



# Affordable Housing Options for the Village of Northbrook

A Report to the Board of Trustees  
August 27, 2019



**NORTHBROOK**  
DEVELOPMENT  
& PLANNING SERVICES

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Prepared by the  
Northbrook Department of Development & Planning Services

# Introduction

The Northbrook Board of Trustees has expressed a renewed interest in taking steps to ensure that the community has a range of housing options to meet the changing needs of our residents and our business community. Northbrook, like many highly desirable communities across the United States has witnessed significant changes in the housing market. The Village Board listed developing affordable housing policies and programs as one of the top legislative priorities in a recent meeting.

The term “affordable housing” means different things to different people. Some groups prefer the term “workforce housing”, while others use “attainable housing” and “missing middle” housing to describe a segment of the housing market that is being lost in many communities due to increasing home values or rent levels and redevelopment activity that targets the high-end or luxury market.

The Village staff has prepared this introductory report on affordable housing in order to:

- 1) Outline the Village’s current policies for promoting housing opportunities in the Community,
- 2) Summarize the demographic and housing market conditions in Northbrook, and
- 3) Describe some of the tools that communities have used to maintain or increase the supply of affordable housing.

We hope the report will provide the Village Board and others in the community with useful information in helping us formulate a comprehensive program for addressing the long-term housing needs of our community.

# Current Policy Framework

The Village has long been a leader in the area of fair and affordable housing, having adopted one of the first fair real estate practices ordinances in the northern suburbs in 1968.

In the early 1980s, the Village issued bonds to finance and establish an affordable housing complex for senior citizens in an unused public school building. Owned and operated by the Village, Crestwood Place contains 118 rental apartments that include studios, one bedroom and two bedroom units at below market rental rates.

## State Affordable Housing Act

The affordability of housing has been a topic of increasing concern in many parts of the United States and the State of Illinois since the 1990's. In 2003, the Illinois General Assembly adopted Public Act 93-0595, the Affordable Housing Planning and Appeals Act (the "Housing Act"), which became effective January 1, 2004. The Act sets a target of having every municipality in Illinois with a population of at least 1,000 residents to have **at least ten percent (10%) of their housing units be "affordable"**.

The Act defines "affordable housing" as that housing whose sale or rental price is within the means of a household that may occupy moderate-income housing (households with income that is between 50% and 80% of the area median household income) or low-income housing (less than 50% of the area median household income). The Housing Act contained three major provisions:

The Illinois Housing Development Authority ("IHDA") must determine which local governments fail to meet the 10% affordable unit threshold and notify those municipalities that they must prepare an affordable housing plan.

All non-exempt local governments must prepare and adopt an affordable housing plan prior to April 1, 2005.

The Act includes a procedure for developers whose affordable housing plans have been denied by a non-exempt municipality to appeal the land use decision to a State Board of review.

All municipalities in the Chicago metropolitan area were evaluated based upon Census data estimates of home values and rent levels, based on the median household income levels for the metropolitan area, as a whole.

On August 10, 2004, IHDA sent a letter to the Village of Northbrook informing the Village that based on their estimates 5.3% of the Village's housing units were "affordable. As such Northbrook was determined to be a non-exempt community and was asked to prepare and approve an affordable housing plan prior to April 1, 2005.

# Northbrook's Affordable Housing Plan

## AFFORDABLE HOUSING PLAN



Adopted  
March 22, 2005

The Northbrook Board of Trustees reviewed and approved the Northbrook Affordable Housing Plan on March 8, 2005 and formally transmitted the document to IHDA. It is important to note that the Village of Northbrook is a home rule municipality. As a home rule community, the Village can exercise any power and perform any function pertaining to its government and affairs in order to protect the public health, safety and welfare.

The Resolution adopting the Northbrook Affordable Housing Plan made a specific finding that the Housing Act does not preempt the Village's home rule authority, and states that the Village retains its final authority over local land use decisions – and shall not be subject to the IDHA appeal procedures.

The Northbrook Affordable Housing Plan identified a number of specific tools the Village should consider to increase the supply of affordable housing. The Northbrook Plan differentiated between land use and zoning tools to increase supply and financial tools to help

defray the costs of providing affordable units. The implementation tools outlined in the Northbrook Plan are listed below:

### Zoning and Land Use Tools to Consider:

- a. **Inclusionary zoning** to require new multifamily developments and redevelopments to include a minimum required amount of affordable housing. Such ordinances may also allow a developer to provide the required affordable housing off-site (such as through other new construction or rehab) or pay a fee into an affordable housing fund, in lieu of providing the required affordable housing on-site.
- b. Amendments to the zoning map and comprehensive plan to allow the **expansion of the number of multifamily locations** for affordable housing development.
- c. Bonuses or other incentives regarding zoning requirements for developers who provide affordable housing, such as **reduced parking, lot size, setback or lot coverage requirements, or increased density**.
- d. **Fee reductions or waivers** for zoning-related costs for those providing affordable housing.
- e. **Expedited processing** of zoning applications for those proposing to provide affordable housing.
- f. Authorize **accessory living units** as permitted uses in selected zoning districts.

### Financial Tools to Consider:

- a. **Reduced building permit fees** for affordable units.
- b. **Municipal property tax abatements**.
- c. Reductions to or waivers of required **impact fees or Village utility rates**.

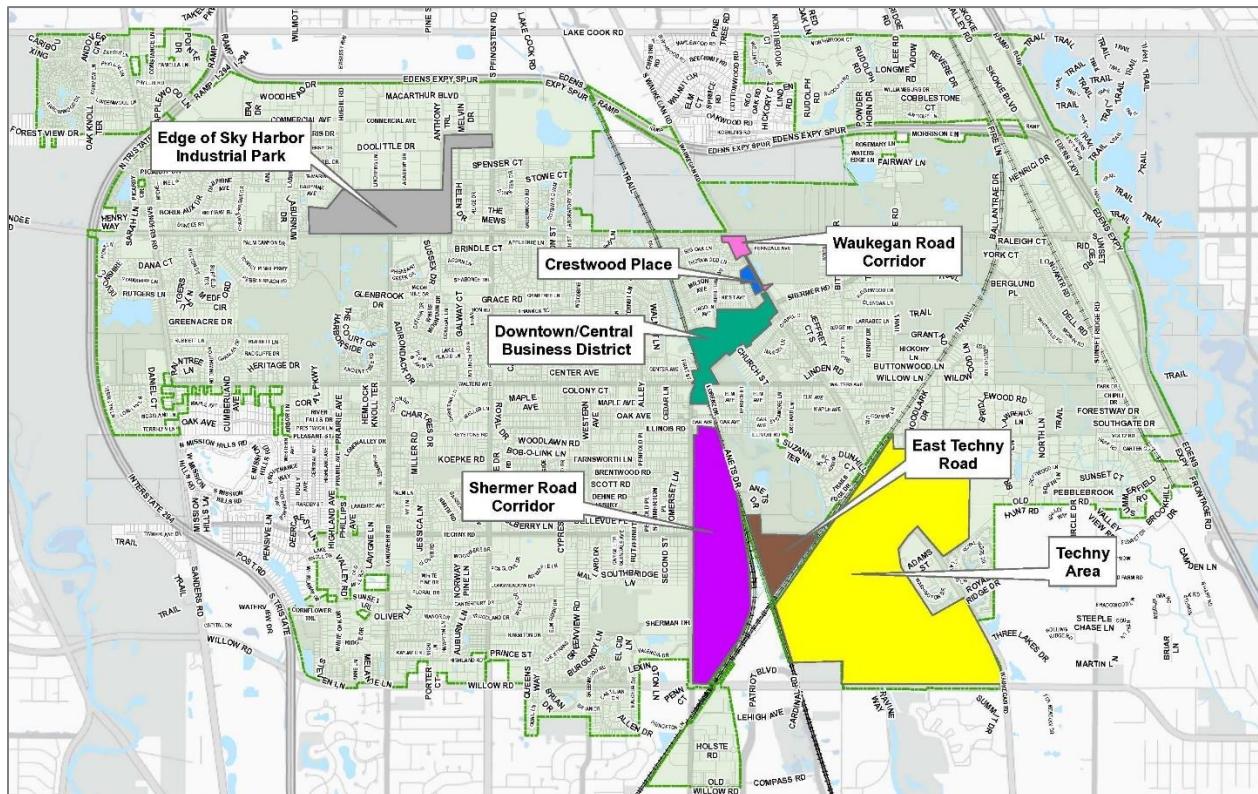
- d. Coordination with an affordable housing developer attempting to use **IHDA Housing Trust Funds** (matching funds) or other non-for-profit grant funds.
- e. Adoption of a **special tax or fee for demolition of residential** uses to help fund affordable housing initiatives.
- f. Establishment of a **Community Land Trust** to acquire and maintain ownership of land for affordable housing and to assist in ensuring that rental and for sale housing it holds remains affordable.
- g. Cooperation with local businesses that wish to implement **employer-assisted housing programs** in order to expand housing options for the employer's workforce, whether the employer is private sector or governmental. Examples of such programs may include down payment assistance, rental subsidies, or contracting with community-based housing organizations to assist employees with housing choices
- h. Rehabilitation or redevelopment of existing structures for conversion to affordable housing or to maintain existing affordable housing by private or public sector entities.

#### **Goals for affordable Housing Established in the Plan**

The Northbrook Affordable Housing Plan incorporated two targets to increase the supply of affordable housing units in the community:

- Have 15% of all new housing units in the Village be affordable; or
- Increase the overall supply of affordable housing units in the Village by 3%.

The Affordable Housing Plan identified seven (7) areas deemed most appropriate for accommodating new affordable housing developments. These seven areas are depicted on the map below.



**Figure 1: Northbrook Affordable Housing Plan – Areas Targeted for Possible Affordable Housing**

## Changes since the Adoption of the 2005 Northbrook Affordable Housing Plan

Major changes occurred in the national and regional economy since 2005, most notably a major recession occurred in 2008. As evidenced in the graph below depicting home prices for the Chicago region, property values for the region are still significantly lower than in the pre-recession period of 2004 to 2007.



Figure 2: Case Schiller Home Price Index for Chicago Metro Area

IDHA periodically issues new reports based on Census Bureau estimates regarding progress made by communities in complying with the requirements of the Affordable Housing Planning and Appeals Act. The most recent “affordability” thresholds for the Chicago metropolitan area established by IDHA are shown below.

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
2018 Income Limits (80% AMI)	\$47,400	\$54,200	\$60,950	\$67,700	\$73,150	\$78,550	\$83,950	\$89,400
Affordable Purchase Price	\$131,667	\$150,556	\$169,306	\$188,056	\$203,194	\$218,194	\$233,194	\$248,333

*Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: [www.ihda.org](http://www.ihda.org)).*

