

**MINUTES
CITY OF ST. CHARLES, IL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, NOVEMBER 9, 2015 7:00 P.M.**

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

Members Absent: None

Others Present: Mayor Raymond Rogina; Mark Koenen, City Administrator; Rita Tungare, Director of Community & Economic Development; Russell Colby, Planning Division Manager; Ellen Johnson, Planner; Bob Vann, Building & Code Enforcement Division Manager; Matthew O'Rourke, Economic Development Manager; Chris Bong, Development Engineering Division Manager; Fire Chief Schelstreet; Asst. Chief Christensen; Police Chief Keegan

1. CALL TO ORDER

The meeting was convened by Chairman Bancroft at 7:00 P.M.

2. ROLL CALLED

Roll was called:

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

Absent: None

3. POLICE DEPARTMENT

- a. Recommendation to approve a proposal of an application for a Class B Liquor License for Northwoods Pub and Grill, d/b/a The Evergreen Pub and Grill, to be located at 1400 W Main Street, St. Charles.

Chief Keegan said this is the old Rays Evergreen Tavern and that there was a Liquor Commission meeting held earlier that evening which made a favorable recommendation to bring before Committee tonight. He said both of the new perspective owners-Tom Trier and Brian Serland- were present that evening and have been in the restaurant/bar business for the last 35 years with a location in Gilberts, 2 in Chicago and this location being their fourth. He said they are asking for a class B restaurant license which is a combination of both alcohol and food service and they have requested a late night permit. He noted there was a food menu in the packet.

Mr. Serland-1610 Illinois St. - said he had been in business for about 14 years and although it's unfortunate the business closed earlier this year, they are very excited to have this opportunity and the plan is to have a Midwestern supper club themed menu; fish fry, Walleye and salmon; some higher end dishes to bring in a different type of clientele. He said he knows it's been mostly known as a tavern but their aim and goal is to push up the food so people understand this is a true restaurant.

Aldr. Turner asked if they would continue the Rolle Bolle. Mr. Serland said they would not but there will be a shrine dedicated Rolle Bolle.

Aldr. Stellato made motion to approve a proposal of an application for a Class B Liquor License for Northwoods Pub and Grill, d/b/a The Evergreen Pub and Grill, to be located at 1400 W. Main Street, St. Charles. Seconded by Aldr. Turner.

Roll Call:

Ayes: Turner, Gaugel, Bessner, Stellato, Silkaitis, Payleitner, Lemke

Nays: Krieger, Lewis

Absent:

Abstain:

Motion Carried. 7-2

Aldr. Lewis noted that she also voted no at liquor commission.

4. COMMUNITY & ECONOMIC DEVELOPMENT

- a. Inclusionary Housing Ordinance (General Amendment to City Code Title 17, Zoning Ordinance, Chapter 17.18 “Inclusionary Housing”)
 1. Recommendation to accept Illinois Housing Development Authority’s determination of St. Charles’ affordable housing share; approve amendments to the Inclusionary Housing Ordinance; and reinstate the Inclusionary Housing Ordinance.

Ms. Johnson gave some background on the Inclusionary Housing Ordinance (IHO)-it was adopted in 2008 and requires developers to provide affordable housing as part of new residential developments or to pay a fee-in-lieu of provided units. She said whether or not the IHO applies to new developments and the amount of the requirement that applies is tied directly to the city’s percentage of affordable housing or the affordable housing share, and that the IHO is currently suspended based on the finding in 2013 that the city is above 25% affordable.

Ms. Johnson gave some background on the state Affordable Housing Planning and Appeal Act which was adopted in 2003 and is administered by the Illinois Housing Development Authority (IHDA). She said under the act, Illinois communities that have an affordable housing share over 10% are exempt from the requirements of the act; but communities with less than 10% are subject to the requirements. She said non-exempt communities are required to submit an affordable housing plan to the state and are also then subject to developer appeals if they feel they have been treated unfairly by a city in which they have proposed to build affordable housing. She said IHDA first released a list of exempt and non-exempt communities when the act was adopted and found St. Charles to be at 16% affordable so we were exempt from the act; IHDA did not update that list until 2013. She said when the city adopted the IHO, staff began conducting their own analysis annually of affordable housing share since that percentage is tied directly to IHO; the methodology that staff used was taken from the methodology that the state used when the act was first passed. She said in 2013 the city was at 25.5% affordable which resulted in the requirements of the IHO being suspended, however later that year IHDA, for the first time and using a different methodology, released an updated list of non-exempt municipalities and St. Charles was at 11.2% affordable, which is still exempt but is closer to the 10% threshold. She said in 2014 staff did their analysis using the same methodology used in the past and found the city to be at 23% affordable; the difference in findings comes down to the data sources used and the fact that IHDA no longer accounts for household size when determining the affordable home price and rent. She said the Housing Commission discussed the differences between staff and IHDA’s findings extensively over the past several months along with the implications for the IHO: if the city were to use staff’s determination, the IHO would remain suspended because per the city’s ordinance it would have to fall to 15% in order to reinstate the requirements; if the city were to accept IHDA’s determination at 11.2%, the IHO would be reinstated and

