

MINUTES OF THE PLAN COMMISSION
January 14, 2008

A special meeting of the Plan Commission was called to order by Chairman Kurt Hezner at 7:03 p.m. at the Village Hall.

Members present: Chairman Kurt Hezner, William Cotey, Terry Howard, Howard Jaffe, Mark Moore, and Walter Oakley.

Members absent: Andy Robinson.

A quorum was established.

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

Commissioner Moore moved, seconded by Commissioner Howard, to approve the November 12, 2007, Plan Commission meeting minutes.

Motion carried 6 - 0.

OLD BUSINESS:

PC 07-04 Village of Libertyville, Applicant
118 W. Cook Avenue

Request is for amendments to Chapter 26 of the Libertyville Municipal Code.

Mr. John Spoden, Director of Community Development, stated Staff has drafted the Village of Libertyville Affordable Housing Plan. Mr. Spoden stated that in 2003, the State Legislature approved the House Bill 625, also known as the Affordable Housing Planning and Appeal Act (AHPAA). Mr. Spoden stated that this law requires that local governments that do not provide a total of 10% of their housing stock to approve an Affordable Housing Plan. Mr. Spoden stated that the Act has defined Affordable Housing as “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. Spoden stated that in 2004, the Illinois Housing Development Authority (IHDA) submitted a report that indicated the Village of Libertyville was exempt from the requirements of the AHPAA as Libertyville was found to have 12.9% of its total dwelling units listed as affordable. Mr. Spoden stated that in accordance to a report completed by the Metropolitan Mayors Caucus, “Homes for a Changing Region”, it had indicated that the Village’s percentage of dwelling units listed as affordable may be substantially reduced due to recent housing developments and market changes by the time the 2010 Decennial Census is completed.

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Mr. Spoden stated that it is Staff's intent to be responsive to the Comprehensive Plan's charge to "Preserve the Range of Housing Opportunities that Exist" in the Village of Libertyville and be in compliance with the State of Illinois' Affordable Housing Planning and Appeal Act by proactively drafting the attached plan. Mr. Spoden stated that the plan in turn recommends changes to the Zoning Code to implement the plan.

Commissioner Oakley asked who is going to administer the proposed Affordable Housing Plan. He ask how the 15% affordable housing number was decided because the law says 10%.

Mr. Spoden stated that the 15% was mandated by the State of Illinois to be applied to new development as affordable.

Mr. David Pardys, Village Attorney, stated that the Affordable Housing Act mandates that a non-exempt community must come up with an Affordable Housing Plan without requiring implementation. He stated that if such a community does not adopt a plan, there might be some penalty, but the statute is silent regarding penalties. He stated that the Act requires non-exempt communities to have as a goal a total of 10% of all dwelling units in the community to be affordable or that 15% of new dwelling units be affordable.

Commissioner Oakley asked if the Illinois Housing Development Authority (IHDA) is required to approve of the Village's Affordable Housing Plan. Mr. Pardys stated that they do not approve the plans, but the plans are submitted to IHDA. He stated that the IHDA guidelines suggest the use of incentives to encourage affordable housing development. He stated that the Act requires that communities put a plan in place in an attempt to respond to the need of providing more affordable housing not very authoritative in requiring implementation.

Commissioner Oakley asked who would be responsible for administering the Affordable Housing Plan. Mr. Pardys stated that it will be the Village's responsibility to administer the plan once it is implemented.

Commissioner Oakley stated that the Village would then incur the cost of administering the Affordable Housing Program.

Mr. Pardys stated that the Village will administer it and the State will make the determination as to whether the Village remains or becomes exempt or non-exempt.

Commissioner Oakley asked how affordability is determined.

Commissioner Moore stated that information from the Census Bureau will help to determine where the affordable dwelling units are.

Mr. David Smith, Senior Planner, stated that affordability is determined in part from data compiled from the Decennial Census. Mr. Smith stated that Staff does not anticipate being reviewed by State

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for its inventory of affordable dwelling units unit the 2010 census. Mr. Smith stated that the proposed plan is still in its development phase and issues of implementation have not yet been determined. He stated that the proposed Affordable Housing Draft Plan is based upon procedural guidelines provided by IHDA. He stated that the plan contains certain elements that include the Village's number of existing housing stock that meet the affordable definition, the second element is to identify structures or lands in the Village that are appropriate for affordable housing with the intent to mix affordable units with market rate units, the third element is incorporate incentives that the Village of Libertyville may provide in order to attract affordable housing to the Village, and the fourth element is to identify the goals and implementations of the plan. Mr. Smith stated that as a component to the plan, there will be ongoing tracking of affordable dwelling units in the Village.

