

ORDINANCE NO. 2025-20

AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING PLAN UPDATE FOR THE VILLAGE OF HAWTHORN WOODS PURSUANT TO THE "AFFORDABLE HOUSING PLANNING AND APPEAL ACT" (3 10 ILCS 67/ 1 et seq.)

WHEREAS, the Village Mayor and Board of Trustees of the Village of Hawthorn Woods, Lake County, Illinois, ("Village") find that the availability of affordable housing in the Village is a matter pertaining to the public health, safety and welfare; and,

WHEREAS, the Village Mayor and Board of Trustees finds that the availability of affordable housing is an important public policy matter of the State of Illinois, and therefore also of the Village; and,

WHEREAS, the Village Mayor and Board of Trustees further find that it is the policy of the Village to provide affordable housing options so persons with moderate incomes can enjoy the benefits of living in the Village and so Village residents can enjoy the benefits of a community with economic diversity; and

WHEREAS, the Village remains careful to balance the worthy objectives of this policy against other important policies, such as the Village' s policies favoring the maintenance of the Village' s single-family home character, the favoring land use re -development consistent with the capacity of infrastructure, favoring the importance of protecting park land and open space, all of the foregoing demonstrating the Village' s ongoing commitment to a pro -active but reasoned approach to providing additional affordable housing; and,

WHEREAS, the Village Mayor and Board of Trustees further find that the State of Illinois enacted the Affordable Housing, Planning and Appeal Act (310 ILCS 67), Public Act 93-595, effective January 1, 2004, as amended by Public Act 93-678, and as now or hereafter amended (collectively, the " Act"), which provided for the designation of particular municipalities in the

State as being either "exempt" or "non-exempt" from the Act, based on the amount of housing in those municipalities determined under the Act to be "affordable," required non-exempt municipalities to adopt an "affordable housing plan," and provided that, beginning January 1, 2009, developers who have been denied land use approvals by a "non-exempt" municipality may appeal such a decision to a "State Housing Appeals Board," in order to seek relief from the decision; and,

WHEREAS, the Village passed Ordinance 1115-05, An Ordinance Establishing an Affordable Housing Plan for the Village of Hawthorn Woods Pursuant to the Act on March 21, 2005; and,

WHEREAS, the Village Mayor and Board of Trustees further find that the Village has been identified by the Illinois Housing Development Authority in a letter dated December 28, 2018, as a municipality that is determined to be "Non -Exempt Local Government" under the Act and, therefore, is subject to the requirements of the Act aforesaid, including possible appeal of local land use decisions to the State Housing Appeals Board; and,

WHEREAS, the Village Mayor and Board of Trustees further find that, in furtherance of the Village's policy supporting the development of affordable housing aforesaid, the Village has updated its Village of Hawthorn Woods Affordable Housing Plan (the "Plan"), a copy of which is attached hereto as Exhibit A and is incorporated by reference as if set forth verbatim herein, which the Village finds addresses the subject of affordable housing in a manner most beneficial to the Village; and,

WHEREAS, the Village Mayor and Board of Trustees further find that the Village also intends that adoption of the Plan will be in the Village's best interest, and that all decisions about the Village's housing needs and future development will continue to be made at the local level and will not be subject to appeal to a State board or commission;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Hawthorn Woods, Lake County, Illinois, as follows:

SECTION ONE: The foregoing findings and preambles set forth hereinabove are incorporated herein as substantive provisions of this Ordinance as if fully set out in this Section One.

SECTION TWO: The Village hereby adopts the " VILLAGE OF HAWTHORN WOODS AFFORDABLE HOUSING PLAN 2020 UPDATE," attached hereto as Exhibit " A", as and for its affordable housing plan in compliance with the Act. This Plan, in combination with the Village' s Zoning Ordinance and the provisions of the Village Code covering subdivision of land, building and construction and other matters relating to land use, shall collectively be the sole and exclusive laws regulating the development of affordable housing in the Village of Hawthorn Woods.

