

HOUSING CHAPTER DRAFTS OF MAY 2020 AND APRIL 2021: SIGNIFICANT DELETIONS AND CHANGES

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This document provides information regarding amendments—changes, deletions, reorganization—made from the draft housing chapter presented to the Planning & Zoning Commission and Committee of the Whole on May 2020, and the draft present to the commission on April 13, 2021. It is not a comprehensive list of every change. It also provides comments on why the amendments were made.

PAGE REFERENCES ARE FOR MAY 2020 DRAFT

I. GUIDING PRINCIPLES

Comment: Amendments made for clarity and brevity. Attempt made to retain tone and tenor of May 2020 draft.

Page 4: 2. Importance of Home Ownership

Title revised to “home ownership. First paragraph deleted; other changes for clarity and brevity.

~~Throughout plan outreach, residents have cited convenient location combined with attractive neighborhoods as key factors to why they moved to Park Ridge and continue to live in the community. They also value amenities, excellent transportation, public services, and institutions such as schools and parks. All of these strengths point to a housing market where there is demand to both own and rent.~~

Comment: This paragraph was deleted. Superfluous statement—everybody values amenities, public services, schools and parks—that provides no insights into Park Ridge. Such thoughts are expressed elsewhere and in more detail in the plan.

Page 4, (second paragraph under photo on page):

~~Purchasing a home provides a number of benefits to both the household and the community—from building home equity to the pride in ownership.~~

~~For decades Park Ridge has become been a desirable community in part due to its location, homes, amenities, and institutions: schools, parks, local services, and excellent transportation. Allowing new growth while preserving the character of Park Ridge’s neighborhoods has been a central focus of the City for decades.~~

This paragraph was replaced with the following and moved its placement was moved within the chapter:

For decades Park Ridge has been a desirable community due to its proximity to O’Hare and downtown Chicago, its great transportation connections, and its good schools, parks and local services. But the charm, quality, and character of the single-family neighborhoods has been perhaps the foremost element of Park Ridge’s desirability.

Comment: Original paragraph implies that Park Ridge has recently become desirable, which is not true. Revised paragraph makes a bolder statement (perhaps a bit of hyperbole) about the neighborhoods and contribution to the desirability

p. 7, “Missing Middle”

Comment: The concept of the “missing middle” was not widely accepted or embraced at the COW (and the P&Z didn’t seem too warm to it either). The section is deleted in its entirety. However, certain ideas or concepts expressed here resurface in a new section IV THE RANGE OF HOUSING PRODUCTS (p. 13 of Apr 2021 draft.)

‘Missing Middle’

~~Park Ridge, like many similar communities, is affected by what is often called the “missing middle.” Over recent decades, the U.S. housing market has increasingly become concentrated in either single-family detached homes or larger multifamily building and complexes. Residential buildings that contain two to four units were once a standard product in cities, suburbs, and small towns. These buildings made economic sense for many property owners, who could live in one unit and then have options with remaining unit(s): offer to family, use as in-kind compensation for child care or other services, or simply rent on the open market as an offset to a mortgage. Those rented units historically provided a supply of naturally occurring affordable housing—that is, housing units that are accessible for most an area’s workforce without any subsidy required. Inherent to this kind of arrangement is the property owner living on-site, which tends to ensure good property maintenance. Without a good stock of two-to-four-unit buildings, there are fewer options for moderate-income residents, often in their young adult or older years, who do not want to pay for more space than they need, but also do not want to live in high-density environments. While Park Ridge has some two-flats, duplexes, and townhomes, there is limited supply to meet the growing regional demand. The missing middle is reflective of many higher income suburbs around Chicago. Businesses and employers want to locate where their employees have numerous options for attainable housing in areas rich in amenities such as transportation, restaurants, parks and high-quality schools. In fact, according to “Emerging Trends in Real Estate: 2020” by the Urban Land Institute (ULI) and PWC, cities like New York City, San Francisco, and Chicago anchor networks of close-in suburbs like Park Ridge that “have excellent~~

transit access, strong walk scores, and an abundance of retail, restaurants, and recreation.”¹ These networked suburbs are attractive to households looking for a balance between city and suburbs and want to live in a convenient location. “Missing middle” for many young adults and empty nesters strikes the right balance between location, cost, and design.

p.11 Section 4. Housing Anchors Fiscal Health, Business Districts

Comment: This section has been deleted in its entirety here and the points regarding the residential tax base and residential density bolstering commercial have re-written and added to the new section IV.

p.15-16 Section 7. Affordable Housing

Comment: This section was deleted in its entirety. A memorandum from the City attorney last spring offered legal opinion that the City of Park Ridge, as a home-rule community, is not subject to the provisions of the Affordable Housing Planning and Appeal Act. The memorandum did suggest that as a matter of policy the City could nevertheless pursue affordable housing.

