

DEVELOPMENT REVIEW COMMITTEE MEMORANDUM

**VILLAGE OF LIBERTYVILLE
COMMUNITY DEVELOPMENT DEPARTMENT
200 EAST COOK AVENUE
LIBERTYVILLE, ILLINOIS 60048-2090**

FROM: PLANNING DIVISION

DATE: September 1, 2023

SUBJECT: Development Review Committee (DRC) Reports for Cases Scheduled for Consideration on **Monday, September 18, 2023**

The DRC Meeting was held on **Monday, August 21, 2023**. DRC members present included:

David Smith	Senior Planner
Chris Sandine	Senior Planner
Jeff Cooper	Village Engineer
Harrison Meyer	Senior Project Engineer
Mike Weaver	Fire Prevention Bureau

Attached herewith are the DRC Reports for the following cases:

Zoning Board of Appeals

Plan Commission

PC 23-12

CASE NO.: PC 23-12, Text Amendment

DATE FILED: March 10, 2023 (To be heard on September 18, 2023)

REQUESTED ACTION:

PC 23-12 Request is for a Text Amendment to the Libertyville Zoning Code in order to regulate Attainable Housing.

APPLICANT INFORMATION:

Applicant: Village of Libertyville
Address: 118 West Cook Avenue

STAFF ANALYSIS:

The Village of Libertyville is applying for a text amendment to the Village of Libertyville Zoning Code to establish attainable housing requirements for the Village.

In 2003 the State of Illinois enacted the Affordable Housing Planning and Appeal Act to encourage Counties and Municipalities to incorporate affordable housing within their housing stock to meet the needs of their county or community. Under the Act, municipalities are required to maintain an affordable housing stock of at least 10% of year-round housing units. Approximately every five years the Illinois Department of Housing re-assesses the affordable housing percentage in each community. As of the most recent assessment (2018), the Village’s current affordable housing percentage is 15.4%. An update to the 2018 Report on Statewide Local Government Affordability List is anticipated soon.

The law requires that if a community drops below 10% they must develop an Affordable Housing Plan to increase the number of affordable housing units within the community. The current assessment of 15.4% of the Village’s housing stock as affordable by IHDA standards is above the required threshold.

The Village of Libertyville 2030 Comprehensive Plan encourages support for a diverse population and to proactively aid such diversity by enacting legislation which requires that residential developments within the Village address the needs of individuals who live and work in the Village. In addition, those that wish to reside in Libertyville through affordable (“Attainable Housing Units”) owner occupied and rental housing. The plan further addresses meeting the standards for affordable housing as set forth in the Affordable Housing Planning and Appeal Act.

Increasing land values resulting from the continued scarcity of developable land and the conversion of existing Attainable Housing Units into more expensive units have placed additional pressures on the availability of Attainable Housing in the Village. New developments in the Village also increase the need for a readily available workforce in or near the Village that requires

Attainable Housing. As new developments are constructed in the Village, the gap between the availability of Attainable Housing Units and the need for Attainable Housing Units has increased.

As new developments utilize land otherwise available for Attainable Housing or convert existing units from Attainable Housing Units, the opportunity for the development of Attainable Housing Units decreases. New development projects that do not provide Attainable Housing increase the direct and indirect cost to the Village and its residents in providing and obtaining needed services.

To provide developer cost offsets for attainable, on-site units it has been determined that providing proper incentives (including, without limitation, density bonuses and permit fee cost off-sets) to help neutralize the financial impact of providing Attainable Housing Units on developers.

In order to be consistent with the Act, it has been determined that it is in the best interests of the Village and its residents to amend the Libertyville Zoning Code to require developers of new residential projects and conversion projects to provide Attainable Housing Units or a fee in lieu as part of covered residential developments.

Human Relations Commission:

In July 2019, the Village’s Human Relations Commission (“HRC”) was tasked by then Mayor Wepler to focus on the development of an Attainable Housing Ordinance for the Village. Following, approximately 20 meetings of the HRC, at their May 19, 2021, meeting the HRC unanimously voted to recommend a draft of the Ordinance for consideration by the Village Board. Numerous joint workshops of the HRC and Plan Commission and HRC and Village Board were subsequently held.

Two final joint meetings of the HRC and Plan Commission were held on January 19, 2023, and concluded on March 8, 2023.

