

STUDY SESSION
WINNETKA VILLAGE COUNCIL
510 Green Bay Road
Winnetka, Illinois 60093
Tuesday, April 12, 2011
7:30 p.m.

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AGENDA

- 1) Call to Order.
- 2) Affordable Housing Discussion
 - a) Plan Commission Presentation of Report
 - b) Questions by Council
 - c) Comments from Public
 - d) Council Discussion and Direction
- 3) Adjournment

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AGENDA REPORT

SUBJECT: Plan Commission Report on Affordable Housing

- Winnetka Affordable Housing Report
- Study of Housing Conditions and Needs

PREPARED BY: Brian Norkus, Assistant Director of Community Development

DATE: April 8, 2011

Introduction

The Plan Commission has submitted an Affordable Housing Report, *Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing*, and an Affordable Housing Study, *A Study of Housing Conditions and Needs in the Village of Winnetka*, for Village Council consideration. (See Tabs 1 and 2) The report and study are the culmination of five years of work begun in 2005 at the direction of the Village Council.

To assist the Council in its consideration, this Agenda Report provides the Council with (i) the historical and procedural background of the Plan Commission's work, (ii) an explanation of the Plan Commission's findings, (iii) a discussion of the Plan Commission's specific recommendations, and (iv) a list of recommended policy issues for Village Council determination. In addition, a list of Frequently Asked Questions (FAQs) about the Plan Commission's report, study and proposal is attached to this Agenda Report.

Accompanying this Agenda Report is a binder containing a compilation of relevant documents. The binder is divided into ten sections:

- Tab 1 Plan Commission Affordable Housing Report:
Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing
- Tab 2 Plan Commission Affordable Housing Study:
A Study of Housing Conditions and Needs in the Village of Winnetka
- Tab 3 2007-2008 Focus Group Summary and community-wide workshop mailer
- Tab 4 Compilation of Winnetka 2020 Comprehensive Plan statements and policies regarding housing.

1979 Statement of Community Objectives
- Tab 5 Ordinance M-6-2005, An Ordinance Amending the Affordable Housing Plan for the Village of Winnetka Pursuant to Its Home Rule Authority as Provided in the Constitution of the State of Illinois

2005 Village of Winnetka Amended Affordable Housing Plan

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- Tab 6 Spring 2011 Winnetka Report
- Tab 7 Plan Commission minutes, 2005-2011
- Tab 8 Summary of E-mail comments received, as of 10:00 AM, Friday, April 8, 2011
- Tab 9 Written comments to Village, as of 10:00 AM, Friday, April 8, 2011
- Tab 10 E-mails received from Winnetka Home Owners Association, as of 10:00 AM, Friday, April 8, 2011

For ease of reference, all references to the supplementary materials in the binder will be by Tab and page number.

Factual Background

Initial Affordable Housing Plan. The Village first adopted an Affordable Housing Plan on March 15, 2005, as provided by the Affordable Housing Planning and Appeal Act. (310 ILCS 67/1 *et seq.*). That Act required all municipalities with an insufficient number of affordable housing units to adopt a plan before April 1, 2005, and to file it with the Illinois Housing Development Authority. The Act constrained the Village, as it defined affordability based on regional standards, required municipalities to choose one of three affordability targets, and did not contain any tools that would enable a municipality to actually implement its plan.

Home Rule Referendum. The Village's home rule referendum passed on April 5, 2005. As a home rule unit, the Village gained considerable flexibility on local matters, including housing. The State agency that administers the Act considers it to be applicable to home rule units. Consequently, rather than risk a protracted legal battle over the Act, and in furtherance of the Village's long-standing policy, the Village Council followed the path of other home rule municipalities in the area and set out to replace the initial plan with a new one that would be adopted in the exercise of its home rule powers. In addition, acknowledging the unique constraints of the Village, the Village Council provided the Plan Commission with clear direction to focus its recommendations for addressing housing diversity and affordability on the Village's commercial and multiple-family zoning areas.

