

Regular Meeting  
**WINNETKA VILLAGE COUNCIL**  
**Police Department**  
**410 Green Bay Road**  
Winnetka, Illinois 60093  
November 15, 2011  
7:30 p.m.

Emails regarding any agenda item are welcomed. Please email [ContactCouncil@winnetka.org](mailto:ContactCouncil@winnetka.org), and your email will be relayed to the Council members. Emails for the Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

**AGENDA**

- 1) Call to Order
- 2) Pledge of Allegiance to the Flag
- 3) Quorum
  - a) December 6, 2011 Regular Meeting
  - b) December 13, 2011, Study Session
- 4) Approval of Agenda
- 5) Consent Agenda
  - a) Village Council Minutes
    - i) October 18, 2011, Regular Meeting ..... 2
  - b) Warrant Lists Nos. 1725 and 1726 ..... 5
  - c) Wire Pulling, Bid Number #011-012..... 6
- 6) Stormwater Update
- 7) Ordinances and Resolutions
  - a) Ordinance No. MC-6-2011 – Amending the Village Code as it Pertains to Liquor License Eligibility and the Service of Alcoholic Beverages at the Winnetka Park District’s Golf Facility - Introduction..... 7
- 8) Public Comment
- 9) Old Business
  - a) Follow-up Discussion on Affordable Housing Issues..... 19
- 10) New Business
- 11) Reports
- 12) Appointments
- 13) Executive Session
- 14) Adjournment

**NOTICE**

All agenda materials are available at [villageofwinnetka.org](http://villageofwinnetka.org) (Council > Current Agenda), the Reference Desk at the Winnetka Library, or in the Manager’s Office at Village Hall (2<sup>nd</sup> floor).

Videos of the Regular Village Council meetings are televised on Channel 10, M-W-F-Sa-Su at 7:00PM, and on Channel 18 M-F-Su at 7:00AM or 7:00PM. Videos of meetings may also be viewed on a link at the Village’s web site: [villageofwinnetka.org](http://villageofwinnetka.org)

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator – Liz Rosenthal, at 510 Green Bay Road, Winnetka, Illinois 60093, 847.716.3540; T.D.D. 847.501.6041.

**MINUTES  
WINNETKA VILLAGE COUNCIL  
REGULAR MEETING  
October 18, 2011**

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Police Department Classroom on Tuesday, October 18, 2011, at 7:30 p.m.

- 1) Call to Order. President Tucker called the meeting to order at 7:30 p.m. Present: Trustees Gene Greable, Bill Johnson, Richard Kates, Chris Rintz and Jennifer Spinney. Absent: Trustee Arthur Braun. Also present: Village Manager Robert Bahan, Village Attorney Katherine Janega, Director of Water & Electric Brian Keys, Director of Public Works Steve Saunders, and approximately nine persons in the audience.
- 2) Pledge of Allegiance. President Tucker led the group in the Pledge of Allegiance.
- 3) Quorum.
  - a) November 1, 2011, Regular Meeting. All of the Council members present indicated that they expected to attend.
  - b) November 8, 2011, Study Session. All of the Council members present indicated that they expected to attend.
- 4) Approval of the Agenda. Trustee Rintz asked that Item No. 5(e) be removed from the Consent Agenda. Trustee Johnson, seconded by Trustee Spinney, moved to approve the Agenda, as amended. By roll call vote. the motion carried. Ayes: Trustees Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: Trustee Braun.
- 5) Consent Agenda
  - a) Village Council Minutes.
    - i) September 13, 2011, Study Session.
    - ii) October 4, 2011, Regular Meeting.
  - b) Warrant Lists Nos. 1721 and 1722. Approves Warrant List No. 1721 in the amount of \$1,634,001.74, and Warrant List No. 1722 in the amount of \$552,283.54.
  - c) Chlorine Scrubber Bids. Authorizes the Village Manager to issue a purchase order to PureAir Filtration in the amount of \$72,500 for the purchase of a chlorine scrubber unit, in accordance with the terms and conditions of Bid #011-023.
  - d) Street Patching Contract. Awards a contract to A. Lamp Concrete Contractors, Inc., for an amount not to exceed \$89,782 for pavement patching on various streets based on unit prices contained in their response to Bid 11-024.
  - e) Resolution R-30-2011 – Second Amendment: AT&T Cell Site at Power Plant. As noted above, this item was removed from the Consent Agenda and was discussed later in the meeting.

Trustee Johnson, seconded by Trustee Spinney, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: Trustee Braun.

- 6) Stormwater Update. Mr. Saunders and Mr. Bahan reviewed the Preliminary Survey Results from the Village's questionnaire regarding the July 22-23 storm event, saying that this data would help to determine what the Village does Village-wide. Mr. Saunders then responded to questions from the Trustees.

Mark Hecht, 1096 Spruce Street, expressed concern over the level of debt that the Village will have to take on to finance the Burke proposals and urged the Council to see whether one of the lower cost alternatives might be adequate.

- 7) Ordinances and Resolutions.

- a) Resolution R-31-2011 – Pension Reform. President Tucker reviewed a resolution she drafted similar to those passed by the Council the past two years urging the Illinois Legislature to take steps toward pension reform to protect those pensions for employees for the future and protect the taxpayers who have to fund these pensions.

Following brief comments by the Trustees, Trustee Kates, seconded by Trustee Johnson, moved to adopt Resolution No. R-31-2011. By roll call vote, the motion carried unanimously. Ayes: Trustees Kates, Greable, Johnson, Spinney, and Rintz. Nays: None. Absent: Trustee Braun.

- 8) Public Comment and Questions.

Speaking on behalf of WHOA, Ann Dillon, 1260 Oak Street and Carry Buck, 609 Sheridan Road, voiced enthusiastic support for the stormwater tunnel concept. They offered the support of a volunteer group of residents from the finance, engineering, and political arenas who have offered to help the Village as it moves forward with the project.

President Tucker thanked the ladies for their endorsement and expressed gratitude to all residents who are interested in the project and willing to volunteer their services. She voiced some concern that establishing a committee outside of the Council process which could slow down progress, but encouraged interested individuals to share their thoughts and suggestions with the Council via letters, calls, and emails.

- 9) Old Business. None.

- 10) New Business. None.

- a) Resolution No. R-30-2011 – Second Amendment: AT&T Cell Site at Power Plant.

Mr. Keys reviewed a request for approval of a second license amendment to allow the installation of new coaxial cable and antennas and additional carrier equipment within the leased room of the Electric Plant building. He explained that the changes are required to increase the speed and capacity of AT&T's mobile telephone network. Mr. Keys noted that this would result in an increase of \$5,630 in the annual lease payment, in addition to the \$3,000 increase provided for under the First Amendment.

Trustee Rintz complimented Mr. Keys for his excellent work in researching and negotiating this deal, saying that the Village is fortunate to have a wealth of professionalism and expertise in its own department heads.

Trustee Rintz, seconded by Trustee Johnson, moved to adopt Resolution R-30-2011 approving the Second Amendment to the 2008 Cellular antenna License Agreement between the Village of Winnetka and New Cingular Wireless PCS, substantially in the form presented in Exhibit A. By roll call vote, the motion carried unanimously. Ayes: Trustees Rintz, Kates, Spinney, Greable, and Johnson. Nays: None. Absent: Trustee Braun.

11) Reports

- a) Village President. President Tucker reported on the recent Northwest Municipal Conference and Metropolitan Mayors Caucus meetings. She also invited everyone to attend the annual Veterans Day observance on November 11th at 11:00 a.m. at the Winnetka Club.
- b) Trustees.
  - i) Trustee Spinney reported on her attendance at the last BCDC meeting and thanked Terry Dason for her excellent leadership of the Chamber of Commerce.
  - ii) Trustee Greable reported on the last Chamber of Commerce and Winnetka Historical Society meetings.
  - iii) Trustee Kates commented on his attendance at the last Police Pension Board meeting:
- c) Attorney. Attorney Janega alerted the Council to a docket pending before the FCC regarding a possible rule to preempt local control over rights of way. She indicated that she had filed comments on behalf of the Village.

11) Appointments.

- a) President Tucker announced the reappointment of Laura Good to the Landmark Preservation Commission for a second term, effective immediately. Trustee Rintz, seconded by Trustee Johnson, moved to approve the appointment. By voice vote, the motion carried.
- b) President Tucker announced the reappointment of Stephen Presser as Chair of the Board of Police and Fire Commissioners for a second term, effective immediately. Trustee Johnson, seconded by Trustee Rintz, moved to approve the appointment. By voice vote, the motion carried.
- c) President Tucker announced the appointment of Michael Klaskin to the Design Review Board, to replace Joan Evanich, effective immediately. Trustee Johnson, seconded by Trustee Spinney, moved to approve the appointment. By voice vote, the motion carried.

12) Executive Session. None.

12) Adjournment. Trustee Johnson, seconded by Trustee Spinney, moved to adjourn the meeting. By roll call vote, the motion carried. Ayes: Trustees Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: Trustee Braun. The meeting adjourned at 9:15 p.m.

---

Recording Secretary

## AGENDA REPORT

SUBJECT:           **Warrant Lists Nos. 1725 and 1726**

PREPARED BY:     Robert Bahan, Village Manager

DATE:              October 13, 2011

---

Warrants Lists Nos. 1725 and 1726 are enclosed in each Council member's packet.

