throughout Glencoe, buildings are relatively low-profile when compared to the existing tree canopy, limiting the potential for high-rise development that would be in keeping with the Village's established character.

To protect the health and safety of its residents, the Village's infrastructure has developed in a manner consistent with its character and environment. In particular, streets, water lines, sanitary sewers, and stormwater 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 of a relatively low-density municipality. Establishing affordable housing in a manner inconsistent with such character would 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 reviewed and updated its 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 and enhances the character and environment of Glencoe and protects the public health and safety.

III. AFFORDABLE HOUSING PLAN

A. 10% AFFORDABLE HOUSING

The Act has a goal of 10% of all units being affordable. However, IHDA has determined that only 2.5% of owner-occupied and renter-occupied housing in the Village is affordable as calculated under Section 20(b) of the Act. This is an increase from the 1.3% affordable housing percentage in the 2015 update. Under IHDA's calculations, of the 3,081 housing units in the Village for which affordability could be

¹ In preparing this Plan, the Village has relied on various representations set forth in materials issued by IHDA.

² The character and environment of Glencoe is very closely related to the Village's zoning regulations, which have been in place since the 1920s and have remained remarkably stable over the years. The Village's zoning regulations have historically produced a diverse housing stock, and only recent market factors have made residences in Glencoe less accessible to persons of moderate incomes.

³ Consistent with this, IHDA has stated 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 2018 Non-Exempt Local Government Handbook*, p. 19 (the "*IHDA Handbook*").

determined, 78 units were affordable.⁴ To meet the 10% goal, 230 additional units of affordable housing would need to become available.⁵

According to the Multiple Listing Service (MLS), the 12-month period ending on May 21, 2020 saw 150 detached single-family residential sales in Glencoe, ranging in price from \$255,000 to \$3,725,000 with a median sale price of \$874,500. Six townhomes sold over the same period, with prices ranging from \$150,000 to \$532,500, with a median sale price of \$226,500. Among active listings, the median list price was \$1,389,500 for detached single-family homes and \$439,900 for townhomes.

In 2019 the Village of Glencoe issued 11 building permits for new single-family homes. Construction values ranged from \$500,000 to \$2,500,000, with a median value of \$1,000,000. No building permits were issued in 2019 for new multiple-family housing units (condominiums, apartments, etc.). These patterns underscore the existing single-family character of housing the Village.

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

In identifying properties and structures for potential new affordable housing, it is important to note that properties or structures that are vacant or undeveloped are not necessarily appropriate. The character and environment of the Village of Glencoe is defined by its well-established single-family residential development patterns and its public and private open space.⁶ In light of the existing character and environment of the community, the Village identified that the areas most appropriate for affordable housing developments are in the Single/Multiple Family Residential District (R-D) and the Central Business District (B-1).⁷ Within these areas, any sites used for new construction or adaptation of existing units must:

⁴ Section 15 of the Act defines “affordable housing” as “housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which a mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.” IHDA calculated the percentage of affordable units pursuant to Section 20(b) of the Act by totaling the number of owner-occupied units affordable to households without a gross income that is less than 80% of the median household income within the metropolitan area, totaling the number of rental units with a gross household income that is less than 60% of the median household income within the metropolitan area, adding together these two totals, dividing this sum by the total number of year-round housing units in the Village, and multiplying the result by 100. The goal of this Plan is to provide affordable housing as defined in the Act.

⁵ As the number of total units in the Village changes, so too would the target for affordable units. Additionally, through market forces, changes in the cost 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 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 goal based on the assumption that existing affordable units will continue to serve as “affordable housing” as defined in the Act.

⁶ As a nearly built-out community, there is little undeveloped land in Glencoe 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 Glencoe, 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 Handbook. See IHDA Handbook p. 20 (“How are communities with little available land (“built-out”) going to comply with the law?”).

⁷ 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 therefor. Such identification does not affect the existing development rights currently vested in such properties. It is important to note that all properties owned by the Village are currently used for municipal purposes.

- Be compatible with established land use patterns, surrounding land uses, the Comprehensive Plan and the Plan for Downtown;
- Be in mixed-use developments (for multi-unit structures), if possible;
- Not result in an excessive concentration of affordable housing units; and
- Be located where there is adequate infrastructure to support such housing developments.

C. AFFORDABLE HOUSING POLICIES AND INCENTIVES

The Village may, after a careful review to ensure that its public safety, health, character and environment will be protected and preserved, consider adopting and implementing, or otherwise facilitating, one or more of the following policies and incentives to encourage the development of affordable housing by both for-profit and non-profit developers:

- Expedited or reduced costs of permitting fees for affordable units;
- Municipal property tax abatements;
- Reduced rates for water billing;⁸
- Cooperation with developers attempting to use IHDA Housing Trust Funds (matching funds);
- Preparation of a density bonus policy;
- Establishment of a Community Land Trust; and
- Employer-assisted housing.

D. GOALS

The Village has identified the following targets for the development of affordable housing:⁹

- 15% of all new development or redevelopment in the Village will be affordable;¹⁰ or
- 3% percentage point 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 Glencoe established the following goals for its Affordable Housing Plan. Below each goal is a summary of the actions taken since adoption of the Original Plan in 2005 and the 2015 Update as well as proposed next steps.

1. **GOAL:** Within 18 months of approval of the Affordable Housing Plan, the Village Board shall refer to the Plan Commission for public hearing possible amendments to the Glencoe 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 Glencoe.

⁸ This may be impacted by any bond covenants that the Village may have in place.

