

**MINUTES OF THE JOINT MEETING
OF THE PLAN COMMISSION
AND HUMAN RELATIONS COMMISSION
June 24, 2019**

The joint meeting of the Plan Commission and Human Relations Commission was called to order by Plan Commission Chairman Mark Moore at 7:06 p.m. at the Village Hall.

Members present: Chairman Mark Moore, Amy Flores, Walter Oakley, Richard Pyter, Kurt Schultz, and Eric Steffe.

Members absent: Matthew Krummick.

A quorum was established.

Human Relations Commission members present: Tom Gore, Wolfgang Josenhans, Andy Robinson, Sharon Starr, and David Young.

Village Staff present: John Spoden, Director of Community Development; and David Smith, Senior Planner.

Commissioner Oakley moved, seconded by Commissioner Flores, to approve the June 10, 2019, Plan Commission meeting minutes.

Motion carried 6 - 0.

OLD BUSINESS: None.

NEW BUSINESS: None.

WORKSHOP - AFFORDABLE HOUSING DISCUSSION:

John Spoden, Director of Community Development, introduced the Human Relations Commission (HRC) to the Plan Commission. Mr. Spoden discussed the role of the HRC as it relates to making a recommendation on Affordable Housing regulations to the Plan Commission. The Plan Commission would then make a recommendation up to the Village Board. Mr. Spoden stated that the intent is to address the housing needs for the moderate income households such as the employees that belong to the nurses and other service staff at Advocate Condell, police and fire department personnel, or others who work in the community, but cannot afford to live in the community.

Mr. Spoden stated that the State of Illinois recognized this gap in affordable housing in 2003 when they adopted a law that stated that every municipality in the State of Illinois is required to provide at least 10% of the their total housing stock as affordable. He stated that the role of the Human Relations Commission and the Plan Commission is to determine if the Village needs to move forward with a formal Affordable Housing Plan and a formal Affordable Housing Ordinance. He stated that the Village currently has 15% of its housing stock at affordable rates and is not required at this point and time to adopt an ordinance. He stated that Staff is

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recommending that the Village be proactive and address affordable housing needs in the community even if it is not yet required by the State of Illinois.

Mr. Spoden stated that the Human Relations may invite outside consultants to their scheduled meetings in order to enhance the HRC's endeavor to make the proper recommendations on affordable housing to the Plan Commission and Village Board. He stated that the Community Partners for Affordable Housing is located in Libertyville and can be an invaluable resource during the Village's endeavor to create the framework for an affordable housing plan and ordinance.

David Smith, Senior Planner, introduced the Affordable Housing Planning and Appeal Act created by the State of Illinois in 2003. Mr. Smith stated that the Act requires that local governments with less than 10% of their housing stock as affordable to adopt an Affordable Housing Plan. Mr. Smith stated the Illinois Housing Development Authority's definition of Affordable Housing which is "having a sales price or rental amount that is within the means of a household that may occupy moderate-income or low-income housing." Mr. Smith stated that Affordable Housing is "housing units for sale in which mortgage, amortization, taxes, insurance and condominium or association fees constitute no more than 30% of the gross annual household income for a household of the size that may occupy the dwelling unit." Mr. Smith stated that Affordable Housing is "housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household annual income for household size that may occupy the unit."

Mr. Smith stated that the Illinois Housing Development Authority (IHDA) has been charged with determining which local governments are exempt from the Act. He stated that the Libertyville affordable housing stock is at approximately 15.4% making the Village currently exempt, but is considered a community of interest as it is below 20%.

Mr. Smith highlighted three properties in Libertyville by which some form of Affordable Housing was incorporated into each development. He stated that these were accomplished without an Ordinance but were part of Planned Developments. The three developments included School Street, Manchester Square, and Parkside of Libertyville.

Mr. Smith highlighted two developments in Highland Park that incorporated affordable housing into their developments. They include Sunset Woods and the Frank B. Peers Building.

