



PARK RIDGE
— IL —

AFFORDABLE HOUSING PLAN

MARCH 2024

City of Park Ridge, Illinois

2024 Affordable Housing Plan

Adopted by the City Council on March 20, 2024

This plan is submitted to the Illinois Housing Development Authority (IHDA), to comply with the State of Illinois's mandatory Affordable Housing Plan and Appeal Act (AHPAA).

Introduction to the Plan

In 2003, the Illinois General Assembly passed the Affordable Housing Planning and Appeal Act (AHPAA) (310 ILCS 67) to address the shortage of affordable, accessible, safe, and sanitary housing in communities across Illinois. Since its initial passage, the AHPAA has been amended on several occasions, most recently in 2023 through Public Act 103-0487. The AHPAA mandates that municipalities submit affordable housing plans to the State of Illinois.

The AHPAA requires that municipalities with less than 10 percent of their entire housing stock as affordable housing, prepare, approve, and submit affordable housing plans to the Illinois Housing Development Authority (IHDA). In December of 2023, IHDA updated the list of municipalities that do not meet the 10% threshold. The City of Park Ridge was calculated at 8.1% and therefore does not meet the 10% threshold. As a result, the City is characterized as “non-exempt.” Based on the 2023 *Report on Statewide Local Government Affordability*, Park Ridge would need to convert 280 existing dwellings, or add, at least, 315 additional affordable units to meet the 10 percent threshold and become exempt from the AHPAA.

The City of Park Ridge's Intent

It is the intent of the City of Park Ridge to remain in compliance with the AHPAA, including the 2023 amendments to the state law, by submitting an Affordable Housing Plan to IHDA in 2024.

It is important to understand that the City lacks influence over a wide variety of private real estate market forces, employment, income, and economics that impact overall housing affordability in the Chicago region, and locally in Park Ridge. These factors are further exacerbated by Park Ridge's position as a “land-locked” and built-out first-ring, suburban municipality.

Generally, Park Ridge's housing affordability is impacted by private market forces more so than overly restrictive zoning policies. Additionally, the City does not possess “greenfield” acreage to plot new neighborhoods and add to the community through new construction growth. Rather, all such real estate investment must be achieved through incremental, site-by-site redevelopment projects. These conditions both limit the pace of impact, as well as the number of opportunities for such impact.

These market forces are driven by several factors, including the community's proximity and connectivity to employment and regional transportation accessibility. This factor includes adjacency to the City of Chicago, transit connectivity to the Loop, employment in the O'Hare Airport vicinity, direct Metra and CTA service, and boundaries served by I-294 and I-90. As real

estate economics are driven by “location, location, location,” Park Ridge’s position within the greater Chicago metropolitan region presents meaningful advantages that have impacted the price of land and the cost of housing in the community, which is greater than the City Council’s influence alone.

Therefore, it is the objective of this Plan to create favorable real estate investment conditions for the stated affordable housing objectives in Park Ridge; and the City wishes to do so in a manner that will not impact the health, safety, character, or environment of Park Ridge in a negative manner. These achievements will represent the full implementation of the goals of this Plan. The City is confident that multiple goals can be achieved in harmony and balance together.

Homes for a Changing Region

The City of Park Ridge coordinated with the Metropolitan Mayors Caucus (MMC) in 2022 and 2023 to study housing market and demographic trends in the community, as part of the “Homes for a Changing Region” program. That study concluded in September 2023 with MMC presenting their final report.

That final report is attached to this Affordable Housing Plan as an Exhibit that demonstrates the City of Park Ridge’s analysis of existing conditions in the community’s housing market, as well as the municipality’s evaluation of potential strategies and solutions. This assessment was based on best practices and case studies in affordable housing in the State of Illinois. Further, the City created a project “clearinghouse” of materials and public meetings, available to the public, found [online here](#). Not all analysis and deliberations are included in this final report but are referenced as contributing to the final plan.

Components of an Affordable Housing Plan

The AHPAA outlines the mandatory components of an affordable housing plan that must be submitted to IHDA. Local governments must develop, adopt locally, and then submit to IHDA an affordable housing plan which meets the requirements of Section 25 of the AHPAA. The AHPAA was amended in 2023 by Public Act 103-0487 and includes revised and additional submittal requirements for the plan. Local governments which have been designated as Non-Exempt (less than 10%) must include the below contents, at a minimum, in their plans.

