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Meeting Date: July 14, 2020

To: [Michael Braiman, Village Manager](#)

From: John Adler, Director of Community Development
Lisa Roberts, Assistant Director of Community Development

Subject: 2020 Affordable Housing Report

At a recent Village Board meeting, President Bielinski requested that a report on the status of affordable housing in Wilmette be provided. The following report will discuss:

- History of affordable housing in Wilmette (1976 – 2004)
- The Village’s Affordable Housing Plan (hereafter referred to as ‘Plan’) adopted in 2004
- Affordable housing in Wilmette since adoption of the Plan
- Housing Assistance Program (HAP) and Housing Our Own – Wilmette (HOOW)

Upon construction of the Housing Opportunity Development Corporation’s (HODC) project at 1925 Wilmette Avenue, approximately 15% of all newly constructed multi-family units in Wilmette since 2004 will be affordable, thereby meeting the goals of the Village’s Plan. Of note, the affordable units at 1925 Wilmette Avenue, and those anticipated to be created as part of the recently approved Optima development (both discussed more thoroughly below), will be the first affordable units created in Wilmette that are not limited to persons aged over 55/62 or persons with a disability.

History of Affordable Housing in Wilmette – 1976 to 2004

Gates Manor - 1135 Wilmette Avenue

Approved in 1976, Gates Manor was the first affordable housing project in Wilmette. The building consists of 51 one-bedroom affordable rental units for those 62 years of age or older. Rent is subsidized by the United States Department of Housing and Urban

Development (“HUD”) and residents must meet “extremely low” (30% of Area Median Income (AMI)) or “very low” (50% AMI) income levels. See Attachment #1 for more details on AMI.

Housing Commission and Housing Assistance Program

In 1977, the Village created a Housing Commission. The Housing Commission was established to present a program for the alleviation of the shortage of decent, safe and reasonably affordable housing for the elderly and low and moderate income persons.

In 1979, the Village Board established a Housing Assistance Program (HAP), which was funded by the Village through the General Fund and an affordable housing escrow until the escrow was depleted. In 2015, the HAP was then transferred to a newly created not-for-profit Housing Our Own – Wilmette (HOOW). More information on the current program is provided below.

Shore Line Place - 324 Linden Avenue

In 1984, the Village approved Shore Line Place, consisting of 43 affordable units; 32 one-bedrooms and 11 studios for persons with disabilities and those 62 years of age or older. Rent is subsidized by HUD and residents must meet “extremely low” or “very low” income levels.

Village Green Atrium - 800 Ridge Road

In 1985, the Village approved the Village Green Atrium, a 35-unit condominium building (25 one-bedrooms and 10 two-bedrooms) for those 62 years of age and older which was previously the Park District’s Curtis Curling Center. The condominium declarations establish that the Village has the right of first refusal for all sales. Through this mechanism, the Village can purchase units at a formula price expected to be below market value and then re-sell the unit for that price (or at a loss) to someone on a waiting list.

The condominium declaration provides for the Village purchase of the units to be calculated by one of three methods: 1) the change in Consumer Price Index (CPI) during the time of ownership, 2) a straight 4% increase per year, or 3) the market rate of the unit based on comparable sales in the preceding 12 months; in addition, the value of permanent improvements may be added, credited at an amount depreciated by 10% per year.

After the 2008 Recession, the Village ended up owning several units without having buyers available. Due to the recession’s impact on housing prices, there were several instances in which the formula price for the units exceeded the market rate of comparable units in the Atrium. In 2011, the Village Board passed a resolution waiving the right of first refusal. By waiving this right, the market determines unit pricing and has kept the units affordable. As an example, in 2018 and 2019, six units were sold for prices ranging between \$108,000 and \$136,000. Had the Village utilized its right of first refusal, the calculated purchase price would have ranged between \$115,000 and \$156,500 (these figures do not include any value for improvements that would be applicable per the condo declaration).

The Village's Affordable Housing Plan

In August 2003, the State of Illinois adopted the Affordable Housing Planning and Appeals Act ("AHPAA" or "Act"). It required municipalities with less than 10% affordable housing to adopt an Affordable Housing Plan by April 1, 2005. "Affordable" is defined at 80% AMI for owner-occupied units and 60% AMI for renter-occupied units.

The Act provides three alternative goals from which a municipality may select to achieve compliance:

- Make 15% of all new residential construction or residential redevelopment affordable;
- Increase the percentage of affordable housing from its current level by 3%; or
- Bring the percentage of affordable housing units to 10% of the total housing stock.

As provided for on page 14 of IHDA's Affordable Housing Planning and Appeal Act: 2018 Non-Exempt Local Government Handbook, *"According to the law, Non-Exempt Local Governments must submit their Affordable Housing Plan to IHDA within 60 days of the initial local approval of the plan or approval of revisions to a previously approved affordable housing plan which was submitted to IHDA under the AHPAA."*

The Village as a Home Rule Unit of government need not adhere to the AHPAA. However, notwithstanding the Village's ability to either not create a plan or create a plan under its own standards, the Village still submitted its Plan as contemplated by the AHPAA. Accordingly, the Village is in compliance with the AHPAA as the Village Board adopted the Plan on December 14, 2004 and submitted it to the State at that time; there have been no updates to the Plan since its adoption. It is also important to note that the Act does not mandate such an update to be made and be submitted.

At the time the Plan was prepared, the Village was identified as having 556 affordable housing units, which equated to 5.38% of the total housing stock. The Plan notes that the 10% affordable goal of the AHPAA is somewhat arbitrary and that actual housing needs in Wilmette could be more or less than 10%. The Village retained the firm of Perkins Eastman to assist in the development of a plan for the Village. As part of their review, Perkins Eastman calculated that the demand for affordable housing in Wilmette was 1,159 households, much more than the shortfall of 477 units based on the requirements of the Act.

Of the three alternative goals identified in AHPAA, the Village's Plan determined that the most appropriate goal for Wilmette was that 15% of all new residential construction or residential redevelopment be affordable. Given that Wilmette is mostly a built-out community, the Plan determined that the goal would be pursued by concentrating on new multi-family development.

The Plan identifies a handful of specific sites where multi-family projects could be developed. The Plan then discusses various options for incentivizing such developments,

most specifically though the use of the Planned Unit Development (PUD) process. The PUD process is a special use process that allows for zoning concessions (such as additional building height or density) to be made in exchange for public benefits to be provided. Possible “public benefits” include community amenities, public open space, preservation of historically significant structures or environmental features, and affordable or senior housing set-asides.

To further encourage consideration of affordable units, the Plan requires a potential developer to meet with Village staff to review the Plan and the affordability goals. Any such proposed development must wait until 60 days after this consultation to file an application for a building permit or zoning or subdivision relief, such as a variation, special use, or PUD, to give the applicant time to consider incorporating affordable housing into their plan. The consultation and 60-day delay are required pursuant to the Zoning Ordinance.

