

**MINUTES
CITY OF ST. CHARLES, IL
SPECIAL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, FEBRUARY 16, 2016 7:10 P.M.**

Members Present: Silkaitis, Payleitner, Lemke, Bancroft, Turner, Krieger, Gaugel, Bessner, Lewis

Members Absent: Stellato

Others Present: Mayor Raymond Rogina; Mark Koenen, City Administrator; Rita Tungare, Director of Community & Economic Development; Russell Colby, Planning Division Manager; Matthew O'Rourke, Economic Development Manager; Ellen Johnson, Planner

1. CALL TO ORDER

The meeting was convened by Chairman Bancroft at 7:45 P.M.

2. ROLL CALLED

Roll was called:

Present: Silkaitis, Payleitner, Lemke, Bancroft, Turner, Gaugel, Krieger, Bessner, Lewis

Absent: Stellato

5. EXECUTIVE SESSION

- Pending Litigation 5 ILCS 120/2(c)(4)

Motion was made by Aldr. Gaugel to go into Executive Session regarding Agenda item #5 Pending Litigation 5 ILCS 120/2(c)(4). Seconded by Aldr. Krieger.

Roll was called:

Present: Lewis, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Krieger, Bessner

Absent: Stellato

Nays:

Abstain:

Motion Carried 8-0

Motion was made by Aldr. Krieger to come out of Executive Session. Seconded by Aldr. Bessner.

Roll was called:

Present: Lewis, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Krieger, Bessner

Absent: Stellato
Nays:
Abstain:
Motion Carried 8-0

3. COMMUNITY & ECONOMIC DEVELOPMENT

- a. Continued Discussion and Recommendation of a General Amendment to the Inclusionary Housing Ordinance (Ch. 17.18 of the Zoning Ordinance).

Ms. Johnson said some changes were discussed to the Inclusionary Housing Ordinance back in November and then in December an informational presentation was given to provide some context and background. She said that tonight she was there to present a modified proposal for changing the Ordinance and these new changes have been incorporated in response to the feedback that was received at the November and December meetings. She said they are proposing to move forward with the following changes discussed previously and it seemed there was a general agreement that these changes would be appropriate in terms of making the Ordinance a little less onerous for the development committee and also a little more flexible. She then showed a PowerPoint Presentation listing the changes:

1. Cap the affordable unit requirement at 10% for large developments and 5% for small developments.
2. Accept fee in-lieu of creating affordable units for any size development. Council may accept affordable units, fee in-lieu, or mixture of both.

Ms. Johnson said currently for larger developments fee in-lieu is not accepted, only units are, but what is being proposed is to give Council the flexibility to accept either units, a fee in-lieu, or a mixture of both for any particular residential development. She noted that there are also some more minor additional administrative changes being proposed, which were presented back in November, and those are highlighted in the staff report, as well as the actual text to the Ordinance.

She said there are 3 additional changes being proposed based on Committee's feedback:

1. Remove the applicability "sliding scale" to eliminate the IHO's connection with St. Charles' current percentage of affordable housing.

She said under the current ordinance, for example, if the City is at 15% of housing that is considered affordable, then 75% of the affordable unit requirement for a particular development will apply. If we have over 25% of affordable housing, then 0% of the requirement applies—meaning it's basically suspended, which is where we are at now because based on staff's last finding we are at a little bit above 25%.

2. No need to refer to the State's finding of St. Charles' affordable housing percentage.

She said there was some discussion previously on how to best determine what percentage of affordable housing we are at and whether to adopt the state's finding of our affordable housing percentage, which is the percentage that the state uses to determine whether we are exempt from the state's affordable housing act; so whether to accept the state's percentage or to continue to accept staff's percentage based on a methodology used over the past few years. She said by removing the sliding scale, the ordinance is no longer connected to the city's affordable housing percentage or to the state's affordable housing act; so there is really no need to refer to the state's finding of the city's affordable housing percentage by removing this scale.

She said the IHO didn't originally have this sliding scale, it was added back in 2013 to allow adjustment for market conditions based on where we are at in terms of affordability; so instead staff is proposing that Council determines the fee in-lieu amount an annual basis:

- a. Will allow for adjustment to market conditions, instead of relying on the "sliding scale" to adjust the requirement.
- b. May or may not be based on a calculation.
- c. Previous year's fee will continue to apply if no new fee is set.