A new section on “Affordable Housing,” combining thoughts and comments from Section 7 (Housing Affordability) and Section 8 (Housing for Workers in Various Careers) has been added to the IV RANGE OF HOUSING PRODUCTS, also new. See p. 19 of the Apr 2021 draft.

~~In 2003 the Illinois General Assembly passed the Affordable Housing Planning and Appeal Act (AHPAA) (310 ILCS 67). The new law was intended to address growing concerns over the lack of moderately priced housing in many Illinois communities. The AHPAA established procedures for identifying municipalities with acute shortages of housing that would be affordable to:~~

- ~~• Homebuyers at 80% of the regional median household income; and~~
- ~~• Renters at 60% of the regional median household income.~~

~~For larger urban areas, the region’s median income used is for the entire Metropolitan Statistical Area (MSA). Park Ridge falls in the Chicago MSA. Based on the above, communities are either considered exempt from the provisions of the AHPAA, or they are considered as Non-Exempt Local Governments (NELG). To fall into the NELG category, the municipality must meet two criteria:~~

- ~~• It must have a population of at least 1,000 people; and~~
- ~~• It must have a portion of the local year-round housing stock considered affordable that is below 10%, as determined by data from the U.S. Census Bureau and other relevant sources.~~

~~The exact process used to identify Non-Exempt Local Governments is laid out in the AHPAA. The Illinois Housing and Development Authority (IHDA) is responsible for generating this list of NELGs. The first list was published in 2004, and an updated list was published in 2013,~~

¹ “Emerging Trends in Real Estate: U.S. and Canada” (2020). PriceWaterhouse Cooper and Urban Land Institute. Accessed 9 May 2020 at <https://www.pwc.com/us/en/industries/asset-wealth-management/real-estate/emerging-trends-in-real-estate.html>.

following the release of 2010 census data. IHDA publishes a new list approximately every five years using the most recent and readily available data.

As of 2018, IHDA lists Park Ridge as an NELG. Using data from the ACS five-year estimates, the IHDA found that Park Ridge had 13,834 housing units, of which 1,112 were deemed affordable. That is, only 8 percent of Park Ridge's housing units are affordable, and thus below the 10-percent threshold established by the AHPAA. Tables below illustrate some of the data used to determine the affordability rate of 8 percent.

The law requires NELGs to adopt and submit an affordable housing plan to IHDA. The contents of this chapter of the Comprehensive Plan are consistent with the elements of an Affordable Housing Plan as defined by IHDA and includes the following components:

- Statement of total number of affordable housing units needed to reach 10 percent of total
- Identification of lands appropriate for construction, conversion, or rehabilitation as discussed in special area recommendations at the end of this chapter and in Chapter X: Land Use
- Policies and incentives that the local government may provide
- Selection of a goal to attain adequate affordable housing

To attain the 10 percent threshold, Park Ridge would need to add, or to ensure, that 272 additional units are affordable. This plan outlines strategies to reach a goal of increasing the number of units that are affordable to 10 units of total housing units, or 272 units. Establishing 272 additional units that are affordable does not necessarily mean constructing 272 new units. The goal could be accomplished through a number of strategies detailed in the goals and objectives section of this chapter.

How does this methodology compare to median income levels in Park Ridge? According to HUD, in 2019 AMI for the Chicago metropolitan statistical area (MSA) was \$62,400 for an individual and \$89,100 for a family of four, which is 91 percent of the Park Ridge median of \$98,219.

Table 7: Income Limits

Household Size	80% AMI	100% AMI	AMI as Percent of Park Ridge Median Income
1	\$49,950	\$62,400	63%
2	\$57,050	\$71,300	72%
3	\$64,200	\$80,200	82%
4	\$71,300	\$89,100	91%

Source: HUD Area Median Income Limits Effective April 1, 2019

p. 17, Section 8: Housing for Workers in Various Careers

Comment: This section has been deleted in its entirety and some of its contents and thoughts transferred to a new section Affordable Housing, p. 19 of Apr 2021 draft. See comments above.

8. Housing for workers in various careers

Using the March 2020 figure for Park Ridge’s median home value, approximately \$400,000, it costs approximately \$2,300 per month to afford the estimated mortgage, taxes, insurance, and utilities on the median for-sale housing unit in Park Ridge. (Among various assumptions in arriving at this estimate, the greatest assumption is that a household made a 20 percent down payment at the time of purchase; less than 20 percent would result in notably greater monthly payments²). Applying the 30 percent rule, this translates to around \$7,600 monthly, or **\$91,000 annually**, in gross income. Table 8 lists the median salaries of various careers. With some exceptions, among fields and salaries usually considered to be “middle class,” dual incomes would likely be required to afford the median house without leading to cost burden.

