

APPROVED

Planning & Development Committee
Minutes of December 12, 2005
Room 2200 – 6:30 p.m.
Evanston Civic Center

Alderman Present: S. Bernstein, A. Hansen, D. Holmes, L. Jean-Baptiste, E. Moran, A. Rainey, E. Tisdahl, C. Wollin, M. Wynne

Staff Present: J. Wolinski, C. Brzezinski, J. Carroll, D. Gaynor, D. Marino, G. Morgan, D. Spicuzza, E. Szymanski, J. Brownlee

Presiding Official: Alderman Rainey

DECLARATION OF QUORUM

Chair Rainey called the meeting to order at 7:40 p.m.

APPROVAL OF THE NOVEMBER 28, 2005 MEETING MINUTES

Ald. Wynne moved approval of the November 28, 2005 minutes, seconded by Ald. Bernstein. The vote was 9-0 in favor of the motion.

ITEMS FOR CONSIDERATION

(P1) Resolution 77-R-05 – Designating the portion of Emerson Street, between Orrington Avenue and Sheridan Road, with the Honorary Name “Waa-Mu Way”

Ald. Wollin moved approval, seconded by Ald. Moran. Ald. Wollin gave a brief summary of the Waa-Mu program and annual show. She noted that this is the programs 75th Anniversary and over the years have provided entertaining performances spotlighting many local talents and bringing numerous visitors from all over to Evanston. The program was founded by Mr. Joe Miller who also directed the show for the first 48 years. The proposed location of the street dedication is for one block on Emerson from Sheridan to Orrington Avenue in front of the Cahn Auditorium building, which is the traditional home of Waa-Mu. Ald. Wollin supports this application. **The Committee vote was 9-0 in favor of the motion.**

(P2) Ordinance 139-O-05 – Amending the Affordable Housing Demolition Tax Ordinance

Ald. Moran moved approval, seconded by Chair Rainey. Chair Rainey said that she has some concerns with refunding this demolition tax to an Evanston resident/homeowner after 3 years to insure that they remain living in the property. She feels it is a burden on the homeowner who does wish to remain in the property to hold the amount of \$10,000 for that length of time. She suggested making an amendment to shorten the length of time. Ald. Moran argued against Chair Rainey’s suggestions. He has heard no complaints regarding this amendment except from one homeowner who is

exempt from this ordinance. He realizes that such homeowners usually borrow a significant amount of money to rebuild their house, however if we change this amendment, what will occur from an administrative standpoint, is make it hard to be able to collect the \$10,000 teardown fee. If the City does not collect the fee upfront, he believes that more than likely the City will lose this fee and the homeowner will move on and he also feels there will be no way to collect the fee afterwards. He does not believe this demolition tax will prevent the homeowner from going forward with their project to teardown and build a new house when you take into consideration the teardown value and the value of the rebuilt house is usually over 3-times the teardown cost. He believes that such an exception where someone could not afford to rebuild because of the \$10,000 fee practically disappears. Ald. Moran's opinion is that Council should stick with this amendment. However, he suggested that they could revise the ordinance to be consistent with the Landlord/Tenant Ordinance in relation to security deposits where at the end of the 3 years the City gives back the \$10,000 including the statutory interest rate.

Ald. Tisdahl agreed with Ald. Rainey's position on the \$10,000 fee being a burden to an Evanston resident homeowner that wishes to remain in their property. She would prefer to see this period extend no longer than 1 year at the most. Ald. Bernstein said that he believes the intent here is not to penalize a homeowner that want to enhance the value of their property. He said the intent in part is to obtain a nominal dollar amount for affordable housing trust fund and in another part to preclude demolitions and rebuilding with mansions. He made clear that he has no problem with supporting this amendment but suggested that they consider the lien method where if in fact the homeowner sells the property before the 3 year time period it will show up when the transfer stamps are requested. Ald. Bernstein said that the City should encourage homeowners to improve their property and he would like to discourage developers coming in with just for profit reconstruction. He noted that the acquisition cost is a big part of the fee which a homeowner does not have to pay when rebuilding their own home. Ms. Carroll responded that the City could look into the appropriate software and program so that when the transfer stamps are requested in the City Clerk's office this lien would show up with the remaining time period noted. She said that staff would review this and get back to the Committee. Ms. Szymanski replied that she would draft the ordinance to address Ald. Moran's concerns as well as the other members of the Committee to make sure that if the homeowner does not stay in the house for the required 3 years that the demolition tax would be collected. Ald. Jean-Baptiste asked Legal Staff's opinion on the letter dated December 1, 2005 from Mr. Lee. Ms. Szymanski responded that she has not seen the letter but is aware of the matter and will bring forth her response at the January 9, 2006 meeting as well.

Mr. John Floyd, 2221 Pioneer, stated some of his concerns that still remain with this amended ordinance. He is the homeowner that Ald. Rainey and Ald. Moran were referring to previously and he just obtained his permits for demolition and construction, exempting him from this ordinance. However, his concern is still with how this could have affected him and for other homeowners in his situation. He feels that the 3 year period is too long to hold over any homeowner to consider their residency in Evanston.