The AHPAA has a limited scope for addressing affordable housing by focusing solely on increasing the number of affordable units. The Act does not contemplate other types of housing assistance and, most critically, assumes that existing affordable housing units will continue to exist. While the Village has been successful in approving new affordable housing units close to its 15% goal, overall there has been a net decrease in the number of affordable units in Wilmette. Based on IHDA’s calculations in their 2018 status report on the Village’s compliance with AHPAA, the Village has lost 125 affordable units since 2004. These losses occurred prior to 2013 as since that time, a net total of 43 affordable units have been added in Wilmette per IHDA. The majority of Wilmette’s existing affordable housing units (as identified by IHDA) are not subsidized or otherwise regulated to maintain affordability and are therefore subject to market forces. For example, most recently on Ridge Road, a developer purchased a number of affordable townhomes, rehabbed/updated the interiors and relisted the properties at rental rates not considered affordable.

Affordable Housing in Wilmette – 2004 to 2020

Since the Village’s Plan was adopted in 2004, there have been limited opportunities to develop affordable housing as part of a multi-family and/or mixed-use projects. Following Mallinckrodt in the Park, it took nearly 10 years for the next multi-family project to be completed in Wilmette. While the opportunities have been limited, the Village has had success with the developments that have been approved/constructed. Of these projects, which are discussed below, 42 out of 295 new multi-family units are proposed to be affordable, a rate of 14.24%.

Development	Total Units	Affordable Units	Percent Affordable
Mallinckrodt in the Park	81	12	15%
Residences of Wilmette	75	Contribution	0%
Artis Memory Care	N/A	Contribution	N/A
1121 Greenleaf Avenue	14	0	0%
Cleland Place	16	16	100%
Optima	109	14*	*
TOTAL	295	42	14.2%

**\$1.6 million contribution will be used to create permanent affordable units dispersed throughout the community.*

Mallinckrodt in the Park - 1041 Ridge Road

In 2005, the Village approved Mallinckrodt in the Park, an 81-unit condominium building for those 55 years of age and older. Of the 81 units, 12 (15%) are formula-priced to keep these units more affordable.

The redevelopment of Mallinckrodt was a grass-roots, interjurisdictional effort. In 1990, Loyola University leased space from the Sisters of Christian Charity. The school and the convent of the Sisters of Christian Charity occupied space in the building until 1999, when the Sisters sold 17 acres of their 23-acre holding to Loyola University. In 2002, Edward James Company proposed to demolish all of the structures on the property and to construct a 39-lot single-family housing subdivision. Opposition to this plan brought together several interest groups in the community, most notably affordable housing advocates, historic preservationists, and open space and tree protection advocates. Edward James Company subsequently withdrew their interest so that a plan that would preserve the property could be sought.

As a Home Rule unit of government, the Village was able to facilitate the sale and redevelopment of the property. The Village purchased the property from Loyola University and immediately passed it through as a sale (for \$1) to the Wilmette Park District. It was necessary for the Village to participate in this arrangement because the Park District, as a Non-Home Rule unit of government, is limited in how it can purchase and finance the purchase of property. As part of this effort, the Village solicited proposals for redevelopment of the Mallinckrodt building with senior/affordable housing and preservation of the structure being key priorities. Ultimately, the Pickus Group was chosen to rehab the building, providing housing for those aged 62 and over, including 12 affordable units, as well as providing space for the Park District Senior Center. During the Great Recession, Pickus was unable to sell enough units to keep the development afloat and was forced to sell the remaining units in bulk. The new bulk owner of the units, along with owners who had already began to occupy the development, requested that the Village lower the age limit to persons 55 and over. The Village granted that request.

Residences of Wilmette – 611 - 617 Green Bay Road

In 2007, approval was granted to construct 54 condominium units at 611 Green Bay Road, eight of which (15%) were to be made affordable. While a sales office was opened up for the development, the Great Recession resulted in the project never being built.

In 2009, a PUD proposal to construct a three-story medical office/CVS drive-thru was submitted and ultimately denied by the Village because of inadequate parking and poor traffic circulation. Later in 2009, a proposal for a standalone CVS with drive-thru was submitted and the special use was denied by the Village because of poor traffic circulation. The developer sued and the Village settled the lawsuit by purchasing the property from the developer.

In 2012, the Village reached an agreement with Lexington Homes to purchase the property. Lexington attempted to acquire additional adjacent property and when unsuccessful, decided to not finalize the purchase.

In 2014, the Village marketed the property again and M & R Development was selected as the contract purchaser. While the contract price was determined as a six story building (five stories of residential above a commercial ground floor), M & R was asked to reduce the residential floors from five to four based upon feedback from the community. This resulted in the Village having to renegotiate the sale price to approximately \$1,000,000 less than the original agreed upon price and \$400,000 less than the Village had paid for the property. Ultimately, in 2015, approval was granted for the Residences of Wilmette at 611 Green Bay Road. The Residences of Wilmette consists of 75 market rate rental apartments. While no affordable units were provided, the developer made an \$80,000 affordable housing contribution which the Village transferred to HOOW. The Village's ownership of this parcel and need to sell the property for financial purposes was a limiting factor in regards to the amount of the affordable housing contribution.

Artis Memory Care - 333 – 357 Ridge Road

As a memory care facility, this building is considered more of a commercial use than a residential development. Even so, the Village was able to negotiate as part of the PUD process an annual \$10,000 contribution in perpetuity from Artis for the purposes of affordable housing. This annual contribution will be transferred by the Village to HOOW to support the Housing Assistance Program.

1121 Greenleaf Avenue

In 2018, 14 rental units were constructed on the site of 1121 Greenleaf Avenue. The project was built 'by-right', meaning that no zoning approvals were required. While the developer was required to complete the affordable housing consultation and wait the required 60 days to file for a building permit per the Village's Plan, no affordable units were included in the building.

Cleland Place - 1925 Wilmette Avenue

In 2015, the Village proactively contacted HODC, encouraging them to consider the American Legion property at 1925 Wilmette Avenue for an affordable housing development. HODC subsequently purchased the property and in June of 2020, final

approval was granted for a 16-unit rental development at 1925 Wilmette Avenue providing units at the “very low income” (30% AMI) level. The building is expected to begin construction in late summer of 2020 (building plans have been submitted for permits) with occupancy in spring 2021.

Optima, Inc. - 1210 Central Avenue

In March of 2020, preliminary approval was granted for a 109-unit rental building at 1210 Central Avenue. While no affordable units were proposed onsite, Optima is required as part of its PUD approval to make a \$1,600,000 contribution to the Village for the purposes of affordable housing. During the course of Optima’s application submittal, Village staff encouraged the developer to contact an experienced affordable housing developer to ensure that the contribution would result in a tangible plan to increase the number of affordable housing units in Wilmette. To that end, Optima has joined with Community Partners for Affordable Housing (CPAH) such that the affordable housing contribution will be granted to CPAH for the creation of 14 permanent affordable units (potentially housing 54 individuals) that will be integrated throughout the community. CPAH expects to provide condos, townhomes and detached single-family residences at affordable rates for both rental and home ownership.