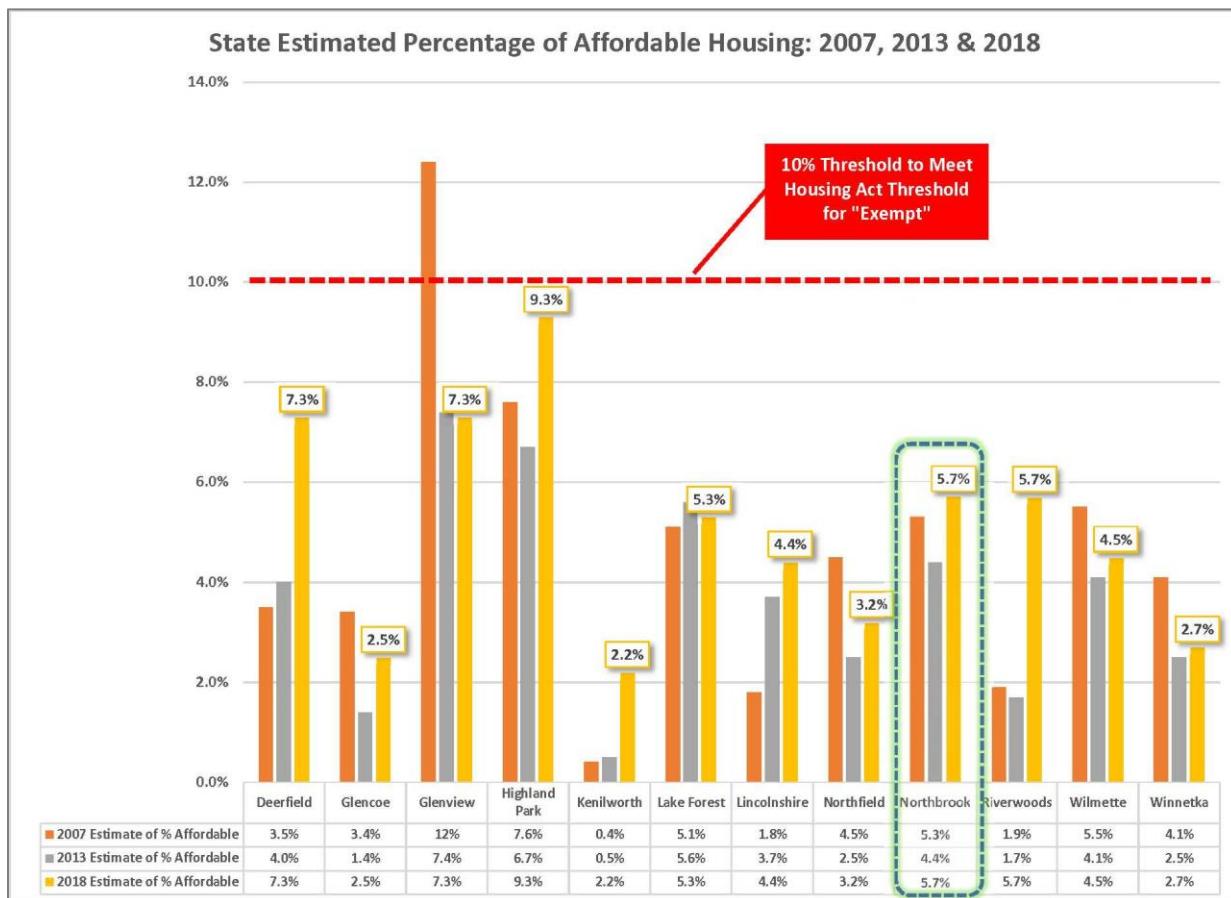
Affordable Rental Units For Chicago Metro Area (Cook, DuPage, Kane, Lake, McHenry, Will Counties)						
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
2018 Affordable Rent Limits for HH @ 60% AMI	\$889	\$952	\$1,143	\$1,320	\$1,475	\$1,625

*Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: [www.ihda.org](http://www.ihda.org)).*

The IDHA data concerning the Village of Northbrook's progress in complying with the 10% affordable housing target is summarized in the table below.

<b>Table 1: IDHA Estimate of % of Northbrook Housing Stock that is "Affordable"</b>	
<b>Year</b>	<b>Northbrook % Affordable</b>
<b>2007</b>	<b>5.30%</b>
<b>2013</b>	<b>4.40%</b>
<b>2018</b>	<b>5.70%</b>

As evidenced in Table 1, IDHA estimated the supply of affordable housing in Northbrook increased from 2007 to 2018 from 5.3% to 5.7%. Since the computations are based on Census estimates of housing values and rent costs, the data is far from precise. Nonetheless, it is encouraging that Village has seen a slight increase in the estimated number of affordable housing units. The graph below depicts affordable housing estimates for nearby non-exempt communities. Note that Glenview went from an "exempt status" (above 10%) in 2007 to a non-exempt status 2013.



**Figure 3: Estimated Percent of Affordable Housing for Nearby Communities**

# 2010 Northbrook Comprehensive Plan

The most noteworthy land use and policy document adopted by the Village following the adoption of the 2005 Affordable Housing Plan was the new Comprehensive Plan, adopted in December 2010. The 2010 Comprehensive Plan is intended to establish a long-term vision of the community and a series of policies and programs for achieving that vision. The Comprehensive Plan includes a series of chapters (elements) that focus on different aspects of the community.

**Overall Community Goals – Northbrook Comprehensive Plan.** The Northbrook Comprehensive Plan includes twelve (12) overall community goals to guide the land use and planning efforts of the community. The twelve overall goals are listed below and those that pertain most directly to housing have been highlighted:

1. **Continue Collaborative Decision-Making Practices.** Northbrook will maintain and improve its communication measures and interactions with the residents, businesses and other local taxing bodies (schools, parks and library) to promote a collaborative decision-making process in those matters that have broad policy implications.
2. **Continue Efforts to Improve the Downtown.** The Village's downtown will evolve into a unique gathering place and transportation hub that is the symbolic center of the community. Enhancing the downtown by means of public-private partnerships will be a high priority of the Village.
3. **Promote Sustainable Development.** Citizens and decision makers for the Village will recognize their shared responsibility to be conscientious stewards of our natural, manmade and social resources so they will be available for future generations.
4. **Maintain the Character of Our Neighborhoods.** Northbrook will continue to be a community comprised of attractive, safe and active residential neighborhoods. Recognizing that Northbrook is largely a “built-up” community, the Village will continue to monitor the effectiveness of its zoning, building and property maintenance standards.
5. **Celebrate the Community's Diversity.** The Village of Northbrook will celebrate its cultural, religious and social diversity, maintain its diverse housing stock, and recognize the responsibility we have to improve the community for future generations.
6. **Maintain the “Uniqueness” of Northbrook.** Northbrook will continue to be a high quality suburban community that continues to have its own unique sense of place and identity as reflected in our architecture, landscape, arts and culture. The Village's uniqueness distinguishes it from surrounding municipalities resulting in a place that residents and businesses alike are proud to call “home”.
7. **Continue to Invest in Critical Village Infrastructure.** The roads, water lines, sanitary sewer lines, storm drainage systems and other public infrastructure will be properly maintained, and a strategic approach to financing will be used in order to minimize the risk of having the investment create an undue financial burden to current or future taxpayers in the community.
8. **Deliver Quality Public Services in a Cost-Effective Manner.** Northbrook will continue to be known for the outstanding public and private schools, parks, library and other public services that are critical to the quality of life and strong property values of the Village. The Village will strive to maintain high value and cost-effective municipal services.

9. **Maintain our Economic Diversity and Vitality.** The Village will continue to be a major employment and retail center for the northern suburbs of the Chicago region. We will strive to maintain a strong and diverse tax base by actively working with the business community to retain existing businesses and attract new businesses that are consistent with the character of the community.
10. **Encourage Redevelopment of Key Areas in the Village.** Northbrook will continue to grow modestly over time with changes occurring in selected redevelopment areas. This redevelopment will be in concert with the overall vision of the Comprehensive Plan, which encourages a compatible, logical and efficient land use pattern that has adequate public facilities to support new growth.
11. **Promote Transportation Choices.** The Village will work towards establishing and maintaining a multi-modal transportation system that enables residents, employees and regional traffic to move safely and efficiently though and around the Village without undue levels of congestion while still maintaining the character of the community.
12. **Formulate Regional Solutions to Regional Issues.** Northbrook will continue to be a leader in promoting regional solutions to problems that affect the greater Northbrook area such as air and water pollution, affordable housing, storm drainage and major transportation system components by fostering regional coordination and partnerships.

**Neighborhoods, Housing & Community Diversity Element: Goals & Strategies.** The Neighborhoods, Housing and Community Diversity Element of the 2010 Comprehensive Plan focuses specifically on the Village's housing needs and the desire to maintain quality neighborhoods. Most of the goals established in this Element (each having a NH preface) deal directly or indirectly with housing. Furthermore, specific strategies intended to help achieve the specific goal are also enumerated. All of the goals and strategies for this Element are listed below (with those goals most directly related to affordable housing highlighted).

**NH 1. *Provide housing that meets the needs of the entire population of Northbrook***

- a. Review and refine as needed the specific recommendations of the Village's 2005 Affordable Housing Plan.
- b. Review and amend as needed the Comprehensive Plan, land use and development regulations, Capital Improvement Plan and Annual Budget to implement the goals of the Village's Affordable Housing Plan.
- c. Work cooperatively with agencies, private developers and non-profit organizations to locate housing in Northbrook intended to serve Northbrook's special needs populations.
- d. Promote zoning regulations which allow a variety of residential densities and housing types with appropriate setbacks, height restrictions and related development standards.
- e. Consider options for development of new and innovative housing styles and other creative responses to Northbrook's housing needs for affordability, variety, and housing that is appropriate for different ages and family types.
- f. Monitor other housing "indicators" such as average sales prices of housing units, percentage of owner occupied units, homeownership rates, demographic data, foreclosure

activity, and property maintenance and zoning violations in order to help monitor the quality of life in Northbrook and address emerging problems before they have a detrimental impact on any neighborhood.

**NH 2. *Support on-going property maintenance efforts to sustain neighborhood vitality, value, and overall sense of community pride.***

- a. Continue an active property maintenance inspection and code enforcement program in partnership with the community to maintain our high quality neighborhoods.
- b. Regularly review Village Zoning and Municipal Code requirements to ensure that they properly address emerging issues associated with the protection of public and private property and the health, safety and welfare of Northbrook residents, businesses and visitors.

**NH 3. *Encourage an increase in the supply of housing in the vicinity of shopping and mass transit opportunities.***

- a. Encourage property owners to develop mixed-use developments with a residential component in the Downtown area.
- b. Consider the merits of encouraging Transit-Oriented Development in the vicinity of the downtown and Lake Cook Road stations.
- c. Review development standards to ensure they that allow appropriate levels of new housing units, while protecting the character of adjacent neighborhoods.

**NH 4. *Examine the Village Codes to remove any unnecessary obstacles to the improvement of our existing housing stock.***

- a. Recognize that most of the future housing development that occurs in the Village will be "infill" in nature. New development should not detract from the quality and character of surrounding neighborhoods.
- b. Ensure that the Zoning Code and other land development regulations allow existing residential areas to evolve and revitalize in accordance with community needs, while maintaining the character of the community.

**NH 5. *Encourage land development patterns and site/landscape designs to ensure that infill development does not detract from the quality and character of surrounding neighborhoods.***

- a. Consider amendments to the Zoning Code and other land development regulations that promote high quality site designs that also protect important natural features and are compatible with nearby established neighborhoods.
- b. Protect existing neighborhoods from the encroachment of incompatible land uses and public facilities.
- c. Maintain a mix of housing options for Northbrook residents in a manner that blends with the character of the surrounding community.
- d. Ensure that new development is consistent with Village and applicable neighborhood goals and policies, including but not limited to site standards, landscaping requirements, building design guidelines, and affordability.

**NH 6. Maintain an ongoing commitment to promoting an understanding of, and appreciation for the cultural, religious and racial diversity of Northbrook.**

- a. Cooperate with community organizations in offering events and activities that actively involve and bring together diverse groups of residents and create a strong sense of community identity.
- b. Continue to sponsor and promote events and activities that celebrate cultural diversity within Northbrook.

Other Elements of the Northbrook Comprehensive Plan, most notably the Land Use section, build upon these goals and strategies. Although the Northbrook Comprehensive plan is an official planning document for the Village, its policies and programs are not mandates. They are intended to help guide the decision-making process for the community.

## **Northbrook Zoning Code**

In an effort to promote more affordable housing units in the Village and achieve some of the objectives of the Affordable Housing Plan and the Comprehensive Plan, the Village has adopted several specific Zoning Code amendments.

1. **Density Bonus for Senior Living in R-7 & R-8 Districts.** The Zoning Code (Section 4-110H-3) was amended to include an incentive for developers to provide “affordable” (not a defined term) independent senior living units.
  - a) **Authority to Approve Increased Density and Floor Area Ratios.** The Plan Commission may recommend and the Board of Trustees may authorize a reduction of the minimum lot size per dwelling unit requirement and an **increase in the maximum permitted floor area ratio, and thus an increase in the overall density of development, when approving special permits for independent senior living facilities developments** in the R-7 and R-8 districts.
  - b) **Maximum Permissible Adjustment.** No such adjustment shall reduce the lot size per dwelling unit requirement to less than the following values nor increase the maximum permissible floor area ratio to more than the following values:

<u>District</u>	<u>Minimum Square Feet Per Unit</u>	<u>Maximum Floor Area Ratio</u>
R-7	2,000	0.50
R-8	1,750	0.55

- c) **Standard for Adjustment.** No such adjustment shall be recommended or authorized except on the basis of a finding that the adjustment will not result in any undue congestion in or adverse impact on the surrounding area. In determining the amount of any such adjustment to be recommended or authorized, consideration shall be given to:
  - 1) The development's excellence in satisfying the standards set forth in Subsection 4-106 A of this Section; and
  - 2) **The extent to which public or private subsidies are provided to allow some or all of the proposed dwelling units to be affordable** in accordance with requirements set forth in the special use permit.

