

VILLAGE OF KENILWORTH
AFFORDABLE HOUSING PLAN
(Approved by Resolution No. R2005-03)

I. AUTHORITY

In 2003, the Illinois General Assembly adopted Public Act 93-0595, the Affordable Housing Planning and Appeals Act, which became effective January 1, 2004. Amendments to Public Act 93-0595 were approved on June 28, 2004. Public Act 93-0595 and its amendments are codified at 310 ILCS 67/1 *et seq.* (“**Act**”). According to the Act, its purpose is to encourage counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet the needs of their county or community. In addition, the Act provides a forum for affordable housing developers who believe they have been unfairly treated to seek relief from local ordinances and regulations. 310 ILCS 67/10.

The Act contains three major provisions: (1) the Illinois Housing Development Authority (“**IHDA**”) has been charged with determining those local governments that must prepare an affordable housing plan and those that are exempt; (2) the Act requires all non-exempt local governments to prepare affordable housing plans and adopt those plans prior to April 1, 2005; and (3) the Act provides an appeal procedure for aggrieved developers of affordable housing.

On August 10, 2004, IHDA sent a letter to the Village of Kenilworth (“**Kenilworth**” or “**Village**”) informing the Village that it was a non-exempt community pursuant to Section 20(b) of the Act. Pursuant to Section 25 of the Act, therefore, the Village must prepare an affordable housing plan and approve the plan prior to April 1, 2005.

II. BACKGROUND AND INTENT

Pursuant to the Act, the Village of Kenilworth, a non-exempt community as determined by IHDA, is required to approve an affordable housing plan prior to April 1, 2005. Kenilworth intends to comply with the Act. Furthermore, Kenilworth recognizes the importance of providing affordable housing throughout the State of Illinois and believes that affordable housing must be provided in a way that does not compromise the public health or safety or destroy the environment and character that defines a particular community. As a fully developed community, the challenge for Kenilworth in establishing affordable housing is significant. The Village lacks supplemental revenue sources sufficient to provide the type of substantial financial subsidies and funding programs that would be necessary without adversely affecting the existing character and environment of the Village, as described above and as set forth in the Kenilworth Zoning Ordinance, Kenilworth Village Code, 1959, as amended, and other ordinances and regulations of the Village.

Kenilworth is a small community, both in land area and population: the total land area within its corporate limits is only six-tenths of a square mile (384 acres), and the total population is 2,494.¹ IHDA has advised the Village that it has identified 803 housing units in the Village (see Section III.A below). The character and environment of the Village are governed by and set forth in the Kenilworth Zoning Ordinance, Kenilworth Village Code, 1959, as amended, and other

¹ U. S. Census, Population, Housing Units, Area, and Density: 2000.

ordinances and regulations of the Village. Specifically, the environment of Kenilworth is that of a well-forested, substantially landscaped, and fully built-out community. The vast majority of the land area was historically subdivided for development with detached single-family residences. The Village was developed in light of that historic pattern and contains municipal utilities sized appropriately for the nature of that development. In addition, the few larger expanses of open space, parks, and recreational lands, which are not owned or controlled by the Village, comprise a critical element of the Village. Preservation of these spaces is important to define and enhance the Village's character and environment. With only approximately three percent of the total land area of the Village in parks, recreational lands, and open space (12.02 acres, or 0.0188 square mile), preservation of such land is key to the character and environment of the Village. A major portion of this open space is the playground and open area around Joseph Sears School (grades K-8), with the remainder in scattered small sites. Only one park suitable for a full-size ball field exists. The facilities consist of short walking areas and seating areas; there are no tennis, golf or other facilities.