Through the contribution, CPAH will be creating a Community Land Trust (CLT) Program in Wilmette. Per CPAH’s website:

CPAH’s CLT program builds or acquires and rehabilitates homes in Highland Park, Lake Forest and Evanston. The homes are then sold to qualified low- and moderate-income households at affordable prices. The nonprofit organization retains ownership of the underlying land, which is leased to the homebuyer through a 99-year, renewable ground lease.

If the homebuyer later wants to sell their home, it is sold to another low- to moderate-income household or back to CPAH at a formula price designed to give the homeowner a fair share of appreciation, while still keeping the home affordable for the next buyer.

Shared equity programs help low- and moderate-income households become homeowners and build wealth from equity in their homes, while also ensuring the community’s investment to make the home affordable is preserved to help homebuyer after homebuyer long into the future.

Housing Assistance Program (HAP) and Housing Our Own – Wilmette (HOOW)

Implemented in 1979, HAP started as a Village budget line item in the General Fund providing monthly rent, monthly mortgage assistance, and property tax assistance. To qualify, the head of the household is required to be either 62 years of age or older or disabled, meet a household income limit and be a Wilmette resident. The purpose of the program is to assist long-time residents and residents with disabilities to stay in their home or in the community. Since 2007, the mortgage assistance and property tax assistance is provided as a no-interest loan with a lien rather than a grant, which helps replenish the

program when participants sell their home.

In 2006, the Village entered into a development agreement with Red Seal for the development of 12 single-family homes on the property vacated by National Louis University. Among other things, the development agreement provided that Red Seal and successive owners/developers would contribute to the Village \$10,000 at the time of permit issuance for each of the first 10 of the 12 homes built. While the contributions occurred over a number of years, these funds totaling \$100,000 were dedicated solely to funding the HAP through the creation of an affordable housing escrow. The escrow was also supported from zoning fines that were in excess of \$20,000.

In 2015, the affordable housing escrow was going to be depleted. In an effort to continue providing housing assistance, the Village established the non-for-profit organization, Housing Our Own – Wilmette (“HOOW”), to take over administration of the HAP and to raise funds from multiple sources. While the program is run by a non-for-profit board, Village staff continues to administer the program, thus eliminating most of the administrative costs of the program.

To further support the HAP, in 2018 and 2019, the Village received the re-payment of three liens that were placed on single-family homes through the Community Development Block Grant (“CDBG”) Program during the 1990s (the liens were unrelated to the HAP). The Village elected to transfer the funds to HOOW, providing in total an additional \$98,033 in funding to the HAP.

HOOW currently provides housing assistance to 18 Wilmette residents, 14 of whom receive rental assistance and four receive property tax assistance. The transfer of HAP to a private non-for-profit has resulted in the following:

- Since 2018, the program has accepted seven new participants and continues to admit qualified applicants (there is no waitlist)
- Eligibility expanded to accept qualified applicants who receive subsidized housing (previously, those receiving housing subsidies were not eligible)
- In 2019, increased monthly financial assistance by 12.5% from \$200 to \$225 per month
- In 2020, provided a one-time COVID relief supplement in the amount of three additional months of assistance to all rental participants
- At the end of 2019, HOOW had a fund balance of \$263,848

In addition to the HAP, the Village’s General Fund continues to fund and administer an Emergency Housing Assistance Program (EHAP), which provides emergency assistance for short-term financial needs. In 2020, the Village received and approved two requests for emergency assistance, both related to the COVID-19 pandemic. The annual budget for the program is \$3,000.

Updating the Village’s Housing Goals and Policies

In 2007, the Administration Committee of the Village Board conducted an Affordable

Housing Review. This study found that more affordable housing is needed in Wilmette. The study attempted to quantify the need, discussed how it should be funded, and how the money should be spent. Future action steps included raising funds for an Affordable Housing Trust Fund (very similar to the program that CPAH intends to implement in Wilmette as part of the Optima development), reviewing zoning mechanisms to encourage units such as accessory living units and considering funding sources for a trust fund. Ultimately, the economic downturn of 2008 resulted in this effort being tabled.

Later this year, Village staff will begin the process of rewriting the Comprehensive Plan with the public planning process taking place in 2021 (this project was originally scheduled for 2020 and delayed due to COVID-19 and social distancing requirements). The current Comprehensive Plan was adopted in 2000 and itself was a minor update of the 1986 Plan. The last amendment to the Comprehensive Plan was in 2010 when the Village Center Master Plan was incorporated into the document. The rewrite of the Comprehensive Plan will be an appropriate time to evaluate all aspects of housing in the Village and to review housing related goals and policies.

Documents Attached

- 1.0 Affordable housing income levels
- 2.0 Home sales data in Wilmette since 2018
- 3.0 Village of Wilmette Affordable Housing Plan
- 4.0 PowerPoint presentation for July 14 Village Board meeting

Attachment 1.0

The chart below shows the 2020 Chicago area income limits. For the purposes of rental housing the 60% income limit (\$54,600) for a 4 person household is used. For the purposes of for sale housing the 80% income limit (\$72,800) for a 4 person household is used.

Chicago-Joliet-Naperville - \$91,000 Median Family Income

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	\$19,150	\$21,850	\$24,600	\$27,300	\$29,500	\$31,700	\$33,900	\$36,050
50% Limits	\$31,850	\$36,400	\$40,950	\$45,500	\$49,150	\$52,800	\$56,450	\$60,100
60% Limits	\$38,220	\$43,680	\$49,140	\$54,600	\$58,980	\$63,360	\$67,740	\$72,120
80% Limits	\$51,000	\$58,250	\$65,550	\$72,800	\$78,650	\$84,450	\$90,300	\$96,100

https://www.chicago.gov/content/dam/city/depts/doh/general/2020_hud_income_limits.pdf downloaded 7/1/2020

Attachment 2.0

The chart below shows the total homes sales in Wilmette by price range since 2018:

Property Sales 2018 – May 2020	2020 (through May)	2019	2018
\$90,000 to \$299,000	18	51	61
\$300,000 to \$449,000	31	83	81
\$450,000 to \$599,999	30	77	85
\$600,000 to \$999,999	46	154	162
\$1,000,000 to \$1,999,999	45	120	112
\$2,000,000 to \$2,999,999	4	6	8