Amended Affordable Housing Plan. On May 10, 2005, the Village Council passed Ordinance M-6-2005, which adopted the Village's current Amended Affordable Housing Plan (the "2005 Amended Plan"). (Tab 5). Ordinance M-6-2005 cites the longstanding policy of the Village to encourage affordable housing options, which was first articulated in the 1979 Comprehensive Plan, and later included in Winnetka 2020 Comprehensive Plan, the Village's updated plan that was adopted in 1999. (See Tab 4 for relevant excerpts.)

When it adopted the *2005 Amended Plan*, the Village Council noted that changes in the Village's population and housing stock were yet to be fully understood and acknowledged that the 2005 Amended Plan was an "intermediate step" in the development of a Village-specific affordable housing plan. Consequently, the Village Council directed the Plan Commission to

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undertake further study on the subject and to issue findings and recommendations and additional detail on implementation strategies appropriate to Winnetka.

As stated in Ordinance M-6-2005, the Plan Commission's study and recommendations were to cover: (a) the Village's housing and demographic characteristics, (b) affordable housing standards and goals that address the Village's particular characteristics and needs, (c) "techniques and incentives to encourage and facilitate the development of affordable housing units in the Village of Winnetka that will address the Village's particular characteristics and needs," and (d) related amendments to the Comprehensive Plan, the Winnetka Zoning Ordinance, and other provisions of the Village Code

No longer constrained by State affordability targets and standards, the Plan Commission has fulfilled the Village Council's directive and developed a report on the Village's demographics and issued findings and recommendations that are highly customized to fit with the unique challenge of promoting affordability in a community with very high land costs and little vacant land to develop.

The Plan Commission's Process

Over the past five years, the Plan Commission has engaged the services of consulting planners at the Voorhees Center at the University of Illinois Chicago to assist the Plan Commission in its study of changes in the Village's population and housing, in the Commission's evaluation of demographic trends, and to provide guidance on possible tools to address housing diversity.

Communicating with Village residents and engaging in an open dialogue have been key components of the Plan Commission's study. The Plan Commission conducted focus groups in 2007 to enhance their understanding of housing affordability issues as viewed by local residents and other stakeholders. Focus groups were followed by a community-wide mailing regarding preliminary findings, which invited residents to two Plan Commission meetings for further detail and discussion. (See Tab 3)

Following the 2008 workshops, the Plan Commission conducted eight additional meetings to discuss and refine its recommendations, culminating in the issuance of their final Report on December 15, 2010. (See Tab 7 for minutes of Plan Commission meetings.)

The Plan Commission's Final Report

The Plan Commission's Final Report, adopted at the Commission's December 15, 2010 meeting, consists of two parts. The initial work of the Plan Commission to develop an understanding of the Village's changing population and housing is contained in the "Study of Housing Condition and Needs." (Tab 2) The data and analysis contained within the Plan Commission's Study ("*Study*") led to the adoption of a companion report ("*Report*"), titled "Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing: A Report to the Village Council." (Tab 1)

Summary of the Plan Commission's Conclusions

The Plan Commission's 18-page *Report* contains a detailed discussion of its conclusions, including the following key conclusions:

- 1) **Affordable housing has always existed in Winnetka, but the amount available is shrinking.** Trends contributing to the loss include conversion of rental apartments to condominiums, a declining number of coach house units, and occasional conversion of residential apartments above downtown storefronts into non-residential uses.
- 2) **Winnetka's population is changing.** The rapid change in the Village's housing stock from 1990 to 2000 brought a corresponding change to the Village's population. The number of seniors grew slightly in the Village, but the rate for growth was dwarfed by the growth of senior population in surrounding communities. Households became larger as seniors sold their homes and left the Village. Consequently, the number of families with school age children went up by 26%, while the number of young adults dropped by 56%.
- 3) **Many Winnetkans are struggling, particularly seniors.** There is a large gap in the number of housing units available and affordable to lower income groups that live in Winnetka. According to the 2000 Census (the most recent data available), 591 Winnetka households earned less than \$50,000, but only 402 housing units were available at a cost affordable to that income level.

Households paying more than 30% of their income to housing expenses are considered "housing cost burdened." In 2000, there were 943 housing cost burdened households in Winnetka, of which 250 were senior households.