The changes to the HRC originally recommended draft Ordinance are summarized as follows:

1. Section 18-2 Policy amendment to the language to reflect more flexibility regarding a preference for on-site attainable housing units (original draft lists a preference for on-site units). **On March 8th the HRC took a straw poll vote and the consensus was to keep the original language in the ordinance.**
2. Section 18-3 Covered Development Projects adjustment to the number of units which triggers a covered development to ten units (original draft triggers the Ordinance with five units). **On March 8th the HRC took a straw poll vote and the consensus was to support the increase from five to ten units in order to qualify as a Covered Development.**
3. Regarding Section 18-3A(2) and (4) as “covered developments”
 - Section 18-3A(2)- states that a development consisting of the renovation or reconstruction of over 50% of the total square footage of an existing multiple family

residential structure and that increases the number of residential units from the number of units in the original structure. **On March 8th the HRC took a straw poll vote and the consensus was to maintain this language in the draft ordinance.**

- Section 18-3A(4)- states that a development that includes the conversion of rental property to condominium property would trigger the attainable units requirement. **On March 8th the HRC took a straw poll vote and the consensus was to remove Section 18-3(4) from the ordinance.**
4. Regarding Section 18.6 Density Bonus for covered developments located within the C-1, C-2 or C-3 zoning districts to allow for both increased floor area ratio and density bonus units (original draft allows for increased floor area ratio in C-1, C-2 and C-3 only and not density bonus units). **On March 8th the HRC took a straw poll vote and the consensus was to add the density bonus language to the original draft ordinance.**
 5. Regarding Section 18-8 Alternatives to On-Site Attainable Housing Units updated the language to offer the applicant the option of several ways to comply with the Ordinance, to include: cash payment in lieu, land donation or combination of cash payment and on-site units (original draft allows for alternative means of compliance only if granted by the Village Board and when the alternative is shown to advance attainable housing greater than or equal to on-site units). **On March 8th the HRC took a straw poll vote and the consensus was to remove the provision that Village Board approval is required in order to allow a developer to choose an alternative to providing on-site attainable dwelling units.**
 6. **On March 8th the HRC recommended approval for the original draft ordinance with amendments supported by consensus by majority obtained by straw poll votes. The final motion passed with a vote of 6 to 1.**

Proposed Text Amendment to the Zoning Code:

Please find attached as Exhibit A proposed text amendment (draft ordinance as recommended by the HRC) Article 18 of the Zoning Code entitled Attainable Housing. This will be a new Section (Article) to the Zoning Code.

This summary provides each section in the proposed Article 18 of the Zoning Code entitled Attainable Housing:

- **Section 18-1 Definitions**
The words and phrases used in this section have meanings ascribed to them in this Section 18-1 relative to the Attainable Housing regulations.
- **Section 18-2 Policy**
The purpose of this section is to promote the public health, safety and welfare by encouraging high quality housing throughout the community sufficient to meet the needs

of all Village Residents. The intent and preference of this section is to provide permanent Attainable Housing Units that are constructed on the site of the Covered Development Project.

- **Section 18-3 Covered Development Project**

This section describes what type of development constitutes a Covered Development Project. The provisions in this section shall apply to all residential developments that result in or contain 10 or more dwelling units.

- **Section 18-4 Percentage of Attainable Housing Units Required**

At least 15 percent of the total number of dwelling units within any Covered Development Project shall be Attainable Housing Units. The section further describes in detail how to calculate the number of Attainable Housing Units.

- **Section 18-5 Development Cost Off-Sets**

An applicant that fully complies with the requirements of this chapter shall receive from the Village with regard to only the Attainable Housing Units in the Covered Development Project, a waiver of all applicable application fees, building permit fees, plan review fees, sewer and water tap-on fees, demolition permit fees, impact fees, and other fees and costs which may be imposed by the Village.

- **Section 18-6 Density Bonuses**

For all Covered Development Projects, a density bonus shall be provided per this section.

- **Section 18-7 Integration of Attainable Housing Units**

Attainable Housing Units shall be dispersed among the Market Rate Units throughout the Covered Development Project. The construction of the Attainable Housing Units shall be constructed concurrent with the development of the Market Rate Units.

- **Section 18-8 Alternatives to On-Site Attainable Housing Units**

As an alternative to constructing Attainable Housing on the site of the Covered Development Project, an applicant may elect to implement one or more of the following alternatives to constructing some or all of the Attainable Housing Units as otherwise required by this Chapter. These alternatives include cash payment in lieu of Attainable Housing Units, provide an equivalent number of Attainable Housing Units at another site within the Village, and/or dedication of land.

