



Board of Trustees

Special Committee of the Whole

1225 Cedar Lane
Northbrook, IL 60062
www.northbrook.il.us

~ Minutes ~

Debbie Ford
(847) 664-4013

Tuesday, August 27, 2019

6:00 PM

Terrace Room

A LITE DINNER WILL BE PROVIDED

1. ROLL CALL

Attendee Name	Title	Status	Arrived
Sandra Frum	Village President	Present	
Kathryn Ciesla	Trustee	Present	
Bob Israel	Trustee	Present	
Muriel Collison	Trustee	Present	
Jason Han	Trustee	Absent	
Heather Ross	Trustee	Present	
Johannah Hebl	Trustee	Present	

2. MINUTES APPROVAL

- A. Review and Approval of the June 25, 2019 Special Committee of the Whole Meeting Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Muriel Collison, Trustee
SECONDER:	Kathryn Ciesla, Trustee
AYES:	Frum, Ciesla, Israel, Collison, Ross, Hebl
ABSENT:	Han

- B. Review and Approval of the July 23, 2019 Special Committee of the Whole Meeting Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Muriel Collison, Trustee
SECONDER:	Kathryn Ciesla, Trustee
AYES:	Frum, Ciesla, Israel, Collison, Ross, Hebl
ABSENT:	Han

3. PUBLIC COMMENT TIME

No Public Comments.

4. DISCUSSION TOPICS

- A. 2019 Bond Issue

A motion was made and seconded and passed to move the 2019 Bond Issue before discussion of the Affordable Housing Plan.

Deputy Village Manager Jeff Rowitz stated that the bond ordinance will come before the Board on October 22, 2019. The issue is being put together at this time. Due to a favorable interest rate, the Village is looking to bond the 2019-20 projects as well as 2020-21 projects. The amount will be approximately \$21 million in total. It is two years of planned capital projects, the Library is requesting \$4 million for capital projects, and \$2.5 million will be to refund the remaining 2010 bonds

B. Review of Options for Implementing Northbrook Affordable Housing Plan

A. ATTACHMENTS:

- Village of Northbrook Affordable Housing Report 8/27/19
- Northbrook Affordable Housing Plan
- Affordable Housing Toolkit for the Chicago Region (BPI)
- Northbrook Comprehensive Plan Chapter 4: Housing
- NWMC Affordable Housing Survey
- Map of Potential Affordable Housing Areas Northbrook
- 2017 Inclusionary Housing Research Report
- AOA ZP inclusionary housing
- Inclusionary Zoning: Everything You Need to Know - CityLab
- To Tackle Housing Inequality, Try Upzoning - CityLab
- Highland Park inclusionary housing program
- Highland Park Resident Selection Criteria
- Highland Park Developer Offers \$1.25 Fee
- Lake Forest Demolition Tax
- Example of Affordable For Sale Units - California
- Home Repairs & Improvements - CPAH
- Chapel Hill NC Metrics
- Chapel Hill Town Employee Housing Incentives with Income Table

President Frum complimented Director Poupard on putting together an amazing document on affordable housing. She opened tonight's meeting by stating that she did not envision any final decisions being made tonight, there would be at least another meeting for further review on the topic of Affordable Housing.

Director Poupard presented a series of PowerPoint slides. He opened by stating that the presentation is intended to provide a high-level overview of the state's affordable housing act and some of the Village policies that have been developed to address this need. He then displayed plans for different housing developments that have been approved within Northbrook and how the application of the Highland Park model for affordable housing would have

impacted those developments. The presentation will also describe the existing demographic and market conditions in the Village and conclude with an overview of the various tools available to increase the supply of affordable housing.

The State of Illinois Affordable Housing Act, which was adopted in 2003, stated each municipality within the State of Illinois should have 10% of affordable housing stock. The State defined "affordable" as something those making 80% of the area medium income could purchase or rent. Northbrook is home rule community and, as such, we are not required to comply with the Act. Nonetheless, the Village did adopt an Affordable Housing Plan in 2005.

He presented a slide that showed how using the State formula, 80% of the median income is approximately \$68,000. For a family of four, they would be able to purchase a home under \$190,000 or rent an apartment for \$1,143 per month.

The Northbrook Affordable Housing Plan set forth general goals stating that 15% of new housing within the Village should be affordable with an overall goal of increasing by 3% over time. He displayed a map showing the areas in the Northbrook Affordable Housing Plan as possibly being able to accommodate affordable housing: Sky Harbor, parts of Waukegan Road, expansion of Crestwood Place, South Shermer Road corridor, East on Techny Road and Techny undeveloped area. He explained how the Village constructed Crestwood Place in the late 1980s and how it offers 118 apartments at a very low rent level for seniors. We have also have amended the zoning code over the years. In the R8 districts there are FAR bonuses for affordable senior housing. In RS district, there is an inclusionary requirement that a certain percentage of the housing has to be defined as affordable. There are density and height bonuses available. The VGRC district offers opportunities for density and height bonuses if someone makes that choice. The Lodge development on the Techny property is zoned RS and provided 24 affordable housing units; however, the affordable units there re based on a Northbrook standard, not the state standard.

The original State of Illinois analysis showed that 5.3% of the housing in Northbrook was affordable based on their criteria, but their most recent numbers show that has increased to 5.7% for 2018. He showed a series of images depicting what \$190,000 would buy in Northbrook, based on recent home sales. Northbrook's affordable housing stock consists primarily of 1970s era condominiums. He noted since the 2005, average housing values have dropped in the Village and we have also seen a slight decline in average household income. Northbrook median

income is now approximately \$120,000. Some Northbrook seniors are choosing to age in their homes.