To-date, the Village has not received any development applications to take advantage of this incentive.

2. **Inclusionary Housing and Height/Density Bonus Requirement in the RS Zoning District.** The Village also created a new zoning district to deal with the unique characteristics of senior and group living facilities. The RS District includes several provisions intended to promote affordable housing (all in Section 4-110H):

- **Increased Floor Area Ratio in the RS District.** Subject to the procedures and standards set forth in Article 11 of this Code, the Plan Commission may recommend and the Board of Trustees may authorize an increase in the maximum permitted floor area ratio for structures in the RS District up to an absolute maximum floor area ratio of 1.0. No such adjustment in the floor area ratio shall be recommended or authorized except on the basis of a finding that the adjustment will not result in any undue congestion in or adverse impact on the surrounding area.
- **Increased Maximum Height in the RS District.** Subject to the procedures and standards set forth in Article 11 of this Code, the Plan Commission may recommend and the Board of Trustees may authorize an increase in the maximum permitted height for structures in the RS District up to an absolute maximum height of 65 feet or 5 stories, whichever is less. No such adjustment in the height shall be recommended or authorized except on the basis of a finding that the adjustment will not result in any adverse impact on the surrounding area.
- **Affordable Housing Units in RS District. Not less than ten percent (10%)** of all units within Independent Senior Living Facilities in the RS District shall be constructed and operated as affordable units, as defined in the special permit.



Figure 4: Aerial View of the Lodge Senior Living Facility on Founders Drive

These standards were used to facilitate the development of the Lodge Senior Living facility, which was developed on the Techny Property (an area identified in the Affordable Housing Plan as targeted for affordable housing). When the Lodge of Northbrook was approved, **15% of the units were required to meet a local definition of affordability:**

- 5% of the 161 total units (8) will be affordable for qualifying low income residents and
- 10% of the 161 total units (16) will be affordable for qualifying moderate income residents.

A price control covenant was also required that sets out the local definition for determining what constitutes “low and moderate income” for the 24 affordable units in the senior living facility.

3. **Density & FAR Bonuses in New VGRC District**. The Village Green Residential and Commercial (VGRC) district was recently established to accommodate the Gateway Townhome development on Shermer Road. The VGRC district allows a mix of residential uses, including single family homes, townhomes and other multi-family structures. Incentives were established in the district to promote the supply of affordable housing near the downtown area and in close proximity to the transit options available. The incentive established in the VGRC district is outlined below.

**Opportunity for Increased Density of Floor Area in the VGRC District for Providing Affordable Housing**. Subject to the procedures and standards set forth in Article 11 of this Code, the Plan Commission may recommend and the Board of Trustees may authorize in the VGRC District **an increase in the maximum residential density for structures by up to twenty-five (25) percent or an increase of up to twenty-five (25) percent in the absolute maximum floor area ratio**. No such adjustment in the density or floor area ratio shall be recommended or authorized except on the basis of a finding that the adjustment will not result in any undue congestion in, or adverse impact on, the surrounding area. The standards for determining affordability shall be established in the special permit ordinance. The special permit ordinance shall also include an agreement, suitable for recording as a covenant, obligating the owners and all successors in interest to:

- a) maintain a specific number of dwelling units designated for affordable housing;
- b) the number of years such affordable dwelling units will be made continuously available;
- c) the rental rates or sales prices of the affordable units; and
- d) the means by which the rents or sales prices of the affordable units may be adjusted over the term of the agreement.

The Gateway townhouse development did not request any density bonuses and did not include any affordable housing units in their 68-unit townhome plan.

# Northbrook Demographic & Market Conditions

The total population of the Village of Northbrook has remained relatively constant since 1990 as the amount of vacant land in and around the community has diminished. While the population has remained stable, the median age of in the community has steadily increased. The graphs below depict population size and median age in the Village.

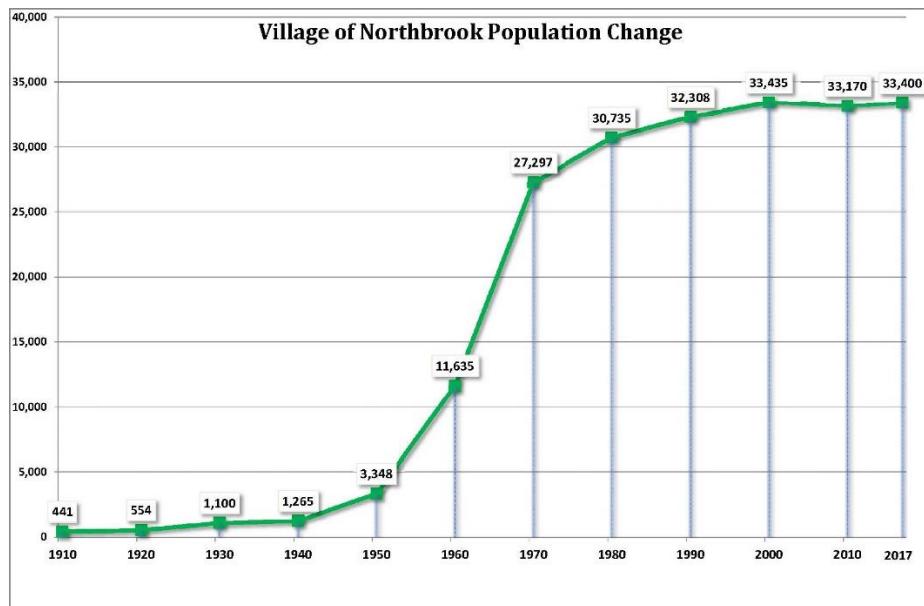


Figure 5: Northbrook Population Over Time

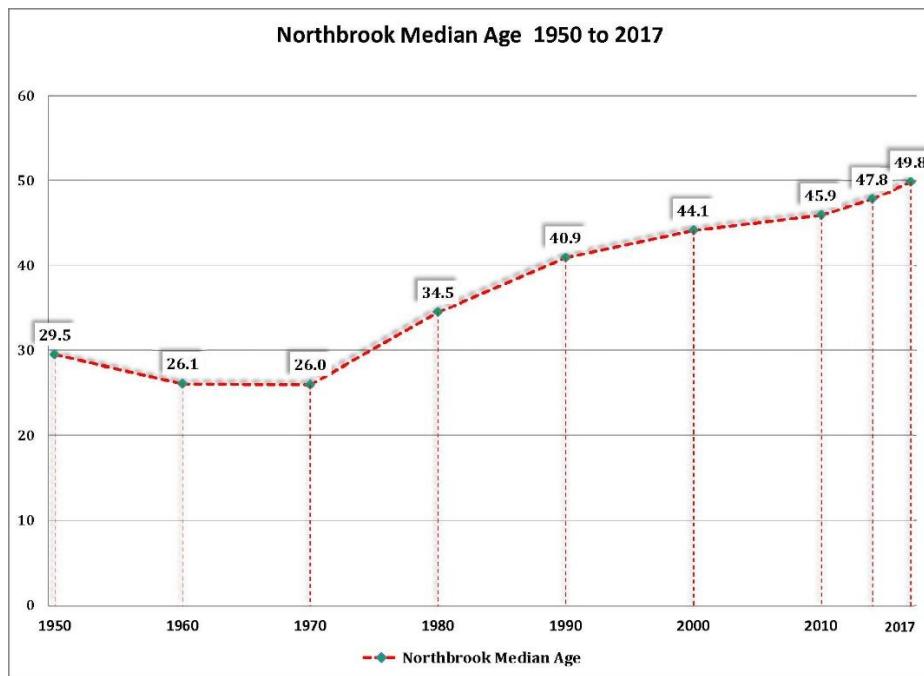
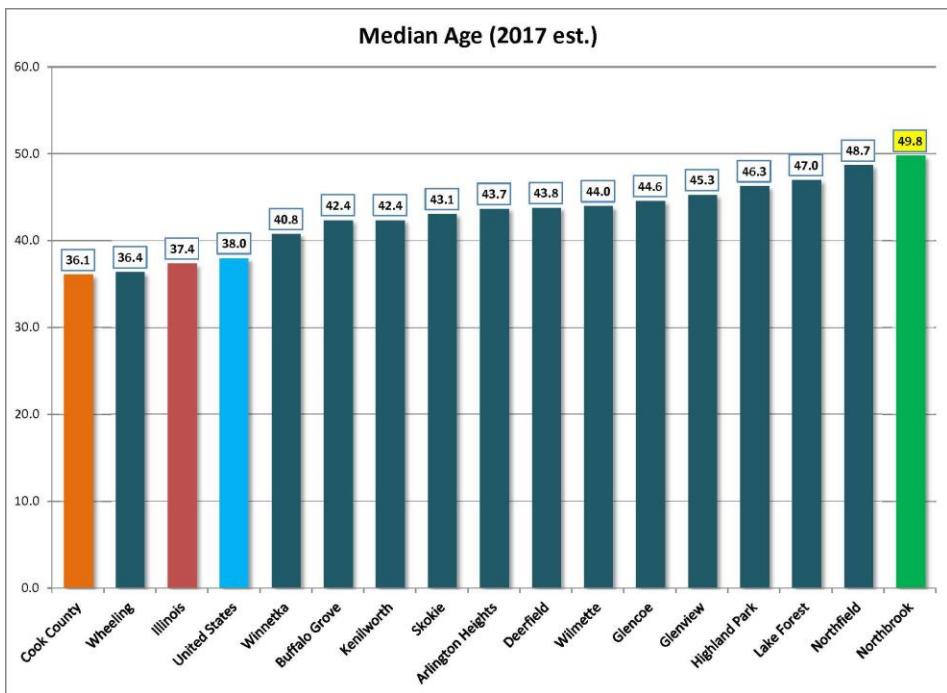
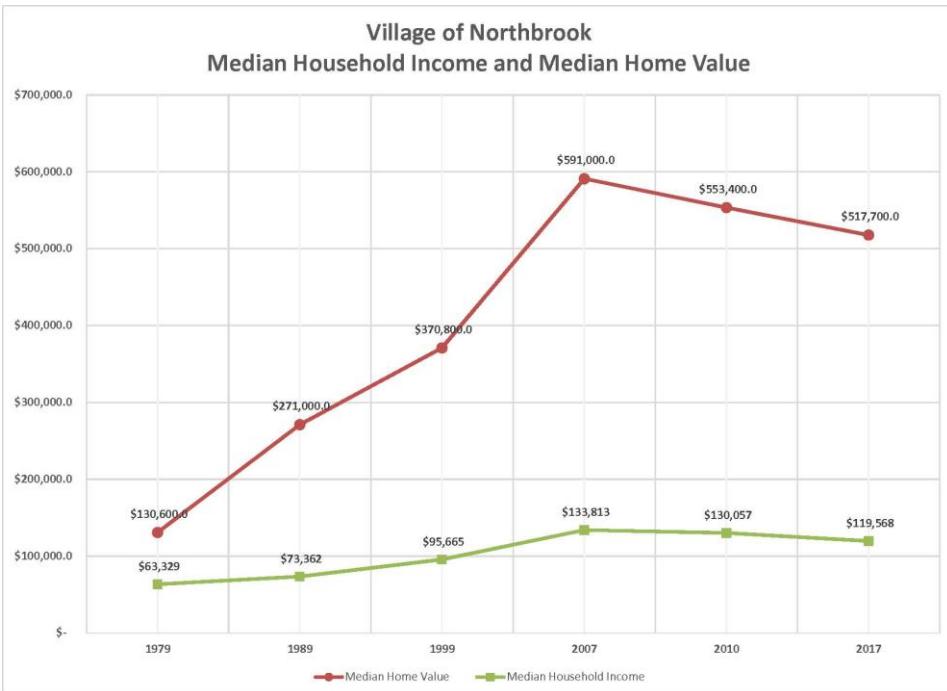


Figure 6: Northbrook Median Age 1950 to 2017



**Figure 7: Median Age of Northbrook Compared to Other Jurisdictions**

The median age in Northbrook is now higher than surrounding communities, and significantly higher than state and national averages.