⁹ These targets have been established in accordance with the Act and the assumptions and analysis set forth in this Plan.

¹⁰ This target is established based on the definition of "development" and "redevelopment" as refined in the *Affordable Housing Planning and Appeals Act (310 ILCS 67/): Recommended Procedural Guidelines for Compliance* at 12-13 (IHDA, 11/23/04)(the "IHDA Guidelines").

Actions Taken: On February 22, 2006, the Village's Plan Commission held a public hearing regarding amendments to the Glencoe Comprehensive Plan to encourage and attract Affordable Housing in the Village. The Village Board considered the recommendations of the Plan Commission at its March 16, 2006 meeting and approved the amendments to the Comprehensive Plan on April 20, 2006 pursuant to Ordinance No. 2006-10-3152.

Next Steps: Not Applicable. Goal completed.

2. **GOAL:** Within one year of approval of the updated Affordable Housing Plan, the Village Board shall appoint a standing committee of the Village Board to study affordable housing issues.

Actions Taken: On April 20, 2006, the Village Board approved an amendment to the Village Code that created an Affordable Housing Committee and added this Committee to the list of Village Board standing committees pursuant to Ordinance No. 2006-12-3154. Additionally, the Village Board adopted a resolution appointing then-sitting trustees to serve as members of the Affordable Housing Committee (Resolution No. R-04-2006).

Next Steps: Appoint members of the Village Board to sit on the Affordable Housing Committee as part of the Village's upcoming Comprehensive Plan update.

3. **GOAL:** Within 18 months of approval of the Affordable Housing Plan, the Village Board shall request that the Village Manager 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.

Actions Taken: At its regular meeting on September 21, 2006, the Village Board directed the Village Manager to prepare a report identifying available state and federal programs to assist the Village and affordable housing developers in developing and funding affordable housing in the Village.

Next Steps: Direct the Village Manager to prepare an updated report apprising the Village Board of available programs and funding. This report may be prepared as part of the Comprehensive Plan update process.

4. **GOAL:** Within two years of approval of the Affordable Housing Plan, the Village Board shall request that the Affordable Housing Committee meet with non-profit affordable housing agencies and groups to discuss issues relating to affordable housing, including potential incentives, if any.

Actions Taken: On December 11, 2007, members of the Affordable Housing Committee attended and participated in an informational session conducted by the U.S. Department of Housing and Urban Development's Chicago Regional Office entitled HUD's National Call to Action for Affordable Housing through Regulatory Reform. Neighboring municipalities, area not-for-profit agencies, and local real estate professionals all participated in the session. The planning process for the 2016 Downtown Plan also included detailed discussions of the potential redevelopment of the south end of Downtown Glencoe, an area identified by the Affordable Housing Plan as a potential location for affordable housing.

Next Steps: Continue to work with IHDA, USDHUD, and local non-profit organizations to identify additional opportunities to further the goals of the Village's Affordable Housing Plan.

5. **GOAL:** Within four years of approval of the Affordable Housing Plan, the Village Board shall refer to the Zoning Commission for public hearing possible amendments to the Glencoe Zoning Code to encourage and attract Affordable Housing in the Village consistent with the public health, safety, character, and environment of the Village.

Actions Taken: Pursuant to direction from the Village Board, the Affordable Housing Committee met on January 20, 2009 to determine whether any amendments to the Glencoe Zoning Code would be appropriate to encourage and attract affordable housing in Glencoe. After receiving the Committee's report, the Village Board referred the issues to the Village's Zoning Commission, which held a public hearing on potential amendments to the Zoning Code including allowing increased building height and impervious surface coverage for new development/redevelopment projects that included affordable housing units. The Zoning Commission opened the public hearing on June 1, 2009 and after receiving public comment, continued it to the Commission's July 6, 2009 meeting. After receiving the Zoning Commission's recommendation, the Board of Trustees determined that no amendment to the Village's Zoning Code was appropriate at that time.

Next Steps: Consider affordable housing goals as part of the Village's upcoming Comprehensive Plan process and subsequent zoning code updates.

6. **GOAL:** Not less than every five years following approval of the Affordable Housing Plan, the Village Board shall review and update the Affordable Housing Plan.

Actions Taken: The Village Board has reviewed the Affordable Housing Plan and determined that the goals adopted in the Original Plan remain valid and worthy.

Next Steps: Direct the Affordable Housing Committee to continue to review the Affordable Housing Plan on a triennial basis to determine if the assumptions and goals are still valid and current. The review may be part of the Comprehensive Plan update process. If the Affordable Housing Committee determines that amendments to the Village's Zoning Code are required to further the current or future goals of the Affordable Housing Plan, then they shall refer the consideration of such amendments to the Zoning Commission for public hearing and discussion.

7. **GOAL:** The Village shall comply with any reporting requirements as required by the Act.

Actions Taken: Pursuant to communications from the IHDA in December of 2018, the Village will submit this updated and supplemented Affordable Housing Plan to the Department no later than June 28, 2020.

The Village has little control over market forces that affect the affordability of land and housing within Glencoe or the income levels of households that serve as the benchmark for determining affordability. This is particularly true given the small size of the Village relative to the region against which it is measured for meeting affordable housing targets. These factors, along with the uncertainty of the real estate development industry, make impractical the setting of a goal 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 and achieving the goals set forth above, the Village will have created favorable conditions for achieving the stated affordable housing targets in Glencoe in a manner that will not impact the health, safety, character, or environment of the Village. Such achievements will represent the full implementation of the goals of this Plan.