Beyond the single-family and open space elements of Kenilworth's character and environment, there is a limited area of commercial development along the north side of Park Drive west of Green Bay Road and the west side of Green Bay Road for a distance of approximately four blocks: from the border with Winnetka on the north (north of Roger Avenue) to Park Drive on the south. Immediately to the east of the Green Bay Road right-of-way is the Union Pacific/Metra (Chicago & Northwestern Railroad) right-of-way. In 2005, the commercial area on the west side of Green Bay Road and the north side of Park Drive west of Green Bay Road is fully developed and does not contain blighted properties. Only limited public parking is available in this area. In addition, there are a small number of multiple-family dwelling units in the Village, principally along Green Bay Road.

The single-family, multiple-family and commercial buildings in the Village are all relatively low-profile buildings (most being not more than two and one-half stories). These buildings are well below the existing, mature tree canopy found throughout the residential and commercial areas of the Village.

According to real estate sales information provided by the *Chicago Tribune*, the average sales price of a single-family home in Kenilworth in 2004 was \$1,385,420. This is based on the sale of 50 single-family residential properties in 2004, ranging in sales price from \$490,000 to \$3,900,000. As of January 13, 2005, the website www.realtor.com shows 26 single-family properties listed for sale at prices ranging from \$635,000 to \$4,995,000. In 2004, seven building permits were issued for replacements of existing homes. There were 17 permits for additions to existing residences. In 2003, eight building permits were issued in the Village for replacements of existing homes. There were also 20 permits for additions to existing residences.

Kenilworth's infrastructure has historically developed in a manner consistent with the character and environment of the Village in order to protect the health and safety of its residents. In particular, streets, water lines, sanitary sewers, and storm water management facilities have been designed and maintained to accommodate the relatively low-density development in the Village. In some sections of the Village, water mains exceed 100 years of age and sewers exceed 90 years of age. The east side of the Village is served by a combined sanitary and storm sewer. The west side of the Village has separate sanitary and storm sewers, but they then discharge into the Metropolitan Water Reclamation District's sanitary interceptor sewer. These circumstances, and the already large upstream flow from existing development, have resulted in historical instances of reaching maximum capacity and surcharging sewage. This limits capacity for safe services to higher density

development. Management of storm water run-off that traverses the Village by way of the Skokie Ditch creates additional development and use issues for certain parcels of land in the community. Increases in any storm or sanitary sewer discharge as a result of redevelopment will likely be subject to review by the Metropolitan Water Reclamation District.

Similarly, the Village's public works and police services and equipment have been developed, acquired, and maintained to address the public health and safety needs that have arisen from the aforementioned character and environment of Kenilworth. The Village does not operate its own fire department; instead the Village obtains fire and emergency medical services provided by the adjacent Village of Winnetka pursuant to an intergovernmental agreement. Winnetka is similarly developed with relatively low-profile buildings and its fire service's equipment is consistent with this character of development. Establishing affordable housing in a manner inconsistent with the overall character of the Village will be detrimental to the Village's environment and put at risk the public health and safety.

Kenilworth library services are not provided by a municipal library. Rather, the Kenilworth Library District receives services by contracts with the Winnetka/Northfield Library District and the Wilmette Library District.

Kenilworth is currently engaged in a Village-wide planning effort to evaluate emergent changes in residential development and redevelopment in the community as well as the Village's regulation of such development and redevelopment. The Village Board of Trustees created the *Ad Hoc* Committee for Community Planning in January, 2004. Since that time, the *Ad Hoc* Committee has been engaged in this overall planning effort, including identifying potential areas for modifications in current Village regulations governing residential development, as well as issues involved in the creation of a new comprehensive plan for both the residential and commercial areas of the community. Thus, as a logical outgrowth of the work of the *Ad Hoc* Committee, the Village of Kenilworth will be in a better position to establish those elements of a comprehensive plan that can encourage and attract affordable housing developments in the Village of Kenilworth that are consistent with the public health and safety capabilities of the Village and will protect and preserve the character and environment of the Village.

It is within this context that the Village has prepared this plan in accordance with the Act. The overall objective of the Village and this Plan is to identify potential locations for, and to undertake steps to promote, affordable housing in a manner that preserves the character and environment of Kenilworth and protects the public health and safety.