in full force; 100% of the affordable unit requirement would apply. She said the Housing Commission felt this was a good opportunity to revisit the IHO to both bring it in line with the state's determination and also to make the IHO a little bit less burdensome on the development community. She said the Commission spent several months coming up with the amendments that are presented tonight. She said they propose to accept the state's determination of our affordable housing share since that number is used to determine whether the city is exempt or not from the state's Affordable Housing Act; so this would result in the IHO being turned back on and the primary proposed changes to the IHO are as follows:

- State that the city's affordable housing share is as determined by Illinois Housing Development Authority (11.2% affordable). IHDA has said they will recalculate about every 5 years; expecting a new calculation in 2018.
- Adjust the applicability sliding scale so that 100% of the affordable unit requirement applies when we are at or below 10% and then the IHO is suspended if we are above 20%. Per the proposed sliding scale, 75% of the affordable unit requirement/fee in-lieu requirement would currently apply, when the city is at 11.2% affordable.
- Reduce the percentage of affordable units that are required, so that developments under 15 units require 5% of units to be affordable, and developments over 15 units require 10% of units to be affordable.
- Accept fee-in-lieu of providing units for any size development; currently mid-sized developments can only pay 50% and they have to provide the other 50% of units for the remainder of their requirements, and currently fee-in-lieu is not accepted for large developments over 50 units.
- Reduce the fee in-lieu amount from \$104,500 to \$72,819.50 per unit. The Housing Commission discussed potential fees based on the cost of providing a 25% down payment for 2 affordable units, and while the fee-in-lieu wouldn't necessarily be used for down payment assistance, they felt it was a good rational basis for the fee and the calculation. She said the affordable home price is provided by the state, which is $\$145,000 \times 2 \times 25\% = \$72,800$, and the fee would then be recalculated once the state releases an updated list of exempt and non-exempt local governments and updated affordable home price.

Ms. Johnson shared some example calculations comparing the existing fee of \$104,000 to the proposed; so it's a significant reduction in what the fee-in-lieu requirement would be for a single unit development (teardown), which would be a fee of \$2,700. She said under the existing fee, a 100 unit development would be about \$1.5 million and under the proposed fee would be about \$550,000.

Ms. Johnson noted that were also some minor administrative proposals outlined in the staff report as well and that the Plan Commission held a public hearing for the General Amendment on 9/22/15 and 10/20/15. The Commission voted 7-1 to recommend approval of these specific amendments. (The Plan Commission voted separately on whether to remove the Inclusionary Housing Ordinance from the Zoning Ordinance, which is listed as a separated item on the agenda.)

Aldr. Stellato said he has no problem reducing the fee-in-lieu, capping the 10% and the sliding scale is great, but he has a problem with the first proposed change because he doesn't understand how every other community in the state are all in compliance; is the city the only ones out there actually following these guidelines? He said he just wants to be able to answer that question should someone ask him that, and he wonders how other communities like Lake Forest, Winnetka or Glencoe, provide affordable housing. He said he has been led to believe it's voluntary but he thinks the city is going down a path now where they'd be asking people to pay a lot of money and it will determine how developments shape up; he likes that the city will get some money out of it but he wonders how it will all play out. He said he thinks the city should move forward but he would like some data as to how the city ranks compared to the rest of the state and what other communities are voluntarily doing this as well to be able to answer the question as to why the city is doing this in the first place.

