



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, November 5, 2019

6:30 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	Present	
Heather Ross	Trustee	Present	
Johannah Hebl	Trustee	Present	

2. MINUTES APPROVAL

Board of Trustees - Committee of the Whole - Oct 15, 2019 6:30 PM

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Johannah Hebl, Trustee
SECONDER:	Muriel Collison, Trustee
AYES:	Frum, Ciesla, Israel, Collison, Han, Ross, Hebl

3. PUBLIC COMMENT TIME

4. DISCUSSION TOPICS

A. Options for Implementing an Affordable Housing Program - Continued Discussion

Director Poupard offered a recap of the August 27, 2019 Committee of the Whole’s discussion on Affordable Housing. He asked that everyone refer to their packet for more detailed information. He stated that he would provide case studies. The State of Illinois affordable income limit is 80% AMI. The Village in response to the State of Illinois developed its own housing plan in 2005. Areas were identified in the Northbrook Housing Plan as possible affordable housing areas. In 2018 Northbrook had 5.70% housing stock that is considered “affordable”. We have less affordable housing than some of our neighbors to the north and south. He displayed a map showing the percentage of affordable housing units in nearby municipalities. Northbrook has a number of 1960-70 era condos that is the heart of our

affordable housing stock and a few ranch homes, which Director Poupard stated that we are in danger of losing with teardown activity. We also have Crestwood Place Apartments, a senior housing facility. The Village of Northbrook has an older population that would like to age in place. Medium average home price as compared to average household income has risen significantly over the years and it is a challenge for millennials versus baby boomers. Director Poupard asked if 120% of the Chicago Area Median Income (AMI) is a proper target for affordable. He asked if 15% is the right number of affordable for new developments.

He briefly described the range of affordable housing tools available: implement a teardown tax or fee, voluntary (negotiated) inclusionary housing, mandatory inclusionary housing, development incentives, financial incentives, protecting the existing affordable housing supply, and other emerging methods.

The Board expressed a lot of interest in the Highland Park affordable housing regulations. Highland Park has recently amended their code to make it clearer. A developer may request to provide affordable housing at an approved off-site location. A developer can pay fee in lieu payments as the occupancy of units progresses rather than all up front. There is a stipulation of the type of amenities available to the affordable units.

Albion at Highland Park has a total of 161 units with 144 at market rate and 17 affordable units. They received a density bonus to achieve the 161 units. They did not provide all of the affordable units required, so paid a fee in lieu for the 10 units not provided on-site. Affordable unit breakdown is:

- 3 studio units: 1 at 45% AMI, 1 at 65% AMI, 1 at 100% AMI
- 7 one bedroom units: 2 at 45% AMI, 3 at 65% AMI, 2 at 100% AMI
- 7 two bedroom units: 2 at 45% AMI, 3 at 65% AMI, 2 at 100% AMI

Highland Park income targets are: 1/3 of affordable rental units are households earning less than 50% of AMI, 1/3 of affordable rental units are households earning 51%-80% of AMI, 1/3 of affordable rental units are households earning 81% -120% of AMI.

Examples of projects in Deerfield, Highland Park (Hyacinth Place Townhomes) and Glenview (Axley Place) were included in the packet. Highland Park targeted essential services personnel and Glenview targeted persons with disabilities. President Frum asked if the units were 100% affordable. The answer was "yes".

Deerfield has no ordinance in place. A new development behind the Deerbrook Shopping Center will have 186 apartments and 60 rental townhomes. 18 of the apartments are

required to be “affordable” targeted at 120% of the Area Median Income. The restriction is in place for only 25 years. One bedroom rent is \$1,500 per month and two bedroom rent is \$2,000 per month.

Richard Koenig, Executive Director of the Housing Opportunities Development Corporation (HODC) was introduced. Mr. Koenig has been successful with constructing a number of affordable housing developments with his private not-for-profit organization. Mr. Koenig stated that segregated projects are acceptable and a community should have both to be successful. His firm does not do mixed housing. His projects range from 20 to 80 units. Each project is a separate legal identity. HODC is the controlling entity and has all responsibility. His smallest development is Axley Place with 13 units. Axley Place is for persons with disabilities and is located in Glenview. Funding came from Illinois Housing Development Authority (IHDA). IHDA is the state equivalent of HUD. IHDA does approximately 30 developments per year. It is highly competitive. It is not debt that has to be repaid. For profit developers go to IHDA. Mr. Koenig stated that he would love to partner with the Village. He stated that community bank loans tend to be expensive.

Rob Anthony, president of Community Partners for Affordable Housing (CPAH), stated that money may be available from IHDA. The challenge is to find the right seller, the right land and the right space. The project has to be fully scoped out and designed. IHDA funds about 1 out of 5 projects, one day per year. The funding is highly competitive. He stated that his firm finds the buyers for affordable units, but there are deed restrictions. The deed restriction units are owned by the developer, not the Village.