- 4) **Winnetka has become a fairly transient community.** Winnetka's increase in mobility rates is noticeably higher than surrounding communities. Housing choices are increasingly limited, making it difficult for empty nesters and retirees to stay in the Village. The turnover in population may also indicate that Winnetka is increasingly viewed as a community to move to for the high quality schools, and to move from after school-age years.
- 5) **There are limited opportunities to develop new multiple family housing.** In the past, space has sometimes become available as public property is redeveloped. For example, The Winnetka Mews, a multiple family building near the Elm Street business district, is located on land formerly occupied by the Village's Public Works operations. Today, such options for redevelopment are comparatively limited.

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Basis for the Plan Commission's Recommendations

The Plan Commission's *Report* focuses on creating a customized approach to Winnetka's housing needs. The *Report* states:

“Rather than simply following other affordable housing programs, which can overly rely on new construction and available developable land, we owe our residents a customized approach to housing needs in Winnetka. This customized approach must provide the flexibility to meet Winnetka's goals, honor its character and traditions, empower property owners to provide a healthy and diverse housing stock, and recognize a growing national focus on rental housing and housing programs as important solutions to affordable housing needs”.

(*Report*, Tab 1, p.3)

In an effort to further clarify the principles of the Plan Commission's report, the Spring 2011 *Winnetka Report* (Tab 6) was dedicated in large part to communicating the recommendations contained within the Plan Commission's Report. The following core principles were noted in the *Winnetka Report* as establishing the basis for the Plan Commission's recommendations:

- High land values and limited opportunities for new multiple family housing call for a highly customized approach to housing in Winnetka.
- Single family neighborhoods are *not* an appropriate location to focus housing affordability efforts.
- Focus should be on maintaining and enhancing *existing* market rate housing units in downtown and multiple family areas.
- Housing diversity should be approached without relying on new development.
- Whenever possible, incentives rather than mandates should be emphasized.

Specific Plan Commission Recommendations:

The Plan Commission's *Report* concludes with a series of *Recommended Incentives and Implementation*. The recommendations of the Plan Commission are varied, ranging from simple modifications to existing zoning regulations, to the more complex. (Tab 1, p.10)

In some cases, recommendations such as zoning amendments can stand on their own as separate actions, while other recommendations, such as establishing a Housing Trust Fund and establishing a Community Land Trust are somewhat complementary to each other and can perhaps best be viewed as a “system”.

Recommendation # 1

Creation of appropriate affordability standards.

The key recommendation of the Plan Commission is the adoption of those affordability standards. Affordability standards define which households may benefit from affordable housing created under the Village's proposed affordable housing programs, such as the proposed Inclusionary Zoning Program described in more detail below. (See Recommendation #4.) Affordability standards establish the maximum income level for households which may rent or purchase affordable housing units created under Winnetka's proposed affordable housing program. The goal of affordability standards is to assure that newly created affordable housing units are directed toward population groups which have a defined need for affordable housing.

To determine the appropriate level at which to establish affordability standards, the Plan Commission's work included a detailed analysis of where "housing gaps" occur within the Village. The Village's demographics were analyzed to determine the number of households at various income levels, along with a parallel analysis of the number of housing units within the Village that were affordable to their income level.

The Plan Commission's analysis found that there is a shortage of housing affordable to Winnetka households at income levels below \$135,180, as detailed on page 9 of the Plan Commission's *Report*. (Tab 1, page 9) This amount is 180% of Area Median Income (AMI).

Acknowledging that different solutions are appropriate to differing income levels, the Plan Commission's *Report* recommends adoption of a "tiered" series of affordability standards, which provide affordability standards for rental housing developments as well as new owner-occupied multi-family developments.

In the following Table, proposed affordability standards are shown in the shaded areas. For comparison purposes, the income levels are also expressed in terms of both annual income as well as the resultant monthly expenditure on housing expenses (being no more than 30% of monthly income).