Aldr. Turner said that when he originally voted yes to this he was under the impression that if the city didn't do this they would be penalized by the state; but after reading an article in the Chicago Tribune, he realized that this is voluntary and there are communities all over the Chicago area that are saying forget it because Springfield has no teeth to enforce it. He said he really doesn't like the idea and he doesn't see how the city went from 25% to 11% on state calculations and he asked if they bothered to come and talk to the communities about all of the sudden losing 15% of your affordable housing just because Springfield decided to change the formula. He said he will not vote for this and he thinks it's absurd because he doesn't know of anywhere in the city where you can buy a house for \$145,000 and he thinks something is wrong with the figures. He said the whole thing of "having to have affordable" goes against his gut and you earn the right to live in St. Charles, it's not given to you by state mandate, and that is what's happening here. Ms. Johnson said the city was not notified. Ms. Tungare said those concerns are well founded and valid and staff truly stumbled upon IHDA's change in the methodology; there was no official notice from IHDA regarding the change, but leaving aside the conversation of whether we agree with IHDA's methodology or not, because there is really a policy question before us. She said as it sits today, the city has an IHO which is currently suspended and the policy question before Committee tonight is; do we want to reactivate the IHO, or leave it suspended, recognizing the implications both ways for developments that will be before us in the next few years. She said the reason staff is predicating the policy question on the states methodology is that if the city accepts the state's calculations as-is, it gives the city the opportunity to reactivate the IHO. She said if it's determined that the city does not want to adopt the state's methodology, then the way the ordinance is currently written, it will need to remain suspended, unless the Council gives direction to change that language and as the Director of Community Development, allows her to keep the ordinance suspended, if the city is at 25%.

Aldr. Payleitner said in addressing Aldr. Turner's concerns; maybe it is voluntary, but there are lists and the state of Illinois is not the one policing them, they are the ones providing the list. She said if the city is at a certain percentage, that motivates developers to come in and push for a HUD development because the city is on that list, which happened a few years ago, and because the city was in a fuzzy area of the list, the city had some control over that. She said no, the state of Illinois does not have the teeth to enforce this, but there is this list and there are developers that are chomping at the bit that could take the power out of the city's hands, and there are communities who do not have this but they are now scrambling to get something to not have those issues. Aldr. Turner asked if those HUD developers come from federal or state government and where do they get the authority to do that if the city is not required to have it by state law. Aldr. Payleitner said federal and it doesn't matter if the city is required or not, its where the city's numbers are; if the city were on the iffy list of 20% or below, then they could come to the city, but if were at the 10% the city doesn't have a choice. Aldr. Turner said so if we accept this at 11.2% it will still put the city on the "fuzzy list". Aldr. Payleitner said there is a list now but she is just saying that the city is miles ahead of other communities and she would rather the city have the tools in place to maintain that we have an affordable housing stock but be able to say what fits into the community. Ms. Tungare suggested staff share with the Committee what the implications are if the city falls below 10%.

Ms. Johnson said if the city falls below 10% and is no longer exempt from the act developers of affordable housing can come in and propose an affordable housing development and if the city denies that, they have the power to appeal the city's decision to the State Housing Board of Appeals where they could overturn the city's decision; so there is a risk of that falling below the 10%. Aldr. Turner said so this is more of a protective measure against a HUD development. Aldr. Lewis asked if that had ever been done. Ms. Johnson said a developer has never made an appeal to the state.

Aldr. Stellato said as a way to find revenue to provide affordable housing, this is a great plan and what he sees works and the fee-in-lieu is very important to him because if someone want to develop a particular spot and somebody doesn't want affordable housing there, that money goes into a reserve account and the city can designate an affordable housing area. He said he likes the concept but doesn't know when to

enact it and the question tonight is, if Committee decides tonight to keep the ordinance suspended but adopt all of the necessary tools then its ready to go, or if its decided to enact it tonight, it would start at next Council approval and then anything coming forward would have to meet the criteria; but the discrepancy between 23% and 11% still boggles his mind.

Aldr. Turner asked if all the housing developments on the docket now or those that have been filed- Corporate Reserves and Lexington, would those be exempt from this. Mr. Colby said that question was posed to legal counsel for direction and the interpretation provided was that because this would be set up more like a fee-based contribution that doesn't come due until a project is actually being constructed, any projects currently pending through the zoning approval process would still be due to pay this fee if the ordinance is in affect at the time the project is approved. He said current applications, assuming that Council were to approve this ordinance and it would be in effect before the Council took action on any of those pending projects, those pending projects would then have to comply with the ordinance and either pay the fee or provide units. Aldr. Payleitner asked about Lexington. Mr. Colby said that was a unique situation because they had more or less an affordable housing plan connected with it; so that requirement is written into the ordinance for that project.

Aldr. Lemke said in regard to the discrepancy between the 23% and the 11%, that if he doesn't see any numbers as to how they came up with that and why it's different, he doesn't see why there wouldn't be any reason for them to say the city is at 5% next year, and he has a real problem with approving this as set. He said to turn it on, especially if there is something in the pipe right now, he doesn't want to surprise them and to not count on him to approve this in turning the ordinance back on. He said that doesn't take the pressure off the city to think a little more about how we might structure to make sense and to stay on top of and he has a problem with a fee-in-lieu making a single tear down more expensive. Mr. Colby clarified that the committee, if desired, could revise the proposal to exempt projects that are pending now, but the ordinance would need to specifically state that. Aldr. Payleitner added that the state did not just come up with 11.2%, there is a formula. Aldr. Lemke said there should have to be some sort of public hearing; the city shouldn't find out after the fact and he sees a lot of housing in the city that someone would buy as their first house out of college and fix up on their own.

