



VILLAGE OF
L I N C O L N S H I R E

Affordable Housing Plan

Pursuant to Illinois Public Act 102-0175

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Community & Economic Development Department

1 Olde Half Day Road, Lincolnshire, IL 60069

Business Hours: M-F, 8:30 a.m. – 4:30 p.m.

P: 847-883-8600

F: 847-883-8608

www.lincolnshireil.gov

SECTION I: AUTHORITY & BACKGROUND

In 2003, the Illinois General Assembly adopted Public Act (P.A.) 093-0595, the Affordable Housing Planning and Appeals Act ("Act"), which took effect on January 1, 2004. Amendments to P.A. 093-0595 were approved on June 28, 2004. P.A. 093-0595, and its amendments are codified at 310 ILCS 67/1 *et seq.* The purpose of the Act 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) is charged with determining which communities must prepare an affordable housing plan (i.e., "nonexempt") and those communities that do not need to prepare an affordable housing plan (i.e., "exempt");
- 2) All non-exempt local governments must prepare affordable housing plans and adopt those plans prior to April 1, 2005; and
- 3) Affordable housing developers are provided an appeal procedure if they believe they have been treated unfairly while bringing forth an affordable housing development.

The Act identified a Statewide goal for every community to achieve at least 10% affordable housing within its jurisdiction. If a community already met this goal, it was characterized as exempt and could avoid the mandates described in the law. If a community was nonexempt, the Act requires the community to adopt an affordable housing plan which describes measures the community will implement towards achieving the 10% goal.

The original Act did not contain a home rule preemption. As a result, many home rule communities – including the Village of Lincolnshire – exercised their Constitutional authority to ignore the Act's mandates. The Act was amended in 2021 by P.A. 102-0175 to strengthen the Act, enact new affordable housing tax incentives and grant programs, and preempt home rule authority. As such, all nonexempt municipalities are required to adopt a plan – but not necessarily create new affordable housing within a community (i.e., the plan is aspirational) before March 31, 2022.

Historically, the Village of Lincolnshire asserted its home-rule status as an exemption from adopting an affordable housing plan. The Village's decision not to file an affordable housing plan was not reflective of the community's posture towards affordable housing. Rather, as a result of zoning being inextricably linked to local government and affairs of the Village, and its elevated status among residents' interests, the Village Board elected to exercise its home rule authority to preserve its discretion as it relates to zoning decisions.

SECTION II: INTENT

The intent of this Plan is to comply with the Act. However, the Village recognizes that there are areas of uncertainty regarding the interpretation of various provisions of the Act, including those dealing with local land use decisions and possible loss of local control over those decisions. The Village's intent is that adopting this Plan is in the Village's best interest and that decisions regarding its housing needs and future development continue to be made at the Village level. Thus, the Village intends this Plan to be part of the Village's total comprehensive and exclusive regulation of this subject matter by the Village in the exercise of its home rule authority, notwithstanding any provision of the Act with which this Plan may differ.

In identifying lands and structures most appropriate for affordable housing and incentives that may attract affordable housing development, the Village has carefully considered its character and environment as set forth in the Comprehensive Plan, Zoning Code, Village Code, and other ordinances and regulations of the Village. The Village desires to maintain an affordable housing plan that (1) encourages and attracts development that protects the public health, safety, and welfare of the Village; (2) preserves and enhances the character and environment of the Village; (3) balances and protects property owner rights.

Therefore, while the Village recognizes the importance of providing affordable housing throughout Illinois, such housing must be provided in a way that does not compromise public health, safety, and welfare, or diminish Lincolnshire's environment and character.

Lincolnshire is a desirable community due to the importance placed on maintaining an "urban forest", which is aided by hundreds of acres of parks and open space within and adjacent to the Village. Additionally, Lincolnshire is nearly built-out with high land values as a result of stable single-family residential neighborhoods and exceptional local public schools. 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 Half Day Road and Milwaukee Avenue. Aside from the Lincolnshire Corporate Center, Lincolnshire Business Center, Millbrook Business Center, and Tri-State International/CDW Center, buildings throughout the Village are relatively low-profile when compared to the existing tree canopy, limiting the potential for high-rise development that would be inconsistent 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. Streets, water lines, sanitary sewers, and storm water management facilities have been designed and maintained to accommodate the relatively low-density development in the Village. Similarly, the Village's public works and police 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 public health and safety.

In recent years, Lincolnshire has diversified its housing stock from what was predominantly detached single-family residential. Attached single-family and multi-family residential developments provide options for those looking to enjoy the community who do not wish to live in neighborhoods comprised of detached single-family homes. Moreover, the Village understands the importance of offering housing opportunities to seniors with longstanding ties to the Village, as well as persons who work in the Lincolnshire, as these housing options elevate a broader sense of community. However, Lincolnshire's reputation as a North Shore community, as well as desirable community amenities, continue to increase housing and land values, thereby posing a challenge for new affordable housing development.

It is within this context that the Village has developed its Affordable Housing 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 Lincolnshire, as well as protects public health and safety.

SECTION III: AFFORDABLE HOUSING PLAN & IMPLEMENTATION

A. Definition of "Affordable Housing"

P.A. 102-0175 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." The Act further establishes 30% of gross annual income as the threshold for a family to pay towards owner-occupied and or renter-occupied housing. Qualifying costs for owner-occupied housing include mortgage, amortization, taxes, insurance, and condominium or association fees (if applicable). Qualifying costs for rental housing include rent, any required parking, maintenance, landlord-imposed fees, and utilities.