III. AFFORDABLE HOUSING PLAN

A. 10% AFFORDABLE HOUSING

The Act seeks a goal of 10% of all housing units being affordable. IHDA has determined from the 2000 Census figures that only 0.40% of owner-occupied and renter-occupied housing in the Village is affordable as calculated under Section 20(b) of the Act. Under IHDA's calculations, of the 803 housing units in the Village for which affordability could be determined,

three units were determined to be affordable.² To meet the 10 percent goal, a total of 80.3 units of affordable housing should be available.³

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

In identifying lands and structures that are most appropriate for affordable housing and incentives that may be available to attract affordable housing developments in the Village, the Village of Kenilworth has carefully considered the requirements and intent of the Act and the character and environment of the Village, as set forth in the Kenilworth Zoning Ordinance, Kenilworth Village Code, 1959, as amended, and other ordinances and regulations of the Village, and as described in Section II of this Plan.

In identifying properties and structures that are most appropriate for affordable housing, it is important to note that appropriate does not simply translate to those properties or structures that are vacant and undeveloped. The character and environment of the Village of Kenilworth is defined by its well-established single family residential development patterns and its public and private open space. The Village has a total land area of only six-tenths of a square mile (384 acres) within its corporate limits, and there is no undeveloped land remaining. Accordingly, it is likely that redevelopment or reuse of land and structures will be the Village's available alternatives for the creation of affordable housing.

In light of the existing character and environment of the community, the Village has identified the areas most appropriate for affordable housing development or redevelopment as those located on the west side of Green Bay Road, between the Village's corporate limits on the north (north of Roger Avenue) and Park Drive on the south, and in the commercial area on the north side of Park Drive west of Green Bay Road. These locations are proximate to public transportation, the Sears School and various park parcels.⁴ Both townhouse and multiple-family dwellings are currently located in these areas. Even within those areas, any sites that are used for new construction or adaptation of existing units must:

² Under Section 15, the Act defines "affordable housing" as housing the sale or rental price of which is within the means of a household that may occupy moderate-income housing (affordable to households with income that is greater than 50% but does not exceed 80% of the area median household income) or low-income housing (affordable to households with income that does not exceed 50% of the area median household income). IHDA calculated the number of affordable units pursuant to Section 20(b) of the Act. The goal of this Plan is to provide affordable housing as defined in the Act.

³ It is unclear from the Act how a municipality determines the total housing stock in calculating the 10 percent affordable housing number. As the number of total units in the Village changes, so too would the target for affordable units. Additionally, through market forces, changes in occupancy of current affordable units could transform them to units that do not qualify as "affordable housing" without any intervention of the Village. Because it is impossible to predict how housing will be developed in the Village in the future and how market forces may affect existing affordable units, for purposes of complying with the Act the Village has (a) used the total housing unit number reported by IHDA as the basis on which to calculate the 10 percent affordable housing unit number, and (b) set as its goal based on the assumption that existing affordable units will continue to serve as "affordable housing" as defined in the Act.

⁴ The Village's identification of properties or structures most appropriate for affordable housing development does not ensure or require that these properties will be developed with affordable housing, nor does it create any entitlement therefor. Conversely, such identification is not intended to affect the existing development rights currently vested in such properties. The Village notes that the properties and buildings in the identified areas appear to be privately owned.

- Provide compatibility with established land-use patterns and surrounding land uses;
- If possible, be in mixed-use developments (for multi-unit structures);
- If possible, be in mixed income developments;
- Not concentrate the entire goal for affordable housing units in only one site; and
- Provide adequate infrastructure to support such housing developments.