Chairman Hezner asked how the changing economy will affect the affordable housing stock in the Village. Mr. Spoden stated that the Village's response would be to require 15% of new proposed housing developments of five units or more to be affordable to help gain ground or maintain the affordable housing stock.

Commissioner Howard asked how this proposed plan would affect a development that is similar to the Sherborne Subdivision. Mr. Spoden stated that if this plan were in place, it would be applied to any residential development that would be five units or more. He stated that the intent of the plan is to not create Section 8 or HUD housing developments.

Commissioner Oakley asked who will determine that the plan's true intent to provide affordable housing to Libertyville's firemen and policemen and the people who work in Libertyville and not to Mr. Joe Blow from Los Angeles. Mr. Smith stated that he has reviewed affordable housing plans from other communities where they incorporate certain parameters that allow preference to their municipal employees for affordable dwelling units.

Mr. Spoden stated that a similar requirement was included in the School Street project and the Hummel Group is responsible.

Commissioner Moore stated that there are housing developers that are experts at developing affordable housing developments. He stated that Cambridge Homes is not in the business of affordable housing. He stated that the Village needs to encourage both market rate housing and affordable housing.

Chairman Hezner stated that Highland Park has created a housing fund to enable them to buy the real estate in order to allow affordable housing development.

Mr. Spoden stated that currently consideration is being given to the viability of creating another level of government. He stated that the current effort of developing the proposed Affordable Housing Draft Plan is to avoid the creation of excessive bureaucracy.

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Commissioner Moore stated that if a housing commission is created, then the right people need to be appointed.

Chairman Hezner stated that such a commission is the only way to go or to know who can manage the funds that are used to supplement future affordable housing endeavors, otherwise it will be left up to Staff to administer the program.

Commissioner Oakley stated that the City of Chicago has implemented similar programs.

Commissioner Jaffe stated that there are grants available to help supplement developers who construct affordable housing.

Mr. Spoden stated that within two years the State will direct the Village to produce an Affordable Housing Plan. He stated that the draft plan before the Plan Commission now is an effort to be proactive in response the State's impending requirements for an Affordable Housing Plan.

Chairman Hezner stated that Staff still has not yet explained how the plan will be implemented.

Mr. Smith stated that the implementation strategies are still being studied by Staff, but implementation could include the 15% affordable units required with new residential developments and that those units are encumbered with deed restrictions to keep them affordable in perpetuity or for extended periods of time.

Commissioner Moore asked if this should be a Village Board Committee of the Whole topic. Mr. Spoden stated Staff is updating the Zoning Code to include an Inclusionary Housing as a Staff recommendation to the Plan Commission and then the Plan Commission can make their recommendation up to the Village Board.

Commissioner Moore stated that he is willing to look at the Zoning Code changes relative to Inclusionary Housing, but is uncertain as to how the Plan Commission should be responding to the draft Affordable Housing Plan and its implementation language.

Mr. Spoden stated that it is important to get a draft plan before the Plan Commission now to begin the discussions. He stated that there are some administration issues that will be associated with this draft plan, but it is important to begin the discussions now. He stated that one of several implementation strategies could be to require a developer to provide a minimum of 15% of their total number of dwelling units to be affordable and then for the Village to waive certain permit fees.

Chairman Hezner stated that it may require a development agreement with the developer. He stated that in Highland Park, they require the developer to designate certain units that are to be affordable in an older building that might be subject to conversion from rental property to condominium property. He stated that Highland Park requires a pay fees in lieu of affordable housing units if the

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development is new. He stated that the administration of the Libertyville Affordable Housing Plan is important.

Commissioner Moore stated that there may be an economic impact on the sites that are designated as potential sites for the development of affordable housing.

Commissioner Oakley asked if the 15% applies to rental units or owner occupied units. Mr. Spoden stated that it is across all dwelling unit types.

Commissioner Oakley stated that he is concerned about seeing Condell Medical Center building a 10 story building with rental units.