**Figure 8: US Census Estimates of Median Income and Median Home Value**

Coinciding with a marked increase in the median age of Northbrook residents, the community has also seen very limited growth in average household income. The graph above also depicts how the median

home value has increased markedly since the 1970's, but has followed the metropolitan area trend of still being below pre-recession levels.

The above graph also depicts how it has become increasingly difficult afford a home in Northbrook today, compared to the conditions that existed in the 1970's. This is particularly true for younger home buyers.

A closer look at home values in recent years (source Zillow.com) shows how home prices have been relatively unchanged since 2014. This is a significant change from the pre-recession period of constant growth in home values. Home buyers who purchased their homes at pre-recession prices may still find their homes valued at less than their purchase price. All of these factors have likely led to a desire for aging baby boomers to age in place.

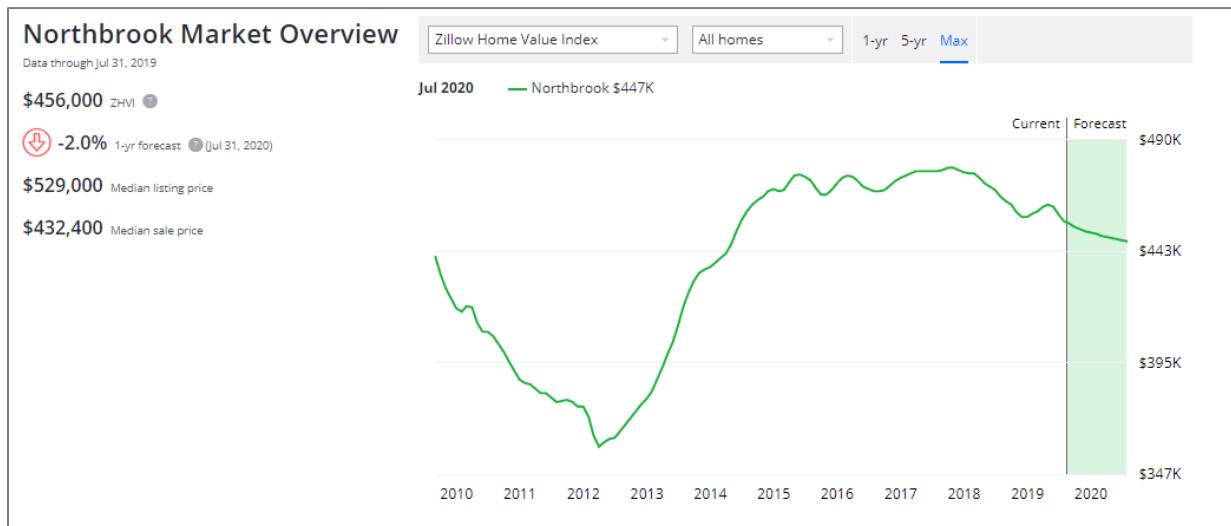


Figure 9: Northbrook Home Prices Since 2010 - Source: Zillow.com

Northbrook is also seeing an increase in the number of households choosing to rent versus own. Furthermore, while home prices have been flat, rent levels have steadily increased. The information below (source: Zillow.com) depicts the steady rise in rent levels in recent years.

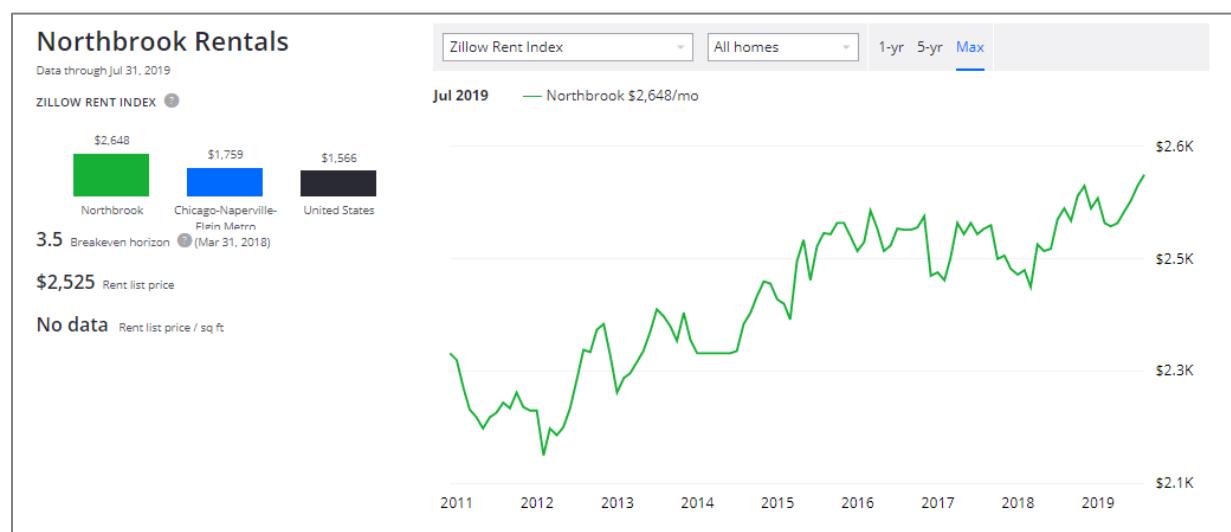
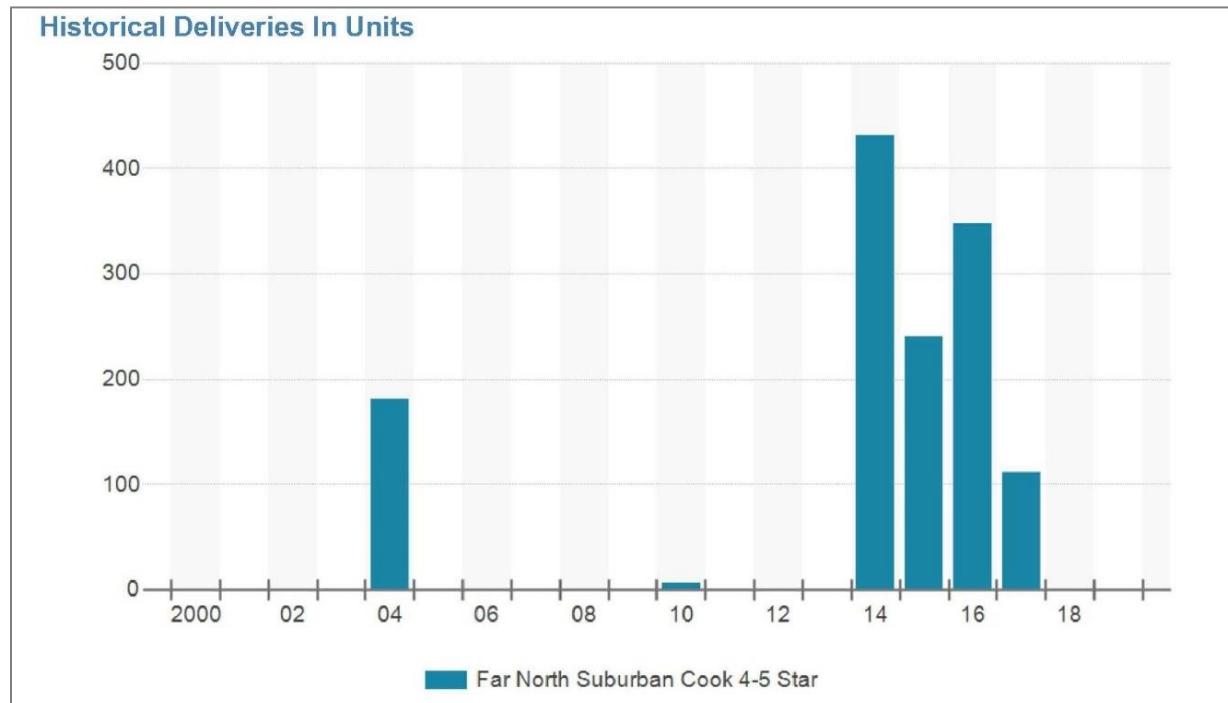


Figure 10: Rent Levels for Northbrook Since 2011 - Source Zillow.com

The graph above illustrates why we have seen a significant increase in the number of requests for apartment buildings in and around Northbrook.



**Figure 11: Luxury Apartment Units Completed by Year for the North Shore Source: Costar**

The Table below provides a general snapshot of home values, typical mortgage payments, rent levels and household size for Northbrook residents.

<b>General Housing Data for Village of Northbrook</b>	
<b>2017 Census Estimates</b>	
Owner-occupied housing unit rate, 2017	87.20%
Median value of owner-occupied housing units, 2017	\$517,700
Median selected monthly owner costs with a mortgage, 2017	\$2,901
Median selected monthly owner costs -without a mortgage, 2017	\$1,130
Median gross rent, 2017	\$2,036
Number of Households, 2017	12,840
Persons per household, 2017	2.56

While overall Northbrook is a relatively affluent suburban community, there are households in the community that do struggle financially. The graph on the following page provides a summary of the estimated number and age group of individuals living in Northbrook who have incomes below the poverty level.

The highest percentages of age groups with individuals living in poverty are found in:

- young adults (age 18-34: 5.2%),
- the elderly (over 65: 4.1%) and
- the very young (under 5 years of age: 4.1%)

Subject	Northbrook, Illinois - 2017 American Community Survey					
	Total		Below poverty level		Percent below poverty level	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	32,981	+/-201	959	+/-316	2.90%	+/-1.0
AGE						
Under 18 years	7,487	+/-341	199	+/-128	2.70%	+/-1.7
Under 5 years	1,760	+/-300	72	+/-84	4.10%	+/-4.6
5 to 17 years	5,727	+/-365	127	+/-96	2.20%	+/-1.7
Related children of householder under 18 years	7,465	+/-350	199	+/-128	2.70%	+/-1.7
18 to 64 years	17,046	+/-458	414	+/-185	2.40%	+/-1.1
18 to 34 years	3,608	+/-355	189	+/-134	5.20%	+/-3.6
35 to 64 years	13,438	+/-511	225	+/-119	1.70%	+/-0.9
60 years and over	10,628	+/-565	395	+/-129	3.70%	+/-1.2
65 years and over	8,448	+/-501	346	+/-113	4.10%	+/-1.3

2017 Federal Poverty Levels by Household Size		
Persons in Household	2017 Federal Poverty Level	Medicaid Eligibility (138% of FPL)
1	\$12,060	\$16,643
2	\$16,240	\$22,411
3	\$20,420	\$28,180
4	\$24,600	\$33,948

The above information may prove helpful in determining if there are any specific age groups or housing types that should be targeted when looking to provide more housing options for area residents.

Local realtors frequently tell staff that there is a large group of “empty nesters”, comprised primarily of aging baby boomers that are looking to remain in the community, but at a price point at or below what the price for which they can sell their existing home.

## What are Affordable Northbrook Housing Units?

As previously noted, the affordable housing standards established by the IHDA, are based on median income levels for the entire Chicago region. The affordability tables provide earlier in this report are provided again below:

<b>Owner Occupied Affordability Chart For Chicago Metro Area</b> (Cook, DuPage, Kane, Lake, McHenry, Will Counties)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>2018 Income Limits (80% AMI)</b>	\$47,400	\$54,200	\$60,950	\$67,700	\$73,150	\$78,550	\$83,950	\$89,400
<b>Affordable Purchase Price</b>	\$131,667	\$150,556	\$169,306	\$188,056	\$203,194	\$218,194	\$233,194	\$248,333
<i>Please Note: The Above chart uses 2018 income limits. Municipalities must make sure they are using the most current income limits (available on IHDA's website: <a href="http://www.ihda.org">www.ihda.org</a>).</i>								

Village staff reviewed home sales records for properties in Northbrook to identify what properties have recently sold that would qualify as “affordable” under the IDHA standards. For simplicity, we assumed we were looking for dwellings that sold for \$190,000 or less in order to accommodate a family of four.

