

VILLAGE OF LIBERTYVILLE
BOARD OF TRUSTEES
Committee of the Whole
August 17, 2021

President Johnson called to order a Committee of the Whole and Human Relations Commission Joint meeting at 6:32 p.m. in the Village Hall. Those present were: President Donna Johnson, Trustees Scott Adams, Peter Garrity, Matthew Hickey, Matthew Krummick, Dan Love, and James Connell. Members of the Human Relations Commission were also present.

DRAFT ATTAINABLE HOUSING ORDINANCE FOLLOW-UP DISCUSSION

Deputy Administrator Engelmann presented follow-up information related to the continued discussion regarding the draft attainable housing ordinance. At the July 13, 2021, the Committee of the Whole meeting staff presented a draft Attainable Housing Ordinance for review and discussion by the Board. At the conclusion of the meeting, the Village Board directed staff to prepare a follow-up memorandum with responses to questions from the Village Board and schedule a joint workshop with the Human Relations Commission to discuss the draft Ordinance further.

Deputy Administrator Engelmann presented several questions and corresponding answers that were asked by the Village Board following the July 13, 2021 meeting.

Q- How much is the Village subsidizing by offering cost off-sets to a developer- i.e. permit fee waivers?

A- Two examples were provided.

620 Parkside Court- Total fees that could potentially be waived \$20,650.08

1209 North Pointe Drive- Total fees that could potentially be waived \$18,384.82

Q- What is the cost to a renter/home buyer for an attainable housing unit and what income level must they meet to rent or purchase?

A- Using the inclusionary pricing schedule examples of monthly rent or purchase prices along with their associated income limits were provided.

Q- What does the qualification process look like for home buyers/renters? What would be the Village's cost to have Community Partners for Affordable Housing ("CPAH") assist the Village?

A- Community Partners for Affordable Housing can work with the Village to develop a scope of work based on the needs of the Village. They are a nonprofit, so they seek to cover their costs when aiding municipalities. The cost/time is dependent on their role and how many developments we may have.

Q- How do attainable housing costs impact a development/developer?

A- In general, well-designed Ordinances have been shown to have relatively small financial impacts. CPAH conducted an analysis of several Highland Park developments to determine the return on investment (profit/total development costs). An example of a recent Highland Park development found that a single-family home development with a 20% inclusionary housing requirement would yield 16.8% return on investment without the inclusionary housing requirement, 13.5% when the developer is given two, by-right bonus units and a 16.2% return on investment when the developer was able to include three bonus units.

Discussion ensued. Rob Anthony of Community Partners for Affordable Housing (CPAH) walked the Board through the Highland Park example and answered questions of the Board.

Q- What alternative language could the Village consider including in the Ordinance for renters so that the units are not rented in perpetuity to an individual who may no longer income qualify for the reduced rate?

A- The unit is deemed attainable in perpetuity within the draft ordinance. This is how other community's ordinances address rental units as well. Tenants need to recertify annually to continue to qualify. The tenant is not allowed to stay there in perpetuity regardless of income, they need to recertify annually. A grace period can be established within the Ordinance to allow the renter time to relocate.

Discussion ensued. It was clarified to the Board that a renter cannot stay in a rental unit in perpetuity once they are above the income threshold.

Q- How is the development of the Attainable Housing Ordinance related to what is discussed in the Comprehensive Plan regarding affordable housing?

A- The Comprehensive Plan addresses attainable housing in several areas. Several excerpts from the plan were presented.

Q- What information was received from the Human Relations Commission's ("HRC") community survey and small group discussions related to attainable housing?

A- In 2020 the HRC developed an online survey to help focus its efforts on issues of most importance to residents within the community. Upon completion of the survey the Human Relations Commission utilized the data to develop and hold small-group meetings with Libertyville residents during November of 2020. Attainable Housing was one of the topics covered. A summary of the data collected related to housing was presented to the Board.

Discussion ensued. The Human Relations Commission discussed their experience holding the small group discussions and the comments they heard from residents related to housing.

Q- The draft Ordinance does not include a priority list or local preference for how units will be assigned. What are some pros/cons to including a local preference/priority list and what was the Human Relation Commission's discussion about this?

A- The Human Relations Commission contemplated including a priority list/local preference within the Ordinance. There was language included in some of the initial drafts. The language that was considered was as follows: (1) Households existing within the Village of Libertyville in which a household member is enrolled as a student in a primary or secondary school located within the Village; (2) households within the Village of Libertyville in which a head of the household or the spouse or domestic partner is 65 years of age or older; (3) former Village of Libertyville residents that are age 65 and older; (4) households in which the head of the household or spouse or domestic partner works in the Village of Libertyville as an employee of a unit of local government; (5) households in which the head of the household or the spouse or domestic partner works in the Village of Libertyville; (6) individuals who are 65 and older who are parents of Village of Libertyville residents.

Discussion ensued. The Human Relations Commission explained their discussions related to local preferences. The Commission ultimately recommended removing it for the following reasons:

- Local preferences can lead to a lack of opportunity for those that would not otherwise be able to live within the community to move into the community
- Local preferences may have a disparate impact on persons of color and their ability to move into a community

It was also noted that some nearby communities with attainable housing Ordinances have included local preferences while others have not.

Q- What is the impact of how the attainable housing units will be appraised for property taxes?

A- For ownership units, property taxes are assessed at the resale restricted price. For example, if an attainable unit is sold at \$200,000 the buyer can essentially only resell the property to another income-qualified buyer for approximately \$200,000 due to the resale restrictions, the property taxes are based on a \$200,000 assessment rather than full market value, which may be \$350,000, for example. The homebuyer pays property taxes based on what they can sell their home for, just like other homebuyers. For rental units, property owners can appeal their property taxes showing the reduced rents due to the income limits and typically get some relief.

Deputy Administrator Engelmann also noted that examples of how the qualification process works for individuals applying for assistance was attached to the packet as well as articles related to the impact of attainable housing on current citizens.

Discussion ensued. President Johnson thanked staff for their efforts and asked the Board for consensus and direction. The Board recommended moving the draft ordinance to the Plan Commission public hearing phase. It was noted that due to pending Plan Commission agenda items the ordinance would most likely not be heard by the Commission for a few months.

ADJOURNMENT

With no further business to come before the Committee of the Whole, the Mayor asked for a motion to adjourn. Trustee Garrity moved to adjourn, Trustee Love seconded, and the motion carried on a roll call vote at 8:25 p.m.

AYES: Trustees Adams, Garrity, Hickey, Krummick, Love, and Connell

NAYS: None

Respectfully submitted,



Luke Stowe
Village Clerk