

VILLAGE OF LIBERTYVILLE
Plan Commission

Minutes
January 19, 2023

A joint meeting of the Human Relations Commission and Plan Commission was held on January 19, 2023, at 5:30 p.m. at the Libertyville Village Hall. Those in attendance included Commission Members: Eric Steffe, Amy Flores, Tom Rankin, Greg Wheeler, Rick Pyter and Walt Oakley. Also in attendance was Mayor Donna Johnson, Village Administrator Kelly Amidei, Deputy Village Administrator Ashley Engelmann, John Spoden, Community Development Director, Hart Passman, Village Attorney and David Smith, Senior Planner.

Presentation of Draft Attainable Housing Ordinance

Mayor Johnson began with remarks regarding the purpose of the meeting. She stated that she inherited the project after almost two years of hard work by the Human Relations Commission. She values and appreciates the hard work that they have accomplished. However, as Mayor she has observed some additional facts that she feels should be part of the discussion to help the Plan Commission and Village Board accomplish the goal of both workforce housing within the Village while also maintaining and attracting development within the community. She noted that we are compliant with the State's housing requirements. This process is being done to enhance our communities access to attainable housing. The workshop is part of a continued discussion on the matter. She thanked both groups for their attendance and participation.

Deputy Administrator Engelmann presented the changes to the draft Ordinance which are summarized below:

Section 18-2 Policy amendment to the language to reflect more flexibility regarding a preference for on-site attainable housing units (original draft lists a preference for on-site units).

Section 18-3 Covered Development Projects adjustment to the number of units which triggers a covered development to ten units (original draft triggers the Ordinance with five units).

- Removed A (2) and (4) as "covered developments"
 - A (2)- A development consisting of the renovation or reconstruction of over 50% of the total square footage of an existing multiple family residential structure and that increases the number of residential units from the number of units in the original structure
 - A (4)- A development that includes the conversion of rental property to condominium property

Section 18.6 Density Bonus for covered developments located within the C-1, C-2 or C-3 zoning districts to allow for both increased floor area ratio and density bonus units (original draft allows for increased floor area ratio in C-1, C-2 and C-3 only and not density bonus units).

Section 18-8 Alternatives to On-Site Attainable Housing Units updated the language to offer the applicant the option of several ways to comply with the Ordinance, to include: cash payment in lieu, land donation or combination of cash payment and on-site units (original draft allows for alternative means of compliance only if granted by the Village Board and when the alternative is shown to advance attainable housing greater than or equal to on-site units).

The Human Relations Commission and Plan Commission provided comments regarding the proposed changes.

Member O'Connell stated that she is happy to be a part of the process. The goals of the Commission and Ordinance are critical. She believes it will help to create assets in the community. She wants to see the Village continue to maintain housing options that are inclusive of employees at the hospital, teachers, etc. She feels the

community is in danger of losing that. She is concerned that the proposed changes to the Ordinance will not accomplish that goal. Specifically, the ability for the developer to choose a method for compliance. She noted that the Human Relations Commission discussed this issue at length and looked at best practices and other community's Ordinances. She feels developers want predictability and she believes the Ordinance was drafted to allow for that. She stated that a series of focus groups occurred with community members. Comments were received supporting housing within the community and not separate from the community. She further noted that it is important to consider the multi-family residential rental properties being converted to condos within the Ordinance. She believes that housing shortages are a critical issue for many communities and the Attainable Housing Ordinance is an opportunity for the Village to try to work towards addressing this issue.

Member Gore stated that he is an original member of the Human Relations Commission. He noted that what we are trying to accomplish is more attainable housing for individuals and not one off opportunities. The intent was to have developments with attainable housing within them. If a fee in lieu is paid someone must manage those funds. He stated that he does agree with some of the proposed changes. He asked to clarify what would constitute new construction versus renovation in the Ordinance. Director Spoden responded that if the building is taken down completely it would be new construction.

Chair Starr noted that she feels the importance of what the Ordinance set out to do is critical. She referenced the Village's comprehensive plan which discusses attainable housing as well as retaining the middle-class family feel of the Village. As housing becomes more expensive it limits who can live in the Village, including seniors. The original draft achieves the goal of advancing attainable housing. She noted that a lot of the reconstruction that will probably happen in the next few years are opportunities for getting attainable housing in the community.