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Table 1 - Proposed affordability standards for affordable housing units				
<i>Type of development</i>		Percentage of Area Median Income	Expressed as Annual income <i>2010 Chicago Metro area median income for a family of four (100%) = \$75,100</i>	Expressed as affordable monthly housing costs <i>Assuming no more than 30% of monthly income</i>
Condominium and townhome developments (for sale units)	All required affordable units to be affordable to those earning	140% of AMI	\$105,140	\$444,000 approximate purchase price (assuming 20% down, 6% APR, and property taxes 1% of purchase price)
	With one-third (1/3) of the required affordable units to be affordable to those earning	100% of AMI	\$ 75,100	\$320,000 approximate purchase price (assuming 20% down, 6% APR, and property taxes 1% of purchase price)
Rental apartment developments	All required affordable units to be affordable to those earning	100% of AMI	\$ 75,100	\$1,877 monthly housing exp.
	With one-third (1/3) affordable to those earning	60% of AMI	\$ 45,060	\$1,126 monthly housing exp.

Recommendation #2 –

Revise the Village Code to encourage retention of the downtown area’s existing residential housing stock.

The *Report* recommends amending the Village Code to encourage retention of downtown residential units through a series of code amendments which may both maintain existing residential units and encourage building owner investment in downtown’s residential housing stock. Recommended amendments include:

- A. Discourage conversion of apartments to non-residential uses such as offices;
- B. Relax parking requirements for downtown residential units as an incentive to allow the conversion of downtown’s upper floor office space to residential use;
- C. Adopt a property maintenance code to assure that downtown’s residential buildings are adequately maintained and comply with sanitation and life safety codes.
- D. Explore building and zoning code amendments which allow the creation of “work/live” units in downtown areas.

Recommendation # 3

Ease restrictions on existing residential coach house units.

Coach houses have been built throughout the Village, most of them prior to the enactment of zoning regulations. There are approximately 20 existing occupied coach houses, along with approximately 30 vacant units. While their numbers are small, coach houses are an important component to the Village’s housing diversity.

Current zoning: Non-conformities. Current zoning regulations treat coach houses as “non-conforming,” meaning they were once legally allowed but zoning changes have since prohibited using them for residential purposes. As such, their use and occupancy is restricted, as is their repair and upgrade. Modifications that would either expand the size of such a building or increase the number of dwelling units it contains are prohibited. Perhaps the most onerous restriction comes from the Zoning Ordinance’s prohibition of reconstruction in the event of substantial damage such as a fire.

Current zoning: Registration. Additionally, the Zoning Ordinance presently requires coach house owners to register these residential units with the Village each year, and it treats a vacancy of six consecutive months (or any 18 months within a 36 month period) as evidence of abandonment, which results in the permanent loss of the owner’s ability to rent the premises.

Proposal to expand owners’ rights. The Plan Commission’s coach house recommendations are focused on easing the above restrictions and expanding owners’ rights to use coach houses as residential. As is the case today, owners will continue to be free to decide whether to lease such units, to whom they will be rented, and how much rent to charge. The proposed easing of restrictions on coach houses may allow occupancy of vacant coach houses which have had their legal nonconforming status lapse.

Recommendation # 4

Adopt an Inclusionary Zoning Program to require new multiple family developments to include 15% of all units to meet the Village's affordability standards for rents or purchase prices.

As described earlier, there are limited opportunities for new multiple-family development. An inclusionary zoning amendment is recommended to respond to such development as it occurs by requiring 15% of total units to be sold or rented at affordable levels.

Minimal impact. To illustrate the effect of inclusionary zoning, assume that a parcel of land is large enough for a new development of 12 units. Under the Inclusionary Zoning Program proposed by the Plan Commission, the developer would be required to provide 2 units at the Village's affordability standards. (See Recommendation #1, above.) While units would be built at the expense of the developer of such a project, the requirements typically provide off-sets or incentives to alleviate the cost of selling units at below-market rates. Such offsets or relief typically allow the developer to build an additional market rate unit for each affordable unit (increasing the permitted total from 12 units to 14), or reducing the required number of parking spaces required.

Local preferences. The Plan Commission further recommends adoption of a local preference component to the Inclusionary Zoning Program, by giving priority to income eligible long-time residents, employees and local business owners.

Assuring continued affordability. Continued affordability over the long term is generally achieved through deed restrictions that place limits on resale, thereby assuring that the units remain within the Village's supply of affordable housing units. Although such restrictions would prohibit an individual owner from reselling affordable units to realize a windfall gain, they are typically fashioned to allow a reasonable capped gain in equity so that such owners reap a benefit in ownership and get a return for affordability.