President Frum asked for an explanation of differences between the affordable units and full market rate units. Highland Park ordinance states that all exteriors are the same but that inside finishes can be different. He stated that a creative approach is to cut a regular unit in half to make two affordable units. Mr. Anthony provided details on the Hyacinth Place development in Highland Park. CPAH targets work force housing for those making \$15,000 - \$20,000 per year, senior housing and disability housing. His firm partners with social service agencies. President Frum indicated that she wants form base coding. Mr. Anthony stated that he would be happy to partner with Northbrook. He states IHDA spreads money across the state of Illinois. He believes that the Village should work with a developer and also offer scattered housing.

President Frum stated that the Board needs to move in two directions, affordable housing and a plan in place for developers. She stated that zoning needs to be put in place.

Mr. Koenig believes that every developer should contribute something. The zoning process can often be a barrier and the delay can be as long as three years. Goals need to be outlined. Developers need to know what the Village is expecting of them.

Trustee Ciesla would like the Plan Commission, with a deadline, to take the initiative to amend the code to allow accessory dwelling units. The definition of family also needs to be changed. Trustee Israel stated that we need to be mindful to allow accessory dwelling units that are affordable in nature. Director Poupard suggested that it can be accomplished by limiting the size of the units. Director Poupard stated he has not seen rent restrictions, but that Wilmette's maximum ADU size is 600 square feet. President Frum stated that we have to be careful when looking at single family homes and accessory units with past history of Northbrook in dealing with flooding and impervious surfaces.

Trustee Ross stated that the affordable housing piece geared towards new developments. The missing middle might not meet 80% AMI but we need to figure out the best way to change zoning codes to allow more affordable housing. She stated that we need an inclusionary plan.

Trustee Ciesla stated that we could investigate Grainger as a site where we provide affordable housing. She would like to see more opportunities for our population to age in place, let our children have the opportunity to live here, encourage millennials to live here, and to provide housing for workforce and those with special needs. Trustee Ciesla is wary of the obstacles to achieving this described by developers and would like a paid consultant to audit the financial model. She would like the Plan Commission to take the steps to amend the zoning code.

Trustee Collison asked how these options are working in other communities and if they would work here. She asked, "What are the expectations of people living in this Village?"

President Frum would like a list of other places to see that are within the area. Trustee Hebl stated we should try to get closer to 10%. She thinks we should partner with IHDA or developers or encourage private residents to invest. She would like to come at this from three angles. She would go with the Highland Park model now and tweak it later. She wants the Plan Commission to look at the piece and is in favor of 1/3, 1/3, 1/3 type of housing targets in the Highland Park ordinance. She wants no buy out for now until the issue is studied. President

Frum stated that she is not in favor of negotiating with every developer over every development.

Trustee Han thinks it is okay to negotiate and to have IHDA funds. He believes we should announce to developers and non-developers, "Come with IHDA funds, so you can do this." He wants zoning created that will not be abused.

President Frum suggested instead of adding more density, that a developer might dedicate the land for an affordable project. We could approach the developer.

Mr. Koenig stated that developers look to pay the fee in lieu. In those cases, fees are paid into a housing trust fund and used to finance affordable housing developed off site. The developers need to be educated and you need to market inclusionary. The Village needs to find ways to make the math better. He stated that Highland Park is one of the better models nationally to follow. The Highland Park plan outlines funding sources, having a plan, and buying land.

Trustee Ciesla questioned how Highland Park determined the \$125,000 tear down fee. The answer is that the number can fluctuate and it is the cost to subsidize ownership. Trustee Ciesla would like an integration model similar to Highland Park.

President Frum asked if we are looking at a policy of 10-15% affordable or whatever that number is, 1/3 - 1/3 - 1/3.

Trustee Collison asked the Board if we are looking for that plus buying property in Northbrook. The answer was that the Village has not been looking at buying property at this time. Trustee Collison wants to create a fund to purchase key pieces of property that are for sale. She does not want to close out buyout options. She would look at fee in lieu but would not write it in the code.

President Frum wants no fee in lieu. She thinks a density bonus is needed. She asked Director Poupard to prepare a draft ordinance and fee. Director Poupard will work on developing a plan and make a formal presentation to the Board. President Frum thanked the guests and trustees.

5. OTHER BUSINESS

President Frum shared the Dundee Road project will be completed by November 21, plus five days. Lee Road will be open but the final paving will not be completed until next spring.

6. CLOSED SESSION

Trustee Collison moved, seconded by Trustee Ross to go into closed session under sections 2(c)(1) and 2(c) (3) of the Opens Meeting Act. On voice vote, all were in favor.

7. ADJOURN

Trustee Collison moved, seconded by Trustee Ciesla to adjourn the meeting at 9pm. On voice vote, all were in favor.