VILLAGE OF WILMETTE, ILLINOIS

AFFORDABLE HOUSING PLAN

December 14, 2004

1.0 INTRODUCTION

1.1 Purpose and Scope

It is the longstanding policy of the Village of Wilmette (“Village”) to provide affordable housing options so persons with moderate incomes can enjoy the benefits of living in our community, and so our residents can enjoy the benefits of a community with economic diversity. This policy has been implemented, with active Village support or sponsorship, as opportunities have occurred over the past quarter century. It is currently set forth in Chapter Four of the 2000 Comprehensive Plan of the Village of Wilmette. The Village has been careful to balance the worthy objectives of this policy against other important policies, such as the policy favoring the maintenance of the Village’s single-family-home character, and the policy favoring land use re-development consistent with the capacity of infrastructure. *The crux of this Plan is the Village’s ongoing commitment to a proactive but reasoned approach to providing additional affordable housing.*

1.2 The Affordable Housing Planning and Appeals Act

In August 2003, the State of Illinois adopted Public Act 93-0595, the Affordable Housing Planning and Appeals Act of Illinois (“the Act”). A copy of the Act is attached as Exhibit 1. The Act is premised on a finding that there exists a shortage of affordable, accessible, safe and sanitary housing in the State. 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.” It requires counties and municipalities with less than 10% affordable housing to adopt an Affordable Housing Plan (“Plan”) by April 1, 2005. It also contains an appeal procedure for aggrieved developers to seek relief from local decisions that inhibit the construction of affordable housing.

As set forth in the Act, the components of a Plan include a calculation of the total number of affordable housing units that are necessary to exempt the local government from the operation of the Act (*i.e.*, the number necessary to bring the percentage of affordable housing units to 10% of the total housing stock), an identification of opportunities for the development of affordable housing in the Village, a specification of incentives the Village will provide to encourage the creation of affordable housing, and a statement of a goal for increasing affordable housing units in the Village.

The Act identifies three alternative goals from which a municipality may select to achieve compliance. The first is to make 15% of all new residential construction or residential redevelopment within the Village affordable. The second is to increase the percentage of affordable housing within the Village from its current level to a level 3% higher. The third is to bring the percentage of affordable housing units in the Village to 10% of the total housing stock.

1.3 Home Rule

The Village is a “home rule” municipality, as provided in the Illinois Constitution. This means that unless the Illinois General Assembly has explicitly preempted the use of home rule authority on a given subject, the Village has the ability to adapt its local laws, ordinances and policies to the specific needs of Wilmette, even if those laws, ordinances and policies conflict with or take precedence over provisions of State law. In the case of the Act, the Illinois General Assembly did not explicitly preempt home rule authority, and a legal opinion provided to the Metropolitan Mayors Caucus (of which the Village is a member) by Holland & Knight LLP, attached as Exhibit 2, sets forth the legal analysis underlying the foregoing statement.

Given the Village’s longstanding policy of seeking to provide affordable housing options for persons with moderate incomes that also serve the unique needs of Wilmette, the Village has prepared this Plan in conformance with the provisions of the Act. However, the Village also recognizes that there is considerable uncertainty over provisions of the Act dealing with local land use decisions and possible loss of local control over those decisions. The Village intends to ensure that adoption of this Plan will be in Wilmette’s best interest and that all decisions about Wilmette’s housing needs and future development will continue to be made at the local level. Therefore, the Village intends the adoption of this Plan to be part of the 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.

The Village will submit this Plan to the State, not as a concession that it is required to comply with the Act, but in furtherance of its longstanding policy described in Paragraph 1.1 above. By adopting this Plan, the Village is exercising its home rule authority to completely regulate this subject and completely displace State law. The Village’s use of its home rule authority in this manner serves to both further its policy supporting affordable housing and guarantee to the community that local land use decisions are controlled at the local level and made with sensitivity to the character of the community.

1.4 Practical Limitations

If Wilmette were virgin land, with owners/developers anxiously awaiting the opportunity to build, the Village could easily implement a Plan that would achieve the 10% standard set forth in the Act. The Village could simply declare that at least 10% of the units must be affordable and implement this declaration by adopting land use regulations compelling this result. In the marketplace, these land use regulations would be a factor in the valuation of the land, and the cost of providing the affordable housing would be absorbed by land owners on a Village-wide basis.

But this is not the Wilmette of 2005. The Village is fully developed. By far the highest percentage of land area is zoned R and R1, consisting of single family detached homes that provide the essence of Wilmette’s character. Because of this character and other desirable features that have evolved over the 134 years of the Village’s history, real estate in Wilmette, when available, is very expensive. There are few, if any, single family detached homes in Wilmette that meet the Act’s definition of affordable housing.

According to the MAP Multiple Listing Service, the average sale price of a single family detached dwelling in Wilmette was \$710,326 in 2003, based on the sale of 349 properties ranging in price from \$276,000 to \$2,770,000. In 2004 through November 18, the average sale price of a detached dwelling was \$808,703, based on the sale of 308 properties ranging in price from \$265,000 to \$7,250,000. For attached dwellings, the average sale price in 2003 was \$385,101, based on the sale of 81 properties ranging in price from \$157,000 to \$875,000. In 2004 through November 18, the average sale price was \$370,375, based on the sale of 72 properties ranging in price from \$125,000 to \$805,000. This data indicate that most of the existing housing stock does not include affordable housing as defined by the Act.

The relatively high value of land in Wilmette makes it impractical to achieve the goal of this Plan by creating new affordable single family detached dwellings. Rather, the only conceivable way of achieving the Plan's goal is to create new affordable units in multi-family buildings. (In this Plan, the term "multi-family building" refers to a single building that includes a number of separate living quarters such as apartments or condominiums.) Moreover, even in such buildings, it may well be necessary to limit the number of affordable units to, for example, 15% to 20%, because experience elsewhere has shown that, aside from specialized housing for senior citizens and persons with disabilities, a larger percentage of affordable housing units might make the project unsound from both a financial and social perspective. And finally, appropriate sites in the Village for multi-family buildings, as established by the Village's Zoning Ordinance, are limited, and the pace of development of multi-family buildings, even in a receptive financial and regulatory environment, is slow.

This Plan takes these unique circumstances into account. It does not ignore economic realities. The goal of this Plan must be recognized as a goal to be pursued in good faith, not a quota to be achieved at all costs. Moreover, fairness requires that any economic burden of providing affordable housing should be shared broadly by all Village residents, not imposed narrowly on persons who happen to own property suitable for this use.

2.0 THE AFFORDABLE HOUSING NEED

2.1 The Current Housing Stock and the Act's 10% Standard

Based on the 2000 Census Summary File 3, the housing stock in the Village consisted of 10,332 units, 8,732 of which were owner-occupied, 1,311 of which were rental units, and 289 of which were vacant. Single family detached dwellings made up 8,017 units; 628 were in attached townhomes or accessory apartments; and 1,293 were in buildings with 20 or more units. The median housing value, as estimated by owners themselves in the 2000 census, was \$441,600.

The Act defines the need for affordable housing by establishing a standard that 10% of a municipality's total housing stock should be affordable. Municipalities that already meet this standard or achieve it after the effective date of the Act are "exempt" from the Act.