He pointed out that he has owned the existing property for over 6 years and questioned if this has any importance in considering the period of time for homeownership. Mr. Floyd said that \$10,000 is a lot of money for most homeowners, but is minimal to most developers. Mr. Wolinski replied that he does understand Mr. Floyd's issues; however he can count on one hand the number of actual homeowners that tear down and rebuild to remain in their home for a period of time afterwards. The majority of teardowns are by developers who rebuild homes for significant profit. Ald. Bernstein added that there have been 11 teardowns in the past two years, so this tax could be beneficial from developers over time.

The motion was amended to introduce this evening and bring back the amended ordinance at the January 12, 2006 meeting. The vote was 9-0 in favor of the motion.

ITEMS FOR DISCUSSION

(PD1) Inclusionary Housing Discussion

Chair Rainey called on citizen comments first in the order signed up to speak.

Ms. Carol Balkcom, referred to the memo from BPI regarding the sale of affordable housing in Evanston has decreased to 17%. She would like to see a set-aside of 5% for planned developments in view of the decreased affordable housing. She feels that the Housing Trust Fund should be a separate new fund to see how the funds are used and to simplify the reporting requirements. She also noted that homeowner association fees should be proportionate to the initial price for affordable condominiums. Ald. Bernstein pointed out that association fees can be based on the percentage of space versus initial price. Ms. Balkcom recommended that the fee-in-lieu-of formula should be readjusted; she suggested the amount of \$100,000 be considered in comparison to the \$40,000 recommendation which is less than the required subsidy amount needed. She feels the in-lieu fee amount should at least cover the subsidy needed to build the affordable unit. She questioned why the annual calculation of the affordable price does not include an estimated utility cost because these costs could be significant over the year for the affordable income qualified buyer. Lastly, Ms. Balkcom raised concern over the affordability period noting that the Housing Commission recommended a rolling 15 year period, which she is in support of.

Ms. Sue Carlson, supports the use of the HUD income guidelines. She said it is good to include a range or targeting the initial affordable price to be below the maximum affordable amount. In view of the payment-in-lieu-of fee, she would like to see the amount based on the value of the subsidy for the new construction. Ms. Carlson pointed out that in looking at current new development, large units are not typical in comparison to the amount of space needed for many affordable income qualified families. Therefore, she can see the benefit of the fee-in-lieu-of or the offering of supplying off-site units, as long as the off-site units are not all concentrated in one area. She feels that the burden of offering affordable housing should be placed throughout the City of Evanston as

evenly as possible. Ms. Carlson urged the Committee's support of this policy and their expeditious attention to this matter.

Mr. Richard Girard, expressed his concern with the Housing Commission recommendation not being included in this draft that a non-profit group can purchase up to 1/3 of the set-aside units to either sell them or rent them to income eligible persons. He supports this concept and believes it would be advantageous in finding more income qualified households to purchase property and to aid in marketing efforts of affordable units within planned developments.

Ms. Betty Sue Ester, expressed her support in having a rolling affordability period and would recommend that the maximum years allowed be considered.

Mr. Keith Banks, pointed out that the estimated cost to build affordable housing in approximately \$125 per square foot, with the typical house being around 1500 square feet, this would come to a cost of \$190,000. Therefore, the recommended amount of \$40,000 for the fee-in-lieu-of is not sufficient and he would recommend at least twice this amount. He agrees with Ms. Balkcom's amount suggested previously of \$100,000 and pointed out to the Committee that this amount would be consistent with Highland Park. He said that with the recommended amount for fee-in-lieu-of, a developer will most often opt to pay this fee instead of ever providing an on-site affordable housing units.

Mr. Jonathan Perman said that the Chamber of Commerce is interested providing housing for the local workforce. He informed the Committee that he visited Montgomery County, Maryland where Inclusionary housing policy was started. He went over some of their policy details, noting that they see Inclusionary housing as a shared burden, which he would support for Evanston as well. He shared several opinions and suggestions with the Committee on behalf of the Chamber's views. The Chamber feels there needs to be a market incentive for the developer by offering some guidelines or incentives for planned developments. The Chamber is not in favor of payment-in-lieu-of option and would like to see planned developments with an on-site requirement. The Chamber feels that administrative cost need to be assessed for not-for-profit organizations and social service programs to aid in the administration of screening and monitoring eligible applicants. The Chamber opinion is that since most of the set-asides will be condominiums, it would be important to recognize the cost of monthly assessments and include those costs in the over all debt-to-income ratio. Mr. Perman questioned whether the City has the right to regulate homeowner's association dues; however perhaps there could be a subsidy from the Housing Fund to help eligible homeowners with their monthly assessment fees.

This concluded citizen comments and the Committee began discussion at this point.