The properties listed on the following pages represent a “snapshot” of affordable housing units (sales price up to \$190,000) that have sold in the past year within the Village. Recognizing what constitutes our existing affordable housing stock will help the community understand the nature of housing units that must be retained so these remaining units are not lost.

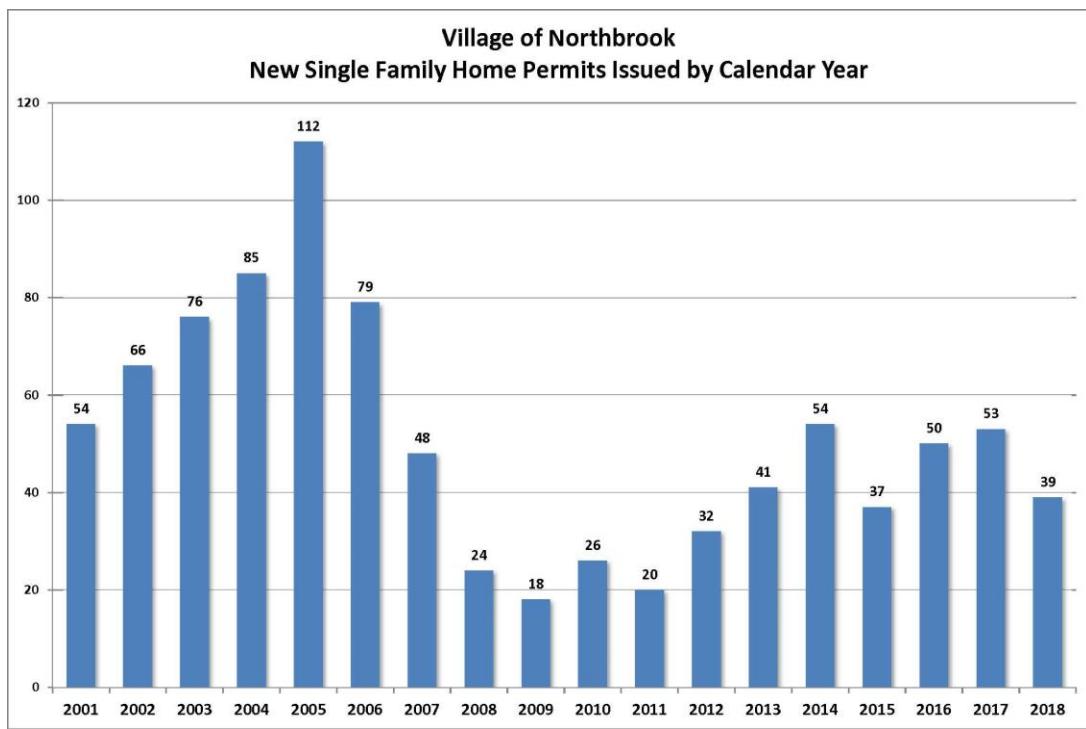
### Multifamily Units

The vast majority of units sold for \$190,000 or less were found in condominium developments constructed in the 1970s. For several of these areas identified there were multiple sales that occurred. Not all of the individual properties sold in a complex are identified. We simply wanted to identify representative units within a particular multi-family complex. It is also worth noting that condominium properties typically have HOA expenses that can frequently add hundreds of dollars per month in expenses to a property owner. HOA fees have not been factored into the affordability of the multi-family units listed.

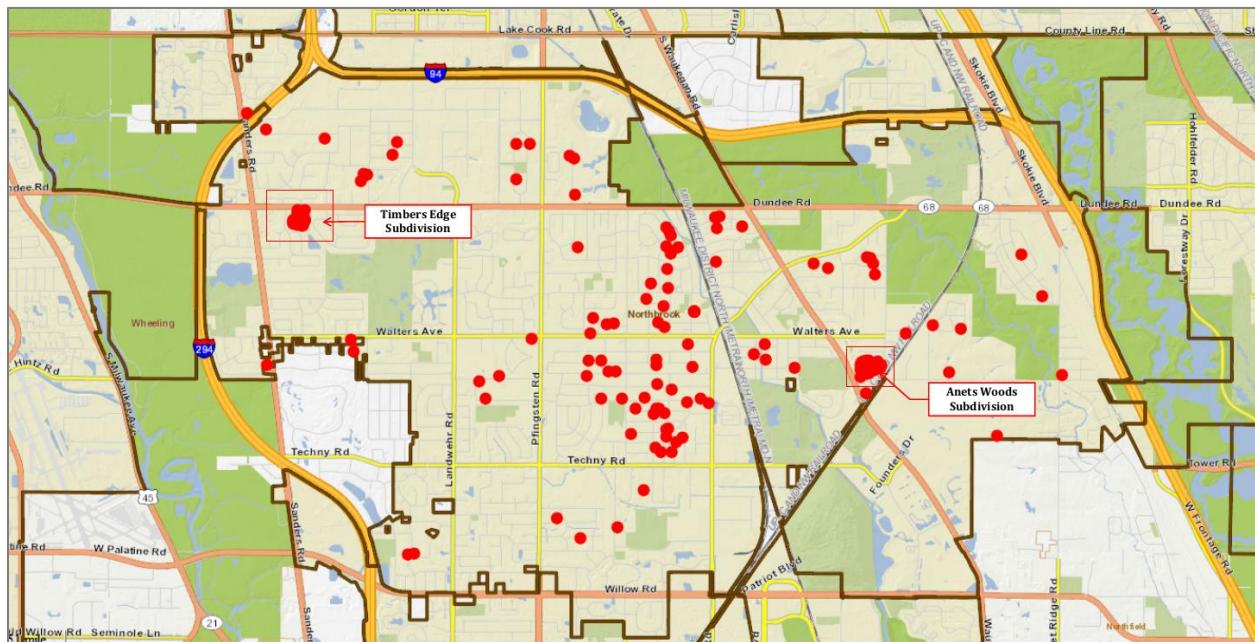
### Single Family Homes

Only two single family homes were found to sell for \$190,000 or less. Lower priced single family homes are often sold to developers wishing to demolish the home and build a new home. As such, lower priced single family homes have two competing sets of buyers: (1) someone wishing to find a lower priced home to live in and (2) a builder wishing to construct a much higher priced home. In the case of a property purchased as a “teardown”, the affordable unit is certainly lost.

The amount of teardown and new single family construction activity peaked in 2005, as shown in the graph below. The sudden drop in activity beginning in 2007 coincided with the beginning of the recession. New single family home activity in the community has been much more modest since that time. This also reflects the fact that many neighborhoods in Northbrook have already witnessed a significant amount of teardown activity, with the least expensive homes already having been demolished. Figure 13 depicts the location of new homes constructed from 2016-2018, and the concentration of activity in infill/teardown areas.



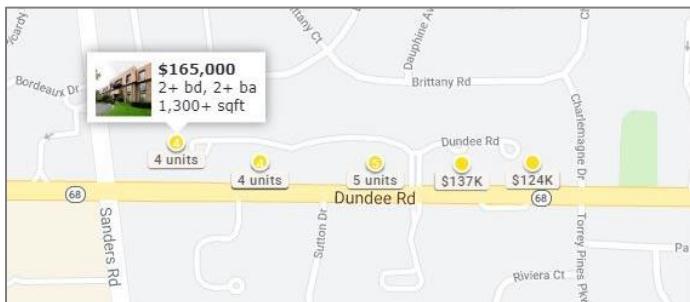
**Figure 12: Number of New Single Family Permits Issued by Year (2001-2018)**



**Figure 13: Location of New SF Home Permits Issued 2016, 2017 & 2018**

# Condominium Sales Less than \$190,000

## Neighborhood: Normandy Hill – Dundee Road

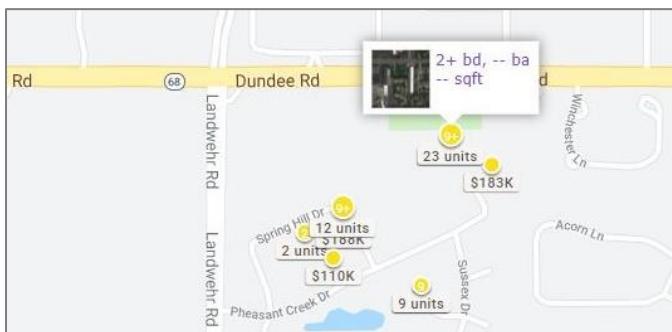


19 results Sort by: Homes for You

**Sold 08/16/2019** **\$172,000** 2 bds | 2 ba | 1,350 sqft  
4050 Dundee Rd APT 109, Northbrook, IL 600...

**Sold 02/14/2019** **\$150,000** 2 bds | 2 ba | 1,350 sqft  
4050 Dundee Rd UNIT 109B, Northbrook, IL 6...

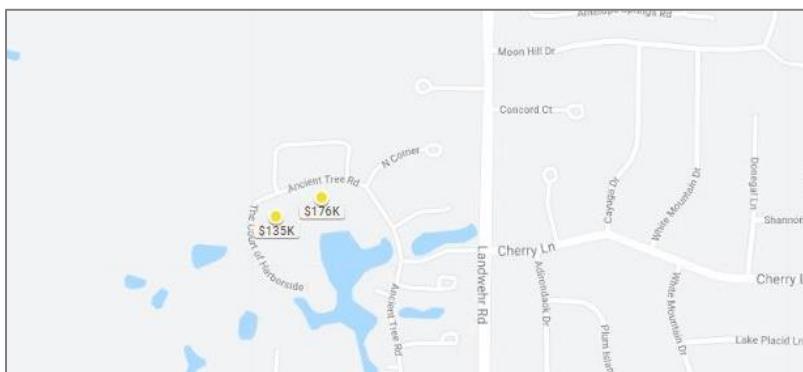
## Neighborhood: Pheasant Creek – Dundee and Landwehr



**Sold 05/06/2019** **\$175,000** -- bds | -- ba | -- sqft  
3070 Pheasant Creek Dr # P14, Northbrook, I...

**Sold 05/06/2019** **\$175,000** -- bds | -- ba | -- sqft  
3070 Pheasant Creek Dr # P10, Northbrook, I...

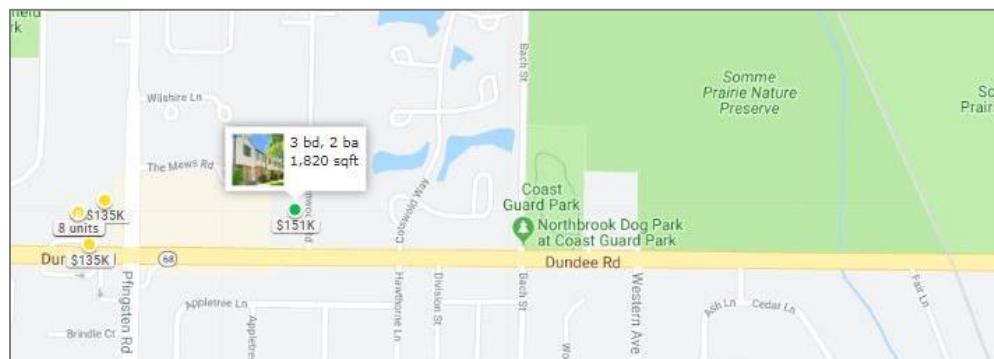
## Neighborhood: Ancient Tree – West of Landwehr Road



2 results Sort by: Homes for You

 <b>Sold 08/08/2019</b> <b>\$176,500</b> 2 bds   2 ba   1,430 sqft 1 The Court Of Harborside APT 202, Northbr... ● Sold	 <b>Sold 01/26/2018</b> <b>\$135,000</b> 1 bd   1 ba   -- sqft 2 The Court Of Harborside APT 209, Northbr... ● Sold
--	---