Mr. Smith introduced the essential components of a proposed draft for Inclusionary Housing Requirements for the Village of Libertyville. These components include how a Covered Development Project would be defined that would be required to incorporate affordable housing, what the minimum Percentage of Affordable Housing Units should be in a covered development which is recommended to be 15%. The draft ordinance includes a provision for Development Cost Off-Sets that can be used to financially support the developer who may be required to provide a percentage of dwelling units as affordable. The draft ordinance includes a provision to grant dwelling density bonuses. The draft ordinance proposes a requirement to integrate the affordable housing units to with market rate units in a concurrent manner during a project's development.

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Mr. Smith stated that the draft ordinance discusses alternatives to On-Site Affordable Housing Units such as a Pay a Fee in Lieu of incorporating affordable dwelling units in a development.

Mr. Smith stated that the draft ordinance outlines Target Income Levels for Affordable Housing Units, Eligibility of Households, the time Period of Affordability that a development can require affordable price points or rental rates, and Preservation of Affordability and Restrictions on Resale.

Mr. Smith stated that it is important that a developer's application for a residential development incorporates how they are addressing all of the requirements of the Inclusionary Housing ordinance.

Mr. Smith distributed the Illinois Housing Development Authority (IHDA) 2018 Owner-Occupied and Rental Unit Affordability Charts to the HPC and PC. He stated that these charts reflect what price points or rental rates are affordable for low to moderate income households.

Commissioner Andy Robinson asked for clarification as to how the area is identified when determining the Area Median Income.

Mr. Smith stated that the IHDA affordability charts reflect the Chicago area (MSA) which includes the six county Chicago Metropolitan Statistical Area but that the HPC and PC can make that a narrower area if appropriate when determining the area median income.

Mr. Smith stated that Staff has requested that Community Partners for Affordable Housing review the Village's draft Inclusionary Housing Ordinance and offer their expert opinion and feedback on the draft.

Commissioner Sharon Starr asked for clarification what the Human Relations Commission function will be as it relates the development of the Inclusionary Housing Ordinance.

Mr. Smith stated that the ordinance is currently drafted but will be submitted to the HRC for review and recommendation up to the Plan Commission.

Commissioner Flores stated that she did not know what the appropriate size should be for affordable dwelling units.

Mr. Smith stated that the proposed ordinance incorporates minimum requirements for size of affordable units in square footage and minimum requirements for construction materials that may help to off-set the cost of construction for a developer but still be a level of quality that will enable affordable dwelling units to blend in with the market rate units.

Barbara Shafer expressed concerns about the contracted length of time that a development of protected affordable dwelling units could remain affordable. She expressed concerns regarding the enforceability of rent payments for the affordable units.

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Commissioner Flores expressed concerns regarding the household in an affordable dwelling unit no longer qualifies to reside in an affordable unit due to a change in their household income status. She stated that the goal is for a household who has a financial need for affordable housing to transition out to a market rate residence as a result of improvements with their household income status.

Commissioner Steffe stated that there should be prohibitions put in place on subleasing property if it is intended to be an affordable dwelling unit.

Chairman Moore stated that this is a great start and that they look forward to the next step.

Ashley Engelmann stated that the Human Relations Commission will continue to meet and get acclimated to their duties and roles as well as begin to breakdown and review the proposed draft Inclusionary Housing Ordinance to better understand it and ultimately be in a position to give a recommendation to the Plan Commission.

Ms. Engelmann stated that the current plan is for the HRC to meet once a month. She stated that the intent is to continue to have joint meetings between the HRC and PC in order for the HRC to update the PC on their work on the Inclusionary Housing Ordinance. She stated that they will continue to keep the Village Attorney informed as the process evolves.

Commissioner Schultz stated that it should be noted that there is a significant difference in the Household Area Median Income of the Chicago MSA and the Libertyville area.

Mr. Smith stated that in light of the differences in the AMI between the Chicago MSA and the Libertyville area that the Village's draft ordinance does not have to necessarily adhere to the IHDA suggested 80% AMI as a qualifying household.

Commissioner Robinson stated that house income floors and ceilings should be established then the ordinance will know which household income levels to target as income qualifying households for Affordable Housing.

STAFF COMMUNICATIONS AND DISCUSSION: None.

Commissioner Schultz moved, seconded by Commissioner Flores, to adjourn the joint meeting Plan Commission and Human Relations Commission.

Motion carried 6 - 0.

Meeting adjourned at 8:06 p.m.