As set forth in the AHPAA, a Non-Exempt Local Government must prepare a Plan which includes the following seven (7) components:

1. A statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of the AHPAA as defined in Section 15 and Section 20.
2. An identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of

affordable housing for both owner-occupied dwelling units and dwelling units for rent, lands and structures of developers who have expressed a commitment to provide affordable housing, and lands and structures that are publicly or semi-publicly owned.

3. Incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdictions.
4. A description of any housing market conditions, infrastructure limitations, local government ordinances, including zoning and land use ordinances, local government policies or practices that do not affirmatively further fair housing as defined in the federal Fair Housing Act, and other factors that may constrain the local government's ability to create and preserve affordable housing.
5. A plan or potential strategies to eliminate or mitigate the constraints identified in item 4.
6. One or more of the following goals:
 - a. A minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in the AHPAA.
 - b. A minimum of a 5% increase in the overall percentage of affordable housing within the jurisdiction, as described in sub-section (b) of Section 20 of the AHPAA.
 - c. Or a minimum of a total of 10% affordable housing within the jurisdiction as described in subsection (b) of Section 20 of the AHPAA.
7. Proposed timelines to commence, within the first 24 months after the date upon which the affordable housing plan was adopted, for actions to implement the components of the affordable housing plan.

Further, once the City of Park Ridge adopts and files a plan with IHDA, the AHPAA requires that no later than four years after adopting or updating an affordable housing plan the City must submit a report to IHDA summarizing actions taken to implement the current plan.

Park Ridge's Response to the Plan Component Requirements

The following sub-sections respond to each of the seven (7) minimum requirements of a plan.

1. Total Number of Affordable Housing Units Required by State Law

In Park Ridge, the total number of affordable housing units required for exemption is 10% of the total housing stock, or 1,519 affordable units (based on 15,199 total housing units), according to IHDA's 2023 Report. To comply with the 10% requirement for exemption the City would need to convert 280 existing dwellings or develop, at least, an additional 315 affordable units.

2. Most Appropriate Areas and Land Use for Housing Development

The City of Park Ridge is generally regarded as a "land-locked" and built-out first-ring, suburban municipality. There are very few vacant parcels located in the community and there are limited opportunities for redevelopment. However, this plan identifies some of the most feasible sites that could accommodate housing development. Such sites are not limited to, but include:

- B-4 Uptown District
- R-3, R-4, and R-5 districts, generally
- Preservation Strategies (existing housing):
 - Touhy Avenue corridor (R-3/R-4)
 - Northwest Highway corridor (R-3/R-4)
 - Busse Highway corridor (R-3/R-4)
- Transit-Oriented Development (TOD) adjacent to Metra stations
 - Uptown (B-4)
 - Dee Road (R-3/R-4)
- Mixed-use Projects (permitted in B-1 and B-4 districts)

The City's Zoning Map and a map that depicts the geographies described in Section 2 above are attached to this plan. The purpose of these maps is for illustrative purposes only.

A Consideration of Housing for both Owner-occupied Dwelling-units and Dwelling-units for Rent

The AHPAA requires consideration for owner-occupied and rental properties. Currently, the City of Park Ridge features a variety of both owner-occupied and rental properties, across the range of single-family homes, attached dwellings, and multi-family properties in the community. In general, the zoning districts and corridors identified in the list above are eligible for either owner-occupied or rental housing units. In fact, many of these areas currently feature both types of housing, presently.

Developer Commitment to Affordable Housing

The AHPAA requires the plan to acknowledge any "lands and structures of developers who have expressed a commitment to provide affordable housing." The City of Park Ridge is unaware of any potential developers or property owners who are interested in affordable housing projects, at this time.

Publicly-owned Lands and Structures

The AHPAA requires recognition of lands and structures that are publicly or semi-publicly owned. Other than buildings which operate core municipal services (i.e. Fire Stations, Public Works, Library), the City of Park Ridge primarily owns public parking lots, almost exclusively in the B-4 Uptown District. There are certain lots in Uptown that may be suitable for potential redevelopment into mixed-use real estate projects and new construction, but this potential requires further assessment and evaluation in future years. An evaluation will occur in 2024-2025 as part of this plan's implementation timeline and objectives.

Other publicly owned property in the City of Park Ridge is owned by other agencies, such as the township, park district, and school districts. The City does not own the Metra stations or parking lots. The municipality is adjacent to publicly owned property that is owned and managed by the Cook County Forest Preserve.