Ald. Moran said that his main concern at this point is with the proposed fee-in-lieu of payment at \$40,000 being to low. He agrees with the comments made previously that this fee needs to be more in relationship with the actual cost of building an affordable housing unit. He suggested that this cost should at least cover half of the building cost.

He acknowledged the hindrance of high taxes and associations fees that would be included with on-site units within the planned developments. With this, he brought attention to the letter from James Houlihan's Office indicating the County's commitment on recognizing property assessments for affordable housing within communities. As far as developer incentives, he feels the planned development guidelines and procedures address this issue. Ald. Moran would like to see in the planned development section of the Zoning Ordinance revised to include affordable/inclusionary housing as a public benefit. He feels that a 10% set-aside is modest in comparison to what other communities are requiring and this percentage would be his preference for Evanston as well. He said in regards to the affordability period, that he would like to see the period extend beyond 15 years, which is what Montgomery County has done because they were losing units after the time period. In actuality, 15 years does go by quickly and he would like to see the affordable housing surplus in existence as long as possible. Ald. Wynne asked for clarification of public benefits as it relates to planned developments. Ald. Moran responded that providing affordable housing units should be listed as one of the public benefits in giving back to the community.

Chair Rainey recognizes that with new condo occupancies the rising costs of assessments and taxes and even though she supports providing on-site units, this could prove difficult for the eligible buyer in keeping up with other expenses. She supports Mr. Perman's suggestion of looking into assistance from the Housing Fund to help eligible homeowners with assessment costs. Ald. Wollin supports this suggestion also but questions how long the period should be that the homeowner can receive such assistance because she would not want someone who is no longer in the median income bracket to keep receiving assistance such as the situations that have occurred in New York City with the rent controlled apartments. Chair Rainey suggested that it run with the length of the affordability period with yearly income qualification verified.

Mr. Wolinski informed the Committee of Corporation Counsel, Jack Siegel's opinion, that if the City proceeds with Inclusionary housing, it should be implemented through the Planned Development process to establish a connection between zoning and affordable housing. He said that in this case it would be by means of a text amendment and would have to go before the Plan Commission initially.

Ald. Tisdahl said that she is very interested in providing housing for the Evanston workforce and would like to see a preference for public employees. She would like to see this as a means to help attract better qualified teachers and public employees by offering special programs to purchase property here in Evanston. Ald. Moran pointed out that the preference for live or work in Evanston persons is now stated in the policy, therefore this would include any public employee. He is not convinced that this policy should limit to or single out these specific categories. He mentioned other categories such as senior citizens on fixed incomes and other young families that live within the City of Evanston or work in other capacities.

Ald. Wynne asked staff to explain what is meant by offering incentives to developers. Mr. Marino responded that in his opinion the planned development is the incentive. For example, he noted the previous limits allowed by zoning have increased for the allowance of 4 extra floors, although it still requires approval by Council. Ald. Wynne wanted assurance that the optional tools that were suggested during the first discussions, is not included within this policy.

Ald. Jean-Baptiste raised his concern with policy goal targets and that he does not think we will be able to keep up with the pace versus need. He reiterated his opinion that they need to focus on conserving what they already have with affordable housing units declining. He noted that there are at least 25% less now than what existed 5 years ago. He said it appears that we can not replenish affordable housing as fast as we are losing it so he suggested that consideration be given to having a policy with regards to this problem or the City will be unsuccessful with this Inclusionary housing policy.

Ald. Bernstein responded to Ald. Jean-Baptiste's concern that the city can stay ahead of the curve if the provision for providing the number of affordable housing units is increased. This could result in requiring more than the 10% set-aside that is proposed in this draft. It's a question of commitment on behalf of the Council and City to follow and insist on the required percentage for all planned developments. He stated that Inclusionary refers not just to affordable prices, but also including units for people with disabilities, senior citizens and low income workers as well.

Ald. Wollin informed the Committee of the discussion regarding affordable housing stock at the National League of Cities conference that she attended. She said that the presentation and discussion was very informative and also addressed aging housing stocks. She offered to distribute this information to all the Committee members.

Ald. Holmes said that she is very much in support of the idea in the preference for public employees and teachers to take advantage of any affordable housing programs provided. She also opposed the amount of \$40,000 for the fee-in-lieu-of because it does not make sense to require an amount that doesn't even touch the cost of construction for new housing. She would like to see this amount either doubled but supports the suggested amount of \$100,000.

Due to time limitation to conclude discussion of this matter, a special Planning & Development meeting was tentatively agreed upon and scheduled for Thursday, January 5, 2006 beginning at 7:00 p.m.

COMMUNICATIONS

(PD2) Consideration of Enacting the 2003 International Energy Conservation Code Applying to Commercial Buildings

This item will be addressed at the next regularly scheduled meeting on January 9, 2006.

ADJOURNMENT

The meeting was adjourned at 9:17 p.m.

Respectfully submitted,

Jacqueline E. Brownlee