SECTION THREE: The Village Clerk is hereby authorized and directed to file with the Illinois Housing Development Authority a certified copy of this Ordinance and the Plan approved herein.

SECTION FOUR: That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

SECTION FIVE: This Ordinance shall be in full force and effect ten (10) days from and after its passage, approval, and publication in pamphlet form as provided by law.

The foregoing Ordinance was passed by a roll call vote as follows:

AYES: Kaiser, Kosik, Reiss, Corrigan, McCartney, David

NAYS: 0

ABSENT AND NOT VOTING: 0

APPROVED: 
Dominick DiMaggio, Mayor

ATTEST: 
Donna Lobaito, Village Clerk

PASSED: June 22, 2020

APPROVED: June 22, 2020

EXHIBIT "A"
VILLAGE OF HAWTHORN WOODS
AFFORDABLE HOUSING PLAN 2020 UPDATE

**VILLAGE OF HAWTHORN WOODS
AFFORDABLE HOUSING PLAN**

in Compliance with the

**Affordable Housing Planning and Appeal Act
(310 ILCS 67/1 et seq.)**

**Update Approved June 22, 2020
Originally Approved March 21, 2005**

Contents

A. INTRODUCTION AND BACKGROUND	1
1. STATUTE OVERVIEW	1
2. HAWTHORN WOODS IS NOT EXEMPT FROM THE ACT.....	2
3. HAWTHORN WOODS MUST ADOPT AN AFFORDABLE HOUSING PLAN	2
B. AFFORDABLE HOUSING PLAN	3
1. STATEMENT.....	3
2. IDENTIFICATION OF PROPERTIES	3
3. INCENTIVES	4
3. a. POSSIBILITIES.....	4
3. b. CONTINUATION OF AFFORDABLE	6
HOUSING CONSULTATION PROCEDURE	6
4. GOAL SELECTION.....	6
C. CONCLUSION.....	6

VILLAGE OF HAWTHORN WOODS

AFFORDABLE HOUSING PLAN

2020 UPDATE

A. INTRODUCTION AND BACKGROUND

1. STATUTE OVERVIEW

In 2003, the Illinois General Assembly enacted the "Affordable Housing Planning and Appeal Act" ("Act").¹ Its primary goal is the following:

[To] encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. Further, affordable housing developers who believe that they have been unfairly treated due to the fact that the development contains affordable housing may seek relief from local ordinances and regulations that may inhibit the construction of affordable housing needed to serve low-income and moderate-income households in this State. (310 ILCS 67/10)

The Act states that a municipality has a sufficient amount of affordable housing, and is therefore exempt from the Act's requirements, if 10.0% or more of its year-round housing stock is deemed affordable.² A municipality is also exempt if its population is under 1,000.³ Three basic rules govern: (1) affordable housing is supposed to cost no more than 30% of a household's gross annual income, which for each municipality is based on a regional median household income (MHI); (2) affordable rental housing⁴ must be affordable to households with incomes of 60% of the area median household income⁵; and (3) owner-occupied housing⁶ must be affordable to households with incomes of 80% of the area median household income.

In accordance with the Act, beginning on August 9, 2013, the Illinois Housing Development Authority ("IHDA") is to publish a list of exempt and non-exempt local governments and the data that it used to calculate its determination at least once every five years. The data shall be shown for each local government in the State and for the State as a whole. Upon publishing a list of exempt and non-exempt local governments, the IHDA shall notify a local government that it is not exempt from the operation of this Act and provide to it the data used to calculate its determination. As part of its ongoing five-year reviews of affordable housing, the IHDA has identified the Village of Hawthorn Woods ("Village") as a non-exempt municipality in both 2013 and 2018.

