

VILLAGE OF JOHNSBURG

AFFORDABLE HOUSING PLAN

Approved and Adopted by the Board of Trustees of the
Village of Johnsburg, County of McHenry on May 19, 2015

1. **INTRODUCTION**

A. **Overview of the Village of Johnsburg**

The Village of Johnsburg (“Village”) is located in the developing area of northeastern McHenry County, as depicted in Exhibit A attached to this Affordable Housing Plan (“Plan”).

The first settlers in the Village of Johnsburg were recorded in 1841. However, with the exception of the Village of Sunnyside, most of the development in the area did not occur within an incorporated municipal jurisdiction until 1992. In that year, the areas which form the majority of the modern Village of Johnsburg was annexed into Sunnyside, and the municipality was renamed the Village of Johnsburg. This annexation resulted from a desire to preserve the quality of life in the area in the face of steady growth. Residents of the area felt that greater control could be exercised if the area was fully incorporated and locally governed. Such policies are set forth in the Village’s current Comprehensive Plan, adopted March 18, 2004.

Village of Johnsburg Population 1992 - 2010

	1992	2000	2010
Population	4,631	5,391	6,337

Source: U. S. Census Bureau

Population growth in Johnsburg has been fueled primarily by new single-family residential construction at the periphery of the community. Based on the past trends of growth and the availability of land for development the population of Johnsburg should continue to grow. While many of the homes were being built on large estate size lots, the Village has addressed the need for other types of housing which is being driven by regional development trends that are attracting an increasingly diverse social and economic population. The Village has begun to address the various housing needs of this increasingly diverse population and this Plan is an important part of the Village’s evolving housing strategy.

B. **Affordable Housing Planning and Appeal Act**

The Illinois Affordable Housing Planning and Appeal Act, 310 ILCS 67/1 et seq. (“AHPA”), became law on January 1, 2004. AHPA’s legislative findings declare that:

- There exists a shortage of affordable, accessible, safe, and sanitary housing in the state of Illinois;
- It is imperative that action be taken to assure the availability of workforce and retirement housing; and

- Local governments in the state of Illinois that do not have sufficient affordable housing are encouraged to assist in providing affordable housing opportunities to assure the health, safety, and welfare of all citizens of the state of Illinois. (310 ILCS 67/5)

Based on these legislative findings, the legislative purpose statement establishes how these findings are to be addressed by AHP:

The purpose of this Act is 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. (310 ILCS 67/10)

Under AHPA, municipalities-and counties-found to have less than 10% of their year-round housing stock affordable, as defined in AHPA, must prepare and adopt, prior to April 1, 2005, an affordable housing plan that at a minimum must:

- State the total number of affordable housing units necessary to reach the 10% of their year-round housing threshold established under AHPA;
- Identify lands within the local government appropriate for the construction of affordable housing and existing structures appropriate for conversion to affordable housing;
- Incentives that may be offered by the local government for the purpose of attracting affordable housing; and
- Establish one of three goals: (1) minimum of 15% of all new development or redevelopment to be affordable housing; (2) a minimum of 10% of affordable housing; or (3) a minimum of a three percentage increase in overall percentage of affordable housing units.

2. **Goal – 10% Affordable Housing**

The Village is projected to continue growing over the next several years, thereby generating new demand for housing and other land uses. There are many areas within the Village that are undeveloped. The percentage share of affordable housing units, as discussed in Section 3 of this Plan, is not significantly below AHP's 10% threshold requirement.

Given these projected growth trends, and substantial land development possibilities, the Village has chosen to pursue an affordable housing policy that accomplishes the goal of 10% of the Village's total housing units be affordable housing units, as defined under AHPA.

3. Village Affordable Housing IHDA Analysis Results – Required Affordable Housing Units to Exempt Village from AHPA.

The Illinois Housing Development Authority (“IHDA”) found, based on the 2013 Annual Community Survey, 5 Year Estimate, that the Village had 188 or 8.3%, affordable year-round housing units. IHSA subsequently informed the Village in 2013 that it was not exempt from the provisions of AHPA and would be required to prepare an affordable housing plan.