**Recommendation:** Consider approving Warrants Lists Nos. 1725 and 1726.

## AGENDA REPORT

**Subject:** Wire Pulling, Bid Number #011-012

**Prepared by:** Brian Keys, Director Water & Electric

**Ref:** February 15, 2011 Budget Presentation  
May 3, 2011 Council Meeting, pp. 18-19

**Date:** November 10, 2011

The Water & Electric Department issued Bid Number 11-012 for wire pulling services. Vendors provided fixed prices for various units of work based on an estimated quantity of work. The actual work scope to be performed by the contractor is on an as-needed basis during the fiscal year. At the May 3, 2011 Council Meeting, the Village Manager was authorized to award a purchase order to Western Utility Contractors in an amount of \$140,393 for wire pulling services.

To date, the Village has paid \$15,330 under this contract. Based on the work completed and yet to be invoiced and paid, staff has expended approximately \$150,000. The majority of the cable pulling completed to date has been associated with the two large capital projects involving the tie line between the Northfield Substation to the Electric Plant and distribution Circuit B.

Approximately 75% of this cable has been pulled. Invoices for this work will be appearing on upcoming warrants.

Work performed by Western Utility Contractors has met staff's expectation and has been completed in accordance with the time requirements of the contract document. Staff is requesting authorization for an additional \$80,000 of funding for wire pulling services for the remainder of the fiscal year. This would increase the total award to Western Utility Contractors to an amount not to exceed \$220,393.

The FY2011-12 Budget contains \$1,207,500 (account #50-47-640-209) for the purchase and installation of cable with an additional \$50,000 in the merchandise and jobbing account (#50-50-540-240) allocated toward contracted services for cable installation. The Village Council has previously awarded \$590,579 in material purchases and \$140,393 in wire pulling services.

**Recommendation:**

Consider authorizing the Village Manager to award a change order to Western Utility Contractors in the amount of \$80,000 for wire pulling services in accordance with the terms and conditions of Bid #011-012.

## **AGENDA REPORT**

**SUBJECT:**                    **MC-6-2011 – Amendments to Liquor License Regulations:**  
                                  **1)     Delinquent Accounts and Applicant Eligibility**  
                                  **2)     Park District License Request**

**PREPARED BY:**            Katherine S. Janega, Village Attorney

**REFERENCE:**              March 22, 2011            Council Agenda, pp. 201 - 207

**DATE:**                     November 11, 2011

This Agenda Report and the attached draft of Ordinance MC-6-2011 address two issues pertaining to the Village’s Liquor License regulations. (WVC Chapter 5.09)

The first issue concerns liquor license renewals and the impact of unpaid utility bills and delinquent accounts on a licensee’s eligibility for license renewal. This issue was first discussed at the March 22, 2011, Village Council meeting. That discussion led to the suggestion that the Village Code be amended to provide more clarity regarding a licensee’s obligation to maintain eligibility throughout the life of a license, and the impact that loss of eligibility has on the status of a license.

The second issue is a request received from the Winnetka Park District seeking a license to allow the service of alcoholic beverages at the “Halfway House” on the Park District’s Golf Course.

Because all liquor licenses run concurrently with the Village’s fiscal year and the license renewal process will begin shortly, both issues are now ripe for Council consideration. This Agenda Report explores the two policy issues, while Ordinance MC-6-2011 provides amendatory language for the Council’s consideration.

### **License Applications and Applicant Eligibility**

Section 5.09.080(A) of the Village Code addresses eligibility for liquor license applicants by listing conditions that render an applicant ineligible for a liquor license. Pursuant to paragraph 23 of Section 5.09.080(A), a person “who has any delinquent accounts with the Village, as provided in Section 1.04.140 of this Code, including without limitation unpaid taxes,” is not eligible for a liquor license. (WVC §5.09.080(A)(23)) In addition, Section 5.09.160 of the Code requires that a licensee seeking renewal of a license must also meet the original eligibility standards. (WVC §5.09.160) Thus, having any delinquent account with the Village renders an applicant ineligible for a liquor license, whether the application is for a new license or for a license renewal.

Chapter 1.04 of the Village Code contains the Code’s general provisions and includes Section 1.04.140, which was added to address delinquent accounts. Subsection A of Section 1.04.140 defines a delinquent account as “any account that is not current and for which the person owing the account has not entered into an enforceable payment plan pursuant to subsection C of this section.” (WVC §1.04.140(A)) Subsection C, in turn, authorizes the Finance Director to enter into a payment plan and to require a deposit, establishes the criteria for payment plans, and requires payment in full within 12 months. (WVC §1.04.140(C)) Finally,

Subsection D provides: “The Village may deny the issuance, grant or renewal of any license, permit or privilege to any person who has a delinquent account with the Village.” (WVC §1.04.140(D)) Although Subsection D is worded so that it authorizes, but does not mandate, denial of a license to a person with a delinquent account, the specific declaration of ineligibility in the Liquor Code would prohibit the issuance of a liquor license to an applicant with any delinquent account.

Like all business licensees, liquor licensees are also subject to the general license and permit provisions in Chapter 5.04 of the Village Code. Section 5.04.030, captioned “Compliance with law,” builds compliance with all laws and ordinances into the conditions for all licenses, as follows:

No license or permit shall be issued unless all legal conditions have been complied with. All licenses must be in compliance with all provisions of this code and must be exercised in conformity with all amendments of this code and other ordinances which may be subsequently passed. (WVC §5.04.030)

In addition, Section 5.09.300(A) of the liquor regulations provides that any licensee that violates “any of the provisions of this chapter [5.09]” is subject to fines, and adds: “Any fine imposed pursuant to this section may be in addition to or in lieu of the revocation or suspension of any license issued under the provisions of this chapter.” (WVC §5.09.300(A))

Despite the absence of an explicit statement that the eligibility requirements must be met throughout the term of a license, that apparent silence has rarely been problematic. For example, if a licensee has misrepresented facts in a license application, or if a licensee loses statutory eligibility (*e.g.*, a criminal conviction, or service of liquor to minors, or a change in law that expands protected territories near schools and churches and renders a previously eligible location ineligible for a license), there is no question that the license would be subject to immediate suspension or revocation. Similarly, despite the absence of a Village Code provision that explicitly states that maintaining eligibility is an ongoing requirement for all licensees, it is nevertheless clear from a reading of all applicable Village Code provisions as a whole that continuing compliance with the Village Code includes keeping one’s accounts current and that the failure to do so would therefore subject the license to suspension or revocation. Put differently, no reasonable reading of the Village Code would support a claim that having a current account is necessary only to obtain a license but that, once the license is in hand, there is no need to comply with the Village Code or to worry about paying for utility services until the next renewal period.

When dealing with violations of regulatory Code provisions and delinquent accounts, the Village has consistently pursued two goals, regardless of the type of account or the type of infraction. First, the Village seeks compliance with the applicable Code provisions. Second, the Village works with the customer in an effort to avoid the drastic measure of terminating a utility service or shutting down a business. In the context of liquor licensing, the Village’s practice has been for the Village Manager and Finance Director, with the knowledge and consent of the Village President (who is also the Local Liquor Commissioner), to attempt to work out a payment plan with any delinquent licensee, just as they would with any other delinquent utility account. Because the payment plan can spread past-due payments over as much as 12 months,

the licensee's utility service can be maintained, and a business that has encountered cash flow problems can remain open as it catches up.

In isolated instances, however, a licensee and/or utility customer has been chronically delinquent, and it is that scenario that generated the suggestion that the Liquor Code be tightened. However, while it appears that an amendment to existing Code provisions is in order, care must be taken to avoid unintended consequences. For example:

- License suspensions, revocations and nonrenewals for cause (as opposed to a nonrenewal for failure to submit an application) require a hearing, which can be both lengthy and expensive. Liquor license revocations can also be reviewed by the State's Liquor Control Commission, adding further delay and cost. In addition, if a licensee is having difficulty making ends meet, the Village might ultimately succeed in revoking the license, only to be left with both the underlying delinquent account and the cost of the proceedings.
- A provision that automatically triggers a revocation or suspension procedure and requires the Village to take action any time a delinquency occurs, could have the unintended consequence of subjecting a licensee with even a small delinquency to the expense and risk of losing a license, even if the licensee has never before been delinquent or has never before failed to be in full compliance with all Village regulations. In addition to giving rise to what could be an avoidable expense, this approach would also seem to run counter to the Village's established practice of seeking compliance and refraining from punishing a business that is in the midst of a one-time revenue shortage.
- A provision that attempts to define every instance in which revocation or suspension must proceed could hamper enforcement in other circumstances, by enabling a licensee to claim that by specifying circumstances in which revocation or suspension proceedings must occur, the Village has chosen to exclude all other instances as grounds for suspension or revocation. This argument is based on a common and firmly established rule of statutory construction and is one of the reasons that ordinances and statutes that enumerate requirements or prohibitions do so with inclusive rather than exclusive language.
- A provision that is drawn too narrowly could enable a licensee to claim that the Village has singled out the licensee for enforcement and sanctions.

It should be noted that it is best not to use the Village's licensing procedures as the primary tool for keeping a business licensee's utility accounts current. Chapters 13.04 and 13.08 of the Village Code govern the terms under which utility services are provided, including the authority to terminate or suspend utility service for nonpayment, and termination should remain the ultimate remedy when the issue is nonpayment. Suspension or termination of utility service is a drastic, infrequently used remedy, and in nearly all cases, the mere threat of an interruption in utility service is sufficient cause for a customer to cure the delinquency. For a liquor or restaurant licensee, the suspension or termination of the licensee's water or electricity service until the account is no longer delinquent would also have the effect of temporarily closing the

business, without necessitating the hearing that would be required if the Village’s compliance efforts were focused on the license. This approach also allows the Village to hold suspension, revocation or nonrenewal in reserve as the ultimate license sanctions for any licensee that is chronically out of compliance with the Village Code.