In addition, municipalities with populations under 1,000 (almost half of all Illinois municipalities) are exempt. Non-exempt municipalities must establish a goal to pursue the 10% standard. In Wilmette, the total number of affordable housing units required for exemption is 10% of the total housing stock, or **1,033 affordable units** (10% of 10,332).

It can be argued that 10% is an arbitrary standard, and the actual need for affordable housing is greater or lesser than 1,033 units. On one hand, the analysis of Perkins Eastman set forth below could support the argument that the actual need is 1,716 units, because that number of low to moderate income households currently reside in the Village. On the other hand, it could also be argued that the Act's methodology is faulty, because the 1,716 low to moderate income households that currently live in the Village appear to be able to "afford" housing that costs, in the majority of cases, more than 30% of their income. In any event, for purposes of this Plan, the Village accepts the Act's 10% standard.

2.2 Perkins Eastman's Analysis of the Shortfall under the Act

The Village retained the firm of Perkins Eastman to assist it in the development of this Plan. This section sets forth relevant portions (edited) of Perkins Eastman's analysis of the Village's shortfall, as judged by the 10% standard:

Key to the understanding of the requirements of the Act are the primary definitions on which all planning will be based. In the Act, the median income is defined as: "the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937." The only complication to this is that HUD, under Section 8, determines *family* income, not *household* income. Because HUD and its Section 8 income limits are the sources defined in the Act, HUD's Median Family Income (HAMFI) will be applied as if it were Median Household Income. [Footnote omitted.]

The number of "affordable dwelling units" that meet the Act's criteria will consist only of the rental unit inventory affordable to households at 60% of HAMFI and all for sale units affordable to households at 80% of HAMFI as of January 1, 2006, the date the exemption portion of the Act goes into effect.

Also under the Act, "for sale" properties have been defined as all owner-occupied housing and are *not* limited to only properties on the market as of January 1, 2006 as implied in the Act. Discussion with IHDA also determined that the decennial census, Illinois State Department of Finance Real Property records and housing insurance data are possible sources for identifying affordable units for exemption. This is the case simply because there is no existing up-to-date central data source of housing sales and rents.

Housing is considered “affordable” if 30 percent or less of an individual or household’s income goes to housing costs *and* the household income is 80% or less of the HAMFI for owner-occupied housing units and 60% or less of HAMFI for rental units. Generally, demand for affordable housing is established by the number of households spending more than 30 percent of their total income on housing costs by household size. However, as there is no central data source for this breakdown, the methodology used is based on median incomes only, disregarding size. It is understood that IHDA intends to do the same in its official assessment.

The newly clarified definition of “median household income” was confirmed through discussion with IHDA that the 2000 HAMFI is the basis for the count of affordable units. HAMFI is prepared at the county and/or PMSA geographic level. The Village falls under the HAMFI of Cook County and the Chicago PMSA. In 2000, the year of the decennial Census, the HAMFI for the PMSA was \$67,900 or slightly more than half of the Village’s median *family* income of \$122,515.

Thus, the cap for affordable owner-occupied housing is a household income of \$54,320 (80% of HAMFI). The income cap for affordable rental housing is \$40,740 (60% of HAMFI).

Following these guidelines as closely as possible, given the data provided by the decennial Census, 1,139 owner occupied households have an income of less than \$50,000 (80% of HAMFI), with 445 reporting that they spend less than 30% of their income on housing; while 576 renter occupied units have incomes of \$40,000 or less (60% of HAMFI), 111 of which report they are in affordable housing. Therefore, there were 1,716 low-moderate income households in Wilmette, with 556 in self-reported affordable housing units as defined by the Act and current assessment methodology.

The overall demand for affordable housing in the Village is thus 1,159 households. *According to the requirements of the Act, however, the legal shortfall is only 477 units* (the difference between 10% of the 2000 Census count of housing stock and the total number of low-moderate income households in affordable housing).

2.3 The Need Viewed Differently

While the Village accepts the Act’s 10% standard for purposes of this Plan, it also approaches the issue of affordable housing not in a mathematical manner, but based on its real life experience in addressing the need for affordable housing in the past and its knowledge of the residents and potential residents who give rise to this need. The population of the Village is aging, and some older residents with fixed or diminishing incomes may wish to continue living among their family and friends but in housing commensurate with their means. Non-resident parents of current residents may wish to

move to the Village to be close to their adult children during their golden years. Our community also includes persons with disabilities (some of whom are adult children of longtime Wilmette residents) whose incomes and resources limit their housing options. There are persons with low or moderate incomes who work in or for the Village and whose residency here would enhance the overall spirit of community. While the Village lacks the ability to accommodate all such residents and potential residents with affordable housing needs, it intends to continue to address these needs by increasing the number of affordable units, in the manner set forth in this Plan.

3.0 POTENTIAL LANDS AND BUILDINGS FOR AFFORDABLE HOUSING

3.1 General

The Village's experience is that opportunities to provide affordable housing sometimes arise without substantial notice, and the Village must be prepared to respond promptly lest an opportunity be lost. For example, it was not anticipated that Loyola University would close its Mallinckrodt campus, and the building would be suitable for conversion to residential use with affordable housing units included. While this Plan mentions some potential sites for affordable housing, it is necessary to be vigilant in seeking additional possibilities and to be ready to act when they arise. Indeed, there is little doubt that such vigilance will occur, because the Village has a Housing Commission and many residents who are strong advocates of affordable housing and who will not allow an opportunity for affordable housing to pass unnoticed.

3.2 Unsuitable Sites

As important as it is for this Plan to identify potential sites for affordable housing, it is equally important to identify sites that are not suitable. To be successful, this Plan needs broad community support, and unfounded concerns and fears about inappropriate development undermine this support.

Accordingly, this Plan rejects the idea of building affordable housing on any existing parkland. Open space for leisure and recreation is needed in a community, no less than affordable housing is needed. The diligent efforts of the Wilmette Park District to provide this benefit to Wilmette residents over the years should not be sacrificed to an important but not superior value.

Similarly, this Plan rejects the idea of providing affordable housing units by building multi-family buildings on land cleared for that purpose in the R or R1 zoning districts. Such development would injure the essential character of the Village. Indeed, the only potential R or R1 locations for multi-family buildings with affordable housing units are institutional buildings that cease to be used for their institutional purpose and that are suitable for adaptive reuse as senior housing (*e.g.*, Mallinckrodt and the Village Green Atrium), as already allowed by the Zoning Ordinance.

In sum, any affordable housing development that would adversely affect valued features of the Village is contrary to the intent of this Plan.

3.3 Suitable Sites

It is highly unlikely that any new, rehabbed or existing single family detached home in the R or R1 zoning districts or townhouse or duplex in the R2 zoning district would ever meet the definition of “affordable,” unless it were in some way subsidized by government or a not-for-profit entity. Even if there were several such subsidized units, this approach will not effectively address the need for additional affordable housing in the Village and is not the approach adopted by this Plan. Accordingly, this discussion is limited to types of housing that could reasonably include affordable living arrangements.