## Neighborhood: Dundee Road, Pfingsten to Greenwood



Sold 04/10/2019

Heart icon

**\$145,000** 2 bds | 1.5 ba | -- sqft  
2818 Dundee Rd, Northbrook, IL 60062  
● Sold

Sold 04/05/2019

Heart icon

**\$145,000** 2 bds | 1.5 ba | 1,100 sqft  
2822 Dundee Rd UNIT 15B, Northbrook, IL 60062  
● Sold

Sold 10/23/2018

Heart icon

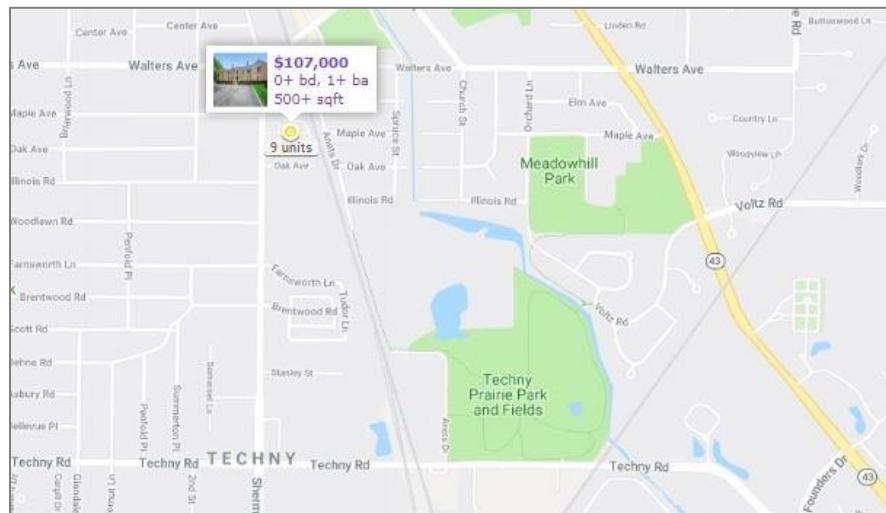
**\$151,000** 3 bds | 2 ba | 1,820 sqft  
770 Greenwood Rd, Northbrook, IL 60062  
● Sold

Sold 07/20/2018

Heart icon

**\$149,500** -- bds | -- ba | -- sqft  
2812 Dundee Rd # 4-G, Northbrook, IL 60062  
● Sold

## Neighborhood: The Citadel – Shermer Road, South of Downtown



**Sold 07/10/2019**

**\$168,000** 2 bds | 2 ba | 1,300 sqft

1499 Shermer Rd APT 202E, Northbrook, IL 60062

● Sold

**Sold 06/20/2019**

**\$171,000** 3 bds | 2 ba | 1,500 sqft

1491 Shermer Rd APT 201B, Northbrook, IL 60062

● Sold

**Sold 03/05/2019**

**\$107,000** Studio | 1 ba | -- sqft

1455 Shermer Rd APT 505C, Northbrook, IL 60062

● Sold

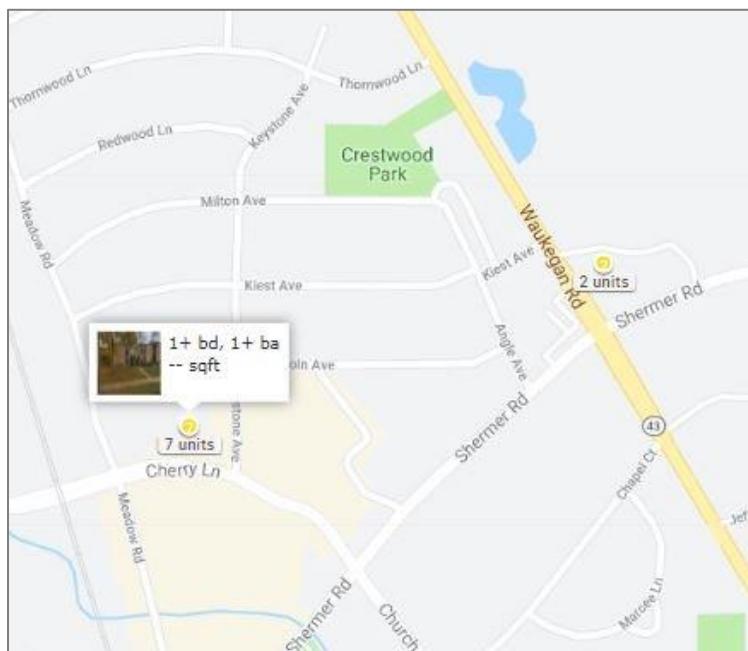
**Sold 02/27/2019**

**\$107,000** Studio | 1 ba | 656 sqft

1455 Shermer Rd APT 505C, Northbrook, IL 60062

● Sold

## Neighborhood: Central Northbrook - Cherry Lane Condos



15 results Sort by: Homes for You

**Sold 02/15/2019**  Heart

**\$128,000** -- bds | -- ba | -- sqft  
1960 Cherry Ln APT 301, Northbrook, IL 60062  
● Sold

**Sold 02/01/2019**  Heart

**\$128,000** 1 bd | 1 ba | -- sqft  
1960 Cherry Ln APT 301, Northbrook, IL 60062  
● Sold

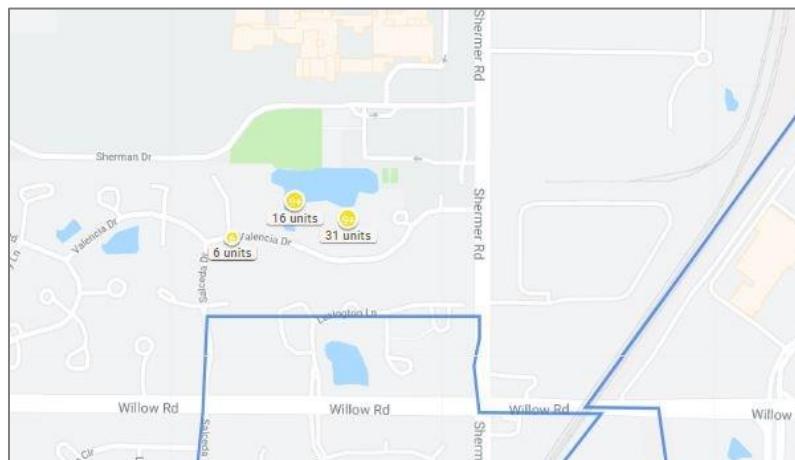
**Sold 08/01/2018**  Save Heart

**\$102,000** -- bds | -- ba | -- sqft  
1940 Cherry Ln APT 113, Northbrook, IL 60062  
● Sold

**Sold 07/02/2018**  Heart

**\$104,000** -- bds | -- ba | -- sqft  
1940 Cherry Ln APT 311, Northbrook, IL 60062  
● Sold

## Neighborhood: La Salceda Del Norte – South Shermer Road



**Sold 06/13/2019**

**\$135,000** 1 bd | 1 ba | -- sqft  
2005 Valencia Dr APT 110D, Northbrook, IL 6...  
● Sold

**Sold 06/06/2019**

**\$185,000** 2 bds | 2 ba | 1,240 sqft  
2005 Valencia Dr APT 202D, Northbrook, IL 6...  
● Sold

**Sold 05/03/2019**

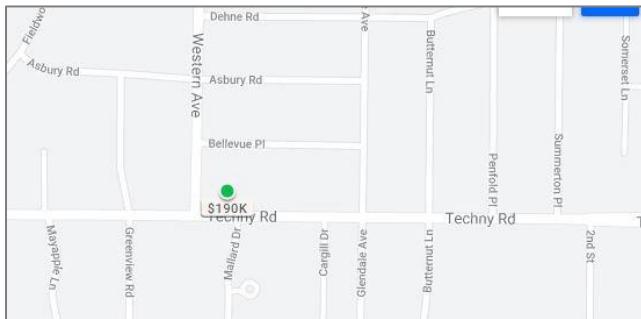
**\$140,000** 1 bd | 1 ba | 900 sqft  
2050 Valencia Dr APT 207C, Northbrook, IL 6...  
● Sold

**Sold 04/24/2019**

**\$110,000** 1 bd | 1 ba | 900 sqft  
2050 Valencia Dr APT 210C, Northbrook, IL 6...  
● Sold

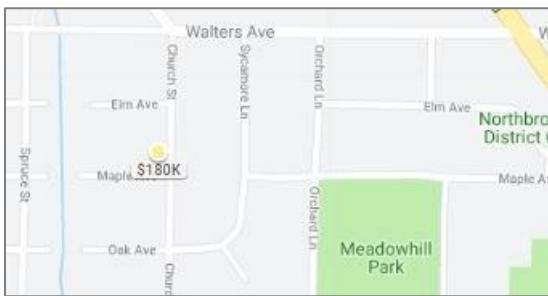
# Single Family Sales Less than \$190,000

## Property: 2372 Techny Road



**\$190,000** 2 bds | 1 ba | 1,048 sqft  
2372 Techny Rd, Northbrook, IL 60062  
● Sold

## Property: 1704 Maple Ave.



**\$179,500** 3 bds | 2 ba | 1,336 sqft  
1704 Maple Ave, Northbrook, IL 60062  
● Sold

## Northbrook Affordable Rentals

Village staff performed research on available rentals in the Village that may qualify as affordable based on the IHDA standards listed below.

<b>Affordable Rental Units For Chicago Metro Area (Cook, DuPage, Kane, Lake, McHenry, Will Counties)</b>						
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
<b>2018 Affordable Rent Limits for HH @ 60% AMI</b>	<b>\$889</b>	<b>\$952</b>	<b>\$1,143</b>	<b>\$1,320</b>	<b>\$1,475</b>	<b>\$1,625</b>

*Please Note: The above chart uses 2017 rental limits. Municipalities must make sure they are using the most current rental limits (available on IHDA's website: [www.ihda.org](http://www.ihda.org)).*

We know that all 118 units within the Village-owned Crestwood Place apartments qualify as affordable. The 118 apartments consist of:

- one studio unit,
- 114 one bedroom units (600 square feet/unit) and
- three 2 bedroom units (700 square feet/unit).

On May 1, 2019 a 5% rent increase was implemented. This was the first rental rate increase since 2005. The current rent structure within Crestwood Place is as follows:

- \$428 for the studio.
- 571.00 - \$634.00 for the one bedroom units.
- \$710.00 for the two bedroom units

Crestwood Place has been fully occupied for the last four years. There is currently (August 2019) a waiting list of 61 individuals hoping to occupy a unit as they become available. The Village has a four-tiered priority system

- Priority 1 (Northbrook residents): 10 on wait list
- Priority 2 (Retired Village employees): 3 on wait list
- Priority 3 (Non-residents who have children living in Northbrook): 16 on wait list
- Priority 4 (All others): 32 on wait list.

Reviewing online resources, we could not identify any **available** rental units in the Village of Northbrook that met the IDHA standards for affordability. The two lowest cost rental units we were able to identify were \$1,050/month and \$1,150/month. **Both were one bedroom units that exceeded the \$952/month affordability threshold.** Details of the two one bedroom units currently available for rent are shown on the following page.

## Lowest Priced Available Rental Units Identified

1455 Shermer Rd

1455 Shermer Rd, Northbrook, IL 60062 – Far North Suburban ... 

Studio \$1,050  Avoid Scams

Condos / Illinois / Northbrook / 1455 Shermer Rd  Today



Beds	Baths	Rent	Deposit	Sq Ft	Available
Studio	1 Bath	\$1,050	\$1,100		Available Now



FOR RENT  Save  Share 

1940 Cherry Ln #311     \$1,150/mo

Northbrook, IL 60062

1 Bed 1 Bath

 Contact This Property  
Darin Marcus  
(224) 221-7170

# Affordable Housing “Toolbox”

There are a wide variety of tools available to promote the maintenance and construction of affordable housing units within a community. A number of the tools available were outlined in the Northbrook Affordable Housing Plan and several have already been implemented in one form or another in the Village. The tools can be divided into the following general categories:

- ✓ Requirements to Provide Affordable Housing in New Developments
- ✓ Development Incentives to Promote the Construction of New Affordable Housing
- ✓ Tools for Protecting Existing Affordable Housing Stock
- ✓ Financial Incentives for Promoting Affordable Housing
- ✓ Emerging Tools for Introducing Affordable Housing Units

## Mandatory Requirements to Provide or Help Pay for Affordable Housing

### Inclusionary Zoning Requirements

Inclusionary zoning is a tool that stipulates that new residential development in certain designated areas or zoning districts **must include some proportion or number of affordable housing units**, or meet some type of alternative compliance. In order to ensure that costs are offset, jurisdictions often increase the development rights (i.e., density) of a proposed project. Inclusionary zoning programs typically require that the affordable housing units remain “affordable” for a pre-established period of time – say 30 to 50 years.