With the foregoing in mind, Ordinance MC-6-2011 would make the following Code amendments:

- 1) Section 2 of the Ordinance amends the definition of “delinquent account” in Village Code Section 1.04.140(A) to include failure to maintain payments pursuant to a payment plan. As Subsection A is now worded, a customer who has entered into a payment plan could claim that the account is no longer delinquent, even if the customer is not in compliance with the payment plan. This amendment would close the gap in the current definition.
- 2) Sections 3, 6 and 7 of the Ordinance amend the fee provisions in Chapters 5.04 (WVC §5.04.050) and Chapter 5.09 (WVC §§5.09.110 and 5.09.120) to require payment of fees at the time an application is submitted, rather than before April 1 of the years for which the license is being sought, and to require proof that all accounts are current before an application will be accepted for processing. This places the responsibility for being current squarely with the applicant, and avoids the kind of last-minute procedural maneuvers that have occurred with certain licensees.
- 3) Section 8 of the Ordinance amends Section 5.09.160 to include the requirement that an applicant for a license renewal shall not have any delinquent accounts, as defined in the amended Section 1.04.140.
- 4) Section 10 amends Section 5.09.280 to include loss of eligibility as grounds for suspension, revocation or nonrenewal of a license. It should be noted that this amendment will not alter the hearing requirements for suspensions, revocations and nonrenewals.

Ordinance MC-6-2011 also makes technical amendments to the affected provisions in Chapter 5.09, by reorganizing some of the provisions and replacing some of the arcane phrasing with wording that is more easily understood by an ordinary citizen.

### **Park District Request for License Expansion**

On August 24, 2011, the Executive Director of the Winnetka Park District wrote to the Village Manager, submitting the Park District’s request to expand the scope of the Park District’s Class P liquor license to allow the service of alcoholic beverages at the Halfway house on the Golf Course. A copy that letter is attached to this Agenda Report.

As explained in the Park District’s request, this type of service “is readily available at most every public golf facility in the area except Winnetka,” and the Park District desires to remain competitive. The Police Department has confirmed that there have been no incidents related to the service of alcohol at the Golf Course in the time that such service has been available.

Ordinance MC-6-2011 contains draft amendatory language to implement the Park District's request. Section 4 of the Ordinance would amend the scope of the resolution required from the Park District to include the Halfway House (WVC §5.09.070(L)), while Section 5 of the Ordinance would amend the definition of the Class P license (WVC §5.09.100(N)). In addition, Section 9 of the Ordinance would also amend the provision pertaining to the sale of liquor without full meals, since it is presumed that service at the Halfway House would primarily be beverage service. (WVC §5.09.205) Because the Council has not yet discussed the Park District's request, Sections 4, 5 and 9 should be considered as preliminary drafts that are likely to be amended following the Council's initial discussions.

**Recommendation:**

- 1) Consider introducing Ordinance MC-6-2011, amending various provisions of the Village Code as it pertains to licensing requirements, and amending Chapter 5.09 of the Village Code as it pertains to licensing requirements and the Class P license.



August 24, 2011

Mr. Robert M. Bahan, Village Manager  
Village of Winnetka  
510 Green Bay Road  
Winnetka, IL 60093

Dear Robert,

The Winnetka Park District wishes to begin the process of expanding our Class T liquor license to include the sale of alcoholic beverages on the Winnetka Golf Course.

The Golf Club originally obtained a liquor permit in 2003. Since that time, we have not experienced incidences that would cause us alarm from players or visitors who have consumed beer and wine in the clubhouse. Currently, liquor permit only allows the sale of alcoholic beverages inside the clubhouse. We would like to expand sales to the Golf Course at our Halfway House.

This is a service that is readily available at most every public golf facility in the area except Winnetka. We believe that this is a service that our players use and expect when visiting a golf facility. We do not expect this service will be abused just as there have been no cases of abuse within the Clubhouse since obtaining the permit. Many people want to have a beer while playing golf. As you are aware, the golf business is extremely competitive and this season has been especially challenging for the Winnetka Golf Course. It is our objective to remain competitive with other courses in our region.

I am interested in knowing how we may pursue this request further. If you have any questions, feel free to call. We appreciate your consideration.

Sincerely,

Terry G. Schwartz  
Executive Director  
Winnetka Park District



**AN ORDINANCE  
AMENDING VARIOUS PROVISIONS OF  
CHAPTERS 1.04, 5.04 AND 5.09 OF THE WINNETKA VILLAGE CODE  
AS THEY PERTAIN TO LIQUOR LICENSE ELIGIBILITY  
AND THE SERVICE OF ALCOHOLIC BEVERAGES  
AT THE WINNETKA PARK DISTRICT'S GOLF FACILITY**

**WHEREAS**, the Illinois Liquor Control Act of 1934, 235 ILCS 5/1-1 *et seq.*, provides statutory authority for the local licensing and regulation of the sale and service of alcoholic beverages within the Village of Winnetka; and

**WHEREAS**, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, with the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare of the Village of Winnetka and its citizens; and

**WHEREAS**, the Village Council find that establishing classifications of licenses for the retail sale and service of alcoholic beverages and packaged liquors, and establishing the terms and conditions for such licenses are matters pertaining to the affairs of the Village; and

**WHEREAS**, Chapter 1.04 of the Winnetka Village Code establishes regulations for the payment of fees to the Village and

**WHEREAS**, Chapter 5.04 of the Winnetka Village Code establishes general regulations for the licensing of businesses within the corporate limits of the Village; and

**WHEREAS**, Chapter 5.09 of the Winnetka Village Code establishes local regulations for the sale of alcoholic beverages within the corporate limits of the Village; and

**WHEREAS**, the Village Council find that it is in the best interests of the health, safety morals and general welfare of the Village of Winnetka that various provisions of Chapters 1.04, 5.04 and 5.09 of the Winnetka Village Code be amended to clarify the Village's regulations pertaining to the impact of delinquent accounts on the eligibility to obtain a liquor license; and

**WHEREAS**, the Winnetka Park District has submitted a request to the Village Council seeking to expand the scope of liquor service at the Park District's Golf Facility to include the Halfway House; and

**WHEREAS**, the Village Council have determined that it is in the best interests of the health, safety and general welfare of the Village and its residents to grant the Park District's request, subject to certain conditions, so that the Golf Facility may remain competitive with other golf facilities in the area.

**NOW, THEREFORE**, the Council of the Village of Winnetka do ordain as follows:

**SECTION 1:** The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth herein.

**SECTION 2:** Subsection A of Section 1.04.140, "Delinquent Accounts" of Chapter 1.04, of Title I of the Winnetka Village Code, "General Provisions," is hereby amended to provide as follows:

A. Delinquent Account Defined. For purposes of this section, any account that is not current and for which the person owing the account has not entered into and remained in compliance with an enforceable payment plan pursuant to subsection C of this section, shall be considered to be a delinquent account. Such accounts shall include, but not be limited to, accounts with unpaid water and electric fees, accounts with unpaid fees for false alarms, accounts with unpaid parking tickets, accounts with unpaid license or permit fees, and accounts with unpaid late fees or collection charges.

**SECTION 3:** Subsection A of Section 5.04.050, "Fees," of Chapter 5.04, "Licenses and Permits Generally," of Title 5 of the Winnetka Village Code, "Business Licenses and Regulations," is hereby amended to provide as follows:

A. Payment. The fees required for licenses and permits shall be set from time to time by resolution of the Village Council and shall be paid at the time the application is ~~made submitted~~. No application for a license or permit shall be accepted for processing unless the required fee has been paid in full.

**SECTION 4:** Subsection L of Section 5.09.070, "Application for License," of Chapter 5.09, "Liquor License Regulations," of Title 5 of the Winnetka Village Code, "Business Licenses and Regulations," is hereby amended to provide as follows:

L. For applications for a Class P license, a certified copy of the ordinance or resolution adopted by the Winnetka Park District authorizing the sale of alcoholic beverages at the Halfway House and at the food service facility in the clubhouse of the Winnetka Park District Golf Course.

