



Just the Facts: Lewis Road Property Donation for Affordable Housing

Updated July 10, 2020

Note: *Please keep in mind that a development application has not been filed with the City. As such, any answers provided below relating to a specific development may change depending upon what is filed, what is discussed during the public hearing process, and all other processes prior to the approval of any development project.*

With the May 4, 2020, City Council meeting canceled, will this item come back to the City Council for consideration, and if so, when?

On Monday, July 13, 2020, at a Special City Council meeting, the City Council will consider a resolution authorizing the sale of publicly-owned surplus property (Lewis Road parcel) to the Burton Foundation.

Please note due to guidelines under Phase 4 of the Governor's "Restore Illinois" plan, the ability to physically attend the meeting may be limited or restricted. Please see the [agenda](#) for more information.

When did the City declare the Lewis Road parcel surplus and decide to make the property available for affordable housing?

Resolution 2005-33 – The City Council declared its intention to transfer the Lewis Road site property from the Water Fund to the City's General Fund as a possible site for affordable senior housing or other corporate purpose, as may be determined by the corporate authorities of the City.

Resolution No. 2013-128 – The corporate authorities declared the parcel surplus and authorized advertisement for proposals for the sale and purchase of said property including monetary and in-kind considerations, received as a result of the solicitation for proposal.

On Nov. 18, 2019, the City passed Resolution 2019-97 reconfirming the determination from 2013 and authorized the City Administrator to advertise and negotiate any proposals for the purchase of the property, including monetary and in-kind considerations, subject to acceptance of any contract proposal by the City Council. The Resolution further stated that "Contract proposals that

proffer an ‘affordable housing’ project are encouraged and will be evaluated as a City preference.”

A Notice of Sale was published and posted on the City’s website requesting proposals for the property by Dec. 4, 2019.

How many proposals did the City receive for the Lewis Road property?

In 2013, no proposals were received.

In 2019, the Burton Foundation was the only proposal received for the property.

What is the timeline regarding the City’s approval of incentives for the creation of affordable housing?

May 2007 – City adopts [Strategic Plan for 2017](#) including a goal to “evaluate and identify opportunities to create affordable/attainable housing.”

April 2014 – City adopts an updated [Strategic Plan](#) with a goal to “analyze local and state resources to support affordable/attainable housing development.”

October 2014 – Resolution 2014-76 adopted the “Homes for a Changing Region” plan including an affordable housing plan.

October 2015 – Resolution 2015-102 amended the Map of Lands and Structures appropriate for affordable housing.

October 2018 – City adopts updated [Strategic Plan – Geneva 2025](#) with objectives relating to supporting new housing opportunities and changes that may allow for a greater diversity of housing.

November 2018 – The City Council prioritized the Strategic Plan to include an action item to hold a study session with the City Council and stakeholders to discuss affordable housing under:

- Economic Vitality, Objective I – Maintain an economically healthy population through the support of new housing opportunities and changes that may allow for a greater diversity of housing.
- Quality of Life, Objective III - Geneva is recognized as an inclusive community that is welcoming to all people of all ages, backgrounds, and ethnicities.

June 2019 – The City Council held a Special Committee of the Whole (policy discussion) on [Affordable Housing Strategies](#) including a discussion on property contribution.

August 2019 – The City Council Committee of the Whole directed staff to initiate amendments to the Geneva Municipal Code to provide incentives for the creation of affordable housing.

December 2019 – A public hearing was held by the City’s Planning and Zoning Commission to consider proposed text amendments to the Geneva Municipal Code related to incentives for the creation of affordable housing within Geneva. The Planning and Zoning Commission unanimously recommended approval of the proposed text amendments to the Geneva Municipal Code to the City Council for their consideration.

January 2020 – The City Council unanimously passed Ordinance 2020-06 amending the Geneva Municipal Code related to incentives for the creation of affordable housing including the ability for the City Council to donate property to a development containing affordable housing.

Does “affordable housing” mean subsidized housing?