Aldr. Silkaitis said the numbers kind of boggle him also but he doesn't want to be stuck in the situation where we are under 10% and who knows what the state will do. He thinks it's a nice ordinance to keep the city within where we should be and he personally believes in affordable housing; anyone should be able to come and move to St. Charles and to he doesn't agree with saying we don't want any affordable homes. He feels the city should make sure there are starter homes, and there are homes that are inexpensive and he is in favor of approving this without hesitation.

Chairman Bancroft asked if accepting IHDA's finding of 11.2% is simply a way to trigger the ordinance to be reenacted. Ms. Tungare said correct and she made mention of the Homes for a Changing Region study which was a multi-jurisdictional study that the city participated in last year with North Aurora, Geneva and Batavia and one of the recommendations was that the city needs to maintain a balanced housing stock to plan for housing needs for future generations.

Aldr. Krieger asked if any of the fee-in-lieu money could be used to buy and rehab foreclosed homes because there are a lot of those that could be purchased and resold to young couples. Ms. Johnson said yes, that would be an eligible activity, but the unit would then have to be sold or rented to an eligible household that is below a certain income. Aldr. Krieger said she thinks that adds benefit to the ordinance.

Aldr. Turner said he would like to amend the ordinance for any development that is in the pipeline be exempt from this new figure of 11.2%.

Aldr. Gaugel asked if they could clearly define what “in the pipeline” means and what those developments are. Mr. Colby said staff would need to speak to the city attorney about that but he envisions any development where there is a formal zoning entitlement application that has been filed with the city as of the date that the Council takes action on the proposed amendment and those pending are Corporate Reserve and Hillcroft. Ms. Tungare said First Street is different because it’s a PUD with 16 affordable units that have already been constructed as part of the development negotiated through the PUD agreement. Aldr. Turner said he would like the definition to be “if it’s been filed formally with the city and comes in before the reinstatement of the IHO, they would be exempt” because in going back to Corporate Reserves they have been at this and are at their final step and to pull the rug out and give them a new requirement two meetings away from possible approval, he doesn’t think that’s fair.

Aldr. Stellato said in looking at the recommendation for the vote tonight, which is really 2 motions even though its put together as 1, and you almost have to vote on 1 first, that if we are willing to accept IHDA’s assessment, and if that vote passes, then we go to the next step which is to amend the IHO to reflect the changes proposed by staff. He suggested separating the 2 out because he does have a problem with the first 1, but not the 2nd.

Chairman Bancroft clarified the motions:

1. Recommendation to accept Illinois Housing Development Authority’s determination of St. Charles’ affordable housing share.

2. Approve amendments to the Inclusionary Housing Ordinance as stated in the material; and there wouldn’t need to be a motion for #3 because if IHDA’s calculation is accepted and the amendments are made then it is reinstated automatically.

4a-2. Recommendation regarding proposal to remove the Inclusionary Housing Ordinance from the Zoning Ordinance for the purpose of placing the provisions in a stand-alone Title of the Municipal Code; would be its own motion as well; so we are looking for 3 motions.

Aldr. Turner said he would offer an amendment on #2 to exclude anything in the pipeline. Chairman Bancroft asked staff if Committee were in the position to make that amendment or would they do that at Council. Ms. Johnson said based on their recommendation, staff would write it into the ordinance, run it by legal counsel, and then present that revised ordinance at City Council. She also added that Housing Commission Chairman was present as well as Plan Commission members if there were any questions.

David Amundson-500 Cedar St.-Housing Commission Chairman-said he understands because the 23% to 11% was crazy to the commission as well; but the answer is that the state says this is the formula, and maybe one way to conceptualize that is by going to the IRS and saying you only made \$70,000 this year but if the IRS says you made \$100,000 this year, that is what they will tax you on and say you owe. He said he doesn’t know that there is wiggle room to say we do not accept their numbers because that is where they are telling us we are at; he doesn’t necessarily agree with it and he thinks it was lousy of them to shift gears that way, but it is what it is. He said for him personally, he doesn’t know how much choice we have.

Aldr. Turner asked Mr. Amundson if he would have any objections to amending the ordinance to exempt developments that are in the pipeline. Mr. Amundson said absolutely not; they went in understanding the rules and to change that late in the game is not fair. He said from previous discussion he had assumed that would be the way it would play out; from the point the ordinance is enacted, any applications filed after that become beholden to the ordinance, but applications filed before the point the ordinance is reactivated continues on as was and he is in agreement with the amendment.