**SECTION 5:** Subsection N of Section 5.09.100, "Classification of Licenses," of Chapter 5.09, "Liquor Control Regulations," of Title 5 of the Winnetka Village Code, "Business Licenses and Regulations," is hereby amended to provide as follows:

N. Class P License. The Class P license authorizes the Winnetka Park District to engage in the retail sale and service of alcoholic beverages, at the “Halfway House” and in conjunction with the operation of the food service facility located in the clubhouse of the Winnetka Park District Golf Course, to persons the attendants at the food service facility those facilities reasonably believes to be at the Winnetka Park District Golfing Facilities for the principal purpose of engaging in golfing activities, subject to the following terms and conditions:

~~1. The sale and service of alcoholic beverages in the clubhouse shall be incidental and complementary to the sale and service of food in the clubhouse food service facility and shall be, for consumption only in the clubhouse food service area, of the clubhouse, provided such sales and service are incidental and complementary to the sale and service of food. Subject to the terms and conditions of this subsection, food and liquor may be served at a counter, bar or waiting area within the clubhouse food service facility. Subject to the provisions of Section 5.09.205 of this chapter, such incidental and complementary the sales and service of alcoholic beverages at the clubhouse food service facility may include the occasional service of alcoholic beverages alone. All sales and service of alcoholic beverages pursuant to the Class P license shall be subject to the following conditions:~~

~~1. Except as provided in Section 5.09.205 of this Chapter, the counter, bar or waiting area shall be restricted to persons the attendant at the food service facility reasonably believes to be at the Winnetka Park District Golfing Facilities for the principal purpose of engaging in golfing activities.~~

~~2. The sale and service of alcoholic beverages at the Halfway House shall be permitted at the Halfway House, provided that no alcoholic beverages may be taken from the Halfway House for consumption in any other part of the Winnetka Park District Golf Facility. Food and liquor may be served at a counter or bar at the Halfway House. Subject to the provisions of Section 5.09.205 of this chapter, the sale and service of alcoholic beverages at the Halfway House may include the occasional service of alcoholic beverages alone.~~

~~3. Food and liquor may served at a counter, bar or waiting area within the clubhouse food service facility, provided that The the percentage of the total space available that is allocated to counter, bar and waiting area service in the clubhouse food service facility shall not exceed ten (10) percent of the total space of the food service facility that is accessible to patrons.~~

~~4. 3.—The sale of alcoholic beverages pursuant to the Class P liquor license shall be permitted only during the months of April through October.~~

**SECTION 6:** Section 5.09.110, “License Fees,” of Chapter 5.09, “Liquor License Regulations,” of Title 5 of the Winnetka Village Code, “Business Licenses and Regulations,” is hereby amended by adding a new subsection C, which shall provide as follows:

C. Payment of Fees. All license fees shall be paid at the time the application is submitted to the Village. No application for a license or permit shall be accepted for processing unless the required fee has been paid in full.

**SECTION 7:** Section 5.09.120, “Payment and Disposition of Fees,” of Chapter 5.09, “Liquor License Regulations,” of Title 5 of the Winnetka Village Code, “Business Licenses and Regulations,” is hereby amended to provide as follows:

**Section 5.09.120 Payment and Disposition of Fees**

All fees for Class A, Class A-1, television rider, packaged meal rider, Class B, Class D, Class D-1, Class E, Class E-1 or Class P licenses issued under this chapter shall be paid to the Village ~~on or before April 1<sup>st</sup> of the year for which such license is to be issued in full at the time the license application is submitted.~~ In the event the license applied for is denied, the fee shall be returned to the applicant. ~~If the license is granted, then the fee shall be deposited in the general corporate purposes fund or in such other fund as shall have been designated by the Village Council by motion, resolution or ordinance.~~

**SECTION 8:** Section 5.09.160, “License Renewals,” of Chapter 5.09, “Liquor License Regulations,” of Title 5 of the Winnetka Village Code, “Business Licenses and Regulations,” is hereby amended to provide as follows:

**Section 5.09.160 License Renewals.**

A. Any Class A, Class A-1, television rider, packaged meal rider, Class B, Class D, Class D-1, Class E, Class E-1, Class E-2 or Class P licensee ~~may is subject to renewal his or her license~~ upon its expiration, subject to the following conditions and limitations; provided

1. ~~he or she~~ The licensee shall not have any delinquent accounts with the Village, as defined in Section 1.04.140 of this Code;

2. The licensee ~~is then eligible~~ shall continue to meet the same eligibility requirements as if applying for an original ~~application to receive a~~ license; ~~and~~

3. ~~the~~ The premises for which ~~such the~~ license renewal is sought are suitable for such purpose; ~~;~~

4. ~~Such~~ The renewal of any license ~~renewal~~ shall not be construed as a vested right and nothing in this chapter shall prevent the Village President and Trustees from decreasing the number of licenses that may be issued within the Village; ~~and~~

5. ~~All~~ All applications for the renewal of a liquor license shall include a statement describing all work on or alterations to the licensed premises during the term of the current license.

B. Sidewalk restaurant rider licenses are not subject to renewal and each application for a sidewalk restaurant rider license shall be considered de novo, regardless of whether the applicant has previously held such a license.

**SECTION 9:** Section 5.09.205, “Service of Alcoholic Beverages without Service of Full Meals,” of Chapter 5.09, “Liquor License Regulations,” of Title 5 of the Winnetka Village Code, “Business Licenses and Regulations,” is hereby amended to provide as follows:

**Section 5.09.205 Service of alcoholic beverages without service of full meals.**

From time to time, any Class A, Class A-1, Class E-1 or Class P licensee may serve alcoholic beverages without serving a full meal to the person being served (“liquor-only” service), provided the following conditions are met:

A. The area for liquor-only service shall be segregated from the remaining portion of the restaurant and shall be identified in a seating plan submitted to the Local Liquor Control Commissioner for his approval.

B. Liquor-only service is prohibited on all public sidewalks.

C. Liquor-only service is permitted in outdoor seating areas, provided the outdoor seating area is located entirely on private property and is part of the licensed premises.

D. No more than 20% of the restaurant’s seating capacity shall be used for liquor-only service, and at least 80% of the restaurant’s seating capacity shall be dedicated to full meal service.

E. All liquor-only service shall comply with the limitations of hours of service established in Section 5.09.250 of this Chapter.

F. The total amount of all alcoholic beverage sales by any licensee, including liquor-only sales, shall at all times be incidental and complementary to the sale of complete meals or food products, as specified in the licensee’s license classification.

G. The extent of liquor-only service at the Halfway House on the Winnetka Park District Golf Facility may predominate over the sale and service of alcoholic beverages with food at that location, provided that liquor only sales at the Halfway House and at the clubhouse food service facility, when combined, shall be incidental and subordinate to the sale and service of food at those two locations, taken as a whole.

**SECTION 10:** Subsection A of Section 5.09.280, “Revocation, Suspension and Nonrenewal of License,” of Chapter 5.09, “Liquor License Regulations,” of Title 5 of the Winnetka Village Code, “Business Licenses and Regulations,” is hereby amended to provide as follows:

A. Authority of Local Liquor Control Commissioner. The Local Liquor Control Commissioner may revoke, suspend or refuse to renew any license issued in this Village, and cause any fees paid on such license to be forfeited, for any violation of this chapter or any state law pertaining to the sale of alcoholic liquor, for the licensee’s loss of eligibility for a license under any provision of this chapter or state law, ~~or~~ for the violation of any applicable rules or regulations established by the Local Liquor Control Commissioner or the State Commission, ~~or~~ for the failure to pay any license fee, ~~or for the failure to pay~~ any state, local or other tax imposed on alcoholic liquor or the sale of alcoholic liquor, or

whenever it shall be determined by the Local Liquor Control Commissioner that an officer, director or manager or other employee of any licensee under this chapter has violated any provision of this chapter while engaged in the course of his or her employment or while on the premises described in such license.

**SECTION 10:** This Ordinance is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

**SECTION 11:** This Ordinance shall take effect immediately upon its passage, approval and posting as provided by law.

**PASSED** this \_\_\_ day of \_\_\_\_\_, 2011, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 2011.

Signed:

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

Introduced:

Posted:

Passed and Approved:

Posted:

## AGENDA REPORT

- SUBJECT:**
- (1) Consideration of Plan Commission's follow-up study and recommendation for Inclusionary Zoning and related policies
  - (2) Further consideration of zoning amendments to ease restrictions on existing coach houses

**PREPARED BY:** Brian Norkus, Assistant Director of Community Development  
Katherine S. Janega, Village Attorney

**REFERENCE:** April 12, 2011 Study Session  
September 13, 2011 Regular Council meeting

**DATE:** November 10, 2011

### **Background**

At its April 12, 2011 Study Session, the Village Council considered the policy issues raised by the Plan Commission's affordable housing report, titled *Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing: A Report to the Village Council*, and the companion demographic and housing study titled *Study of Housing Conditions and Needs*.

The Plan Commission's recommendations identified the following key issues for further Council consideration;

1. Easing restrictions on existing coach house units;
2. Adopting *Affordability Standards* to establish the household income levels that would qualify for newly created affordable housing units, such as those created under an Inclusionary Zoning program;
3. Amending the Zoning Ordinance to encourage retention of downtown housing units, including: (a) discouraging conversion of existing residential apartment units to non-residential uses; (b) modifying parking standards for downtown residential units; (c) preserving the quality of residential dwelling units through adoption of a property maintenance code, and (d) studying further zoning amendments to allow creation of "work/live" units in the Village's commercial areas; and
4. Establishing an *Inclusionary Zoning* program, that would require that 15% of the residential units in new multi-family and mixed-use developments meet affordability standards;
5. Establishing a *Community Land Trust* as a mechanism to hold any newly created affordable housing units in order to assure their continued affordability over time; and
6. Establishing a *Housing Trust Fund* as a funding mechanism to further affordable housing efforts.

At the close of the April 12, 2011, Study Session, the Council directed staff to provide further detail and draft proposed zoning amendments that would carry out the Plan Commission's recommendation to ease restrictions on the use of coach houses. At the same time, the Council deferred further action on the remainder of the *Report's* recommendations, directing Staff to provide further information to the Council on proposed affordability standards and retention of downtown housing uses, and directing the Plan Commission to do further study on inclusionary zoning, community land trusts and housing trust funds.

The Council next considered affordable housing issues at its September 13, 2011 study session, when the Plan Commission's coach house recommendations were considered in greater detail. At that time, the Council directed staff to bring all of the affordable housing issues back before the Council in November after the Winnetka Caucus had finished processing its survey results.