The Zoning Ordinance already allows various uses which could accommodate affordable living arrangements. (The zoning districts referred to below are explained on Exhibit 3, attached.) These uses are as follows:

1. Group homes for the elderly and for persons with disabilities in the R, R1, R2, and R3 zoning districts.
2. Adaptive reuse senior housing in the R, R1, R2, and R3 zoning districts.
3. Accessory living units in the R, R1, and R2 zoning districts.
4. Congregate housing facilities for the elderly in the R2, R3, NR, VC, and PCD2 zoning districts.
5. Congregate housing facilities for persons with disabilities in the R2 and R3 zoning districts.
6. Housing for the elderly in the R2, R3, R4, NR, VC, and PCD2 zoning districts.
7. Housing for persons with disabilities in the R2, R3, and R4 zoning districts.
8. Multi-family buildings in the R3, R4 and GC2 zoning districts.
9. Above-grade dwellings in the NR, VC, and PCD2 zoning districts.
10. Planned Use Developments in the NR, VC and GC1 zoning districts, which may contain multi-family dwellings at grade level in the NR and VC zoning districts (in addition to above grade dwelling units) and dwelling units above grade level in the GC1 zoning district.

The conclusion of this Plan is that the Zoning Ordinance, by allowing the foregoing uses as either permitted or special uses, requires no additional categories of uses to facilitate the creation of new affordable housing. The single exception is that the Zoning Ordinance does not currently deal with residential buildings in the GC2 zoning district in specific terms and does not allow the flexibility of Planned Use Developments in that district. These deficiencies are addressed in the draft ordinance attached as Exhibit 4.

The best opportunities for creating additional affordable housing are on relatively large parcels where, consistent with existing zoning, multi-family buildings or mixed use commercial/residential buildings can be built. Four specific sites (the Farm Foundation property, the Baha'i Home, the Kohl Children's Museum, and the National Louis University Campus) are mentioned because they are examples of sites that may become available in the near future. This Plan recognizes there are other potential redevelopment sites, particularly in the NR, VC, GC1 and GC2 zoning districts, for multi-family buildings or mixed use commercial/residential buildings with affordable housing units. Each site that presents itself will require careful review through the planning and zoning processes designed to protect neighborhood and community interests.

In considering mixed use commercial/residential buildings in the GC1 zoning district, the Zoning Board of Appeals and the Village Board must be especially mindful of traffic and congestion issues involving Greenbay Road. It is expected that the departure of the Kohl Children's Museum, a significant traffic generator, will alleviate some of the current traffic and congestion problem, as will planned roadway improvements.

This Plan also requests the Building Code Board of Appeal to consider and make recommendations regarding the advisability of new regulations requiring a higher level of sound absorbency in building materials used in residential buildings located near Greenbay Road and other major streets. The purpose of this review is to assure that future multi-family buildings provide the same opportunity for peace and quiet as single family detached dwellings elsewhere in the Village.

The Farm Foundation is located at 201 Ridge at the southern edge of the Village in the R3 zoning district. It is currently vacant. The site to the south is also vacant. With potentially one-acre of property, about 40 residential units could be developed on this site, some in the "affordable" category.

The Baha'i Home, located on a 30,500 square foot parcel on the corner of Greenleaf Avenue and 4th Street, was built in 1958 as Wilmette's first senior housing facility. It accommodated 21 elderly residents and was a special use in the R2 zoning district. Although now vacant, it is still owned by the Baha'i Congregation. Should all units be made available to low and moderate income seniors, they would add 21 units to the Village's affordable housing stock.

The Kohl Children's Museum is located in the GC1 zoning district at the southern end of Greenbay Road (165-169 Greenbay Road). The 30,000 square foot property is located in close proximity to the non-conforming multi-family residential building in this zoning

district. Although the Children’s Museum is still in use, the owner is in the process of building a new venue in Glenview. When the museum relocates, the Greenbay Road property, which includes an adjacent parking lot, will become available for redevelopment, possibly with residential units, including affordable units, on one or two upper floors.

The Sheridan Road campus of National-Louis University consists of a 6.5-acre tract. The University recently decided to relocate the campus. Three-quarters of the property is located in the Village, making it the second largest potential redevelopment site in Wilmette. Several buildings, including Harrison Hall (a three story building), the Baker Demonstration School, and six houses are located on the site. The site is located in the R1 zoning district. However, a special use permit could allow the conversion of one or more of the large institutional buildings into senior housing, including some affordable senior housing units.

4.0 INCENTIVES

4.1 The Options

Because of the high value of land in Wilmette, it is likely that any new ownership or rental units, to be affordable, will be sold or rented at a below-market rate. When affordable housing is sold or rented at a below-market rate, someone must pay the differential. Stated differently, an owner or developer must have an offsetting financial incentive to sell or rent property at a below-market rate. Where will the value come from to compensate the owner or developer for the differential? Before identifying the incentives this Plan will offer, it is useful to examine the possible sources of this value:

Zoning mandates: The Village could adopt a zoning regulation that requires developers of multi-family buildings to set aside a certain percentage of the units for affordable housing. This would be an extreme form of “incentive.” The Village government would incur no cost in this approach. However, there would be a cost. It would be reflected immediately in a lower value for the land covered by the regulations since the development potential has been diminished. The land owner and/or developer would pay the cost.

Zoning bonuses: The Village could provide “zoning bonuses” for buildings incorporating a certain percentage of affordable units. These bonuses would be in the form of relaxations to height, setback, parking, and similar regulations. Again, the Village government would incur no cost in providing this type of incentive. However, the regulations being relaxed were presumably adopted for the protection of the community, especially the neighboring property owners. Allowing more intense development therefore may adversely affect the character of the neighborhood and diminish the value of the neighboring properties, and the neighboring property owners would bear the cost. However, it is possible that “bonuses” could be provided through the Planned Use Development Process of the Zoning Ordinance without adversely affecting neighboring properties.

Teardown tax and similar dedicated taxes and fees: It has been suggested that the Village could adopt a tax or a fee, the proceeds of which would be utilized to create financial incentives in the form of subsidies for the development of affordable housing. For example, a “teardown tax” could be levied on the act of demolishing an existing structure and failing to replace it with affordable housing. In Wilmette, such a tax would impact mainly older, functionally obsolescent single family detached houses, typically owned by longtime, older residents whose major assets are their homes. While excessively-large replacement houses present their own set of problems (with which the Village has attempted to cope), the teardown of obsolescent houses may be beneficial to the neighborhood and community. A teardown tax might somewhat deter such activity. Its cost would likely fall on residents selling houses destined for demolition, because builders (who may be the persons actually paying the tax) would factor the tax into the price they would be willing to pay for the property. Other ideas, like dedicated condominium conversion fees, new construction fees, and an increased real estate transfer tax, would have a similar narrow financial impact, focused on individual property owners involved in these activities.