Mr. Pardys stated that there are different formulas for calculating affordability.

Chairman Hezner stated that Highland Park has a successful program and other communities may not have a successful program. He stated that the implementation needs to be carefully planned.

Mr. Spoden stated that the Village is not looking to create an affordable housing development, but to mix in affordable units with market rate units.

Commissioner Oakley stated that he is concerned about the potential creation of more bureaucracy.

Chairman Hezner stated that it may be difficult to avoid the necessity of the appointment of a Housing Commission or the creation of a Housing Trust Fund. He asked Mr. Spoden what he was requesting of the Plan Commission for this evening. Mr. Spoden stated that the draft Affordable Housing Plan is being presented for discussion purposes only.

Commissioner Howard asked how existing rental units are counted in the Village's housing stock. He stated that there is no net gain in affordable units unless there is an increase in density. Mr. Spoden stated that if rentals are changed to condominium units, a minimum requirement of preserving a portion of those converted dwelling units to be affordable would help to maintain some level of affordability in the Village.

Commissioner Oakley stated that the rental units on Winchester Road might be an appropriate area to consider for affordable dwelling units. He stated that there are apartments above commercial uses along Milwaukee Avenue that may convert to condominiums as well.

Mr. Spoden stated that the State requires that areas or structures be listed in the plan, but the Village can't guarantee that all designated areas will be subject to the development of affordable units.

Commissioner Oakley stated that he is not against the provision of affordable housing for the civil servants such as firemen and policemen. He stated that he is concerned about level of bureaucracy that would be created to administer an affordable housing program. He stated that he is also

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concerned about the prospect of having an affordable housing developer building a ten story apartment building in Libertyville and the loss of Village funds that would be required to supplement the development in order to meet the affordable housing requirements.

Commissioner Moore stated that he is not in favor of having an apartment building constructed that is made up of affordable dwelling units. He stated that he is in favor of establishing incentives that would attract townhome type dwelling units or single family attached units.

Mr. Spoden stated that the current threshold of affordable apartment units is at the \$848 per month level, which is not an insignificant amount of money.

Commissioner Moore stated that he would envision a mix of townhomes and single family homes that would be done by a developer who knows how to get the funds for the affordability component of such a development. He stated that the community would be strongly against an apartment building type of development anywhere in the community. He stated that it would be important to show progress in the development of new affordable housing units or the Village would not meet its goals.

Mr. Spoden stated that it would be important that mixed use developments be considered in order to meet the stated goals of the Affordable Housing Plan. He stated that communities are putting more cars on the road because people are living further from their place of work. He stated that there isn't enough mass transit and seniors are living downtown to have access to downtown amenities. He stated that the Trimm property is a great spot to have a mixed use development that would incorporate affordable housing units, but not all would have to be affordable housing rates. He stated that he is not suggesting that the whole apartment building would have to be affordable rent rates, but a portion of it should be. He stated that there are ways of developing affordable housing apartment buildings from a design standpoint that would help to keep the cost down.

Chairman Hezner stated that developers will have to increase the density of their developments.

Mr. Smith stated that Planned Developments could be an affordable housing development tool that can be used to have a significant influence on design in a positive way.

Commissioner Howard asked what the current estimated percentage of the existing housing stock in the Village is affordable. Mr. Spoden stated that it is approximately 7.7%.

Commissioner Howard stated that he is not surprised by the 7.7% number. He stated that most single family homes are not as low as \$400,000.

Commissioner Moore stated that the high housing costs in Libertyville are without subsidies.

Chairman Hezner stated that you will not find homes in the \$250,000 to \$300,000 range.

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Commissioner Howard stated that he appreciates the Affordable Housing Plan objectives, but stated that it may be overly aggressive.

Mr. Spoden stated that Staff is making an attempt with the proposed draft plan to be in line with what the State of Illinois will ultimately require anyway.

In the matter of PC 07-04, Board Member Jaffe moved, seconded by Board Member Moore, to continue this item to the January 28, 2007, Plan Commission meeting.

Motion carried 6 - 0.

NEW BUSINESS: None.

COMMUNICATIONS AND DISCUSSION:

Commission Jaffe moved and Commission Moore seconded a motion to adjourn.

Motion carried 6 - 0.

Meeting adjourned at 9:50 p.m.