Aldr. Gaugel said he needed clarity; there are 2 motions here and he thinks committee is in agreement that we do not agree with the calculation for the first motion, however committee voted no to that and the ordinance stays suspended and the 2nd motion is moot. He said if we say yes to the first motion, the 2nd motion would then come into play. Chairman Bancroft said correct. Mr. Gaugel asked if the ordinance stays suspended how that affects the fee-in-lieu of today. Ms. Johnson said the fee on the books is still \$104,000 but it would not apply because the ordinance would be suspended and the city would collect nothing. Ms. Tungare explained that the fee-in-lieu goes into the city's established Housing Trust Fund and the purpose is to create affordable housing within St. Charles and that money can be used for programs such as single-family rehabilitation, grants toward affordable housing, creating affordable housing and foreclosed homes. Chairman Bancroft asked if another option would be to remove or modify the provision from the ordinance that is creating it to currently be suspended. Ms. Tungare said if the city reaches 25%, the ordinance can be kept suspended and to reenact the ordinance it would need to get to 15%. Chairman Bancroft said that if we do not want to accept IHDA's numbers, is another option to reenact the ordinance and get the amendments passed, subject to other amendments to change that threshold. Ms. Johnson said yes, but one of the amendments is to change the sliding scale and we would remove that 15% threshold and it would be adjusted so the ordinance turns off at 20%; and turned on once under 20%.

Aldr. Payleitner said we don't like IHDA's numbers but it is what it is and asked to what end would we not change to their numbers. Aldr. Bancroft said the state of Illinois has flaws and rather than just accepting their methodology, he thinks it's in the committee's privy to not do it. Aldr. Stellato agreed and said they have not justified how they got from 23% to 11%; he understands they change formulas all the time, but at some point he's not willing to roll over and say okay. He said if there were other communities going along with it he would get that, but he has not been sold enough yet to prove that number is justifiable to him; which is his way of saying he doesn't agree with their numbers. Aldr. Payleitner asked Aldr. Stellato if he doesn't agree because he doesn't agree with how they got to that. Aldr. Stellato said yes. Ms. Johnson explained that it basically comes down to differences in the data sources used and the fact that the city uses more localized data from the tax assessor to figure out our affordable housing number and the amount of housing we have below the affordable housing number. She said staff adjusts median income based on a 4 person household; so we use \$72,000 for median income and that number is then used to calculate the affordable housing price, and the state did not adjust for household size, they use straight area median income of \$61,000. Aldr. Stellato asked why they did that. Ms. Johnson said in the past they had adjusted for the 4 person household. Chairman Bancroft asked what the provisions are for the calculation for the current suspended ordinance. Ms. Johnson said it currently doesn't specify; it states that the percentage of affordable housing is per the determination of the city of St. Charles and the director of Community Development and Economic Development. Ms. Tungare said the original IHO was based on IHDA's calculations from 2004 and their methodology and then when Mr. O'Rourke was brought on board, he developed a system based on IHDA's methodology from 2004 so that the city could calculate our annual inventory for affordable housing every year. Mr. O'Rourke said that when staff developed the original methodology we have been using, they did look at what the state gave us in their first report and at that time since 2004-2009 all staff ever received were charts released once a year which outlines 4 person household and then generates a calculation of what an affordable house is. He said staff's determination was always based on those number given by the state every year and then when they came out with this 2013 calculation, they flipped it and that is where the discrepancy really comes from. He said it's not so much about which median income they picked; it's literally that staff had those outlined numbers to go with all those years and the state came out with a report and said it was too hard to do city by city so they just used the Chicago Metropolitan area median income for everybody.

Aldr. Stellato said his concern is that if Committee votes yes on the first motion that he is not sure what happens and he is just not willing to accept the percentage; however even if committee votes right now, he is okay with the 2nd part of the motion, but it's the matter of principle at some point to just accept the state's number with no explanation. He said this could be a reflection of a market that was down when

they were working on it, but now's back up, and he doesn't know what impacts that. Aldr. Krieger asked what the fee-in-lieu would be based on. Aldr. Stellato said he would keep all staff's calculations the same at 75% of the development has to meet affordable housing standards, but he is not sure how to do that.

Chairman Bancroft said there's a lot of discomfort in just accepting the state's calculation; he said one thing he has not heard any answer to is, what are other communities doing; is St. Charles a trendsetter, because he would rather not be. Ms. Tungare said we are pioneers in this area; Geneva, Batavia and North Aurora do not have an IHO; but if there is a policy decision to reactivate the city's IHO, but we do not want to commit to IHDA's methodology. She said one way to get around that would be to acknowledge that the city is at 23.8% based on the city's methodology, and therefore the Committee would like to reactivate the IHO since we have fallen below 25%; an arbitrary number can be picked and then reactivate the IHO, that is well within the committee's discretion to do so.

