



DRAFT

MEETING MINUTES

INCLUSIONARY HOUSING ORDINANCE SUBCOMMITTEE

Wednesday, September 12, 2018, 6:00 P.M.

Lorraine H. Morton Civic Center, room 2404, Glacier Conference Room

Present: Ald. Rainey, Ald. Wilson, Rob Anthony, Lynn Robinson, Stacie Young

Absent: Ald. Fiske, Ald. Revelle, Kent Swanson

Presiding Member: Ald. Wilson

Staff: Sarah Flax, Housing and Grants Administrator; Savannah Clement, Housing Policy and Planning Analyst

Call to order

Chair Wilson called the meeting to order at 6:09 PM with a quorum present.

Approval of meeting minutes

Alderman Rainey moved approval, and the minutes were approved unanimously.

Public comment

No comments.

Finalize revisions to Inclusionary Housing Ordinance

Chair Wilson asked whether the revisions would apply to current projects. The revised ordinance would apply only to projects submitted after the ordinance goes into effect, targeted for January 1, 2019. If a complete application for a project were submitted before Jan. 1, 2019, it would not be subject to the new ordinance. Alderman Wilson suggested adding a clause to Section 6 of the ordinance that would allow the applicant of any covered project submitted prior to January 1, 2019 to comply with the revised ordinance rather than the one in effect at the time of its submission.

The Subcommittee questioned if all homeownership units should be affordable at 120% AMI or if some units should be at a lower AMI. Rob Anthony noted that there are other housing options for households at 120% AMI, and that a household at that income level could afford a home around \$350,000, but there aren't really options for households at 80% AMI – households at this income level could afford units around \$200,000. Rob Anthony proposed that the City keep 50% of units at 80% AMI. Providing units that are affordable to households with incomes at or below 80% AMI can be challenging, because the purchase price needs to be reduced to offset homeowners association fees (HOAs) and property taxes. HOA fees can be high, which can result in significant reductions to the purchase price. Subcommittee members considered requiring all of

the inclusionary ownership units to be affordable to households with incomes at 100% of the median. It was agreed that two options would be proposed for consideration by City Council: half of the inclusionary affordable units at 80% AMI and half at 100% AMI, or all inclusionary units at 100% AMI.

Subcommittee members asked if there was an asset limit for households to qualify for affordable units. Staff noted that there was not currently an asset cap in the IHO waitlist policies and procedures but one could be added. Rob Anthony noted that Lake County limits assets to 100% of the AMI for the household size. The Subcommittee agreed that retirement savings should be exempt from asset limits, and that an asset limit of 100% AMI on all non-retirement assets would be added to the IHO waitlist policies and procedures.

Subcommittee members suggested removing the alternative proposal options from the affordability requirements section since there is already an alternative equivalent proposal section later in the ordinance.

Stacie Young noted that there are a lot of resources available to developers via Community Investment Corporation (CIC), project-based vouchers from the Housing Authority of Cook County and national organizations to help provide more onsite affordable units in projects. CIC currently has a fund that is geared toward providing project-based rental subsidies in acquisition and rehab projects.

The Subcommittee discussed whether the revised ordinance should address the missing middle market, and whether buildings that provide housing for middle income households should be exempt from the IHO. Subcommittee members agreed that if all of the units in a building served households at 100% AMI affordability, or the rents averaged out to 100% AMI, then it should not be subject to IHO. However, any such building would still need to have Land Use Restriction Agreement (LURA) recorded in order to ensure the units remain affordable.

Subcommittee members agreed that people in affordable units in planned developments whose residents are not eligible for on-street parking stickers should be allowed to purchase on-street parking stickers for the neighborhood they're in. It was agreed that this should be addressed in the PD agreements, as it would not apply to all developments covered by the IHO.

Other sources of revenue discussion

Chair Wilson proposed that the Housing and Homelessness Commission review and provide a recommendation to City Council on the demolition tax. Consideration of other sources of revenue will go back to City Council for discussion, as this was the final meeting of the IHO subcommittee.

New business

There was some discussion about requiring affordability restrictions if a garden apartment is being requested that requires a zoning variance.

Adjournment

Rob Anthony motioned for adjournment and the meeting was adjourned at 7:23 p.m.

The next scheduled meeting is: N/A; this is the last meeting of the Subcommittee.

Respectfully submitted,
Savannah Clement, Housing Policy and Planning Analyst