An inclusionary zoning requirement may be "self-sustaining" through Village administration at the onset of the program. If the program expands, or if the Village Council establishes a Community Land Trust (see Recommendation # 5, below), the Village Council could assign the program administration functions, such as assuring that units achieve local preference, income and resale restrictions, to the Trust.

Recommendation # 5

Create a Community Land Trust

The proposed Community Land Trust (CLT) would be a non-profit organization that would act as an ownership mechanism for affordable units created through such programs as the Inclusionary Zoning Program. Purchasers of such units would own the residence they occupy, with the CLT holding in trust an easement or covenant assuring continued affordability and other program objectives such as a local preference requirement.

Recommendation # 6

Create a Housing Trust Fund

The proposed Housing Trust Fund would work largely in tandem with the CLT described above, and would serve as the source of funding for affordable housing programs, and as the means of financial support for projects that further the Village's affordable housing goals. A Housing Trust Fund can serve as a source of financing for a variety of affordability efforts, and is flexible and highly adaptable to Winnetka's constraints and conditions.

Due to the lack of vacant land and perceived slow rate of market-based new development, Housing Trust Fund dollars could also be used to fund smaller projects that are consistent with affordability goals. For example, funds could be used to assist in the funding of accessibility improvements, such as the addition of an elevator to one of Winnetka's iconic downtown multiple family buildings, or by promoting the long term viability of such buildings by providing gap financing for other improvements such as the addition of fire alarms, fire sprinklers, or weatherization work.

Recommendations:

Provide initial policy direction on the following issues raised by the Plan Commission's *Study of Housing Condition and Needs* and *Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing: A Report to the Village Council*:

- (1) Should the Council direct staff to prepare an Ordinance adopting the affordability standards recommended by the Plan Commission as stated in Table 1, above?
- (2) Should the Council direct staff to draft possible zoning amendments to encourage the retention of downtown housing by:
 - a. prohibiting or discouraging conversion of apartments to non-residential uses such as offices?
 - b. relaxing parking requirements for downtown residential units as an incentive to allow the conversion of downtown's upper floor office space to residential use?
 - c. adopting a property maintenance code to assure that downtown's residential buildings are safely and adequately maintained and comply with applicable building codes?
 - d. modifying zoning regulations to allow the creation of combined "work/live" units in downtown areas?
- (3) Should the Council direct staff to draft possible Zoning amendments to ease restrictions on the occupancy, use, repair and reconstruction of existing residential coach house units?
- (4) Should the Council direct the Plan Commission and/or Village staff to draft a Inclusionary Zoning provision applicable to the commercial and multiple-family zoning districts?

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- (5) Should the Council direct the Plan Commission and/or Village staff to provide further information regarding options for creating and operating a Community Land Trust and Housing Trust Fund?

**The 2005 Amended Affordable Housing Plan
and
The Plan Commission's Affordable Housing Report to the Village Council
Frequently Asked Questions**

1. Does Winnetka *already* have an affordable housing plan?

Yes. The Village Council adopted the first Affordable Housing Plan on March 15, 2005, as required by the Affordable Housing, Planning and Appeal Act. (310 ILCS 67/1 *et seq.*) Subsequently, the Village Council adopted the Amended Affordable Housing Plan on May 10, 2005, after the successful home rule referendum. When the Act was adopted in 2003 Winnetka was one of 49 out of 1,300 communities that was non exempt and required to pass an affordable housing plan.

2. *Didn't the home rule referendum also decide that the Village wouldn't adopt an affordable housing plan?*

No. The Affordable Housing Planning and Appeal Act does not contain language that would make it apply to home rule municipalities, but the issue still has not been clearly resolved and the Illinois Housing Development authority has taken the position that the act applies to home rule municipalities. After the Village became a home rule unit, the Village Council decided to exercise its home rule powers and adopt a customized Amended Affordable Housing Plan that specifically addresses Winnetka's unique characteristics and challenges.