Member Rich agreed with her fellow commission members. She asked who we are as a Village and what our values are that we are trying to express. She discussed her involvement in the community and specifically her recent involvement in the strategic planning process with the School District. She noted that what she has heard is that Libertyville used to be a place where teachers lined up to apply to work. She said this is no longer the case. The salary range for a teacher in Libertyville is \$50,000-\$115,000 which does not allow them to live in Libertyville. She feels that if we remove some of the elements of the Ordinance, we are saying to individuals in the community such as teachers that we are not putting anything in place to give them an opportunity to afford to live in the community. Member Rich also investigated some of the Village's major employers to get an understanding of their salaries. She cited information she found online regarding average salaries for the position of nurse (\$80,000), car salesmen (\$60,000 plus bonus), etc. She noted that those salary ranges would not allow them to afford to live in Libertyville. She also examined the Village employee salaries available online and stated that only ten of them in her opinion could afford to live in Libertyville. She feels the Ordinance is an expression of the community's values.

Chair Starr commented that she does not agree with the elimination of the statement in the beginning of the Ordinance which states that the preference is for onsite units. She believes that a developer who wants to propose an alternative should have to justify that a fee in lieu will provide an equal or greater impact on attainable housing.

Member Josenhans stated that when the Human Relations Commission first started working on the draft the Commission looked at average salaries of healthcare workers and teachers and it helped them to develop the Ordinance so that the goal would be to advance housing opportunities for those individuals. He believes it should be more difficult for developers not to build the units onsite.

Chair Starr stated that currently 30% of income is what you should be spending on housing. 18% of the homeowners in Libertyville spend more than that on housing. She noted that 47% of renters in Libertyville are spending more than 30% of their income to live in the Village. She further cited her concerns with the proposed amendment to take out the conversion from rental to condo property in the Ordinance. She also expressed the need to have the attainable units integrated within the market rate units. She stated that the Village of Deerfield does not offer any alternative means of compliance within their Ordinance.

Member Rich stated that the last time the group met they agreed unanimously to move the original draft forward to public comment. She asked for clarity as to why the edits are being proposed.

Mayor Johnson responded that she has learned through the process that we need to make sure that if we want to balance attracting good quality development and getting units that we don't deter good quality developers. The goal was to propose language to be considered and become part of the discussion.

Member Rich asked the Mayor if she has heard from developers.

Mayor Johnson responded that she has heard from developers during preliminary conversations. She agrees that it is important to have those values, but we don't want to compromise development either. Mayor Johnson stated that during the Plan Commission public hearing phase all of the background regarding the drafting of the Ordinance will be provided.

Chair Starr stated that if public comment will be part of the final decision on what is included in the document, she feels everything should be included from the original draft to allow for the discussion to occur.

Mayor Johnson clarified that at the Plan Commission the full background would be provided at the public hearing.

Member Gore asked if there are certain areas where developers are pushing back. He noted that he understands that on one hand we want development, but we also want the units and that there is a balance.

Director Spoden responded that a lot of it has to do with who the developer is. Some of them are used to it and it is part of their normal process. Others say that if it is required that they will not build in the community.

Chair Starr stated that if a redline document were to be presented, she would want it to be clarified as to where the changes were coming from. She agreed that some of the changes are ok, like the number of units or clarifications. Presenting a redline document with the proposed edits would send a message that those items are what the Village wants included and not that the changes are coming from developers. She does not feel the original Ordinance is unreasonable to developers. She stated that if the proposed edits are included it will be hard for her to support the draft.

Member O'Connell agrees that we want quality developers in Libertyville. She thinks it is wise to look at the Ordinance and think about the developer perspective. She recalls looking at a draft timeline regarding how a developer would go through the process if the onsite units were required. She believes a balance was proposed. She believes it offered a predicable timeline for developers and showed them a pathway for alternate means of compliance. She stated that there are examples in Lake County that show that Attainable Housing Ordinances still allow for quality development in a community.

Chair Steffe thanked the Commission for their work on the Ordinance. He noted that he does not want to take a redline document to a public hearing. The Plan Commission needs to have a document that has been vetted and accepted by the Human Relations Commission that can be considered at public hearing.

Member Oakley noted that Vernon Hills and Mundelein have a lot of development going on nearby that potential residents can go to. An Attainable Housing Ordinance has been being discussed for numerous years.