Table 8. Median Salary for Selected Careers

Job	Median Salary
Registered Nurse	\$73,890
Property Manager	\$69,000
Bus Driver	\$57,080
Market Research Analyst	\$61,670
Copy Editor	\$48,060
Delivery Driver	\$39,770
Mail Carrier	\$52,090
Police Officer*	\$95,429
Firefighter*	\$94,895

Sources: U.S. Bureau of Labor Statistics, May 2018 Occupational Employment and Wage Estimates, Illinois: https://www.bls.gov/oes/2018/may/oes_il.htm#29-0000;

*City of Park Ridge Human Resources; does not include high-ranking officers and management According to the City’s Human Resources data, of the 42 police officers and 40 firefighters who are not in a high-ranking management role, only one from each department resides in Park Ridge. To the extent that the City may benefit from members of either department living in the City, it may be worth exploring how to increase this number. However, it appears that affordability may not be the key constraint.

p.17-18, Section 9, New Housing Permits

Comment: This section deleted in its entirety. While the data is interesting, it does not warrant a separate section in the draft, and it is not necessarily germane to any of the discussions in the chapter, except for starter home and teardowns. The table showing housing permits has been included in that portion of the revised draft.

² Mortgage is a 30-year fixed at 3.5% interest. Monthly taxes were estimated at \$500, insurance at \$100, and utilities at \$250. No maintenance reserve was included, as this is not always a consideration in affordability calculations, although it is a highly recommended component of a housing budget.

9. New Housing Permits

Between 2013 and 2018, the City issued 476 building permits for new housing units. More than half of these permits were approved in 2014 for a large apartment building. In most years, the difference between new housing permits and teardown demolition resulted in a small net increase in housing units. Except for the year 2014, the net increase in new units ranged from a low of two units to a high of 31. Building Division records indicate a tremendous amount of reinvestment in single-family homes (e.g. additions and major remodeling projects).

Table 9: Building Permits Issued, 2013-2018

Type of Permit	2013	2014	2015	2016	2017	2018	Total
Single Family Dwelling	29	36	29	41	32	28	195
Two Family Dwelling							0
Multi Family Dwelling		210	26		10		246
Townhouse Dwelling				19		16	35
Multi Family/Comm. (NEW)	-	-	-	-	-	-	0
Total New Housing Units	29	246	55	60	42	44	476
Single Family Demolition	27	29	24	35	23	31	169
Net Housing Units	2	217	31	25	19	13	307

p. 19 Section 10: Strong Schools and the Local Housing Market.

Comment: The title of this section is changed to: "Housing and School Enrollment" in order to better reflect the actual discussion that follows in the text and table.

The text has been modified as follows:

The relationship between housing and school student generation is complex. ~~Two big variables are a.) the type of units are being proposed (i.e. how many bedrooms) and b.) where within a school district the units are proposed.~~ Housing variables that influence school enrollment include: type of housing product; number of bedrooms; ownership status; and the age of the housing product. ~~The type of housing and bedroom count of new housing creates disparate impacts. For example, multifamily housing with a mix of studios, one- and two- bedrooms typically produces far fewer school students than larger single-family homes.~~ [A]ccording to numerous student generation studies as documented by Illinois School Consulting Services and

Rutgers University school demographic studies, a two-bedroom condo typically generates less school enrollment than a single-family residence. ~~Long-term planning for new housing should take into account school capacity and involve local school districts in the process.~~

However, while the consideration of current school capacity and projected school enrollments are important, it should be only one of the criteria used to weigh the merits of specific development proposals. Other issues, such as ~~affordable housing supply~~, business and revenue benefits, compatibility of the proposal with the surrounding area and other goals related to ~~“the Missing Middle”~~ expanding the range of housing options should also be considered.

Page 21, Section 11, Housing variety for different stages of life

Comment: This section is deleted in its entirety: seems out of place in the narrative, contents are expressed or implied elsewhere, and the brief paragraph does not warrant a separate section. Photos accompanying this section have been deleted too, but they could be re-inserted during graphic design efforts for the final plan.

11. Housing variety for different life stages

~~Park Ridge’s variety in housing is the result of decades of changes in transportation demands, aesthetic considerations, construction advancements, and lifestyle changes. Many residents commented on Park Ridge being a blend of a traditional suburb with the amenities of a city. As the City considers updating its policies and programs, the recommendations section of this chapter responds to the desire to keep and enhance this blend of suburb-city as part of community character.~~

Page 22, IV. Goals and Actions

This section has been significantly reorganized and revised, although many of the ideas remain, some expressed more forcefully, some expressed in a different manner. A new sub-section “Encourage Affordable Housing” was added. It contains thoughts and ideas previously sprinkled throughout the draft.