The 2013 Annual Community Survey, 5 Year Estimate data showed that the Village had 2267 total housing units, of which IHDA used U.S. Census Data to arrive at the Village’s percentage of affordable housing. The majority of the Village’s housing stock is in single-family structures.

Under AHPA, “affordable housing” is housing with a sale price or rental value that is within the following means of the household:

1. Moderate-income housing means housing that is affordable, according to the federal Department of Housing and Urban Development for either home ownership or rental and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50%, but does not exceed 80% of the area median household income; or
2. Low-income housing means housing that is affordable, according to the federal Department of Housing and Urban Development for either home ownership or rental and that is occupied, reserved, or marketed for occupancy by households with a gross household income that does not exceed 50% of the area median household income.

“Affordable housing” means housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of owner-occupied dwelling units, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

Based upon IHDA’s analysis, an affordable sale price in the Village is \$168,889 for a 4 person household and an affordable rent is \$1,185 for a three bedroom rental unit. More precisely is the IHDA Owner Occupied Affordability Chart for Chicago Metro Area (“Annual Affordability Chart”). IHDA establishes the Annual Affordability Chart based upon the area median household income (“AMI”) data annually updated by HUD. HUD recently issued its new AMI and, using this data, we have generated the expected Annual Affordability Chart that has been issued by IHDA.

Table 2 – Expected 2015 Annual Affordability Chart

OWNER OCCUPIED AFFORDABILITY CHART FOR CHICAGO METRO AREA (Cook, DuPage, Kane, Lake, McHenry, Will Counties)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2015 Income Limits (80%AMI)	\$ 42,600	\$ 48,650	\$ 54,750	\$ 60,800	\$ 65,700	\$ 70,550	\$ 75,400	\$ 80,300
Affordable Purchase Price	\$ 118,333	\$ 135,139	\$ 152,083	\$ 168,889	\$ 182,500	\$ 195,972	\$ 209,444	\$ 223,056

AFFORDABLE RENTAL UNITS FOR CHICAGO METRO AREA (Cook, DuPage, Kane, Lake, McHenry, Will Counties)						
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
2015 Affordable Rent Limits for HH @60% AMI	\$ 798	\$ 855	\$ 1,026	\$ 1,185	\$ 1,323	\$ 1,460

In order to become exempt from AHPA, the Village will need to increase its affordable housing stock from the current 188 units to 227 units, or a net increase of 39 units.

4. Identification of Land for Future Affordable Housing Development.

The location of affordable housing in the Village will occur in conjunction with other new market-rate development. However, because the Village desires to maintain its predominately rural character, with corresponding open space amenities, it is important to establish that affordable housing will not be located in those areas of the Village identified as “Estate Residential” on the Village of Johnsburg Land Use Plan dated June 2004, attached as Exhibit B to the Plan (“Land Use Plan”).

It is well established that affordable housing does not affect property values in any negative manner, and even, in certain instances, enhances property values (footnote). However, Village residents have a reasonable expectation that the Village will retain and be developed in a manner consistent with the Land Use Plan. Further, it is critical to any affordable housing program and implementation policy that it be supported by the Village residents. Village residents recognize that it is important for the health and social quality of the community that adequate housing provisions are made for young families not yet at peak earning potential, senior citizens, and people employed in public sector services such as police, fire, and education. These housing provisions will be achieved through this Plan and the Village’s ongoing monitoring of its affordable housing needs as required under AHPS and set out by IHDA. Footnoted.

In this regard, the Village has carefully considered appropriate locations for future affordable housing development, and has identified the areas depicted on Exhibit C to this Plan. These locations are generally located in areas identified on the Land Use Plan as being transitional, conveniently located near existing and future commercial areas and local transportation networks. The Village has also identified areas near the Village's downtown intended for age restricted and/or assisted living development opportunities.

Finally, as the Village grows in land area through annexation over the next several years, additional opportunities will be presented, where appropriate, to negotiate for the inclusion of affordable housing in annexation agreements. This will be an important component of the Village's long term affordable housing policy under this Plan and AHPA.