Nationally, mandatory inclusionary housing policies are most prevalent in areas with the highest housing prices. The map below depicts the areas in the United States having the greatest concentration of inclusionary zoning policies in place.

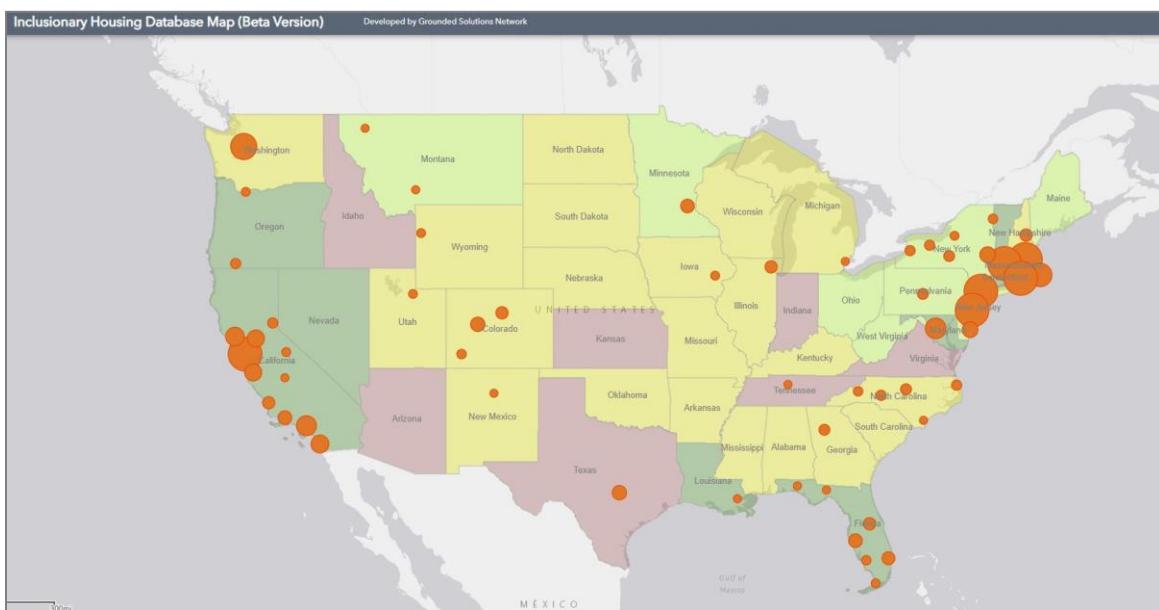


Figure 14: Areas Having Inclusionary Zoning Policies

Affordability covenants can be incorporated into affordable housing projects to limit the resale price of ownership units or tie rents to established income thresholds to maintain the affordability of the units, either for a set period of time or in perpetuity. These controls can be set up through regulatory agreements, deed or mortgage restrictions, options or other legal agreements.

Deed- or title-based price controls use income-based restrictions and other qualifications (e.g., household size, employment status) to preserve affordable housing.

- In owner-occupied housing, price controls ensure that when a unit is put back on the market, it remains at a price attainable to low-income families. The equity the owner has in the home is limited, thus constraining the return the owner can receive when the home is sold, but conditions in the deed generally ensure that the owner receives some profit.
- In rental buildings, price controls set rent limits to a percentage of median income for a particular household size.

Factors to consider with an inclusionary zoning requirement:

- What percentage of units must be affordable – typically between 10% and 25%
- Can affordable units be provided off-site?
- Can a portion or all of the requirement be satisfied by payment of “In-Lieu of” fees?
- How long will affordability covenants be applicable?

#### **Payment of a “Teardown” or Demolition Fee**

Another tool that can be used by a community to help promote affordable housing is the adoption of a special tax or fee for the demolition of residential uses. The theory behind such a fee is that an “affordable” or less expensive housing unit is being lost as a result of the demolition activity. Fees collected typically are placed in a municipal fund to pay for housing initiatives or given to a Community Land Trust.

## **Incentives for Development of Affordable Units**

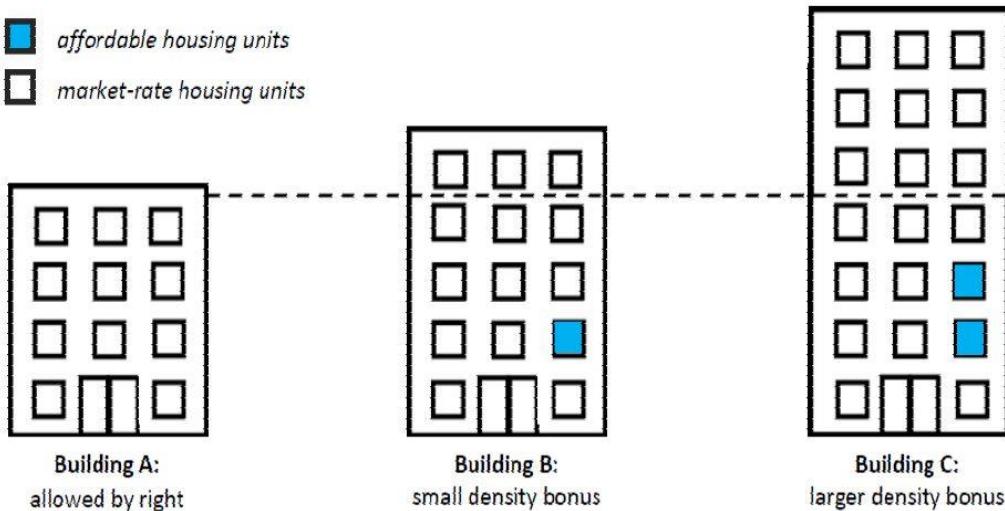
#### **Density Bonuses**

Density bonuses are a zoning tool that permits developers to build more housing units, taller buildings, or more floor space than normally allowed, in exchange for provision of a defined public benefit, such as a specified number or percentage of affordable units included in the development. An affordable housing density bonus program can be designed to allow developers to contribute to a housing fund in lieu of building the affordable units.

Density bonuses provide incentives for specific development types that achieve an agreed upon community vision. This tool can help encourage lower cost market-rate housing in areas with high land costs. Density bonus programs encourage developers to create affordable dwelling units in areas where the local government has identified a shortage of housing affordable to low- and moderate-income households. Density bonuses can also be used to entice development to specific neighborhoods or zones, such as transit-oriented development in station areas or housing in urban centers, or provide amenities, including open space or transit and non-motorized transportation features.

### What is a density bonus?

A density bonus is a zoning tool that allows developers to build larger, often taller, buildings in exchange for providing a specific public benefit, such as affordable housing.



**Figure 15: Example of Density Bonus (Source: Portland Office of Planning and Sustainability)**

### Clustered Development/Mixed Housing Types in a PUD

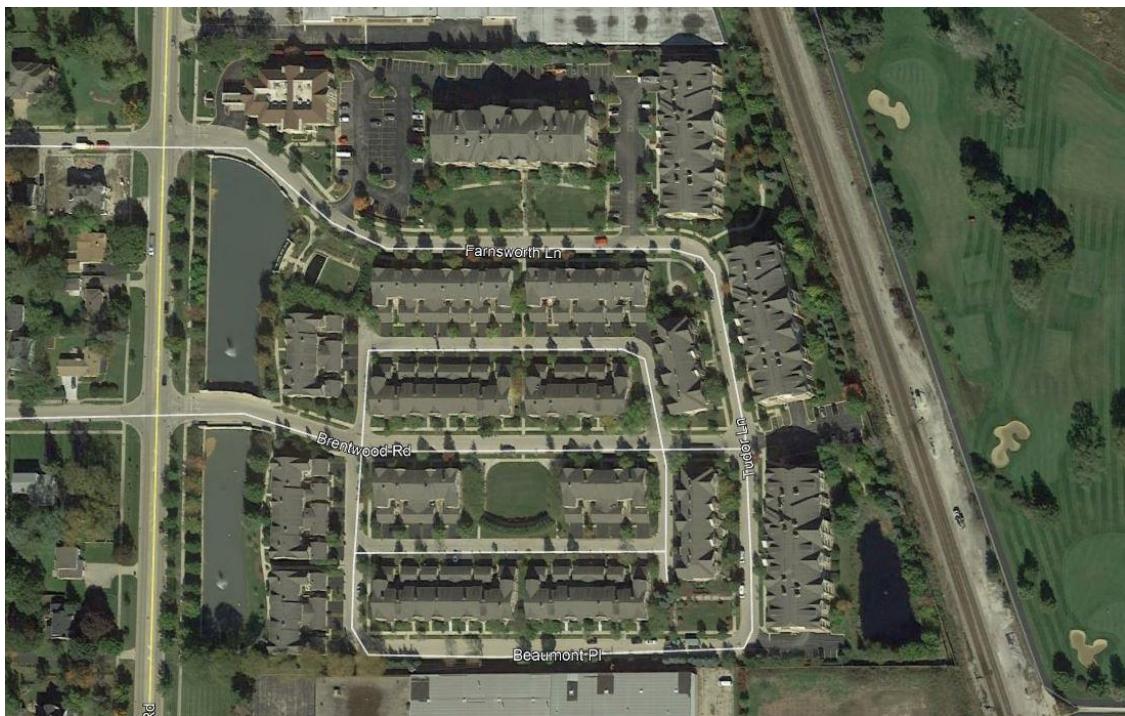
Use of “Clustered” Development in a planned unit development (PUD) allows the introduction of smaller lot sizes or a mix of housing types around green space or other amenities, allowing houses to be closer on one portion of a site to preserve natural features elsewhere. This can increase land use efficiency, lower infrastructure development and maintenance costs, lower site grading and drainage costs, and help preserve open space and natural features. Clustering is often used when a portion of a building site is constrained by sensitive or critical areas or as a rural development technique.

Clustered development can protect environmentally sensitive areas by focusing development in one location while preserving open space. Clustered development can provide benefits in addition to land conservation. The smaller, denser home sites can introduce different housing types into areas dominated by large-lot single family development. In areas with high land values, a smaller lot or home with open space owned in common can reduce housing costs. Additionally, cluster development can reduce developer costs. Clustered homes are often grouped around a common space instead of placed in rows along roadways, saving on infrastructure costs. Developer savings can be passed on to residents, increasing the affordability of these units.

Local examples of planned developments that incorporate a mix of housing types include Ancient Tree and Shermer Place (shown in the images on the following page).