Initial paragraph revised as follows:

Based on community input and the existing conditions analysis, this section of the chapter lays out the goals and actions necessary to achieve the vision. The goals and actions contained in this section are based on community input, the existing conditions analysis, recommendations of professional planning consultants and planning staff, and the discussion at several meetings of the Planning & Zoning Commission. Together, they are intended to achieve the vision as stated at the beginning of this chapter.

p.22, Housing Fund

This idea never generated anything beyond tepid support from the P&Z, and it was wholeheartedly rejected by aldermen at the May Committee of the Whole meeting. This section and the attendant box describing Highland Park's fund are deleted.

~~Housing Fund~~

~~If preserving homes is a goal—both for the purposes of character and affordability—a housing balance and opportunity fund would provide local capacity for implementation. The fund would provide for grants to residents for these kinds of investments:~~

- ~~1. Maintaining and preserving homes as certified by the Historic Preservation Commission;~~
- ~~2. Making a down payment on the purchase of a first home (for qualified applicants);~~
- ~~3. Making a down payment on a home near medical or public safety offices (i.e. a workforce housing program aimed at health care workers and first responders); and~~
- ~~4. Retrofitting a home with exterior modifications such as ramps and interior modifications such as rails and chair lifts so that seniors may age in place.~~

~~The fund would be supplied by a fee levied on single family demolition and new construction projects (“teardowns”) and large single family addition projects that, for example, more than double the floor area of an existing home. The fee could be a sliding scale. For reference, Highland Park and Lake Forest have fees between \$15,000 and \$20,000 per unit.~~

Page 22, First paragraph under A.1. Promote preservation and rehabilitation of existing housing

Comment: Revised to more clearly indicate that there was a difference of opinions during the public input process, and that the issue of “residential balance” raised two decades ago still needs to be monitored and addressed. This leads to the paragraph, essentially unaltered, on FAR and other zoning controls.

~~Concern was expressed through the outreach process that the process of demolition and new construction (“teardowns”) leads to larger homes and fewer homes. This trend can change the character of neighborhoods and result in vast differences between older, ranch style homes and newer homes that maximize bulk restrictions. Similarly, there are a number of two flats, duplexes, and small multi-family buildings that under current zoning could be converted into or replaced with large single family homes. It is important to have policies that balance preservation of existing homes while allowing for sensitively designed new residences.~~

Given the stark differences of thoughts expressed in the public input process regarding desire for continued construction of large homes and the preservation of smaller starter homes, it is evident that the City should continue to seek and adopt policies and regulations that balance

preservation of existing homes while allowing for sensitively designed new residences. Such sensitivity should include aesthetics as well as the adverse effects that large-footprint buildings (not necessarily large buildings in height or bulk) have on localized flooding.

p.23, in middle of EAH discussion

Comment: I personally didn't find this compelling or germane, but would be willing to re-insert if others feel differently. Deleted:

~~King Harris, a well-known business leader and philanthropist in Chicagoland, and creator of an EAH program in for System Sensor in St. Charles, shared, "Through the EAH program, we've figured out a cost-effective way to recruit and retain essential employees. The program is beneficial for everyone because it increases employee morale and ensures a more successful future of the company."~~³

p.24 B1. Consider instances where the design review process can be streamlined.

Comment: The Appearance Commission is not in favor of this recommendation and neither am I. The Urban Design Guidelines and the Appearance Commission have served the community well for nearly 30 years. While some tweaking of the design guidelines or the role of the Appearance Commission may be considered, I see no reason for staff to assume aesthetic or design review of homes as suggested below. The paragraph and recommendation below are deleted.

~~The Appearance Commission reviews new commercial, residential, and institutional construction. Its purview currently includes residential front porches or any addition that may be seen from a street. The Commission reviews projects for consistency with the Urban Design Guidelines, which were initially prepared in 1991. Design goals, particularly for single-family homes, should be incorporated into the Zoning Ordinance and, to the extent possible for routine petitions, reviewed and approved by staff with a petitioner option for an appeal to the Commission. This process would be more consistent with similar communities in the region and streamline permitting for many homeowners and builders. Newer or experimental housing types, such as accessory dwelling units, could be subject to a Commission review, as could all multifamily, commercial, and institutional projects.~~

p.25 Section title: ~~Support a Range of Housing Types and Price Points~~ Expand the Range of Housing Products

Comment: Title changed and entire section significantly revised. Recommendations regarding ADUs, two-unit residential (new to this draft) and affordable housing have been assembled in this new section. References to state statute on affordable housing eliminated.

I found many thoughts in this section V. GOALS better fitted for the new section IV RANGE OF HOUSING PRODUCTS (p. 13 of new draft).

³ "EAH Guidebook: Administering A Successful Employer-Assisted Housing Benefit in Illinois," NHS Chicago, retrieved from <https://www.nhschicago.org/eahguidebook/index.html> on April 27, 2020