Because of the predominately lower density zoning of the Village, affordable housing development will occur as residential planned developments, thereby enabling developers to cluster housing in a manner not otherwise provided by the underlying zoning designations in the Estate and Residential Zoning Districts. Chapter 17 of the Village's Zoning Ordinance sets forth the planned development regulations. The purpose and intent of the Village's planned development ordinance is to encourage imaginative design of coordinated land uses and to provide relief from the subdivision and zoning requirements which are designed for conventional developments, but which may inhibit innovation and cause undue hardship with regard to the use of parcels which present technical development problems. The regulations are further established to provide for diversified housing options, a safe and desirable living environment for residential areas characterized by a unified building and site development program, to preserve natural features of the site, and to provide adequate open space for recreation and other community purposes.

Each of these intents and purposes are compatible with providing a zoning mechanism to encourage affordable housing development.

Unlike other suburbs, the Village has very limited opportunities for conversion of existing structures to affordable housing units, and this will not be an appreciable part of the Village's affordable housing policy under this Plan and AHPA.

The Village will continue to pursue an affordable housing policy that seeks opportunities to develop affordable housing on the lands identified on Exhibit C, through annexation in appropriate instances, and by using the Village's planned development provisions to provide an appropriate zoning mechanism to facilitate affordable housing development.

5. The Village is prepared to reexamine its Comprehensive Plan and, where appropriate, amend it to include affordable housing goals to further the objectives and facilitate the goals of this Plan and its requirements under AHAP.

However, the Village does not anticipate – at this time – needing to use any other incentives than its land use authority, as discussed, to attract affordable housing. However, should that need arise, the Village has a number of options to encourage and facilitate affordable housing development. These include:

1. *Zoning Code Amendments.* In conjunction with any potential amendments to its Comprehensive Plan, the Village may consider amendments to its zoning code that require residential developers to incorporate certain percentages of affordable housing in certain zoning districts, either already existing, or districts added in the future. The Village may also consider zoning bonuses that provide developers with density bonuses for incorporating affordable housing.
2. *Expedited Permitting and Fee Waivers.* A major impediment to develop affordable housing is land carrying costs while a development is going through the review and approval process. In the case of an affordable housing project, the Village may institute an expedited permitting process to minimize these costs. To complement an expedited permitting process for affordable housing, the Village may reduce or fully waive associated development and utility tap-on fees.
3. *McHenry County HOMR Program.* McHenry County is a grantee county under the federal Community Block Grant Program (“CDBG”), and uses CDBG funds to provide resources for the Countywide Housing Investment Partnership (“HOME”). HOME funds can be used by municipalities in McHenry County to facilitate affordable housing development benefiting low – to moderate – income households.
4. *Tax Increment Financing.* The Village may also facilitate affordable housing development by creating tax increment financing districts, as authorized under 65 ILCS 11/74.4-1 et seq., to off-set infrastructure costs for privately financed affordable housing developments.

There are several other methods available to the Village, including establishing not-for-profit housing development corporations and land trusts to hold and develop property in accordance with the goals and objectives of this Plan and its requirements under AHPA. However, at this time, such initiatives and incentives are not necessary, as the Village will continue to work through the private sector to provide safe, decent, affordable housing.

6. Conclusion

The Village will continue to maintain its rural character that has made it an attractive location for many residents of the Chicago metropolitan region. However, the Village desires to ensure that there is an ample supply of affordable housing for households not able to afford estate style housing, or other available housing in the Village. Accordingly, the Village is committed through the provisions of this Plan and through the requirements of AHPA, to ensure for the provisions of safe, decent affordable housing. The Village, in keeping with predominate land use characteristics and the reasonable expectations of its residents, will encourage affordable housing development in areas that will not disrupt the rural character of the Village. The areas for affordable housing development are based upon sound land use planning principles and are consistent with the Comprehensive Plan.

The Village will continue to work closely with the private sector to ensure for a continued supply of required affordable housing, in accordance with this Plan and AHPA. If the need shall arise, the Village will use appropriate incentives to facilitate affordable housing development.