3. *Why has the Plan Commission prepared an affordable housing report?*

The 2005 Ordinance adopting the Amended Affordable Housing Plan directed the Plan Commission "to study and develop recommendations" aimed at developing affordable housing standards, goals, techniques and incentives that address the Village's particular characteristics and needs. (Ordinance M-6-2005, §5)

4. *Does Winnetka already have affordable housing?*

Yes. Winnetka has always had a diverse supply of housing, ranging from affordable rental units such as coach houses and apartments above downtown storefronts, to moderately priced smaller homes, to larger, higher priced residences. This diversity has enabled young families to move into Winnetka, to move to larger homes as their families grew, and to "downsize" as their children reached adulthood and moved away. However, the supply of affordable housing has been shrinking.

5. *What is the current status of Winnetka's affordable housing stock?*

While the market does provide some affordable housing within the Village, this stock is not enough to serve Winnetka's population, and it is diminishing. For example, between 1980 and 2000 Winnetka lost 260 rental units, or 37.5% of its rental stock.

6. *Why does Winnetka need an affordable housing plan?*

Since 1979, the Village's planning documents, most recently the *Winnetka 2020 Comprehensive Plan*, have identified the need for moderately priced housing for young families and senior citizens. When the Village Council adopted the 2005 Amended Affordable Housing Plan, the Council members expressed a desire to officially encourage a diversity of housing stock.

7. *What's in the 2005 Amended Affordable Housing Plan?*

The 2005 Amended Plan restates the Village's longstanding housing policy, designates multi-family and commercial zoning districts as appropriate locations for development of new affordable housing units, maintains existing development patterns, and directs the Plan Commission to study Village demographics, affordability standards and development incentives, and to report its findings and recommendations to the Village Council.

8. *How would the Plan Commission's Report change the current Amended Plan?*

The Report proposes policy initiatives to slow the loss of moderately priced and varied housing, to preserve and improve existing housing units, and to encourage 15% of new multi-family development to be permanently affordable, according to Winnetka's own definition of affordability. The Report also proposes establishing a community land trust and a housing trust fund, two commonly used tools that would allow Winnetka the opportunity and flexibility to expand affordable housing stock through acquisition or rehabilitation of existing lower priced housing units.

9. *Do either the Amended Affordable Housing Plan or the Plan Commission's proposed changes require property owners to create affordable units in existing buildings?*

No. Both the Amended Plan and the Plan Commission Report are planning tools, not land use regulations. As such, they encourage preserving or restoring existing or previously existing affordable housing units and would provide ways for new multi-family developments to include some affordable units.

10. *Do either the Amended Affordable Housing Plan or the Plan Commission Report require homeowners to sell or rent their property at a particular price or to particular buyers or tenants?*

No. As noted above, the Amended Plan and the plan Commission Report are planning tools, not regulations.

11. *Isn't "affordable housing" just another way of saying "low income," "Section 8" or "subsidized housing"?*

No. As contemplated by the 2005 Amended Affordable Housing Plan and the 2010 Plan Commission Report, the affordability standards are based on the demographics and housing needs of the Village of Winnetka, and would be set at a much higher income level.

12. *What are the affordability standards?*

The Plan Commission Report recommends adoption of the following affordability standards to establish eligibility for affordable housing units created under the Village's affordable housing programs:

- Owner-occupied units would have to be affordable to households earning less than 140%, or in some cases 100%, of the Area Median Income (AMI). For a family of four, this translates to a gross yearly income of \$75,100-\$105,140.
- Rentals would have to be affordable to those earning less than 100%, or in some cases 60%, of AMI. For a family of four, this translates to a gross yearly income of \$45,060-75,100).
- Other factors, such as an individual's age or resident status, may be used to give preference for Winnetka's affordable housing program.

13. *Would the affordable housing plan apply to single family homes?*

No. As stated in the 2005 Amend Plan and directed by the Village Council, the Plan Commission has focused its attention on housing and affordability issues should be limited to the Village's commercial and multi-family districts.