Aldr. Lemke said he would like to see another community who has done the computation and is dealing with a number of 10-11% and what they do. Aldr. Payleitner asked why the city is all of the sudden worried about being pioneers; we are pioneers for video gaming and drive-through liquor stores; we have been pioneers with this IHO since it first came into effect. Chairman Bancroft said he is personally not worried about being pioneers; he is personally worried about accepting for face value a calculation done by the state of Illinois right now, period.

Aldr. Turner asked if the city could reactivate the IHO because it fell below 25% and that in effect with the amendments protect the projects in the pipeline and also from HUD coming in. Aldr. Stellato said nobody is protected right now and he is worried about the city of St. Charles and providing affordable housing and if we make it 25% and that allows the city to still get the fee-in-lieu and develop the reserve fund, he is okay with that, he just doesn't believe that the 11.2% is going to make any difference at all if it comes to a HUD development because there will be lawsuits if they only pick on 1 community who is not complying when the rest of the state is not in compliance. He said he wants the percentage to be comfortable for us to get some money into the reserve fund to start designating areas to redevelop and he thinks we can do both without going all the way down to 11.2%. Aldr. Turner asked if we can reactivate the ordinance and use it to say- "we do have an ordinance and to pick on somebody else" if HUD comes, and we will still get money coming in and protect developments in the pipeline; he is okay with that.

Aldr. Lewis asked about the timing and if this needs to be decided on right now. Aldr. O'Rourke said the Housing Commission has been discussing this for about 1.5 years and have been trying to create an ordinance to finally get in front of Committee and it is just coincidence that there happens to be some residential developments coming in the last couple months. He added that if the discretion of the committee is to not acknowledge IHDA's standards, then maybe part of the recommendation would be for the sliding scale to not be changed, because there would be no real benefit; the ordinance would effectively be not turned on because the sliding scale requirement would be at 0%.

Chairman Bancroft said it all stems with what IHDA's calculation is historically and he asked if staff has annually asked anybody to opine that the old calculation was accurate, because the only reason this is before us now is because it's a dramatic drop from 23% to 11%. He said Committee is asking why this happened and he thinks there is a pretty good consensus that the amendments are acceptable but he really questions whether other communities are believers of this calculation, or what other communities are doing and has staff talked to other communities. He said he would rather that be done than to artificially reactivate the IHO again because all that's doing is punting the same decision and the same decision will need to be made on an annual basis. He said he would like the answer to the methodology first knowing that the amendment will be approved and also knowing that one of the amendments to the amendments that is on the table is to exempt the pipeline; which means it will really not impact any revenue immediately anyway and he feels this is getting rushed. Ms. Johnson said she believes that Evanston is the only other Chicago land community that has an IHO and Highland Park might and a lot of other

communities are under 10% now including Geneva and she thinks they are working on an affordable housing plan to submit to the state as they are required. She said Batavia, North Aurora, South Elgin and Elgin are still exempt and do not have an IHO. Chairman Bancroft asked if staff had reached out to Evanston or Highland Park regarding the IHDA methodology. Ms. Johnson said she had not but she knows Evanston was recently working on amendments to their ordinance but were focusing on changing their fee-in-lieu and she is not sure that their IHO is tied to the percentage of housing that's affordable. Aldr. Turner said he remembers when the city's IHO was done many years ago; Highland Park was used as a template.

Aldr. Payleitner asked when these numbers came to pass. Ms. Johnson said December 2013 IHDA released the updated list but she doesn't believe the city found out about it until this time last year. Aldr. Payleitner said the Housing Commission has been working on it every month for a year; so to say this is being rushed is a little overstating. Ms. Tungare said the Housing Commission has been discussing this for about 6 months; the Plan Commission had 2 meetings on this and now it's in front of Committee for the first time. Chairman Bancroft said that was his point. Ms. Tungare said she doesn't think there is a lot of research or information out there and only 2 other communities that they know of in the Chicago area have an IHO and her former counterpart in Geneva had extensive conversations with her regarding how the city of St. Charles established their IHO and their trust fund. She said there was a lot of work put into this by other staff members, elected officials and administration in St. Charles with 11 years in the making now and she is not sure what the hesitation is on the part of the community; whether it's a policy decision on their part to not move forward on this, but the city has been a pioneer in the area.