Village subsidies: The Village could provide financial incentives for the development of affordable housing by direct subsidies. For example, the Village could participate in a project by acquiring property and reselling it to a private developer for multi-family housing that includes affordable housing units. Because the acquisition cost may be higher than the subsequent resale price (given the affordable housing requirements accompanying the resale), the cost in this case is borne by the taxpayers at large through whatever tax resources the Village utilizes. Techniques with a similar broad cost sharing impact are property tax abatements, financing assistance through municipal bonds or low-cost loans, reduced fees for permits and services (*e.g.*, zoning and building permits, or water/sewer fees), and outright grants.

Subsidies through a not-for-profit entity: The Village could sponsor or assist in the creation of a not-for-profit affordable housing entity that would seek funds from a variety of sources (*e.g.*, grants from private foundations, contributions from individuals and corporations, revolving loans from the Institute for Community Economics) and either engage in development activities itself or provide incentives for others. It is to be noted that a precedent exists for the Village’s limited involvement in such an entity, as the Village was closely involved in creating the not-for-profit corporation that owns and operates Shoreline Place.

4.2 The Preferred Incentives

This Plan adopts the policy of spreading the cost of affordable housing broadly, rather than placing the cost on targeted land owners. Accordingly, this Plan does not adopt ***zoning mandates*** or a ***dedicated taxes and fees*** as methods for creating incentives for affordable housing. Instead, this Plan adopts four methods of encouraging developers to include affordable housing units in new multi-family buildings, as follows:

First, developers coming to the Village with plans for multi-family buildings will be encouraged to seek zoning approval of their projects as Planned Use Developments and to include affordable housing units in their plans. The Planned Use Development process, already part of the Zoning Ordinance, provides the Village with a degree of flexibility regarding development standards that may be sufficient to make it attractive for developers to include affordable housing units without diminishing the value of neighboring properties.

Second, this Plan suggests the adoption of a new ordinance that would require an owner or developer, before applying for any special use permit, building permit, appearance review certificate, license or other Village authorization or approval involving a multi-family building in any zoning district or a commercial building in the VC, NR, GC1, or GC2 zoning districts, to meet with the Director of Community Development or his/her designee. At this meeting, the owner or developer would be given a copy of this Plan and, depending on the circumstances of the particular site, would be asked to consider the idea of including affordable housing units in the project. In addition, the Director of Community Development would explain the Planned Use Development process and other relevant provisions of Village ordinances. This meeting would be held no later than 60 days prior to the date when the developer files an application with the Village, provided that after the required meeting, the Village Board by resolution may waive any remaining portion of the 60-day waiting period in cases where it determines that requiring an exhaustion of the waiting period would not serve the purposes of this Plan. This meeting requirement would not apply to an owner or developer applying for approval of a multi-family building with 15% or more affordable housing units included in the project.

Aside from meeting with the Director of Community Development for the purpose stated and waiting 60 days to submit an application, the suggested ordinance would impose no other obligation on an applicant, and the Director of Community Development would have no authority to take or refuse to take any action based on the applicant's unwillingness to include affordable housing units. The draft ordinance, attached as Exhibit 4, provides for this 60-day waiting period.

The purposes of the suggested 60day waiting period are twofold. First, it would assure that an owner or developer must at least consider the idea of including affordable housing units in a potential multi-family project. Second, it would give the Village at least 60 days notice of contemplated projects, during which time it could take actions, including direct involvement described in the next paragraph, in furtherance of this Plan.

Third, this Plan recommends that the Village consider direct involvement, on an ad hoc basis, when a desirable site for affordable housing becomes available, community support is found to exist, and Village involvement is the only practical way to accomplish the project (like Mallinckrodt). It must be recognized that the Village has very limited financial resources for direct involvement. Significantly, the Illinois Legislature, in adopting the Act, did not appropriate any funds to assist local governments like the Village to pursue its affordable housing goal, at a time when the Village is struggling to maintain basic municipal services in the face of revenue stagnation and increasing costs,

some of which are the result of other unfunded State mandates. In view of the foregoing, direct involvement and financial participation by the Village will be the rare exception rather than the general rule.

Fourth, this Plan requests the Housing Commission to consider and make recommendations regarding the creation of a not-for-profit entity to obtain funding from non-Village sources and take actions to provide incentives or otherwise promote the development of affordable housing, consistent with this Plan. Highland Park provides an example of such an entity, but the Housing Commission is encouraged to consider a broad scope of such possibilities.

5.0 THE GOAL

5.1 The Goal of this Plan

This Plan adopts the goal of making 15% of all new residential development or redevelopment consist of affordable housing units. This goal will be pursued by concentrating attention on multi-family buildings, as defined in Paragraph 1.4, and asking developers of such buildings to consider including at least 15% affordable housing units, in the manner described above. While this plan focuses on multi-family buildings, other affordable living arrangements, as described in Paragraph 3.3, will undoubtedly continue to be added to the Village's housing stock as the number of group homes and accessory living units increase in the ordinary course to meet a growing need. Overall, it is believed that concentrating on new multi-family buildings, in a manner consistent with the Zoning Ordinance, is a reasonable approach for pursuing the 15% goal.

5.2 The Alternative Goals Allowed by the Act

This Plan does not adopt the Act's alternative goal of increasing the affordable housing stock in the Village by 3.0%, for the following reason. This goal would require the Village to increase the affordable housing stock from its current 5.38% to 8.38%, or from 556 units to 866 units, or by a total of 310 units. The Village can conceive no reasonable way in which this number of new affordable housing units could be provided in the foreseeable future. For example, to increase the number of affordable housing units by 310 in multi-family buildings consisting of 15% affordable units, it would take a total of 2,067 units in new multi-family buildings to achieve this goal. This number of new units would increase the Village's total housing stock by 20%.

The other alternative goal in the Act, making 10% of the Village's total housing stock housing affordable, is rejected for the same reason. It would require an increase in the percentage of affordable housing units from 5.38% to 10%, or from 556 units to 1,033 units, or by a total of 477 units. If an increase of 310 affordable units is unrealistic, an increase of 477 affordable units is more so.

6.0 ASSIGNMENT OF RESPONSIBILITIES

6.1 The Housing Commission

The Housing Commission will have responsibility for monitoring this Plan, measuring the Village's progress in pursuing the established goal, and making recommendations to the Village Board for actions in furtherance of this Plan and for future changes to this Plan. The Commission should develop a methodology appropriate to the Village by which this progress may be measured, and in doing so may take into account recommendations made by State agencies, as well as other sources. The Commission will also have responsibility for considering and making recommendations regarding the creation of a not-for-profit entity, as described above.

6.2 The Building Code Board of Appeal

The Building Code Board of Appeal will have responsibility for considering and making recommendations regarding the advisability of new regulations requiring a higher level of sound absorbency in building materials used in residential buildings located near Greenbay Road and other major streets. The Building Code Board of Appeal is also requested to consider whether the Building Code adequately protects public health and safety in the context of affordable housing.