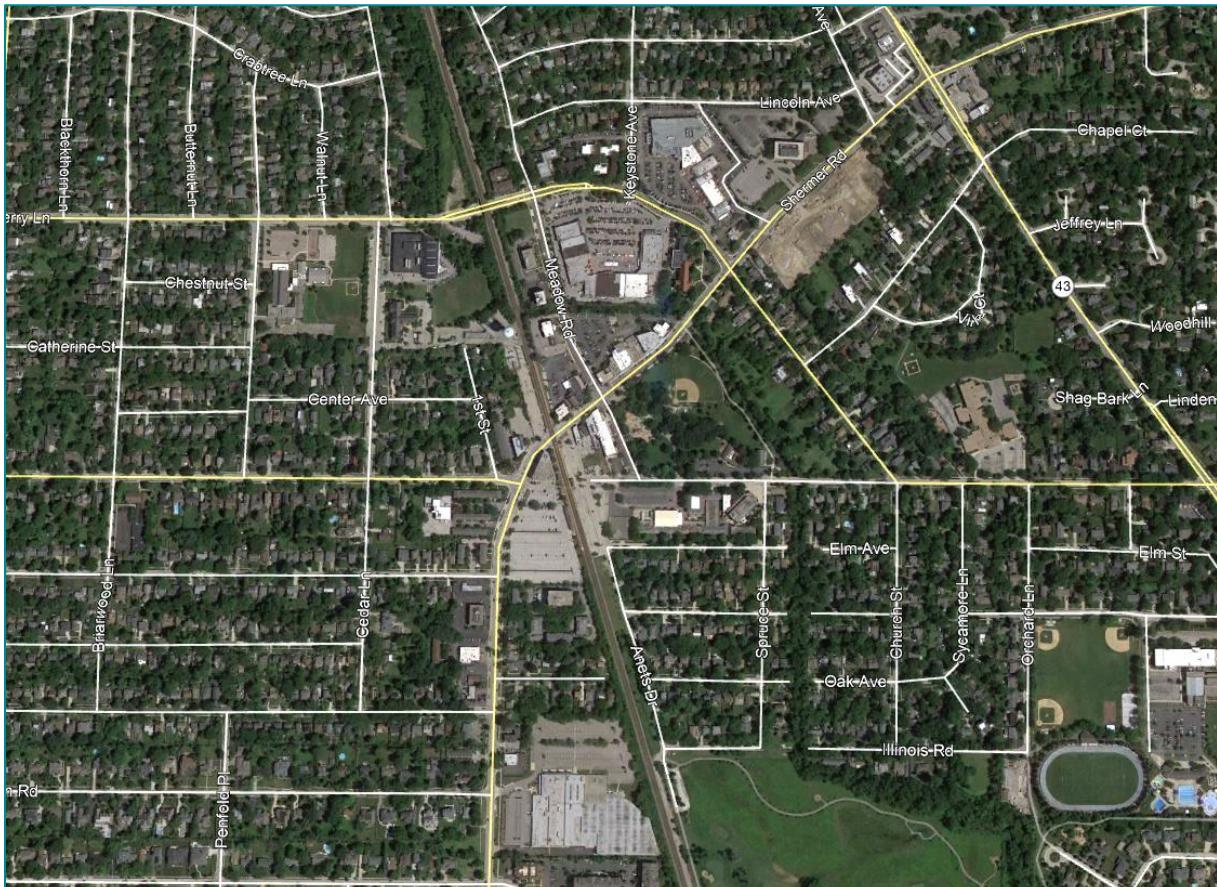
**Figure 16: Ancient Tree development incorporates a mix of housing types**



**Figure 17: Shermer Place also includes a mix of different Multi-Family Housing Types**

## **Transit-Oriented Developments - Reduced Parking Standards**

Another incentive that can be offered to promote affordable housing is to reduce the number of off-street parking spaces required for affordable units. This can be an effective option, particularly if the affordable units are constructed near mass transit facilities, such as the Metra station in downtown Northbrook. Residents near transit are less likely to need automobiles and avoiding the expense of constructing either surface or structured parking can represent a significant cost reduction for a developer. It can also free up land for the construction of additional housing units.



**Figure 18: Downtown Northbrook's Transit Options Provide Opportunities for Reduced Parking**

## **Financial Incentives to Promote Affordable Housing**

**Tax Increment Financing (TIF) Districts** – TIF Districts can be established by municipalities for areas designated as conservation or blighted areas. Under the State's TIF law, when a municipality creates a TIF district, the amount of tax revenue the area currently generates is set as a baseline, which will serve as the amount that the local governmental taxing bodies will receive from that area for the life of the TIF, which is 23 years. As vacant and dilapidated properties are revitalized through development with TIF assistance, the value and tax revenue from those properties increases. The "increment" above the baseline is then captured and used solely for improvements and redevelopment activities in that TIF district.

### **Permit Fee Waivers or Reductions**

Costs associated with the development process, such as impact fees and building permit fees, can be reduced or eliminated to encourage selected types of development. For example, jurisdictions may enact measures to reduce or waive such fees for projects that include a percentage or number of affordable housing units.

Both permit fees and impact fees can represent significant costs to a developer. Permit fees are used to defray the cost of Village staff time associated with the review of plans and inspection of improvements.

Impact fees, established in the Northbrook Subdivision & Development Code, can be even higher than permit fees and are designed to help offset upfront costs associated with accommodating new patrons to parks and libraries, and students at public schools. The current schedule of impact fees is shown below.

	Village of Northbrook								
	Park, School & Library Impact Fees								
	for New Subdivisions & Developments								
	5 BR	Single Family Detached			2-Family & Townhome		Condominium/Apartment		
		4 BR	3 BR	2 BR	4 BR	3 BR	3 BR	2 BR	1 BR
Northbrook Park District	\$ 9,425.00	\$ 9,410.00	\$ 7,222.50	\$ 5,042.50	\$ 7,862.50	\$ 5,980.00	\$ 7,632.50	\$ 4,785.00	\$ 4,395.00
Elementary School District	\$ 4,612.22	\$ 6,440.00	\$ 4,215.56	\$ 1,431.11	\$ 3,702.22	\$ 2,271.11	\$ 2,776.67	\$ 995.56	\$ 23.33
High School District	\$ 4,125.00	\$ 4,950.00	\$ 2,530.00	\$ 275.00	\$ 2,378.75	\$ 811.25	\$ 1,622.50	\$ 632.50	\$ 13.75
Northbrook Public Library	\$ 378.24	\$ 377.64	\$ 289.85	\$ 202.37	\$ 315.54	\$ 239.99	\$ 306.31	\$ 192.03	\$ 176.38

Note: Impact fees are paid on the net increase in the number of lots as a result of the subdivision.

### **Municipal Partnership to Construct Affordable Housing Units**

Municipalities can utilize public-private partnerships to develop affordable housing. Such a partnership could take several forms:

- Donation (or sale at a below market price) of a municipally-owned property to an affordable housing developer.
- Direct subsidy of a development to help underwrite the “gap” between what can be accomplished solely with private funds.
- Low interest loans to developers of affordable units to make a project financially feasible.

### **Employer Assisted Housing (EAH)**

There are a number of programs that encourage both public and private employers to invest in housing for their employees. An EAH program typically includes counseling about home buying and financing, direct financial assistance with closing costs and down payments, and rental subsidies.

### **Property Tax Incentives**

The Cook County Class 9 Property Tax Incentive offers a 50% reduction in assessments and taxes to developers who complete major rehab on multifamily buildings and keep rent below certain levels. The incentive encourages new development, rehabilitation and long-term preservation of multi-family rental housing, affordable to low- and moderate-income households across Cook County by providing significant tax abatement to qualified properties.

### **Expedited Plan Review or Entitlement Processing**

Some communities offer time as an incentive – guaranteeing that permits and public hearings involving affordable housing units will have significantly reduced turnaround times. In other words, these types of permits get to go “to the front of the line” for review and processing as soon as they are filed. This can save several weeks for each permit.

## **Protecting Existing Affordable Housing Supply**

### **Illinois Affordable Housing Rehabilitation Act**

This act, based on 1987 Illinois legislation, permits a not-for-profit organization in the state to petition for the temporary possession of certain abandoned residential property for use as rental property for moderate- and low-income persons and families. It provides for the contents of the petition, process and submission of rehabilitation plans and for compensation to the not-for-profit organization if the owner is restored to possession of the property.

This program can be used in concert with municipal code enforcement activities by identifying an abandoned property that would otherwise evolve into a nuisance, resulting in the need to demolish the home – losing the affordable unit.

### **Purchase Existing Affordable Units to Maintain Housing Stock;**

Municipalities can use funds (particularly those generated by demolition fees or “fee in lieu” payments made to acquire lower cost housing units as they become available in the community. Often times, the ownership of the unit can be held by a Community Land Trust and then rented out at affordable rates. The units can also be sold with covenants limiting the future sales price, ensuring that if/when the unit is sold, it remains affordable for the next purchaser (while allowing some appreciation in price over time).

### **Homeowner Repair/Rehabilitation Assistance**

Local program can also be established to provide either direct grants or no/low interest loans to needy individuals who do not have the financial means to make necessary repairs to their homes. Offering this assistance could provide a needy family with the means to remain in their home and not have to move out of the community – or need to sell a property that would likely become a candidate for a future teardown. This represents another opportunity to use fees collected by a demolition tax or fee in lieu payments.

### **Home Sharing; “In-Law Suites” and Definition of “Family”**

Generations ago, it was very common for a family to rent out an extra room in their home to individuals looking for an inexpensive room to rent. The concept of sharing a home is becoming increasingly popular again as homeowners look for new income streams to allow them to remain in an existing home. The practice is particularly popular for “empty nesters”. It was also very common for a family to have other relatives live in the same dwelling, whether it be parents, an uncle or cousin. These practices tended to disappear in the suburbs following World War 2.

The practice of having one dwelling accommodate multiple generations and extended families is reemerging in Northbrook. We are also seeing more frequent requests for a basement or other section of a home to be set aside as an “in-law suite”, where grandparents of children may live (sometimes for just part of the year).

Zoning regulations typically include limitations on how many unrelated individuals can reside in a single “dwelling”. Communities also typically restrict how many “kitchens” a dwelling can have in order to

prevent a single family home from becoming a multi-family dwelling. Existing zoning and building standards need to be revisited if a community wishes to be more open to these emerging living models

## Emerging Methods

### Promoting Small Houses (“Cottage Zoning”)

Cottage housing developments are groupings of small, attached or detached single family dwelling units, often oriented around a common open space area, and developed with a coherent plan for the entire site. Cottage housing is typically built as infill development in established residential zones and can provide increased density, diversity and a slightly more affordable alternative to traditional detached single family housing.

Cottage housing is effective in medium to higher density single family areas, especially those with larger vacant or redevelopment properties or in neighborhoods built well below maximum density.

Households that locate in cottage housing tend to be demographically different than those seeking traditional single family homes (e.g., smaller households, fewer children, fewer cars), and this is important to consider when crafting a cottage housing ordinance. Consider parking reductions, especially in areas with good transit access. Other issues to address in the ordinance include: density (using FAR instead of dwelling units per acre may be more appropriate), setback and lot size requirement exemptions, and common area/green space requirements.

Although cottage homes are smaller units, they may not necessarily be less expensive for the developer to construct. Common ownership of open space or single ownership of smaller lots may make the units more affordable in markets with high land values. Combining incentives like density bonuses with this strategy may also be helpful in making the homes affordable to lower income households.



*Figure 19: Example of a Cottage Court Development - Smaller/Less Expensive homes*

### **Accessory Dwelling Units**

An accessory dwelling unit (ADU) is a small, self-contained residential unit built on the same lot as an existing single family home. ADUs may be built within a primary residence (e.g., basement unit) or detached from the primary residence. They can be an effective way to add variety and affordable rental housing stock to existing single family neighborhoods.

Accessory dwelling units are a way to create infill housing and add density to single family neighborhoods without compromising the character or design of a community. ADUs can help jurisdictions achieve housing goals by providing density with an alternative approach to apartment complexes.

Accessory dwelling units add variety and housing choice in single family neighborhoods. Units are generally smaller than traditional single family homes. In addition to adding different sizes and forms of housing, ADUs can also add rental opportunities to largely owner-occupied neighborhoods. ADUs can be a great option for allowing residents to age in place or live with or near family and caregivers, providing a flexible way to address family needs for additional housing.

In expensive single family dominated areas, accessory dwelling units can also provide affordable housing choices. Most communities require an ADU to be smaller than the primary home on the property, and the smaller size can reduce the rental price of the unit.

Monthly rent of the unit would likely be lower than a mortgage payment for a house in the same neighborhood. Residents would likely not bear the maintenance and other costs associated with owning a home. Depending on how the ADU is constructed, residents may be able to share utility costs with the primary residence. For homeowners, an ADU can be an additional source of income for property owners, offsetting the cost of home ownership.

Accessory dwelling units are excellent tools for adding housing choices in centrally located residential zones. Encouraging units in neighborhoods near transit, shopping and other amenities can provide additional affordability and convenience from reduced transportation costs.



***Figure 20: Example of a Detached Accessory Dwelling Unit (ADU)***

## Summary

There are a wide range of tools available to communities that wish to be proactive in maintaining or increasing the supply of affordable housing. A comprehensive strategy for affordable housing should look at:

- the current needs of the community,
- emerging trends that are impacting housing choices, and
- development opportunities that are available for providing an increased supply of affordable housing.

Tools should be selected that best match local needs and conditions.

The Village of Northbrook is fortunate to have high quality residential neighborhoods, great schools and parks, and nearby transportation and employment options. All of these make Northbrook a highly desirable community. Our challenge is to select and implement a set of affordable housing measures that maintains the best of Northbrook while ensuring that the community evolves to meet the changing needs of our residents, businesses and other stakeholders.