The remainder of this Agenda Report reviews the Plan Commission's further study and recommendations, provides a detailed analysis of the Plan Commission's revised and updated recommendations, and provides relevant Council minutes and agenda materials.

To assist the Council in its review the following documents are attached as Appendices 1 through \_\_:

- Appendix 1* Analysis of possible incentives
- Appendix 2* Minutes of the following Plan Commission meetings
  - August 24, 2011
  - July 27, 2011
  - June 22, 2011
  - May 25, 2011
  - April 27, 2011
- Appendix 3* Minutes of September 13, 2011 Study Session
- Appendix 4* Agenda Report re Affordable Housing (April 12, 2011 Study Session)
- Appendix 5* Minutes of April 12, 2011 Study Session
- Appendix 6* Winnetka Caucus Platform, Village Planks re Affordable Housing

### **Plan Commission's Further Study and Recommendations**

The Plan Commission proceeded as directed by the Village Council and, over the course of its meetings from May to August, obtained and considered further information on inclusionary zoning, community land trusts and housing trust funds. On August 24, 2011, the Plan Commission completed further analysis and established detailed recommendations for the parameters of an Inclusionary Zoning ordinance.

The Plan Commission's recommendations include newly detailed recommendations for several key program elements, including standards that define which projects would be subject to Inclusionary Zoning requirements (*i.e.*, projects with more 7 or more residential units) and the

number of affordable units to be provided (15% of total units). In addition, the Commission's recommendations detail recommended zoning "offsets" to incentivize the development of affordable housing by allowing additional market rate units, on a one-for-one basis, for each affordable unit. The next section of this Agenda Report provides a detailed explanation of the Plan Commission's recommended Inclusionary Zoning program.

In addition, the Plan Commission's additional study has led it to revise its related recommendations regarding establishment of a *Community Land Trust* and *Housing Trust Fund*. These two items were initially proposed to serve as ownership and funding mechanisms to assure the continued affordability of newly developed affordable units. Having completed its further study of these two issues, the Plan Commission now recommends that the long term affordability of units be established on a case-by-case basis through restrictive covenants rather than through establishing a Community Land Trust.

#### **I. Policy direction regarding Plan Commission's revised Inclusionary Zoning recommendation**

As previously reported, and as briefly described above, an Inclusionary Zoning program would amend the Zoning Ordinance to require developers of certain new multi-family residential or mixed-use residential properties to set aside 15% of total units as affordable housing.

Following are the Inclusionary Zoning program elements, reflecting the Plan Commission's revised recommendations and further study:

1. **Applicability ("Covered Development Projects")** – As recommended by the Plan Commission, the inclusionary zoning requirement would apply to "*Covered development projects*," which are defined by both location, size and type of development.
  - a. Location of development:
    - i. Inclusionary zoning requirements would not apply to any Single Family Zoning Districts.
    - ii. Inclusionary zoning requirements would apply only to new developments in the following Zoning Districts: (a) the B-1 Multiple Family District; (b) the B-2 Multiple Family District; (c) the C-1 Commercial District; and (d) the C-2 Commercial zoning district. Inclusionary zoning requirements would not apply within any single family residential area.
  - b. **Size and type of development:** In addition to being located in a multiple family or commercial zoning district, a project would also have to have one of the following characteristics:
    - i. New development projects with seven (7) or more residential units proposed;

- ii. Any development project that is required to file as a Planned Development (10,000 s.f. or more);
  - iii. Conversions of any rental units into condominiums.
2. **Required number of affordable units** – As recommended by the Plan Commission, 15 percent of the total number of residential units in *covered development projects* shall be affordable housing units.
3. **Payment-in-lieu** - To provide an alternative means of compliance in cases of hardship, the Plan Commission recommends that the Inclusionary Program allow a payment of a “fee-in-lieu” to be considered in limited instances. However, because the objective is to create new affordable housing units, the Plan Commission recommends that such fees only be permitted in limited circumstances. For example, in instances of conversion of rental apartments to condominium ownership, an applicant may apply to pay a *fee-in-lieu* of \$100,000 per required unit.
4. **Incentives** - To offset the expense of providing affordable housing units in new developments, a “one-for-one” offset is proposed, allowing the developer of *covered development project* the ability to construct an additional market-rate unit, above and beyond what is ordinarily allowed, for each required affordable unit.

Recognizing that several zoning regulations impact the ability to construct the additional “offsetting” unit(s), the Plan Commission determined that corresponding zoning allowances would be necessary to allow additional building area to accommodate the permitted additional market rate units. A detailed analysis of the underlying C-2 Commercial zoning district regulations and the methodology used to determine appropriate zoning allowances is attached as *Appendix 1*.

Accordingly, the Plan Commission recommends the following zoning allowances be provided to *covered development projects* that are required to comply with an Inclusionary Zoning Ordinance:

- a. For *Covered development projects* in the C-2 Commercial Zoning District, increase the number of units permitted from 38 units per acre to 44 units per acre;
- b. For *Covered development projects* in the C-2 Commercial Zoning District, increase permitted lot coverage at the second floor level from 60% to 70% for interior lots, and from 70% to 80% for corner lots;
- c. For *Covered development projects* in the C-1 and C-2 Commercial Zoning Districts, reduce the number of required parking spaces based on number of bedrooms:
  - i. For studio and 1-bedroom units, decrease the minimum parking requirement from 2.25 spaces per unit to 1 space per unit;
  - ii. For units with 2 or more bedrooms, decrease the minimum parking requirement from 2.25 spaces per unit to 1.5 spaces per unit;

- d. For *Covered development projects* in the B-1 and B-2 Multiple Family Zoning Districts, reduce the number of parking spaces based on the number of bedrooms:
  - i. For units with 2 bedrooms or less, decrease the parking requirement from 2.25 spaces per unit 1.75 per unit; and
  - ii. Maintain the current parking requirement of 2.25 spaces per unit for units with 3 or more bedrooms.
5. **Local Preferences** - To assure that affordable housing units are first made available to local residents and meet other local priorities, the Plan Commission recommends that affordable housing units created under an Inclusionary Zoning Ordinance be made available to income-qualified households, in the following order of priority:
  - a. Current Residents
  - b. Employees of Winnetka taxing bodies
  - c. Other Employees in Winnetka
  - d. Parents of Winnetka Residents
6. **Moratorium for conversions of residential rentals to office units** - The Plan Commission recommends further study with regard to the market reasons behind conversions of rental apartments to non-residential uses such as office space, and consideration of whether such conversions should be subject to an inclusionary zoning requirement, or possibly subject to consideration as a Special Use Permit.

For the Council's reference, the attached *Appendix 2* contains copies of the minutes of the Plan Commission's meetings in April, May, June, July and August of 2011.

**Recommendation:**

Provide policy direction on the above policy issues. A decision matrix outlining the issues can be found on the following page.

**Affordable Housing Decision Matrix**

Policy Issue	Proceed?		
	Yes	No	Table
Add inclusionary zoning provision to the Zoning Ordinance?			
Applicable location: B-1, B-2, C-1, C-2 districts			
Applicable development: 7 units or more			
Applicable development: Planned Developments			
If yes, applicable development: Conversion of rental units to condominiums			
Applicable development: Number of required units – 15%			
Payment in lieu?			
Amount: \$100,000 per required unit			
Incentives / Offsets?			
Increase number of units: 38 to 44/Acre			
Increase permitted lot coverage, interior lots, 2 <sup>nd</sup> floor: 60% to 70%			
Increase permitted lot coverage, corner lots, 2 <sup>nd</sup> floor: 70% to 80%			
Parking?			
C-1, C-2, studio to 1-BR: reduce to 1 space/unit			
C-1, C-2, 2 BR & up: reduce to 1.5 spaces/unit			
B-1, B-2, 2 BR or less: reduce to 1.75 spaces/unit			
B-1, B-2, 3BR and up: retain 2.25spaces/unit			
Local preferences?			
Current residents			
Employees of Winnetka taxing bodies			
Other employees in Winnetka			
Parents of Winnetka residents			
Moratorium for conversion of residential rentals to office uses			

## *Appendix 1*

**Appendix #1.****Examination of potential Developer Incentives  
Based on Winnetka Zoning**

The Plan Commission's Inclusionary Zoning strategy has been targeted exclusively to the Village's existing Downtown Commercial Zoning (C-1 and C-2) districts, and existing Multiple Family Residential (B-1 and B-2) districts.

As discussed in very general terms, the Plan Commission's prior discussions have focused on incentives which provide for a zoning "offset" which in its simplest sense would provide a "one for one" offset, allowing the developer to develop an additional market rate unit (above and beyond what would ordinarily be allowed), for each affordable unit provided.

Identification of precise and appropriate developer incentives requires further examination of Winnetka's current zoning regulations in order to assure effectiveness of such incentives. The analysis that follows is intended to assure that such incentives provide true economic value to the developer in order to cover the cost of compliance with inclusionary zoning requirements, minimizing the possibility that inclusionary zoning regulations have the unintended result of actually stifling residential development, or increasing the cost of market rate units.

Winnetka's commercial zoning districts have long-established limits which control and limit the scale of development, controlling both density (measured by *units per acre*) and bulk (i.e., the volume of a building in *square footage*). Together, these regulations, along with parking requirements, dictate the number of residential units a given property can support as well as the total size of the building.

**A. Detailed examination of commercial density limits – hypothetical 4,000 square foot lot**

To clarify Winnetka commercial zoning regulations, and the limits placed on residential development, it is helpful to speak in terms of a specific hypothetical. For purposes of discussion, consider a hypothetical 4,000 square foot corner lot in the Village's downtown commercial area (C-2 zoning).