Affordable housing and subsidized housing are not synonyms, neither are affordable housing and Section 8 housing. The proposed affordable housing project is simply income-qualified housing. To qualify, tenants must make 60% or less than the area median income. For some units, tenants may qualify if they earn up to 80% of the area median income. Subsidized housing refers to the Housing Choice Voucher Program (still commonly referred to as Section 8). Although the project proposed is income-qualified affordable housing, it does not preclude the use of housing vouchers. If a tenant can demonstrate they meet the income requirements with a voucher, the Burton Foundation cannot turn them away.

What are the public notification requirements for the City Council to consider the donation of property?

The sale or donation of property does not require a public hearing but does require action by the City Council at a public meeting. Agendas for City Council meetings are required to be posted at least 48 hours in advance of the meeting.

Does the donation of land require a 2/3 majority vote of the Corporate Authorities?

No, because the City is not selling the relevant real estate. Rather, pursuant to 47 Ill. Adm. Code 355.311, the City of Geneva is donating the property at issue specifically for affordable housing. This provision does not identify any specific vote requirement, heightened or otherwise; meaning the vote threshold defaults to 65 ILCS 5/3.1-40-40. In accordance with that provision, the vote total is “. . . the concurrence of a majority of all members then holding office on the city council, including the mayor, unless otherwise expressly provided by this Code. . .”.

The sale of property of not less than 80% of appraised value requires a 2/3 vote of corporate authorities then holding office.

Do affordable housing developments pay real estate taxes? If so, are affordable housing developments assessed at the same rate as market-rate developments?

Affordable and market-rate developments are taxed at the same rate as determined by the Geneva Township Assessor.

How many residential units are proposed? Are apartments part of the proposed project or just townhomes?

As presented at the concept review, the proposal is for 45 townhome units. No apartments are included.

If constructed, what if a far greater number of applications are received than units available? What is the process for deciding assuming all are eligible under the income guidelines?

The Burton Foundation has stated that applications are dated, time-stamped and considered in order of receipt.

How will the increased stormwater run-off from the development be handled?

The project proposes an on-site detention basin to capture and release stormwater into the City's collection system. A detailed stormwater report will be reviewed for compliance with the Kane County Stormwater Ordinance if the project moves forward.

How many kids is this development expected to generate? How will the schools accommodate new students financially? Will neighboring properties' taxes increase to accommodate new students?

The development is expected to generate approximately 100 students. Geneva Community Unit School District 304 would receive an impact fee of \$66,268.13 to accommodate the new students as well as annual property taxes from the new townhome units.

Does the City Code set maximum occupancy limits for dwelling units?

The City has adopted amendments to the International Property Maintenance Code to include occupancy limits for all dwelling units. Occupancy limits are as follows:

Every room occupied for sleeping purposes by one occupant shall contain at least 100 square feet of floor area and every room occupied for sleeping purposes by more than one person shall contain at least 70 square feet of floor area for each occupant thereof. Up to a maximum of 3 persons.

The City has also established the following minimum occupancy areas:

Space	Minimum Occupancy Area in Square Feet		
	1-2 Occupants	3-5 Occupants	6 Or More Occupants
Living room	120	150	200
Dining room	100	130	175
Kitchen	100	175	175
Bathroom	30	75	100
Bedrooms	Minimum of 100 square feet and 70 square feet person. Maximum of 3 persons per bedroom.		

Will there be an onsite property manager, either living at the property or maintaining an office at the property?

The Burton Foundation has stated that there will be a property manager living on site.

Is the eviction process for affordable housing and market-rate housing the same? Are there additional protections offered to affordable housing residents that would prolong eviction?

The process is the same for both.

What are the lease terms typically offered? One year, several years? Does a resident need to prove income eligibility upon lease renewal?

The Burton Foundation has stated that leases are for one year, and applicants must demonstrate they meet the minimum income requirements upon renewal.

For a non-family co-habitation, for example roommates, does each occupant need to meet the income eligibility or just one of the occupants?