She said the "Purpose & Intent" statement in the ordinance will be revised to remove language stating a preference for developers to provide on-site affordable units rather than fee in-lieu, which reflects the fact that Council has the ability to accept fee or units for any size development:

"To provide opportunities within the City for affordable housing, either within new residential developments by requiring Developers to provide a proportionate share of affordable housing, or fees in lieu thereof, to ensure that an adequate stock of affordable housing is, and remains, available in the City of St. Charles."

She said there are a couple other items that were briefly discussed in November that need some follow-up:

1. Removal of the IHO from the Zoning Ordinance to place in a stand-alone title of the City Code.

She said the intent of removing that was for the IHO to function similar to the school and park district dedicational requirements; where Council has a little more flexibility on what to accept in terms of complying with the Ordinance. She said another purpose for removal would be to potentially streamline the development approval process with the respect to affordable housing requirements.

2. Pending development applications- should pending projects be subject to the IHO requirements?
 - a. 1337 Geneva Rd. (3-unit townhome)
 - b. Hillcroft (4 single-family homes)

She said in summary staff is requesting feedback on the following:

1. Should the previously discussed amendments be accepted?

2. What should the fee in-lieu amount be?
3. Should the IHO be relocated to a separate title of City Code, or remain in the Zoning Ordinance?
4. Should pending residential development projects be subject to the IHO?

Ms. Johnson then showed a table explaining the possible fee in-lieu amounts and resulting fee in-lieu contributions. She said the Housing Commission's proposed fee in-lieu is about \$72,800, which is based on a calculation that they have recommended, which is the cost of providing a 25% down payment for 2 affordable units, and they recommend that calculation just to give a face to the fee so it can be recalculated when a new affordable unit price come out from the state. She said they have also listed possible fees ranging from \$70,000 to \$1,000 and the resulting fees that would be required from the developer, and this is if a developer chooses to provide fee in-lieu rather than provide units.

Aldr. Gaugel asked for clarification on the Housing Commission's proposed fee in-lieu calculation. Ms. Johnson explained the calculation utilizes the affordable home price based on the state's determination, which is about \$145,000, multiplied times two for 2 homes, and then 25% of that as a down payment amount.

Aldr. Turner asked if this means that the city will go by our own internal city figures and not Illinois. Ms. Johnson said yes, our affordable housing percentage has no bearing on the amendments at all, so we do not have to refer to the state's number or even our own in terms of whether the ordinance applies or at what level; so correct, we will not be using the state's figures.

Aldr. Payleitner added that she feels that staff and the Housing Commission have done a great job at addressing the concerns that Committee had and she thanks them for taking the state out of the picture, giving back and maintaining Council authority, and she highly recommends simplifying and streamlining of the process by taking it out of the Zoning Ordinance. Chairman Bancroft agreed.

Aldr. Turner said if we agree with everything Aldr. Payleitner just stated, what is the decision needed by Committee. Ms. Johnson said there is a proposed ordinance with actual text that could be recommended for approval, but in addition staff needs a determination on where the fee should be set at, as well as how pending residential developments should be handled as far as whether they should be subject to the fee.

Aldr. Payleitner asked if Committee needed to make the determination of the fee in-lieu first, or if there could be a side motion from that and then discuss the existing developments. Ms. Johnson said yes there would be a separate motion to set the fee.

Motion was made by Aldr. Payleitner to approve the changes to the Inclusionary Housing Ordinance and move the Inclusionary Housing Ordinance to a new title of the city code. Seconded by Aldr. Bessner.

Aldr. Silkaitis asked if that included the pending developments. Aldr. Payleitner said that's the next discussion.

Aldr. Turner said he thinks the first time this was discussed he thought there was a proposal to take the Plan Commission out of this and he wasn't sure Housing Commission agreed with that. Aldr. Payleitner said that would be streamlining it, and the Housing commission agreed; but the Plan Commission was concerned that there would be no opportunity for a mandatory public hearing. She said she contends that she trusts this body and the process, and that is if anybody has an issue, that Committee will welcome them and listen. Ms. Tungare added that Housing Commission meetings are also public meetings and changes get vetted through that process as well.

Roll was called:

Present: Lewis, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Krieger, Bessner

Absent: Stellato

Nays:

Abstain:

Motion Carried 8-0

Ms. Johson said the next 2 items for discussion are the pending applications and the fee.