Options for development of such a lot fall under *two* main categories, incorporating either residential uses at the upper floors, or non-residential uses such as offices:

1. If developed as mixed-use commercial building with office uses on the upper floors, a building together with its other impermeable surfaces (surface parking, other pavement, etc.) can occupy 90 percent of the lot area. Under C-2 zoning standards, the lot can be developed with up to 3,600 square feet of commercial space on the first floor level (90%), as well as 3,600 square feet of office space at the second floor, and up to 1,800 square feet of office space at the third floor level,

- with a total floor area of **9,000 square feet**.<sup>1</sup> [depicted graphically in the attached *Exhibit 1*]
2. If developed as mixed use with *residential* on the upper floors, the building can *still* occupy 90 percent of the lot area at the first floor (3,600 sf.). Notably, Winnetka's Commercial zoning regulations place more restrictive limits on upper floor density specific to residential development. When developed with residential units, the same lot is limited to a smaller second floor footprint of no more than 70 percent of lot area (2,800 s.f.), and a third floor of no greater than 1,400 square feet, resulting in a total allowable floor area of **7,800 square feet**, reducing allowable floor area by 1,200 square feet (13.3 percent) compared to the hypothetical office development above [depicted graphically in the attached *Exhibit 2*].
  3. For an *interior* (non-corner) lot, the differential between office and residential development is greater. A hypothetical 4,000 square foot interior lot is permitted to develop the same 9,000 square feet, while a redevelopment incorporating residential uses is limited to 60 percent coverage at the second floor, and an effective total allowable floor area of **7,200 square feet**, reducing the allowable floor area by 1,800 square feet (20 percent) compared to the office use scenario.

### **Examination of potential developer incentives**

In order to be effective, developer incentives to offset the cost of complying must be calibrated to match the actual expense of providing a set-aside, and should address the several variables which control the scale of development (and which factor into the cost of development).

An additional "hypothetical" is useful in illustrating the structure of possible incentives to offset the cost of providing inclusionary units:

#### **Assumptions and pertinent factors:**

1. The Plan Commission has recommended a 15% set-aside of affordable units. Assume for the sake of discussion that an inclusionary zoning requirement applies to new developments of 7 units or more. The Plan Commission has discussed a threshold of applicability as low as 5 units, but a development of 7 units is convenient for this purpose due to the fact that it is the minimum development size where a 15% set aside would add up to a full "unit" (i.e., greater than 1).
2. Winnetka's C-2 commercial zoning district allows a unit density of 38 units per acre (C-2 zoning district), which translates to a minimum lot area of 8,024 square feet in order to be permitted to develop those 7 units.
3. If that development on the hypothetical lot is allowed to add an additional eighth unit, in exchange for being required to dedicate the "seventh" as an affordable

---

<sup>1</sup> Assumes that the required parking for such a building is provided below grade (basement level).

unit, the calculated density with eight units goes up to 43.4 units per acre. This factor yields the first incentive that is likely to be necessary to offset the cost of compliance (see below).

Developer incentive #1 – for developments which are required to comply with the provisions of the Inclusionary Zoning Ordinance, development density proscribed in Section 17.46.030 of the Winnetka Zoning Ordinance shall be allowed to **increase the unit density for the C-2 zoning district from 38 units per acre to 44 units per acre.**

4. In addition to the “units per acre” calculation, the “second floor lot coverage” discussed earlier (A-1, A-2 & A-3, on page 4) also limits the scale of development. In order to make the allowable “eighth unit” in this hypothetical situation able to be developed at without developer impact, a corresponding adjustment to allowable lot coverage is likely to be necessary. Absent such as incentive, provision of the hypothetical “offsetting eighth unit” is likely to come at the expense of reducing the square footage of the remaining seven units.
  - a. That hypothetical 8,024 square foot-lot is allowed to cover 70 percent of the lot at the second floor area, resulting in a second floor area of about 5,600 square feet at the second floor, and additional 2,800 square feet at the third floor, for a total residential floor area of 8,400 square feet. Subtract approximately 15% of floor area for common elements yields net usable residential floor area of 7,140 square feet, or 1,020 square feet per unit for the “as of right” 7 units. In order to add the eighth unit into to the mix without it impacting the balance of the units in the building it would be necessary to allow an additional 1,020 square feet of floor area at the second and third floor.
  - b. So as to not “overcompensate”, consider the fact that the 2½ story building height limit results in a third floor that is *no more than half the second floor*. This results in a distribution of a building’s residential floor area at a ratio of 1/3 of the residential floor area being at the upper (third) floor, and 2/3 being at the lower (second) floor. In order to distribute that “additional floor area” of 1,020 square feet at the same ratio, we would increase the second floor coverage on the hypothetical 8,024 square foot lot by only 679 square feet (2/3 of the 1,020 square feet) in order to make the developer whole with respect to the lot coverage limitation on building density.

- c. An increase of 679 square feet of residential area at the second floor would require an increase in allowable lot coverage of 8 percent, based on the hypothetical lot's area of 8,024 square feet.

Developer incentive #2 – for developments which are required to comply with the provisions of the Inclusionary Zoning Ordinance, development density proscribed in Section 17.46.040 of the Winnetka Zoning Ordinance [*Intensity of Use of Lot*] **shall be permitted to increase the allowable residential lot coverage from 60 percent to 68% for interior lots, and shall be permitted to increase from 70 % to 78% for corner lots.**

**In the alternative, consideration should be given to increasing allowable lot coverage by 10 %, versus 8 % as an additional incentive.**

5. Parking is significant determinant of residential density. Winnetka's residential parking requirement of 2 ¼ spaces per dwelling unit is high compared to neighboring communities, particularly for a community with commercial areas that are both compact, walkable, and within easy access to high quality transit service.
- a. A less "hypothetical" development illustrates the role the zoning ordinance's parking requirement in determining density - the Winngate condominiums at 720 Green Bay Road were built with a total of 13 units, in part due to the fact that the site could support roughly 29-30 parking spaces within it's lower level. The number of parking spaces suggests a development of no more than 13 units based on required parking ratios. The allowable density of the Winngate site, in units per acre allowed a total of 17 units, but required a significantly larger number of parking spaces (39 spaces). The parking requirements are perceived as having reduced the number of residential units from 17 to 13, and presumably, increasing the average size of each unit (and their relative cost).

Developer incentive #3—allow developments subject to inclusionary zoning requirements to provide parking at the following levels (versus 2 ¼ per unit):

**C-1 & C-2 commercial zoning districts**

- Studio and one bedroom units – 1 parking space per unit
- Two bedroom and greater – 1 ½ spaces per dwelling unit

**B-1 & B-1 multiple family residential zoning districts**

- Studio and one bedroom units - 1 ½ spaces per dwelling unit
- Two bedroom and greater - 2 parking spaces per unit, plus ½ space per bedroom for those in excess of 2;
- Plus, ¼ space per dwelling unit designated as guest parking.



Exhibit 1 - allowable 9,000 s.f. office building on hypothetical 4,000 square foot corner lot