14. *Are coach houses included in the Plan Commission Report?*

Yes. Coach houses are a small, but unique component of Winnetka's housing diversity (31 such houses as of 2006). Current zoning rules prohibit renting a coach house if it sits vacant for six months, and makes it difficult to make improvements and upgrades. The Report recommends eliminating these zoning regulations. Without the current zoning restrictions, approximately 25 existing vacant coach houses could be returned to use as residential units and owners could be allowed to make improvements and upgrades to existing occupied units if they choose to do so. The rents charged for the coach houses would be set by the owners, not the Village.

15. *What is inclusionary zoning and how would it work in Winnetka?*

While there are limited options for new multiple-family development, Inclusionary Zoning is one method to provide for affordable units when such development occurs. The Plan Commission Report recommends that the Zoning Ordinance be amended to include Inclusionary Zoning provisions, and to limit their application only to new multi-family developments. Existing multi-family residential units would not be affected. Inclusionary Zoning has been used in municipalities throughout the region and is a legally accepted method for creating affordable housing. The Report recommends that the Village require that the developer of any new multiple family development to provide 15% of all units at an "affordable" level. This would require 2 affordable units in a hypothetical new 12-unit building. These units would be built at the developer's expense with no financing from the Village. The Report also recommends that local preference for the affordable units be given to long-time residents, seniors, employees and business owners.

16. *What is a Community Land Trust?*

A Community Land Trust is a non-profit organization that acts as an ownership mechanism for any affordable units, such as those created under an Inclusionary Zoning program. Purchasers of such units own the affordable unit, with the Community Land Trust holding in trust an easement or covenant assuring the continued affordability and compliance with program objectives. Additionally, it plays an important roll in completing the affordable housing plan by assuring program goals, such as assuring "Local Preference" provisions are met. A Community Land Trust is typically established by and reports to the Village Council.

17. *What is a Housing Trust Fund?*

A Housing Trust Fund would work in tandem with the Community Land Trust, and serves as the source of funding for programs. It would provide financial support to projects that further the Village's affordable housing goals. The Housing Trust Fund may serve as a source of financing for a variety of affordability efforts, and is flexible and highly adaptable to Winnetka's constraints and conditions. Housing Trust Fund dollars may be used to fund smaller projects which are consistent with affordability goals. For example, funds may be used to assist in the funding of accessibility improvements such as installation of an elevator to one of Winnetka's iconic downtown buildings, or by promoting the long term viability of such buildings by providing gap financing for other improvements such as the addition of fire alarms, fire sprinklers, or weatherization work.

18. Are single family teardowns included in the affordable housing recommendations?

No. In the 2005 Amended Plan, the Village Council determined that the Village would focus its attention on new development only in the commercial and multi-family districts. The Plan Commission's Report follows the Council's stated policy.

19. Do the proposed affordable housing amendments result in the Village taking or buying my house?

No. There is nothing in the current Affordable Housing Plan or the Plan Commission Report that calls for purchasing property in order to meet the goals of the Plan.

20. Will the Affordable Housing Plan reduce residential or commercial property values?

Studies have shown that affordable housing has not had a negative impact on property values. In Highland Park, property values actually increased in neighborhoods where affordable housing was constructed.

21. Will the Affordable Housing Plan increase my property tax?

No. The Plan Commission Report does not propose any property tax increases in order to fund affordable housing activities.

22. Does the Affordable Housing Plan propose to accept State of Illinois or Federal Subsidies?

No. The Plan Commission is not recommending that Winnetka apply for programs/funding, since State and Federal housing programs generally tend to come with strings attached that might not be appropriate for Winnetka.

23. Would the Post Office site be built as exclusively for affordable housing?

Although the redevelopment of the Post Office site is yet to be determined, when the Village Council studied the Post Office site, it called for a mixed use development that included first floor retail development and multi-family residential above the retail, as well as a number of townhouses. There has been no discussion of a totally residential, 100% affordable building at that site.

24. Since the Plan Commission's Study and Report is based largely upon 2000 Census data, shouldn't it be updated to include 2010 Census Data?

Since the Census eliminated the traditional "long form" for 2010, the data that would be necessary to provide a comprehensive "update" will not be available until at least 2013 and will be provided from a different source - The American Community Survey, which will not be directly comparable to prior census data. Furthermore, the estimates and projections provided in the Study and Report indicate that the housing affordability indicators will actually become *more* critical.