Director Poupard then provided a summary of a variety of affordable housing tools that are available.

- IZ (Inclusionary Zoning): For every new development, a certain percentage has to be affordable by a certain definition.
- Another approach communities are taking is to implement a tear down fee or tax.
- The implementation of density bonuses by introducing more units at a lower price. The builder must figure out the sweet spot. A formula must be in place.
- PUD (Planned Unit Development) - maybe you can provide a mix of housing stock, i.e. Ancient Tree, Shermer Place. A developer can target different housing sectors and prices.
- An option useful in transit areas is to require less parking spots in a development.
- If you are building affordable housing, offer a reduction in the amount of the permit price. Impact fees paid to the Park District, Schools and Library add up quickly. Director Poupard stated that those fees could be waived or reduced to help reach affordable housing.
- Public-private partnerships - Look at our inventory of property that the Village owns and make some available for development, perhaps at a reduced price.
- Offer financial assistance to employees to live in the community if they meet certain income thresholds with a down payment on a home or a rent subsidy.
- Use Cook County property tax assistance, similar to 6B. Member Ciesla asked for target return on investment numbers. She would like to see some framework.
- Another option is that the Village could partner with a not-for-profit to purchase, take title, and repair homes that have fallen in disrepair. These homes could then be used for affordable housing.
- Some communities are using the income from demolition fees to purchase affordable housing units as they come on the market.
- Another option is to look at the zoning regulations for home sharing and revisit the definition of family..
- Cottage homes are another trend. They are a creative approach to downsizing homes and lots.
- Accessory dwelling units that allow conversions of garages provide the benefit of less expensive housing.

The Highland Park approach is 20% of units in new developments have to be affordable.

Highland Park uses 120% of the area medium income (AMI) to define affordable. IHDA uses 80% of IMA. Single family subdivisions with less than 20 lots, can pay a fee and opt out. The fee for "buying out" is \$125,000/unit.

Village Attorney Steve Elrod stated that Highland Park is looking to revamp its entire program with alternatives to its compliance section and relief for more options.

Director Poupard provided examples using the number of affordable units that would be required in each - noting that that, in turn would likely require increasing the density: Jacob's

Townhome Development, NorthShore 770, The Finger Companies, Timber's Edge and Anets' Woods.

In order to add affordable housing units into single family developments, both the developer and the community need be open to creative solutions.

Questions to consider:

- 1) What is affordable?
- 2) Who is targeted in the housing goals; seniors, workforce, aging in place, young families
- 3) What tools should we use?
- 4) Do we have to rethink the controls that we have in place?
- 5) What should be done?

What is affordable?

Trustee Ciesla inquired if transportation played a role. She asked if less urban areas get hit harder with a work force shortage. Director Poupard stated that Northbrook was facing a labor shortage but the whole Chicago area also has a labor shortage. Transportation costs are a big part of housing affordability. Transit options are limited in Northbrook outside of Metra. Trustee Ciesla asked if there are urban planners that look at community demographics, and if there was a precedent in place to be followed. Director Poupard stated that in order to attract millennials, the Village has to not only have affordable housing but also offer a sense of place.

President Frum stated that some of the school districts would like to see more students and more housing while other schools are saying, "no more students".

Trustee Ross asked if the Highland Park affordable housing requirements made developers not proceed with a proposed development and what types of development have occurred since affordable housing went into effect. The answers were unknown.

Trustee Israel stated that if municipal boundaries were erased, affordable housing would be within five miles.

President Frum asked each Trustee to share their thoughts on affordable housing options that were covered in tonight's meeting. She stated that everything was on the table.

Trustee Hebl stated that she feels for the people that have lived here for twenty years in Northbrook but who can no longer afford to do so. She asked that "humanity" be brought into the conversation. She agrees with 15% for new housing, cash buy out, and accessory homes. She agrees to start with 120% AMI but to revisit in the future.

Trustee Collison stated her goal would be to attract a variety of housing types to include condominiums, apartments and single family homes using a variety of incentives. She would like to see the Village use its funds to purchase some affordable properties. She is a fan of the

Village buyout. She stated that residents do not like density. She is ok with 120% AMI but maybe 110% AMI. She would like more information. Requiring 15% of all new housing to be affordable seems high.

Trustee Ross stated that we need to take action so more people can live in Northbrook. She welcomes policies that would encourage people who never would have dreamed to live here, do so. She believes that those who work in Northbrook should be given a preference. She is opposed to fee-in-lieu-of opt outs. She is open to options, including accessory housing. She is comfortable with 15% new housing but is concerned with an AMI that is too high.

Trustee Israel likes Highland Park's approach, but with 15% new housing and, 120% AMI. He is not interested in fee-in-lieu-of opt outs, but would still consider them. He likes the idea of a tear down fee. Multigenerational living goals are important to him. He likes the idea of attracting young people to Northbrook.

Trustee Ciesla stated that, "Northbrook has a chance to ask, "Who are we?" What do we want to look like for generations to come?" She wants an inclusive community with diversity in schools. She is not sure about the numbers. She wants to address the definition of "family". She wants people to age in place. She wants to define the "character of our community".

President Frum stated that she likes a blended number but is ok with 120% AMI. She would go with a tear down fee and 15% of new housing.

Trustee Israel asked if it would be fair to ask the community to chip in. The funds could take many forms. No consensus was reached on that question.

President Frum stated that another Committee of the Whole Meeting on this topic will be planned for the future. President Frum stated the topic will eventually go to the Plan Commission which will conduct a public hearings.

5. OTHER BUSINESS

None

6. ADJOURN

A motion was made and seconded to adjourn the meeting at 7:30 p.m. The motion passed on a voice vote.