Aldr. Turner said in reading minutes from Housing Commission they have done great work and he does think he will vote for this, but he is a little uncomfortable because he doesn't understand it fully to be able to explain it to a citizen. He said he would like to have another meeting on this. Aldr. Payleitner said she appreciates Aldr. Turner's kind words, but the more it's delayed the bigger the "in the pipe" group gets and the less opportunity we have as to what kind of funding the city can get added to the trust fund, and if this is something that will happen inevitably, everybody will have to use the Illinois number whether we like it or not, so why not move forward; but she understands that this is the first time it's in front of committee.

Aldr. Lemke said with only 3 cities doing this he can understand why the state wouldn't do computations for each, but if they are taking Chicago, there are funny things that can happen, and he needs to know more.

Aldr. Lemke made a motion to table this item for another meeting at this time. Aldr. Stellato second by Aldr. Stellato.

Roll Call:

Ayes: Gaugel, Krieger, Bessner, Lewis, Stellato, Silkaitis, Lemke

Nays: Payleitner, Turner

Absent:

Abstain:

Motion Carried. 7-2

2. Recommendation regarding proposal to remove the Inclusionary Housing Ordinance from the Zoning Ordinance for the purpose of placing the provisions in a stand-alone Title of the Municipal Code.

Ms. Johnson said this was upon recommendation from the Housing Commission and staff is proposing the relocation based on a few reasons:

- Removing the IHO from the Zoning Ordinance will provide Council with some additional flexibility in how developments can meet the ordinance.

- IHO is not directly tied to zoning; Zoning Ordinance generally governs the physical form of development and inclusionary housing is related to the cost of units.
- Location of the IHO within the Zoning Ordinance requires review of amendments to the IHO by both the Housing Commission and the Plan Commission, while the Housing Commission is the group that specifically tasked to inform the Council on housing-related policy.

She said Plan Commission held a public hearing and did recommend denial by a vote of 7-1 based on concerns detailed in the summary and there are representatives present for questions. Ms. Tungare suggested that since the previous item was tabled, it may be appropriate to also table this item, but that since members of the Plan Commission had taken the time to be in attendance, to maybe give them the opportunity to offer any comments they may have, take those into advisement, and then table the item.

Brian Doyle-Plan Commission representative-said there a number of reasons the commission feels it belongs in the Zoning Ordinance and looking at the title and charge of the Plan Commission, it encompasses more than physical form of development; it encompasses community character, public safety and a wide range of thing referenced in the Comprehensive Plan, and they would like to be a voice because they have a strong interest. According to the provisions of AHPPA, land use is one of the components that an affordable housing plan specifically identifies lands in which affordable housing is most appropriate and this is one of the components that a municipality needs to consider when creating an affordable housing plan and land use is covered under the Zoning Ordinance. He said most importantly in looking at recent coverage in the news about AHPPA and how it is being received and treated by other affluent communities in the Chicago land area, that discussion shows that zoning can be used intentionally or unintentionally to support or deter the development of affordable housing. He said Plan Commission supports the IHO by a strong majority and wish to partner with the Housing Commission in advising the Council on this and they feel their capacity to advise Committee requires them to understand the IHO and requires a partnership that ensures that the Plan Commission doesn't inadvertently make recommendations to Committee on zoning that could contradict or undermine this policy.

Aldr. Turner asked what the reasoning was to take it out of the Plan Commission review. Ms. Tungare said from staff's standpoint it was for administrative efficiency and since the city already has an established Housing Commission and their charge is to deal with affordable housing issues, staff saw an opportunity to make the process more efficient by taking it from the Housing Commission directly to Planning and Development Committee and City Council. She said the second piece was based on discussion with Council at the summer retreat in 2015; there was a desire to make the IHO more flexible and fluid in terms of its applicability to development projects. She said when staff started writing up the ordinance, it didn't quite seem to fit the structure of our Zoning Ordinance, which is really very structured in regulation, and it seemed to fit better as a stand-alone title in the City Code. She said it definitely has a place in the Zoning Ordinance or it can function separately in the city code; she has conferred with the city's attorney to understand if there is a right or wrong way of doing this and he stated he's seen it done both ways across the nation.

Aldr. Turner asked how the Housing Commission feels about this. Ms. Tungare said they were in favor of removing it from the Zoning Ordinance to make it stand-alone. Mr. Amundson said it's all about efficiency and removing layers of redundancy; but in terms of what Mr. Doyle stated in defense of the right to speak publicly at the public hearing made him think that's a reasonable argument and he could go either way. Aldr. Turner asked about what the Housing Commission's expertise in zoning is compared to the Plan Commission's. Mr. Amundson very limited. Aldr. Lemke said in deference to the work done by staff, he does feel it makes sense to separate the two, and he hadn't appreciated that the effect would be to seemingly bypass the Plan Commission, and that wouldn't have been his expectation either, and he is not sure how to keep the Plan Commission involved, but it could be separate, where zoning is very cut and dry, and this is very formula-driven.