Aldr. Silkaitis said he does not want to penalize someone who already has a formal application in; he has a problem with them all of the sudden having another fee they have to pay.

Motion was made by Aldr. Silkaitis that if there is a formal application in the process that they do not have to pay this fee; which as of today only applies to: 1337 Geneva Rd. (3-unit townhome) and Hillcroft (4 single-family homes). Seconded by Aldr. Lemke.

Aldr. Lemke said that is in effect to his way of thinking, as kind of an ex-post facto law, to say "now you are here and now we get to do something" and he leans the same way as Aldr. Silkaitis.

Aldr. Krieger said she thought she read somewhere that it would only be included in the current new fees if a permit had been pulled, and those 2 developments have certainly not pulled any sort building permits, they have merely put in an application. Ms. Johnson said the fee in-lieu itself has to be paid when they are issued a building permit; so if there is no provision made to exempt those applications, then they will need to pay the fee when they get their building permit; and those 2 are the only pending applications. Aldr. Krieger agrees they should not be penalized.

Aldr. Lewis asked if there are any applications where permits have been pulled; they don't need to go back because they have already pulled their permits, and she asked if there is anything like that going on. Ms. Johnson said yes, for example: the new townhomes at Remington Glen are already in the permit process, as well as Corporate Reserve, those would be excluded because that was the feedback received at the last meeting; that they should not be subject because they were already going through the approval process back in November at the time of discussion. Aldr. Bessner asked if those projects linger out there with the ordinance we already had. Ms. Johnson said for Corporate Reserve, it was actually written in to the PUD Ordinance that they wouldn't be subject to affordable housing requirements and Remington Glen, permits have been issued for a number of those units, but she is not sure if there are any other developments that would apply to right now. Aldr. Bessner said so that doesn't leave us tied to the state or anything. Ms. Johnson said correct. Mr. Colby clarified how the ordinance would impact approved developments that are already under construction: the requirement applies based on when the property was platted and subdivided, so if you have existing lots where the subdivision predates the original adoption of the

IHO in 2008, those developments are essentially exempted from the requirements that exist today, so that would not change.

Aldr. Lewis asked if in stating “as of today” does that mean February 16, 2016 or does that mean next week. Committee agreed to amend the motion to state today’s date.

**Aldr. Silkaitis amended his motion to state that as of February 16, 2016 that if there is a formal application in the process that they do not have to pay this fee; which as of today only applies to: 1337 Geneva Rd. (3-unit townhome) and Hillcroft (4 single-family homes).
Seconded by Aldr. Lemke.**

Aldr. Lewis asked for clarification on the yes vote. Aldr. Silkaitis said the yes vote is to exempt them.

Roll was called:

Present: Lewis, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Krieger, Bessner

Absent: Stellato

Nays:

Abstain:

Motion Carried 8-0

Ms. Johnson said as far as fees, staff has not provided a recommendation, but the Housing Commission has one at \$72,819.50, which is being presented to the Committee. Aldr. Payleitner said that came to be through a lot of discussion and advisement from bankers and realtors, so that is not just a number thrown out there. Aldr. Silkaitis said he is not an expert on housing and the Housing Commission did all the work and he accepts their recommendation.

**Aldr. Silkaitis made a motion to accept the Housing Commission proposed fee of \$72,819.50.
Seconded by Aldr. Turner.**

Aldr. Lewis asked if that could be changed at a later date. Chairman Bancroft said it’s unfortunate that Aldr. Stellato is sick tonight, because he would have liked to have had his feedback on this and he clarified that at this time it was only a recommendation to Council. Ms. Tungare said correct, it will be scheduled for the first Council meeting in March, and since there is a recommendation that any applications filed starting tomorrow would be subject to IHO, we will honor that. Aldr. Payleitner added that she did have an hour meeting with Aldr. Stellato airing this discussion out and ironing it, and although she will not speak for him, she does feel confident that he would be okay to move on, based on her conversation with him.

Roll was called:

Present: Lewis, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Krieger, Bessner

Absent: Stellato

Nays:

Abstain:

Motion Carried 8-0

4. ADDITIONAL BUSINESS-None.

6. ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS-NONE.

7. ADJOURNMENT – Alderman Krieger made a motion to adjourn at 8:30pm. Seconded by Alderman Turner. Approved unanimously by voice vote. Motion Carried. 8-0