2. HAWTHORN WOODS IS NOT EXEMPT FROM THE ACT.

In its 2018 review of affordable housing levels, the IHDA listed the Village of Hawthorn Woods as one of the non-exempt units. The IHDA reported the Village has 2,394 total year- round housing units; 81 units, or 3.4% are considered affordable⁷:

Place	County	Total Population	Total Year-Round Units	Total Affordable Units	Affordable Housing Share
Hawthorn Woods	Lake	7,590	2,394	81	3.4%

Source: Affordable Housing Planning and Appeal Act: 2018 Non-Exempt Local Government Handbook, IHDA, Strategic Planning and Reporting Department Office of Housing Coordination Services, December 28, 2018

Since it adopted its first plan in 2005, the Village has increased its percentage of affordable housing from 0.8% to 3.4%, a 2.6% increase. While several barriers exist, including the absence of a grocery store, pharmacy, public transportation and public utilities, the Village is working towards its attainable housing goals. Compared to other non-exempt municipalities, the Village has the ninetieth lowest percentage of affordable housing stock in the state. The following communities in Illinois have lower percentages: Campton Hills (0.8%), South Barrington (.08%), Long Grove (1.1%), Barrington Hills (1.3%) and Inverness (1.3%).

3. HAWTHORN WOODS MUST ADOPT AN AFFORDABLE HOUSING PLAN

Because the Village is not exempt, it must adopt an update to its affordable housing plan, originally approved on March 21, 2005, and submit it to the IHDA before June 28, 2020, that includes at a minimum the following four elements:

1. A Statement: The Village shall state the total number of affordable housing units that are necessary to reach the 10% minimum threshold;
2. Identification of Properties: The Village shall identify the properties that are most appropriate for (a) new construction of affordable housing, and for (b) conversion or rehabilitation of existing structures into affordable housing. The list shall include any properties on which developers have expressed a commitment to provide affordable housing and also any publicly or semi-publicly owned properties that may be suitable for affordable housing;
3. Incentives Possibilities: The Village shall provide a list of incentives or tools that may be utilized to attract affordable housing; and
4. Goal Selection:⁸ The Village shall set forth which statutory goal it has selected to increase the amount of affordable housing in the Village: (a) 15% of all new development and redevelopment

within the Village shall meet affordable housing requirements; (b) increase by 3% the overall percentage of affordable housing within the Village; (c) attain the 10% minimum of affordable housing units within the Village.

B. AFFORDABLE HOUSING PLAN

1. STATEMENT

With a total of 2,394 year-round housing units, the Village needed a total of 240 units to have achieved the Act's goal that at least 10% of all units meet affordability standards.

a) Assuming the total number of overall units remains the same, the Village needs 159 units to convert from unaffordable to affordable in order to comply with the 10% minimum threshold.

- 2,394 total units
- Minimum threshold is 10%
- 10% of 2,394 total units
=239.4
= 240 total units needed to have reached the 10% threshold
- 240 total units needed —81 current affordable units

= 159 unaffordable units converted to affordable units,
where total Village unit count remains 2,394

b) Assuming that every unit added in the Village from 2016 - forward is an affordable unit, and if no existing affordable units are either lost or converted to unaffordable units, then the Village needs 175 new affordable units to reach the 10% overall threshold and comply with the Act. At this point the Village would have 2,553 total housing units, 256 of which, or 10.03%, would be affordable units.

2. IDENTIFICATION OF PROPERTIES⁹

Since its incorporation in 1958, the Village has historically matured with an ongoing goal to maintain its rural character with a low-density development pattern. The preservation of these unique qualities has occupied a central place in the management of the development of the community. Historically and to the present day, the majority of Village residential development has been single-family homes on one-acre lots. Over more recent years, an increase in the variety of types of uses and densities of development has occurred. The Village has worked diligently to bring smaller homes and smaller lots into the community.

Some of the stated community goals in the Comprehensive Plan reflect a commitment to maintaining the Village's status as a highly desirable community in which to live while expanding housing options and promoting the preservation of natural areas and open space.

Substantially high percentages of land in the Land Use Plan reserve residential property for estate, rural estate, or conservation properties. The Comprehensive Plan shows that a few designated areas may be potentially developed for moderate-density residential, business, or mixed-use development.