The Burton Foundation has stated that all residents (regardless of relation) over the age of 18 are required to sign the lease, and their income is factored into meeting the eligibility requirements collectively.

Will the City of Geneva require The Burton Foundation own and manage the property for a minimum period of time? Will there be any restrictions on a quick flip?

Prior to issuance of a building permit for any residential development in which affordable units are to be provided, the developer is required to enter into an Affordable Housing Agreement with the City. Said agreement shall set forth the commitments and obligations of the developer.

Has the City ever engaged an independent appraisal of the property?

This City has had the property appraised several times over the years. The most recent appraisal was completed last September by C.A. Bruckner & Associates. The appraisal is available [online](#) along with the notice of sale. The appraised value was \$720,000 with assumed access by the easement across non-City owned property.

Will there be an opportunity for the public to provide input on what may be built in their neighborhood?

Yes. Once a formal application is received for the project, notice will be mailed to all property owners within 500 feet of the subject development. The project would be subject to a public hearing at the Planning and Zoning Commission.

Will we see plans or photos before considering the donation of the property?

The consideration of the donation of the property is separate from a review of the proposed development. The donation of property by the City would enable the project to proceed through the development review process where other items like density, access, architectural renderings, would be considered by both the Planning & Zoning Commission and City Council. Examples of projects by the Burton Foundation are listed on [its website](#). The concept that was presented to the Planning & Zoning Commission is also available in the City's website [Agenda Center](#).

If the City agrees to donate the property, does the City lose any leverage to ensure a compatible development? What if the property is donated, but the project does not move forward?

The proposed Real Estate Purchase Agreement (donation agreement) includes conditions that must be met before closing:

- Purchaser obtains fee title to real property or enters into an unconditional contract to purchase fee title to real property which qualifies as a parcel of real property to provide ingress and egress to the property to a public roadway;
- Purchaser has satisfied all of the conditions under provisions of Title 11, Chapter 9 and Chapter 16 of the Geneva City Code; and

- The Geneva City Council has approved the final planned unit development (PUD) plan and plat for the development of an affordable housing project compatible with the R-7 Residential District and the Sterling Manor Planned Unit Development (Ordinances 91-30 and 2013-13) on the property.

The City shall not be obligated to transfer the property to the Burton Foundation unless the above conditions are met. Further, the agreement contains a “Possibility of Reverter.” The property shall revert to the City on April 21, 2021 (reversion date) unless at any time before the reversion date, the Purchaser has been issued all the required building and stormwater management permits from the City of Geneva or any other applicable governmental authority and has commenced physical construction of an affordable townhome building(s) on the property pursuant to the plans approved by the City of Geneva.

Does this project require the appropriate zoning change hearings and vote as well?

Yes, the project does – but the donation of land does not. As stated in a previous question/response, the Burton Foundation is required to satisfy all of the conditions under provisions of Title 11, Chapter 9 and Chapter 16 of the Geneva City Code and receive approval of a final planned unit development (PUD) plan and plat for an affordable housing project compatible with the R-7 Residential District and the Sterling Manor Planned Unit Development (Ordinances 1991-30 and 2013-13) prior to the land ownership being transferred to the Burton Foundation.

Does the City of Geneva require a completion bond for development projects?

The City requires an approved engineer’s cost estimate for all public improvements and a financial surety equal to 110% of the public improvements.

If this project moves forward, how can residents be notified and stay informed?

Once a formal application for the project has been filed with the City, a mailed notice will be sent to all property owners within 500 feet of the subject development, and the project will be available for viewing on the [City’s website](#). A second notice will be mailed once the date for the public hearing has been scheduled. Additionally, a sign will be placed on the property with flyers, and a notice will be published in the newspaper. Finally, anyone wishing to stay informed is encouraged to sign up for the City’s development project notifications. Simply visit the City’s website at www.geneva.il.us and select the [“Notify Me” feature](#). Provide an email and select “Development Projects” to stay informed and receive updates relating to upcoming projects.