- 1) Definition of "Low-Income Housing": "low-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.
- 2) Definition of "Moderate-Income Housing": "moderate-income housing" means housing that is affordable, according to the federal Department of Housing and Urban Development, for either

home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of the area median household income.

According to IHDA staff's use of the 2016 5-Year American Community Survey (the most current data IHDA will allow to calculate affordable housing parameters for individual communities), the median household income for the Lake County Metropolitan Statistical Area is \$79,886. For Lincolnshire, the affordable monthly owner payment is estimated at \$1,598, while the affordable renter payment is estimated at \$1,198. Any housing units at or below these thresholds would be considered "affordable".

B. 10% Affordable Housing

The Act has a goal of 10% of all units being affordable. According to IHDA estimates, Lincolnshire has 2,941 year-round housing units, with 130 units (4.4%) considered affordable. To reach the 10% threshold, Lincolnshire would need to add 183 units to bring the total number of affordable housing units to 313. Village staff are in communication with IHDA officials to better understand the assumptions used in estimating the number of existing and required affordable housing units, respectively. As such, these numbers may change depending on IHDA's clarification of these estimates.

According to Lincolnshire's real estate transfer data, 2021 saw 151 detached single-family residential sales in the Village, ranging in price from \$180,000 to \$1,837,198 with a median sale price of \$575,000. 40 townhomes sold over the same period, with prices ranging from \$289,900 to \$798,405 with a median sale price of \$503,592.

In 2021, the Village of Lincolnshire issued 17 building permits for new single-family homes. Construction values ranged from \$182,700 to \$654,375, with a median value of \$229,400. No building permits were issued in 2021 for new multi-family housing units (condominiums, apartments, etc.). These patterns underscore the existing single-family character of housing in Lincolnshire, and slowing new housing starts are indicative of a community with limited land area available for new residential development.

C. 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 Lincolnshire is defined by its well-established single-family residential development patterns and its public and private open space. As a nearly built-out community, there is little undeveloped land in Lincolnshire 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 Lincolnshire, 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.

In light of the existing character and environment of the community, the Village identified the areas most appropriate for affordable housing developments within the Village's jurisdiction include the Parking property (at the intersection of Milwaukee Avenue and Aptakisic Road), the Raabe Court/G.K. Lane area, and the Lietzau Farm (at the intersection of Schelter and Aptakisic Roads). Properties outside the Village's jurisdiction that may be appropriate for affordable housing developments include Banner Day Camp (just south of the Riverwoods and Everett Roads intersection) and the Stancliff Farm (at the southeast corner of Prairie and Port Clinton Roads). 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 thereof. 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. Within these areas, any sites used for new construction or adaptation of existing units must:

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

D. Affordable Housing Policies and Procedures

The Village of Lincolnshire may, after a careful review to ensure public health, safety, and welfare, as well as the character and environment of the Village will be protected and preserved, consider adopting and implementing, or otherwise facilitating, the following policies and incentives in the areas of zoning and finance to encourage the development of affordable housing by both for-profit and non-profit developers in the Village:

1) Zoning

- a. Inclusionary zoning to require new multifamily developments and redevelopments to include a minimum required amount of affordable housing. Such ordinances may also allow a developer to provide the required affordable housing off-site (such as through other new construction or rehab).
- b. Amendments to the zoning map and comprehensive plan to allow the expansion of the number of multifamily locations for affordable housing development.
- c. Bonuses or other incentives regarding zoning requirements for developers who provide affordable housing, such as reduced parking, lot size, setback or lot coverage requirements, or increased density.
- d. Authorize accessory dwelling units as permitted uses in selected zoning districts.

2) Finance

- a. Reduced building permit fees for affordable units.
- b. Reductions to or waivers of required zoning fees or impact fees.
- c. Coordination with an affordable housing developer attempting to use IHDA Housing Trust Funds (matching funds) or other non-for-profit grant funds.
- d. Cooperation with local businesses that wish to implement employer-assisted housing programs expand housing options for the employer's workforce, whether the employer is private sector or governmental. Examples of such programs may include down payment assistance, rental subsidies, or contracting with community-based housing organizations to assist employees with housing choices.

E. Goals

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

- 1) 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 this goal, the Village of Lincolnshire established the following objectives for its Affordable Housing Plan. Below each objective is a summary of proposed next steps.

- 1) **OBJECTIVE:** Within 18 months of approval of the Affordable Housing Plan, the Village Board shall refer to the Zoning Board for a public hearing to consider possible amendments to Lincolnshire's 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 Lincolnshire.
- 2) **OBJECTIVE:** 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.
- 3) **OBJECTIVE:** Within two years of approval of the Affordable Housing Plan, the Village Board shall receive presentations from non-profit affordable housing agencies and groups to discuss issues relating to affordable housing, including potential incentives, if any.
- 4) **OBJECTIVE:** Within four years of approval of the Affordable Housing Plan, the Village Board shall refer to the Zoning Board for a public hearing to consider possible amendments to the Zoning Code to encourage and attract Affordable Housing in the Village consistent with the public health, safety, welfare, character, and environment of the Village.
- 5) **OBJECTIVE:** Not less than every five years following approval of the Affordable Housing Plan, the Village Board shall review and update the Affordable Housing Plan.
- 6) **OBJECTIVE:** The Village shall comply with any reporting requirements as required by the Act.

The Village has little control over market forces that affect the affordability of land and housing within Lincolnshire 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 Lincolnshire 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.