Furthermore, according to the 2014 Comprehensive Plan, although new residential construction permits have declined from pre-recession levels, there has been a slight uptick in issued permits and residential subdivision application submittals. The Village's population is projected to increase significantly as proposed developments build out. The Village's 2016 population was estimated to be 7,590, roughly seventy residents lower than reported during the 2010 U. S. Census (7,663). By 2025, the Chicago Metropolitan Agency for Planning (CMAP) projects¹⁰ the population to grow to 9,602 people, a 26.5% increase from 2016 levels.

As such, the Village believes that the most appropriate and likely areas for affordable housing will be in the following areas:

- a) Property within an existing multiple-family zoning district ("R-3" General Residence District), any land or territory hereafter rezoned to a multiple-family zoning district, or any land or territory hereafter annexed into the Village and zoned as a multiple-family zoning district; and
- b) Any parcel, or portion thereof, where it is proposed to construct either:
 - i. Multi-family dwelling(s);
 - ii. Two-family dwelling(s);
 - iii. Single-family detached units constructed on lots with a minimum lot size less than that provided for in either the "R-2" One-Family Residence District or the "R-3" General Residence District currently in force or as hereafter amended from time to time¹¹; or
 - iv. In a planned unit development with zero-lot lines, where the product of the number of housing units multiplied by 20,000 square feet is greater than the net lot area of the property.¹²

The Village is unaware of any developers that have intentions, let alone commitments, to develop any property within the Village that would be considered affordable housing. There are currently no publicly or semi-publicly owned structures within the Village that are suitable for housing, let alone affordable housing.

3. INCENTIVES

3. a. POSSIBILITIES

The Village may, after careful review to ensure that the public health, safety, and welfare of the Village is maintained, after consideration that it is acting properly within its non-home rule authority, that it is acting to protect the character, history, and environment of the Village, consider adopting and

implementing one or more of the following incentives to promote affordable housing development within the Village:

1. Review current building codes, life/health safety codes, to ensure conformance with ADA and Fair Housing requirements, which may impact the ability to obtain certain grants (e.g., Community Development Block Grants (CDBG)); these codes should also be reviewed to ensure that they do not impose barriers to affordable housing.
2. Aid affordable housing developers in utilizing the IHDA's Affordable Housing Trust Fund and related funding services.
3. Aid affordable housing developers in utilizing and obtaining all sources of state and federal governmental aid.
4. Amend the Zoning Code to allow accessory housing units for rentals of coach houses or other types of similar structures.
5. Amend the Zoning Code to increase multi-family districts and mixed-use downtown regions, which may include maximizing the use of planned unit developments, special use permits, zoning variations, or lot size variations for instance.
6. Create an affordable housing commission or committee to hold hearings for interested parties about the needs for this type of housing within the municipality, proposed solutions, and the most desirable locations where such development could be given greater consideration.
7. Establish a Staff point person who will work with developers of affordable housing.
8. Expedite the Village permit process for affordable developments.
9. Maximize the use of other state and federal tax benefits for affordable housing developers.
10. Provide density bonuses. If affordable housing is built then certain density increases may be allowed based on the number of units being offered.
11. Review Zoning and Subdivision Codes in light of how to minimize barriers that may restrict development of affordable housing.
12. Create tax increment financing districts in blighted areas of the Village, if any are determined, and promote affordable residential development there.
13. Utilize bond financing, issued by the Village or by the IHDA (which can issue the bonds on behalf of the Village).

14. Work with local employers who may have interest in establishing Employer-Assisted Housing (EAH) programs, where employees have residency requirements, and obtain financial incentives to locate in particular housing stock. There are state tax credits and state matching funds for these programs.

3. b. CONTINUATION OF AFFORDABLE HOUSING CONSULTATION PROCEDURE

The Village believes every effort should be made to provide opportunities for developers to investigate the feasibility of providing affordable housing in the Village. Therefore, this Plan recommends that the Village maintain the ordinance adopted in 2005 (Ord. 1115-05) providing for a 60-Day Affordable Housing Consultation Procedure to facilitate the development of affordable housing in the Village. The adopted ordinance is generally applicable to projects that involve multi-family dwellings and is required of all applicants seeking development approvals. The Ordinance requires applicants to meet with the Village's chief operating officer, or designee, to discuss reasonable options for including affordable housing in the proposed project and to provide certain information.