Member Wheeler asked if the language of the Ordinance achieves what we want to achieve without losing potential developers. When he reviews the original ordinance, he believes that the language puts the onus on the developer doing the work to ensure that the regulation is being met and a fee in lieu is not just a pass through. He believes there is a way to find the balance. He is supportive of attainable housing but doesn't want to be held hostage by a developer. He is concerned that a fee in lieu incentivizes a developer to increase their prices and pass the cost through to the contractor. He is concerned about softening the language.

Member Pyter supports expanding what is a covered development. He believes we should be careful excluding too many situations. He asked who will receive the land if a developer donates land.

Attorney Passman stated that the Village would be the recipient or a qualified owner the Village designates such as a housing agency.

Member Pyter noted that in his review it appears that the incentives that are offered to the developer would allow them to financially break even on the alternative housing units.

Director Spoden responded that it is a case-by-case basis. It is most likely not how much they are paying for the units but how much they are paying for the land.

Member Pyter noted that the incentives and offsets should be made clear to the developers, so they understand their costs.

Member Pyter confirmed with staff that if a fee in lieu is paid that the funds will be kept separately. He noted that he would like to see an Ordinance that is more inclusive and create more opportunities.

Mayor Johnson then opened comments to the public.

Elyse Danckers of 15397 W. Rockland Lane stated that she has lived in the community a long time. She wants to see a community she can continue to be proud of. Attainable housing would make her proud and she believes people would want to live in the community because of it. Housing rates will continue to maintain value if people want to move into the community. She stated that she has heard that wings in Condell have had to shut down because they don't have staff. Grocery store shelves are not stocked because they cannot get employees to work. She hopes the original Ordinance will move forward.

Bill Spear of 312 E. Lincoln stated that he has lived in Libertyville for a long time, and he remembers when it was affordable. He appreciates the work that has gone into the Ordinance. He asked where the 15% came from and where the target income levels came from.

Paul Geiselhart of 1408 Bull Creek Dr. stated that he served on the Lake County Public Health Steering Committee and every five years they are required to file a report that details the needs of the County. This year the second need of the county is public housing. He applauded the Commission for their work.

Sue Kalman 15385 Cherrywood Lane stated that she prefers the original Ordinance. She is concerned about the lack of essential workers living in the area. She believes there are quality developers that can build quality homes and do attainable housing units.

Robert Climan lives in Prairie Crossing in Grayslake. He frequents Libertyville. He believes the issue is about values and what kind of community Libertyville wants to be. He acknowledged that there is a cost to attainable housing. He believes there are developers that will support attainable housing.

David Boretti of 169 Brookhill Rd. complimented the work that has been done on the Ordinance. He agrees with the comments that have been made. This should be a function of the values of the community.

Mayor Johnson stated that the survey that was done was not surveying the entire community and the questions were not specific to implementing an Attainable Housing Ordinance.

Member Flores noted that it seems like the need is great right now. She asked if there is a tax reduction for income levels that are offered to make things more affordable.

Staff was not aware of an option.

Director Spoden noted that there have been discussions over the years regarding potentially using attainable funds to create forgivable loans for property owners to make updates to their homes to stay in their homes.

Chair Starr stated that there should be one document that is agreed upon that goes to public hearing. She believes another meeting makes sense.

Consensus was to schedule another meeting.

Member Rich asked if it is possible that the original document would move forward.

Director Spoden stated that it appears that some of the proposed edits were seen favorably and could be discussed further at the next meeting.

Deputy Administrator Engelmann clarified the legislative process in which a public hearing is the next legal step.

Member Rich asked if there was a scenario in which a change would happen again after consensus is reached by the Human Relations Commission.

Attorney Passman stated that the documents that comes out of public hearing could change, and it could further change when it is at the Village Board level.

Member Wheeler reiterated his understanding of the process that a follow-up meeting will occur to finalize a document that will then proceed to public hearing and modifications could occur at any point along the legislative process prior to final approval by the Village Board.

Staff confirmed his understanding.

Mayor Johnson thanked all the Commission members for their time and work on the Ordinance.

Adjournment

Member Pyter made a motion to adjourn the Plan Commission meeting and Member Wheeler seconded the motion. The meeting was adjourned by voice vote at 6:56 p.m.

Respectfully submitted,

Ashley Engelmann
Deputy Village Administrator