- **Section 18-9 Target Income Levels for Attainable Housing Units**

Sale Units-

Covered Development Projects that contain for-sale units, shall be required to provide a certain number of Attainable Housing Units to be sold to households with limited incomes at affordable price points.

Rental Units-

Covered Development Projects that contain rental units, shall be required to provide a certain number of Attainable Housing Units to be rented to households with limited incomes at affordable rental rates.

- **Section 18-10 Eligibility of Households**

Only Eligible Households shall be permitted to purchase or rent an Attainable Housing Unit. Eligible Households shall be determined in accordance with Village Board approved Administrative Guidelines.

- **Section 18-11 Period of Affordability**

In Covered Development Projects that contain for-sale units, Attainable Housing Units shall be resold to Eligible Households in perpetuity, or as long as permissible by law.

In Covered Development Projects that contain rental units, Attainable Housing Units shall be rented to Eligible Income Households in perpetuity, or as long as permissible by law.

- **Section 18-12 Attainable Housing Plan and Development Agreements**

Prior to the approval of any Covered Development Project by the Village for which the applicant will construct some or all of the Attainable Housing Units required, the applicant must present to the Village, and the Village Board must approve, an attainable housing plan that outlines and specifies the Covered Development Project's compliance with each of the applicable requirements of this code.

Prior to the issuance of a building permit for any Covered Development Project, the applicant shall enter into a development agreement with the Village regarding the specific requirements and restrictions regarding Attainable Housing and Covered Development Project.

Review Procedure

1. Housing Commission Review. After filing of a complete application the Housing Commission shall review the proposed attainable housing plan and make a recommendation to the Plan Commission.
2. Plan Commission Review. After receiving the Housing Commission's recommendation the Plan Commission shall review the proposed attainable housing plan and transmit its findings and recommendations to the Village Board of Trustees.
3. Board of Trustees Consideration. Upon receipt of the Housing Commission and Plan Commission recommendations, the Board of Trustees may either approve or reject the proposed attainable housing plan.

- **Section 18-13 Preservation of Attainability and Restrictions on Resale**

Sale Units-

A for-sale Attainable Housing Unit may be sold to a private party who meets the income level and eligibility requirements established provided that the Attainable Housing Unit maintains the affordability for Eligible Households.

Rental Units-

For Covered Development Projects that contain Attainable Housing Units for rent, the owner of the development shall execute and record such documentation as required to ensure the provision and continuous maintenance of the Attainable Housing Units. The Attainable Housing Units must be leased and occupied by, and at rent levels, compliant with Section 18-9 of the Ordinance.

- **Section 18-14 Implementation.**

The Village Administrator shall develop appropriate regulations and forms that are consistent with the Ordinance and necessary or convenient to affect efficient and effective administration.

- **Section 18-15 Annual Review.**

One year after the adoption of the Ordinance and annually thereafter, the Village Administrator will prepare and submit to the Board of Trustees a report concerning the implementation and enforcement of this Article 18 for Board of Trustees review.

Flow Chart of the Development Review Process and Development Review Scenarios

The attached flow chart exhibit illustrates the development review process. Please note that if a proposed Residential Development qualifies as a Covered Development and does **NOT** require a Special Use Permit, Variations, or Planned Development and complies with New Zoning Code Article 18 for Attainable Housing, the Housing Commission will review the developer’s Attainable Housing Plan and make a recommendation to the Plan Commission for a public meeting. This timeline would take approximately nine weeks before a permit for construction can be issued. The Plan Commission will forward their recommendation to the Village Board. See attached Mock Schedule for Applications - Scenario A.

Please note that if a proposed Residential Development that qualifies as a Covered Development **WILL** require a Special Use Permit for a Planned Development then it will require a public hearing in front of the Plan Commission. The Plan Commission will receive the recommendation of the Housing Commission and then forward their recommendation to the Village Board. This timeline would take approximately 6 months before a permit for construction can be issued. This timeline could be reduced substantially if an opportunity for a Planned Development Concept Plan and Final Plan simultaneous submittal presents itself. See attached Mock Schedule for Applications – Scenario B.

HUMAN RELATIONS COMMISSION RECOMMENDATION -- PRIOR TO PUBLIC HEARING:

Regarding **PC 23-12**, the Human Relations Commission recommends that the Plan Commission recommend the Village Board of Trustees adopt the attached Attainable Housing Ordinance.

In order to allow the Plan Commission to review the submittal materials and gather public comment, Staff recommends that at the hearing on September 18, 2023 that it be continued to October 23, 2023.