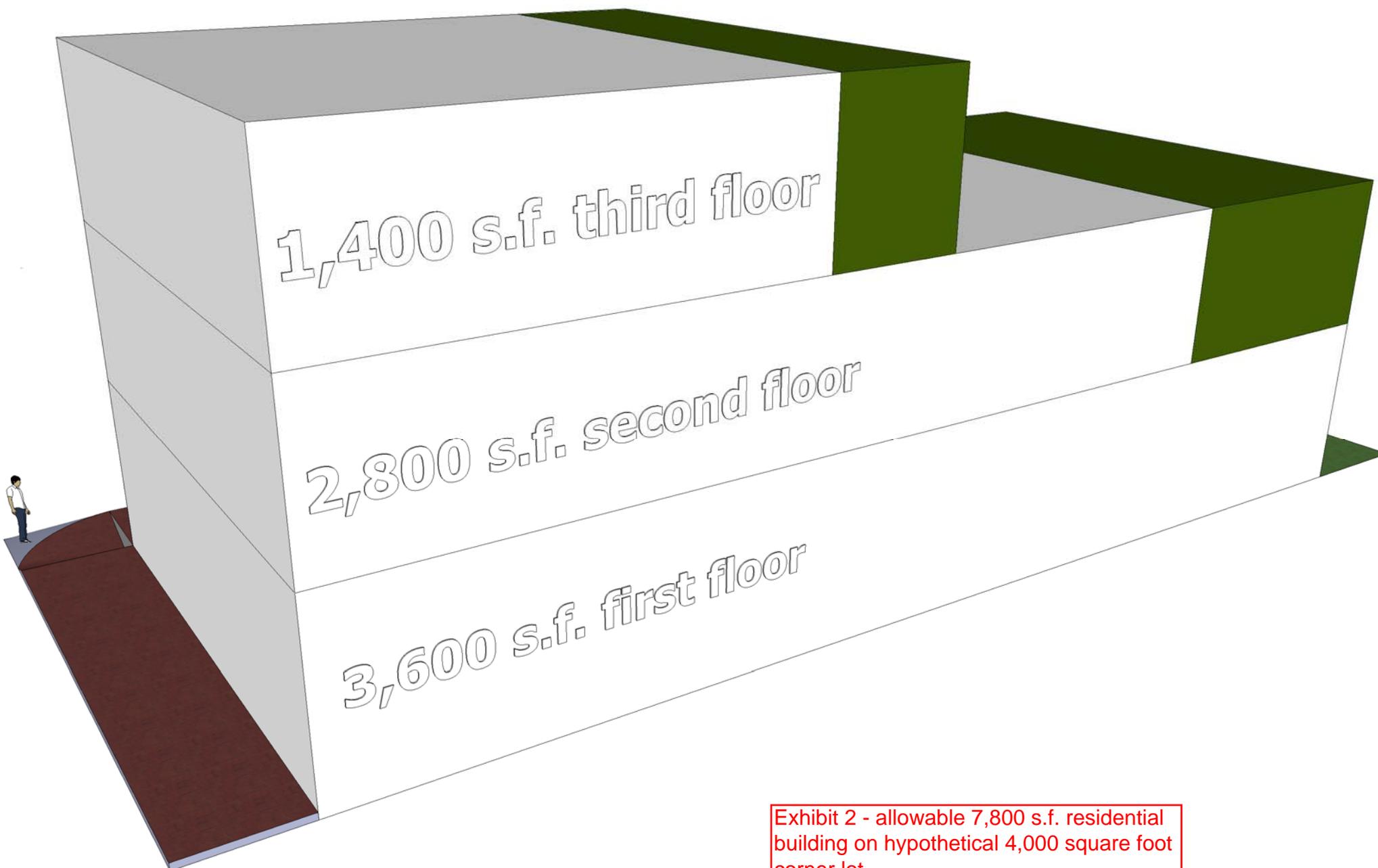


Exhibit 2 - allowable 7,800 s.f. residential building on hypothetical 4,000 square foot corner lot

TO: Plan Commission

FROM: Brian Norkus, Assistant Director of Community Development

DATE: August 18, 2011

SUBJECT: Assessed valuation / property tax implications of new mixed use developments

Earlier Plan Commission discussions raised questions regarding the implications of an inclusionary zoning program on Village finances, such as the possible reduction in assessed valuation of affordable units compared to their market rate equivalent units. As outlined in several earlier discussions, an inclusionary zoning program would require the developer of certain new residential developments to provide a set-aside of affordable units, with affordable units sold at lower prices to households with qualifying moderate income levels.

Due to their sale price at below-market affordable sale prices, concern has been raised that the affordable units (15% of new units) will have an impact on a project's total valuation, resulting in an impact to the Village's tax base and property tax revenue.

Previous discussions also noted that such redevelopment projects are typically "additive" in nature, in that the redevelopment process typically results in an increase to the Village's tax base due to the fact that such projects frequently replace older, often obsolete uses with modern uses of a higher value.

In order to illustrate the general magnitude of redevelopment's impact on the Village's assessed valuation, a single Winnetka redevelopment project was examined to determine, in the most general terms, the change in assessed value and resulting impact to property tax collections as a result of the redevelopment process.

The redevelopment of 518 Winnetka Avenue began in 2000 and was completed in 2002, converting a former gasoline station into a three-story mixed use development including first floor commercial space and ten (10) residential condominiums, shown in the photo on the following page. The property was selected due to its relatively recent redevelopment, along with the availability of historical assessment data from the Cook County Assessor's Office.<sup>1</sup>

---

<sup>1</sup> The Cook County Assessor's office was unable to provide historical assessment data of a similar project at 812 Oak Street.



**Figure 1 - 518 Winnetka Avenue (current)**

In order to evaluate the fiscal impacts of this redevelopment, the property's *pre-development* assessed valuations were examined from 1995 to 1999, and compared with *post-development* valuation from the 2009 tax year.

The *pre-development* period of 1995-99 saw significant variation in the assessed valuation of the parcel, which was formerly used as a gasoline service station. The five year *pre-development* period of 1995-99 saw a high equalized assessed value (EAV) of \$284,987, recorded in 1998, and a low EAV of \$186,501 recorded in 1999.

In order to provide a conservative comparison of the tax impacts of the subject redevelopment, the high EAV of \$284,987 (1998 tax year) for the five-year period was compared to the recent 2009 tax year's EAV of \$1,603,343. A summary of the change in assessments and tax receipts is included below in Table 1. A more detailed analysis of the 2009 tax year, including the breakdown of commercial and residential valuations is included on the attached Table 2.

**TABLE 1 – Summary comparison of 1998 to 2009 valuation and Village tax receipts**

	Pre-development conditions	Post-development conditions	Change
	1998 tax year (gasoline station)	2009 tax year (commercial multi-family residential)	
Assessor's estimated market value	\$1,139,948	\$ 4,754,652	
Adjusted EAV	\$ 284,987	\$ 1,603,343	+ \$1,318,356 (462% increase)
Estimated total <u>Village</u> tax bill  (1998 Village levy – 1.362 %; 2009 Village levy - 0.682%)	\$ 3,881	\$ 10,902	+ \$ 7,021 (181% increase)
Estimated <u>total</u> tax bill, all local taxing jurisdictions  (1998 tax levy 8.598 %; 2009 tax levy 4.492 %)	\$ 25,503	\$ 72,022	

The data in *Table 2* has also been used to develop an estimate of the fiscal impact of an individual unit being sold at an affordable, below market sale price.

In the 2009 tax year, the majority of individual residential units saw Village tax payments which amounted to 2.0 percent of each unit's estimated market value. Restated, each \$100,000 in market value translated into Village tax payment of \$200 in the 2009 tax year.

Accordingly, in the event that this development had been required to dedicate one (1) of the ten units as an affordable unit, and if the sale price were to reduce the market value of that unit by \$100,000, there would be reduction of \$200 in the Village's tax receipts attributable to the redevelopment.

This analysis assumes conservatively that the developer dedicates one of the allowable ten units, without any developer incentives to offset the cost of providing an affordable unit. Developer incentives such as the allowance of an additional market rate unit are likely to offset the estimated \$200 reduction in Village tax receipts for this hypothetical scenario.

518 Winnetka (CIRCA 2000/2001)



**TABLE 2 - ASSESSMENT AND VILLAGE TAX BILL DETAIL - 518 WINNETKA AVENUE (2009 Tax Year)**

<b>RESIDENTIAL UNITS (10 condominium units)</b>									
Residential Unit #	2009 Assessed Valuation (AV)	2009 Assessor's estimate of market value (10 times AV)	2009 Equalization Factor (EF)	Equalized Assessed Value EAV (AV x EF)	Less homeowner's exemption (assumed each unit qualifies for \$20,000 exemption)	Adusted Equalized Assessed Value	Village tax rate (2009)	Village portion of tax bill (2009)	
1	\$45,342	\$453,420	3.3701	\$152,807.07	\$20,000.00	\$132,807.07	0.68	\$903.09	
2	\$24,872	\$248,720	3.3701	\$83,821.13	\$20,000.00	\$63,821.13	0.68	\$433.98	
3	\$47,852	\$478,520	3.3701	\$161,266.03	\$20,000.00	\$141,266.03	0.68	\$960.61	
4	\$46,223	\$462,230	3.3701	\$155,776.13	\$20,000.00	\$135,776.13	0.68	\$923.28	
5	\$22,407	\$224,070	3.3701	\$75,513.83	\$20,000.00	\$55,513.83	0.68	\$377.49	
6	\$38,783	\$387,830	3.3701	\$130,702.59	\$20,000.00	\$110,702.59	0.68	\$752.78	
7	\$45,870	\$458,700	3.3701	\$154,586.49	\$20,000.00	\$134,586.49	0.68	\$915.19	
8	\$47,852	\$478,520	3.3701	\$161,266.03	\$20,000.00	\$141,266.03	0.68	\$960.61	
9	\$44,460	\$444,600	3.3701	\$149,834.65	\$20,000.00	\$129,834.65	0.68	\$882.88	
10	\$42,407	\$424,070	3.3701	\$142,915.83	\$20,000.00	\$122,915.83	0.68	\$835.83	
<b>Total Residential Condominium values</b>						<b>\$1,168,489.77</b>		<b>\$7,945.73</b>	

<b>PARKING (16 deeded parking spaces)</b>									
	2009 Assessed Valuation (AV) - 16 spaces	2009 Assessor's estimate of market value (10 times AV)	2009 Equalization Factor (EF)	Equalized Assessed Value EAV (AV x EF)	Homeowner's exemption - (not applicable)	Adusted Equalized Assessed Value	Village tax rate (2009)	Village portion of tax bill (2009)	
	\$29,640	\$296,400	3.3701	\$99,889.76	\$0.00	\$99,889.76	0.68	\$679.25	

<b>GROUND FLOOR COMMERCIAL SPACE (single parcel)</b>									
	2009 Assessed Valuation (AV)	2009 Assessor's estimate of market value (4 times AV)	2009 Equalization Factor (EF)	Equalized Assessed Value (EAV) (AV x EF)	Homeowner's exemption - (not applicable)	Adusted Equalized Assessed Value	Village tax rate (2009)	Village portion of tax bill (2009)	
	\$99,393	\$397,572	3.3701	\$334,964.35	\$0.00	\$334,964.35	0.68	\$2,277.76	

<b>2009 TOTAL ESTIMATED MARKET VALUE, EAV and VILLAGE TAX RECEIPTS</b>						<b>\$1,603,343.88</b>		<b>\$10,902.74</b>	
--	--	--	--	--	--	-----------------------	--	--------------------	--

## *Appendix 2*

**WINNETKA PLAN COMMISSION  
MEETING MINUTES  
AUGUST 24, 2011**

**Members Present:** Becky Hurley, Chairperson  
Chuck Dowding  
Paul Dunn  
John Golan  
Louise Holland  
John Iberle  
Joni Johnson  
John Jansson  
Midge Powell  
John Thomas  
Susan Whitcomb

**Non-voting Members Present:** Gene Greable

**Members Absent:** Jan Bawden

**Village Staff:** Brian Norkus, Assistant Director of Community  
Development  
Jillian Morgan, Planning Technician

**Call to Order:**

The meeting was called to order by Chairperson Hurley at 7:33 p.m.