3. Local Government Housing Incentives

The City of Park Ridge proposes eight (8) potential strategies and actions that could encourage the preservation and development of affordable housing. Those strategies are detailed in subsection 5. *Potential Strategies & Actions*. Potential incentives may include a variety of assistance grants and loans, employer-assisted housing, zoning bonuses, Planned Unit Development (PUD) bonuses, zoning reform, and the potential for a public-private partnership regarding senior housing.

4. Potential Constraints

The City faces a number of complications and limitations that constrain the naturally occurring, market-driven preservation and development of affordable housing. According to IHDA's 2023 Report, Park Ridge currently has 1,237 existing affordable housing units, in a variety of housing types, including senior, multi-family, single-family homes, duplexes, and townhomes. Compared to other suburban communities, Park Ridge is denser and presents a wider range of housing types than many parts of the Chicago region.

The City's zoning code allows for a variety of housing types in numerous districts, including both residential exclusive (i.e. R-3, R-4) and commercial and mixed-use districts (i.e. B-1, B-4). Ultimately the constraints found in the community are driven by land economics and the real estate market. Park Ridge is an advantageously-located community within the Chicago region, with highly-rated schools, and those conditions drive demand. High-demand increases the cost of housing.

As noted in the plan's introduction, such factors are further exacerbated by Park Ridge's position as a "land-locked" and built-out first-ring, suburban municipality. Generally, Park Ridge's housing affordability is impacted by private market forces more so than overly restrictive zoning policies.

Additionally, the City does not possess "greenfield" acreage to plot new neighborhoods and add to the community through new construction growth; rather, all such real estate investment must

be achieved through incremental, site-by-site redevelopment projects. Park Ridge generally features low vacancy and high-demand in its existing structures and has represented a stable community for decades, including a high percentage of long-term, engaged property owners. Those conditions both limit the pace of impact, as well as the number of opportunities for such impact if achieving these housing goals require new development projects.

A list of potential constraints in Park Ridge include:

- A strong market-driven housing market.
- A trend of smaller, affordable homes being demolished for infill new construction that often builds to the maximum extent possible permitted under Floor Area Ratio (F.A.R.) in Code.
- Lack of opportunity for annexation.
- Lack of opportunity for “greenfield” new construction homebuilding.
- Limited availability of vacant parcels.
- Lack of vacancy and/or obsolescence in existing structures that could present opportunities for housing redevelopment.
- High costs associated with redevelopment and the adaptive reuse of existing structures.
- The potential maximum F.A.R. permitted by the Zoning Code to redevelop existing affordable townhome and multi-family properties, particularly located in R-3 and R-4 zoning districts along the Touhy Avenue, Northwest Highway, and Busse Highway corridors.
- Market-force pressures to redevelop existing affordable housing into new construction; new construction developments in the area tend to be marketed as “luxury” and higher price points in the marketplace.

5. Potential Strategies & Actions

The AHPAA requires the City to adopt a plan that includes potential strategies that could eliminate or mitigate the local constraints to the preservation and/or development of affordable housing. In accordance with the purpose of the AHPAA, this Plan adopts the goal of increasing the local affordable housing stock to a minimum of 10% of the total housing units within the City of Park Ridge, thereby committing to preserve more than 1,200 existing affordable units in the community, convert 280 existing dwellings, and/or develop, at least, 315 additional units.

The City of Park Ridge is committing as part of this plan to further evaluate and carefully consider adopting and implementing the following actions to encourage the development, and preservation, of affordable housing real estate via these eight (8) potential actions:

- i. The City will develop and consider a series of potential program revenue streams, including a demolition fee and developer impact fees. Such revenues may be used to fund affordable housing programs, as well as other historic preservation and sustainability goals.