6.3 Zoning Board of Appeals

The Zoning Board of Appeals will have responsibility for applying the provisions of the Zoning Ordinance, as they may be amended from time to time, to applications involving multi-family buildings containing affordable housing units in light of the Village policies set forth in this Plan, as well as other applicable Village policies. Just as multi-family buildings with affordable housing units are not subject to a higher level of scrutiny under the variation and special use standards than buildings without such units, neither are they entitled to greater leniency under the standards.

6.4 Director of Community Development

The Director of Community Development will have responsibility for meeting with owners or developers contemplating requesting the Village to authorize or approve certain types of projects, as explained above; giving them a copy of this Plan; asking them to consider the idea of including affordable housing units in the project; and explaining the Planned Use Development process and other relevant provisions of Village ordinances. The Director of Community Development will also have responsibility for implementing the Housing Commission's methodology for measuring progress under this Plan and providing the Housing Commission with the data collected as a result.

Affordable Housing Report

July 14, 2020



Discussion Overview

- History of affordable housing in Wilmette
- Village's Affordable Housing Plan
- Affordable housing in Wilmette since Plan adoption
- Housing Assistance Program and Housing Our Own-Wilmette (HOOW)

History of Affordable Housing

Building	Date	Affordable Units	Restrictions
Gates Manor	1976	51	Age 62+
Shore Line Place	1984	43	Age 62+ or Persons w/ disabilities
Village Green Atrium	1985	35	Age 62+

- There were no affordable projects from 1985 – 2005 when Mallinckrodt was then approved
- There were no multi-family developments in Wilmette from 2005 – 2015
- **Up until the Village Board's recent approval of the HODC project at 1925 Wilmette Avenue, all affordable projects in Wilmette were designated for persons aged 55/62+ or persons with disabilities**

Affordable Housing Plan

- 2003 – State of Illinois adopted the Affordable Housing Planning and Appeals Act (AHPAA)
- Required non-home rule municipalities with less than 10% affordable housing to adopt an affordable housing plan by April 1, 2005
- Affordable is defined as:
 - 80% Area Median Income (AMI) for Owner-Occupied Units
 - 60% Area Median Income (AMI) for Renter-Occupied Income
- AHPAA provided a choice of 3 goals to achieve compliance:
 - Make 15% of all new residential construction or redevelopment affordable
 - Increase percentage of affordable housing from current level by 3%
 - Bring the percentage of affordable housing units to 10% of total housing stock

Wilmette's Affordable Housing Plan

- To demonstrate the Village's commitment to affordable housing, the Village adopted a plan in 2004 that followed State laws and guidelines
- The Village's Plan adopts the goal of making 15% of all new residential development or redevelopment consist of affordable units
- This goal will be pursued by concentrating attention on multi-family buildings, and asking developers of such buildings to consider including at least 15% affordable housing units
- ***Based on the requirements of the State law, the Village has been in and continues to be in compliance with AHPAA***

Wilmette's Affordable Housing Plan

- The Village's Plan identified various methods to meet the 15% goal:
 - Sites where multi-family could be developed
 - Incentives for development
 - Includes the use of Planned Unit Development (PUD) process
 - Requires developers to meet with Village staff to review affordability goals
 - Must wait 60 days after consultation to file application for building permit, zoning approval, etc.

Affordable Housing Units – 2004 to Present

Since development of the Plan in 2004; the Village is close to its 15% target with 14.2% of new multi-family units in Wilmette being affordable

Development	Total Units	Affordable Units	Percent Affordable
Mallinckrodt in the Park	81	12	15%
Residence of Wilmette	75	\$80k contribution	-%
Artis Memory Care	N/A	\$10k annual contribution	N/A
1121 Greenleaf	14	-	-%
Cleland Place	16	16	100%
Optima	109	14*	*
TOTAL	295	42	14.2%

**\$1.6M contribution will be used to create permanent affordable units dispersed throughout community*

Multi-Family Development – 2004 to Present

- Mallinckrodt in the Park – 1041 Ridge Road
 - Approved in 2005, facilitated through Village’s Home Rule authority
 - 15% of units are formula priced to keep units affordable for those 55 or older
- Residence of Wilmette – 611 to 617 Green Bay Road
 - Village purchased property following several failed development attempts and litigation; Village ultimately lost money in the sale of the property
 - 75 market rate rental units; \$80,000 contribution to HOOW
- Artis Memory Care – 333 to 357 Ridge Road
 - Commercial development for memory care
 - As part of PUD process, there will be \$10,000 annual contribution to HOOW
- 1121 Greenleaf
 - Built ‘by-right’ and followed 60-day housing consultation period
 - No affordable units
- Cleland Place – 1925 Wilmette Avenue
 - Village proactively contacted HODC to consider affordable housing at the site
 - All 16 units are at ‘very low income level’ (30% AMI)
- Optima – 1210 Central Avenue
 - Preliminary approval granted for 109 unit rental building
 - \$1.6 million contribution and working with CPAH for creation of 14 permanent affordable units

Affordable Housing Units – Current State

- Per IHDA’s 2018 analysis, 4.5% of the Village’s housing units are considered affordable
- Village has lost 125 affordable units since 2004
 - Majority of existing affordable units are not subsidized or regulated
 - Example: townhomes on Ridge Road have been rehabbed and relisted
- Since 2013 a net total of 43 affordable units have been added in Wilmette

Municipality	Percent Affordable
Kenilworth	2.2%
Glencoe	2.5%
Winnetka	2.7%
Northfield	3.2%
Lincolnshire	4.4%
Wilmette	4.5%
Lake Forest	5.3%
Northbrook	5.7%
Glenview	7.3%
Deerfield	7.3%
Highland Park	9.3%

Housing Assistance Program and Housing Our Own-Wilmette

- Housing Assistance Program
 - Started in 1979 to provide monthly rent or mortgage and property tax assistance
 - Required head of household to be 62 or older or disabled, meet income limit, and a Wilmette resident
 - Assist long-time residents to stay in community
 - Funded by development agreements and zoning fines
 - Transitioned to non-profit as housing escrow was depleted
- Housing our Own-Wilmette
 - Provides assistance to 18 Wilmette residents
 - Since 2018, admitted seven new participants, currently no waitlist
 - Monthly assistance was increased in 2019 to \$225 per month (12.5%)
 - In 2020, provided one-time relief supplement in amount of 3 additional months of assistance
 - Balance at end of 2019 was \$264 thousand
- Emergency Housing Assistance Program
 - Funded by Village's General Fund
 - Emergency assistance for short-term financial needs; 2 requests received and approved in 2020

Current Next Steps

- Comprehensive Plan Rewrite
 - Will provide opportunity to evaluate housing throughout Village
 - Review housing related goals and policies
 - 2020 - Staff will begin process for review of Comprehensive Plan
 - 2021- Public Planning process for Comprehensive Plan