Aldr. Silkaitis made a motion to table this item. Second by Aldr. Bessner.

Roll Call:

Ayes: Gaugel, Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke, Turner

Nays:

Absent:

Abstain:

Motion Carried. 9-0

Aldr. Stellato recused himself from item 4b. at 8:10pm

- b. Plan Commission recommendation to approve a Special Use for PUD and PUD Preliminary Plan for Hillcroft Estates, 1147 Geneva Rd.**

Ms. Johnson said a Concept Plan for the property was presented in May and proposed at that point were townhomes and the applicant is now proposing to develop the 1.8 acre parcel with 4 single-family homes. She said a PUD is requested to permit a building height in excess of the maximum height permitted in the zoning district, partially due to the slope of the property. Plan Commission held a public hearing and voted to recommend approval subject to resolution of staff comments and earlier today the applicant did submit a revised tree preservation plan which was in response to discussion at the public hearing. She said the revised plan shows the existing evergreen trees along the west end of lots 3 and 4 will remain, it also notes that the existing asphalt driveway to the single-family house that is within the tree preservation zone must be removed by hand or by light weight equipment in order to protect the root system both onsite and on the neighboring properties that are meant to be preserved. She noted that the applicant and a few neighbors were in attendance for any questions/comments.

Aldr. Lemke said the drawing shows 3 lines at the northwest corner of the parcel and asked if those were some type of a retaining wall and if so how were they constructed. Ms. Johnson said yes. Dan Marshall-Marshall Architects-812 E. Main St.-he said they are working on the details right now but the desire is for those to be natural stone walls, they are terraced with landscape beds in between them. Aldr. Lemke suggested something like a dry well where water can percolate to not get a mass of soil pushing it out. Mr. Marshall said correct, they would have to be drained.

Aldr. Krieger said this is a much better plan than the townhomes; she likes it.

Aldr. Lewis asked if it would still be gated at the entrance. Mr. Marshall said no, they will either move the pylons that are on the south driveway or if they do not move well they will create something similar to those. He said his recommendation is to not call it Hillcroft Estates just Hillcroft or Hillcroft Lane; to make it not so much of a gated subdivision; just custom homes. He said the reason for raising the height is because there is quite a hill and they are trying to allow flexibility for these homes to be of a nature beyond an old highway road like Rt. 31 and the goal is to make the homes all different looking.

Aldr. Lemke asked how the building heights compare with the houses on the cul-de-sac behind it. Mr. Marshall said they are quite a bit down the hill and the ridges of these will most likely be lower than the ridges of those homes, and right now they are at the height of the existing house out there on the hill. He noted that there is a lot of space between the houses and they are set-back 90 ft. from the property line.

Aldr. Lewis asked if the retention pond project at the Oakes would all fit in with this plan. Mr. Marshall said yes, there is coordination there and we are not using their pond for anything, but are creating their own little retention and decorative ponds there and those will be worked in by either fencing it off, landscape screening it or building up the landscape around the edges.

Aldr. Krieger made a motion to approve a Special Use for PUD and PUD Preliminary Plan for Hillcroft Estates, 1147 Geneva Rd. Seconded by Aldr. Gaugel. Approved unanimously by voice vote. Motion carried. 9-0

Aldr. Stellato rejoined the Committee at 8:15pm.

- c. Plan Commission recommendation to approve a PUD Preliminary Plan for Gralewski Health Club, Pine Ridge Park PUD Lots 6 & 7.

Mr. Colby said this is a proposal to construct a 1 story health club building on these 2 lots in Pine Ridge Park, the health club use is permitted in the PUD and this review of the preliminary plan is required to determine compliance with the PUD ordinance and zoning ordinance requirements. He said staff has reviewed the plans and has found that they comply with both, subject to some minor revisions and additional information from the applicant. He said Plan Commission and staff have reviewed and recommended approval subject to resolution of staff comments prior to Council action.

Aldr. Turner said he has spoken to neighbors in the area, especially at Regency Estates who live directly across from this, and they are fine with this.

Aldr. Turner made a motion to approve a PUD Preliminary Plan for Gralewski Health Club, Pine Ridge Park PUD Lots 6 & 7. Seconded by Aldr. Bessner. Approved unanimously by voice vote. Motion carried. 9-0

5. ADDITIONAL BUSINESS – None.

6. EXECUTIVE SESSION-None.

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining

7. ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS. - None.

8. ADJOURNMENT – Alderman Stellato made a motion to adjourn at 8:17pm. Seconded by Alderman Silkaitis. Approved unanimously by voice vote. Motion Carried. 9-0