- ii. The City will engage major businesses and other organizations in Park Ridge to consider employer-assisted housing program that offers private assistance and/or incentives to employees who want to reside in the community, such as the municipality, park district, school districts, and Lutheran General hospital.
- iii. The City will consider creating first-time homebuyer assistance programs marketed towards public service employees such as police, fire, teachers, and health care workers.
- iv. The City will consider creating homeowner assistance programs marketed towards senior citizens on fixed incomes who wish to “Age-in-Place” and remain in their homes and remain in Park Ridge.
- v. The City will examine and evaluate the potential to create a developer-driven, voluntary inclusionary housing program. The intent of such a program is to offer zoning incentives for private developers to create affordable housing as part of market-rate real estate projects, which could include unit density bonuses.
- vi. The City will review its existing Planned Unit Development (PUD) ordinance, and related zoning code provisions, to enhance the viability of affordable housing projects to the private real estate marketplace. The intent would be to increase the use of the PUD process to incentive the inclusion of affordable housing units as the required public benefit in such zoning approvals.
- vii. The City will market Park Ridge to, and actively recruit, senior apartment building developers to invest in our community.
- viii. The City, working through its Planning & Zoning Commission, will assess the existing affordable housing found in the community, particularly located in R-3 and R-4 zoning districts along the Touhy Avenue, Northwest Highway, and Busse Highway corridors. The zoning requirements for these areas could be revised to promote and encourage the preservation of the existing housing, and decrease the opportunity to replace affordable housing with larger dwellings that exploit liberal bulk regulations.

6. Plan Goal

The AHPAA requires municipalities to select one of three goals specified in the AHPAA’s requirements:

- a. A minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in the AHPAA.
- b. A minimum of a 5% increase in the overall percentage of affordable housing within the jurisdiction, as described in sub-section (b) of Section 20 of the AHPAA.

- c. Or a minimum of a total of 10% affordable housing within the jurisdiction as described in subsection (b) of Section 20 of the AHPAA.

The City of Park Ridge has selected (c), a goal that a minimum of 10% of housing units in the community be considered affordable by the State of Illinois. It would require an increase in the percentage of affordable housing units from 8.1% to 10%. This can be accomplished by the conversion of 280 existing dwellings, or an increase of, at least, 315 new affordable units.

7. Proposed Implementation Timeline

The AHPAA requires proposed timelines for the potential actions to implement the affordable housing plan. Those timelines must occur within 24 months of plan adoption. The “Requirements for Previously Designated Non-Exempt Local Governments,” in the AHPAA, states that, “Proposed timelines to commence, within the first 24 months after the date upon which the affordable housing plan was adopted, for actions to implement the components of the affordable housing plan.” The City proposes to consider some of the eight (8) potential implementation actions within 24 months of the adoption of this Plan and subsequent implementation actions would be considered, as appropriate, sometime after the initial 24-month period.

Summary of Timeline

- **March 2024:** Draft, conduct public hearing, and adopt Affordable Housing Plan
- **April 2024:** File Plan with IHDA to comply with State of Illinois law
- **2024-2026:** Consider some of the potential strategies and actions to implement Plan
- **2026-2028:** Continue implementation of Plan
- **December 2028:** Anticipated IHDA will issue updated *Report of Non-Exempt Local Governments*

Plan Administration

For questions or contact regarding this plan, please contact the Community Preservation & Development (CP&D) department at the City of Park Ridge, located at 505 Butler Place, at 847-318-5291, or via email at permits@parkridge.us



City of Park Ridge

Zoning Districts
& Ordinance Map
January 4, 2023

ZONING DISTRICT DESCRIPTIONS:

Residential Districts

- R-1 Single Family Residential District
- R-2 Single Family Residential District
- R-3 Two Family Residential District
- R-4 Multi Family Residential District
- R-5 Multi Family Residential District