4. GOAL SELECTION

The Plan adopts the goal of increasing the minimum overall percentage of affordable housing units within the Village by three percent (3%). As discussed before, the Village since 2005 has increased its percentage of affordable housing from 0.8% to 3.4%, a 2.6% increase. This increase shows the Village's ability to continue to work towards the three-percent goal.

C. CONCLUSION

In furtherance of achieving its goals and implementing incentives, the Village may address these issues along the following timeline: (1) Have a general public hearing for all interested parties (6 months); (2) Have a public hearing for consideration of any zoning code amendments (12 months); (3) Approve all zoning code amendments (18 months).

The Village agrees to review this Plan at least once every three years. The Village reserves the right to amend or repeal any part of the Plan at any time. No developer shall be entitled to rely on any provision of this Plan as any incentive addressed is purely under advisement and would be within the discretion of the Village Board to approve. The Village shall provide a copy of this Plan to the IHDA and any amendments in compliance with the Act.

¹ 310 ILCS 67/ 1 et seq. The Act was initially approved as Public Act 93-95 (House Bill 625 (Slone/ Martinez) Hse: 61-52- 3, Sen: 31- 25- 0), effective 1/ 1/ 04; it was amended in 2004 by Public Act 93-678 (Senate Bill 2724 Schoenberg/ Slone) Sen: 34- 20- 3, Hse: 116- 0- 0), effective 6/28/ 04 to correct certain deadlines and other changes; it was further amended in 2005 with Public Act 94-303, effective 7/21/05, and in 2013 Public Act 98-287, effective 8/9/13 with refinements for various issues.

² 310 ILCS 67/ 15; 310 ILCS 67/ 20(b).

³ There has also been an ongoing debate as to whether or not the Act pre-empts home rule units of government.

⁴ Rental housing costs is supposed to include rent and utilities.

⁵ Area Median Household Income is within a county or an identified primary metropolitan statistical area.

⁶ Owner- occupied/for-sale housing is to include costs for mortgage, amortization, taxes, insurance, condominium association or similar fees.

⁷ The IHDA calculations made in 2018 are based on the 2016 American Community Survey 5 Year Estimate data available at the U. S. Census Bureau.

⁸ The 15%, 3%, and 10% percentage goals will not only be affected by all new units being built (affordable and not affordable) but will also be affected to a detriment by: (a) redevelopment of existing affordable units that make that unit unaffordable, and (b) teardowns that decrease the number of affordable units

The Act defines " Development" to include " any building, construction, renovation, or excavation or any material change in the use or appearance of any structure or in the land itself; the division of land into parcels; or any change in the intensity or use of land, such as an increase in the number of dwelling units in a structure or a change to a commercial use." (310 ILCS 67/ 15) Some white papers address how this language is so broad it could include the remodeling of, or one-room addition onto, a single-family detached home. The IHDA' s guideline attempt to rein in these concerns. The IHDA states that development includes all new construction that adds to the number of housing units, including the addition of coach houses, but does not include additional living space in a unit, aesthetic changes. Redevelopment is not defined in the Act. The IHDA interprets redevelopment to include conversion of nonresidential into residential, conversion of a rental unit into a condominium, remodeling that changes residential units from being unaffordable to affordable or vice versa (IHDA Report 11-12). The IHDA states that when a teardown changes the status of the unit, it should be included in the counts.

⁹ Much of the information for this section is taken from the Village of Hawthorn Woods Comprehensive Plan 2014.

¹⁰ CMAP On To 2050 Local Forecasts, Chicago Metropolitan Agency for Planning, October 10, 2018.

¹¹ As of January 1, 2020, the minimum lot size in the "R-2" District is 20, 000 square feet.

¹² In other words, if the Total Lot Area is less than (20,000 X # housing units), then the property is designated as a likely area for affordable housing.