C. AFFORDABLE HOUSING POLICIES AND INCENTIVES

After a careful review to ensure that the public safety and health and the character and environment of the Village will be protected and preserved, the Village should explore and examine adopting and implementing, or otherwise facilitating, the following policies and incentives to encourage the development of affordable housing by both for-profit and non-profit developers in the Village:⁵

- Expedited permit reviews or reduced costs of permitting fees for affordable units;
- Municipal property tax abatements;⁶
- Reduced rates for water billing;⁷
- Cooperation with a developer attempting to use IHDA Housing Trust Funds (matching funds);
- Establishment of a special service area to provide potentially more attractive financing for certain infrastructure;⁸
- Preparation of development bonus policy; and
- Establishment of a community land trust.

D. GOALS

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

⁵ Unless and until the General Assembly acts to provide statutory authority to non-home rule municipalities to adopt and implement inclusionary housing requirements, the Village of Kenilworth is not authorized to adopt or implement such policies. As a non-home rule municipality, the Village is subject to a variety of limitations on its taxing authority, including the property tax extension limitation law (commonly called the "tax cap"), and is thereby limited in its ability to raise additional funding sources for affordable housing purposes.

⁶ It should be noted that the Village's share of the total real estate tax bill is approximately 13-15%. The Village cannot control whether other taxing bodies would also agree to such an abatement.

⁷ This may be impacted by any bond covenants that the Village may have in place from time-to-time.

⁸ Any debt issued for such a special service area would be impacted by the amount of other outstanding and anticipated Village debt.

⁹ These targets have been established in accordance with the Act and the assumptions set forth in this Plan, and particular in footnote 2 of this Plan.

- 15% of all new development or redevelopment in the Village will be affordable; or
- 3% increase in affordable housing units in the Village over the number of affordable units calculated by IHDA as existing pursuant to Section 20(b) of the Act.

In furtherance of reaching these targets, the Village establishes the following goals for its Affordable Housing Plan:

1. Upon the completion of the work of the *Ad Hoc* Committee (as described in Part II above) and after approval of this Affordable Housing Plan, the Village Board shall refer to the Plan Commission for public hearing appropriate material for a comprehensive plan for the Village to encourage and attract affordable housing in the Village while protecting the public health and safety and in a manner consistent with the character and environment of Kenilworth.
2. Following adoption of the comprehensive plan and after approval of this Affordable Housing Plan, the Village Board shall refer to the Building, Planning and Zoning Committee of the Village Board for public hearing possible amendments to the Kenilworth Zoning Ordinance to encourage and attract affordable housing in the Village consistent with the public health, safety, character, and environment of the Village, including without limitation density bonuses for developments that provide affordable housing units.
3. Within six months after approval of this Affordable Housing Plan, the Village Board shall designate a standing committee, or appoint a new committee, of the Village Board to study affordable housing issues.
4. Within nine months after approval of this Affordable Housing Plan, the Village Board shall request the Village Manager to compile information and prepare a report regarding federal and state financial programs, including grants and other sources of funding, available to assist the Village and affordable housing developers in developing affordable housing in the Village.
5. Within eighteen months after approval of this Affordable Housing Plan, the Village Board shall request that the committee on affordable housing meet with non-profit affordable housing agencies and groups to discuss issues relating to affordable housing, including potential incentives.
6. Not less than every three years following approval of this Affordable Housing Plan, the Village Board shall review and update the Affordable Housing Plan.

Obviously, the Village cannot control market forces that affect the affordability of land and housing within Kenilworth, nor the income levels of households that serve as the benchmark for determining affordability. This is particularly true given the small size of the Village vis-à-vis the larger area against which it is measured for establishing affordable housing targets. Because of these imponderables, as well as the overall uncertainty of the real estate development industry and the changing regulatory milieu in which such development occurs, it is not and cannot practically be a goal of this Plan to meet the target levels of affordable housing units stated above in any specific time frame. Rather, it is the objective of this plan that, by pursuing the goals set forth above, the

Village will have created conditions amenable to ultimately achieving the stated affordable housing targets in Kenilworth in a manner that will not impact the health and safety capabilities of the Village and will protect and preserve the character and environment of the Kenilworth community.