Commercial Districts

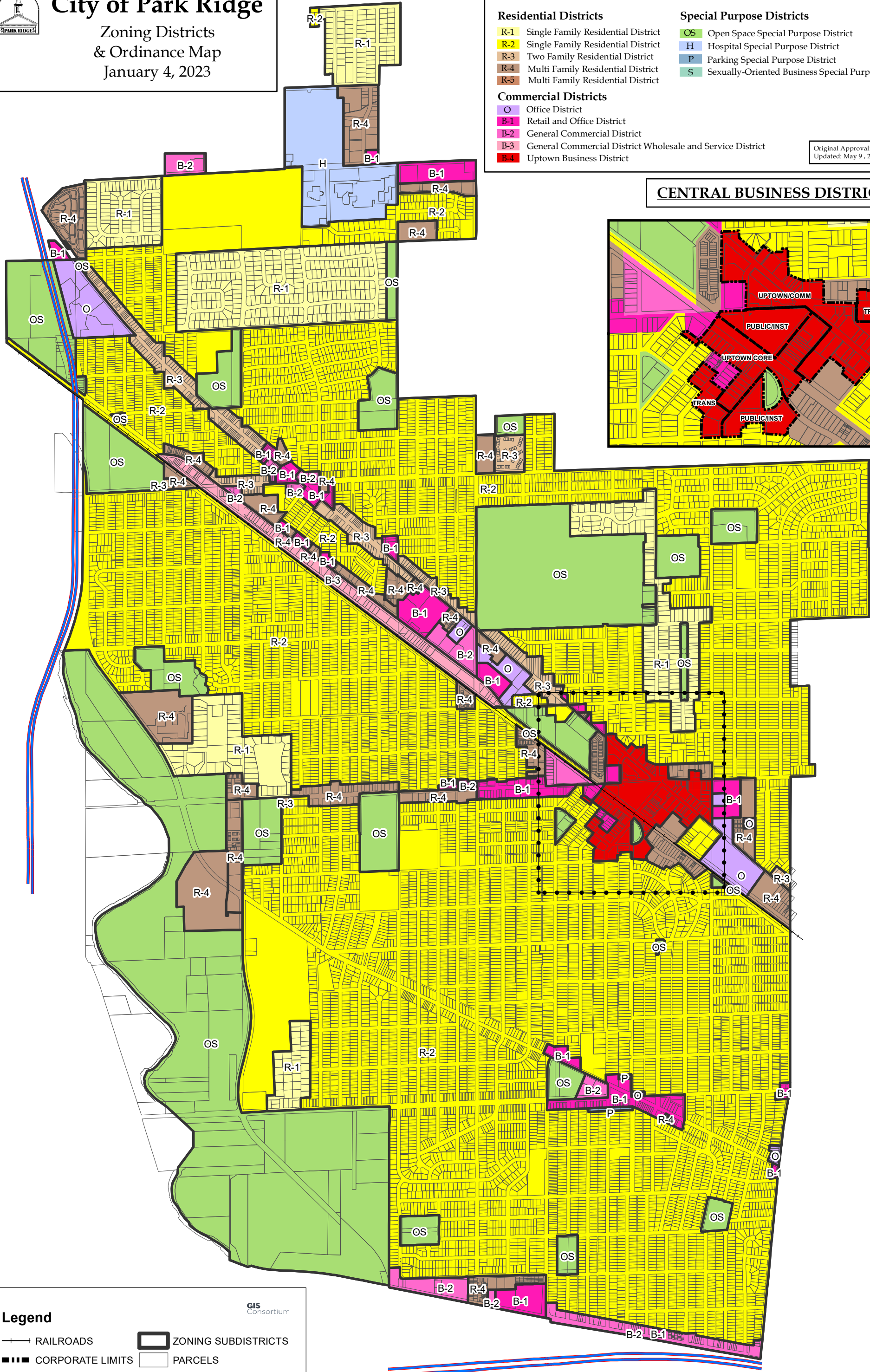
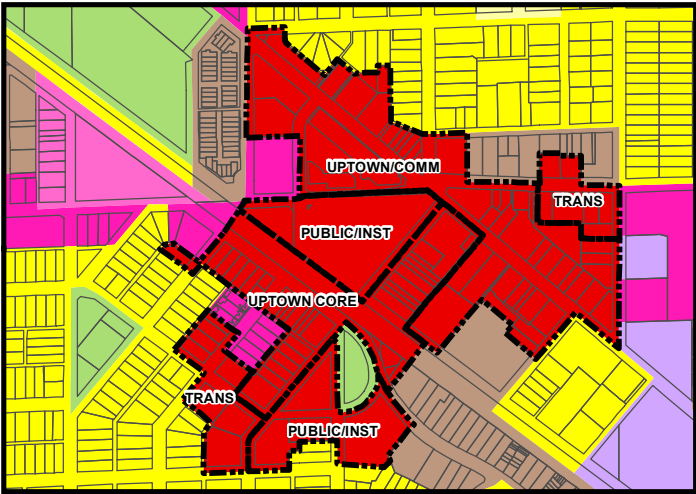
- O Office District
- B-1 Retail and Office District
- B-2 General Commercial District
- B-3 General Commercial District Wholesale and Service District
- B-4 Uptown Business District

Special Purpose Districts

- OS Open Space Special Purpose District
- H Hospital Special Purpose District
- P Parking Special Purpose District
- S Sexually-Oriented Business Special Purpose District

Original Approval: April 2, 1984
Updated: May 9, 2007

CENTRAL BUSINESS DISTRICT



Legend

- RAILROADS
- CORPORATE LIMITS
- EXPRESSWAYS
- ZONING SUBDISTRICTS
- PARCELS

0 500 1,000 2,000 Feet