**Adoption of Minutes of Previous Meeting**

Chairperson Hurley stated that the June 22, 2011 meeting minutes were seen by the Commission in draft form at the last meeting. She then asked for a motion to approve the June 22, 2011 Plan Commission meeting minutes.

A motion was made and seconded to approve the Plan Commission meeting minutes from June 22, 2011.

Mr. Greable informed the Commission that he should be noted as a non-voting member in the July 27, 2011 meeting minutes.

Ms. Powell noted that she was not present at the last two meetings.

Chairperson Hurley then asked if there were any other or corrections to be made to the minutes.

Ms. Johnson indicated that she provided her non-substantive changes to Mr. Norkus via email.

Mr. Dunn noted that he is a designee of the BCDC and not a member-at-large.

Mr. Iberle then made several clarifications to the meeting minutes which he stated he would submit to Mr. Norkus via email.

Chairperson Hurley asked if there were any other comments. No additional comments were made at this time. She then asked for a motion.

A motion was made and seconded to approve the Plan Commission meeting minutes from June 22, 2011, as amended. The meeting minutes were unanimously approved.

Chairperson Hurley noted that Mr. Greable is a non-voting member and asked for a motion to approve the July 27, 2011 meeting minutes.

A motion was made and seconded to approve the Plan Commission meeting minutes from July 27, 2011.

Chairperson Hurley then asked if there were any comments or corrections to be made to the minutes.

Ms. Johnson indicated that she provided her non-substantial changes to Mr. Norkus.

Chairperson Hurley stated that while it is helpful to have comments submitted to Mr. Norkus, she is conflicted in that it helped the Commission to review corrections which changed the discussion. She stated that it is clear that the changes made were non-substantive in nature.

Mr. Jansson clarified his statement on page 17 with regard to producing a space large enough to be subject to the PUD ordinance.

Chairperson Hurley asked if there were any comments. She then referred to page 9 of the minutes and clarified her comment with regard to model codes. Chairperson Hurley also stated that on page 14, she clarified Ms. Whitcomb's comment to state that it is helpful to restate the role of the Commission for affordable housing. She asked again if there were any other comments. No additional comments were made at this time. Chairperson Hurley then asked for a motion to approve the July 27, 2011 meeting minutes as amended.

A motion was made and seconded to approve the Plan Commission meeting minutes from July 27, 2011, as amended. The meeting minutes were unanimously approved.

**Discussion of Inclusionary Zoning, Housing Trust Fund and Community Land Trusts**

Chairperson Hurley stated that the Commission would continue their discussion of inclusionary zoning, housing trust fund and community land trusts. She stated that first, the Commission promised themselves that they would finish the project this summer. Chairperson Hurley stated that it is her hope that they agreed that they have spent a great deal time on the three tools and got a lot of good information and can finalize their recommendations to the Village Council tonight. She indicated that it would be useful in that they expect to have other projects in the future for the Commission's review. Chairperson Hurley noted that they have not heard anymore with regard to New Trier Partners and that August is their deadline. She suggested that the Commission bear in mind that it may come around as soon as they clear the decks.

Chairperson Hurley stated that second, affordable housing is in the public eye and informed the Commission that the League of Women Voters would be having a panel discussion on September 18, 2011 at Washburne School. She stated there would be various speakers, including Rob Anthony from the Community Partners for Affordable Housing in Highland Park.

Ms. Johnson stated that she has copies of the announcement.

Chairperson Hurley informed the Commission that she was asked to speak regarding the history and background of affordable housing and that Jessica Tucker was asked to speak with regard to where they are. She indicated that it would be helpful if the Commission could finalize their recommendations and have them wrapped up. Chairperson Hurley then encouraged the Commission members to attend and asked them to provide their thoughts before her presentation. She stated that she will do [a presentation] similar to what was done before the Village Council with the additional upshot of the work on what the three tools are and their final recommendations to the Village Council. Chairperson Hurley then welcomed Ms. Morgan back from maternity leave.

Chairperson Hurley then stated that she would like to set the tone from the meeting and read a statement into the record which was taken verbatim from the existing amended affordable housing plan. She stated that [the project is] at the direction of the Village Council and to help the Village fulfil the policy with regard to the affordable housing plan. Chairperson Hurley stated that after the April 2011 meeting, the Village Council asked the Commission and stated that it would undertake three items which are the property maintenance code, the affordability standards and recommendations on coach houses. She stated that the Village Council asked the Commission to further study the three tools which are inclusionary zoning, the housing trust fund and community land trust, all in the context of the existing policy which has been a part of the Village for 32 years. Chairperson Hurley reiterated that she would like to finish tonight. She noted that Mr. Norkus has done a lot of work get to the place where they have a reason to finish tonight. Chairperson Hurley stated that in addition to the packet of materials, Mr. Norkus prepared a document containing succinct information which he would go through so that they would have some sort of recommendation to make to the Village Council. She commented that she is proud of the work of the Commission and that they have worked diligently on a complicated and highly politically charged topic and that she is extremely proud of the Commission. Chairperson Hurley asked the Commission members for their comments with

regard to whether they could finish tonight.

Mr. Thomas suggested that they get it done if they can.

Chairperson Hurley stated that in a repeat of last month, based on further research done by her and Mr. Norkus of other communities, they can avoid the need for a housing commission and community land trust. She indicated that the community land trust work can be done from them with regard to maintaining the affordable units through deed restrictions such as those used in Highland Park and that the work of vetting tenants and the stewardship necessary can be contracted out with existing organizations. Chairperson Hurley then asked Mr. Norkus to bring them up to date.

Mr. Norkus stated that a few [new Commission] members have been appointed [during the affordable housing process]. He stated that with regard to the inclusionary zoning recommendation presented in April, the report provided general recommendations which pointed out the general parameters for such a program. Mr. Norkus stated that for a developer of new multi-family projects either downtown or in multi-family zoning areas, the developer would bear the cost of providing the affordable housing units as part of the zoning approval process. He indicated that beyond that, there has not been not much in the way of concrete details as to how the program would work and that the affordable housing study provided case studies of other communities with inclusionary zoning programs.

Mr. Norkus stated that a lot of flushing out of details was left for another day, which was the reason for the Village Council sending the assignment back to the Commission to flush out more details. He stated that with regard to the inclusionary zoning discussion, the more common aspects of the inclusionary zoning ordinance for communities would provide for an offset or incentive to developers to the extent required to provide an affordable unit. Mr. Norkus stated that the communities would be offset by allowing developers a one-for-one replacement and that they would be permitted to develop one additional market rate unit. He stated that in last month's materials, the Commission was provided with more details and information on commercial and multi-family zoning. Mr. Norkus indicated that study attempted to go beyond simply saying to allow a developer to build one additional unit and dove into the parameters of zoning to come up with more precise recommendations as to what kind of changes would be necessary to the zoning code to allow a developer to build an additional unit.

Mr. Norkus stated that it was pointed out the existing disincentive with regard to mixed use residential housing in commercial zoning districts. He stated that for a given property within the commercial zoning districts, if it was developed as a mixed use building with office space, it would be permitted generous additional size for an office when compared to residential units on the same given parcel. Mr. Norkus stated that this month's materials reference a graphic which was intended to give the Commission a depiction of a representation of what those two scenarios would look like and that he has copies for the Commission's review. He stated that the first page contained a graphic depiction of the size of a building on a hypothetical 4,000 square foot corner lot in the Village. Mr. Norkus stated that the first page also showed the total allowable square footage for that 4,000 square foot lot. He informed the Commission that the total allowable floor

area is 9,000 square feet for an office type development which assumed that there would be retail on the ground floor and office space on the upper floors. Mr. Norkus stated that on the second page, with regard to three green areas in the rear of the structure, which showed the required reduction in volume of the building on the same parcel in the event the structure is developed with residential uses. He stated that zoning set up limits for the intensity of development for residential structures as opposed to if it were developed as office space.

Mr. Dunn asked why is that so.

Mr. Norkus stated that the record is not clear as to the thinking behind it. He indicated that his interpretation of the intent is that he assumed it is likely based on the desire provide a certain amount of additional openness in a residential setting to encourage additional balcony and terrace areas. Mr. Norkus stated that the general intent is to provide a more sculpted appearance to a residential structure. He stated that while there is no requirement to develop those terraced areas, page 2 showed an oversimplified depiction of what is possible. Mr. Norkus informed the Commission that a developer could comply with the ordinance by taking 20 feet off of the rear of the second floor structure and 10 feet off of the rear of the third floor and that it is by no means a guaranty that what is shown on page 2 would occur and that it is not likely for a developer to propose a plan like that.

Ms. Powell asked if there are any examples of an actual development which existed.

Mr. Norkus responded that there are several developments which were built downtown under this standard. He then referred to the Winnetka Galleria and the Belvedere.

Mr. Greable then referred to Wingate.

Mr. Norkus stated that property is zoned as multi-family residential and that there is no first floor retail.

Mr. Iberle referred to a property at Oak and Chestnut.

Mr. Norkus stated that it is zoned commercial C-2. He added that the property was developed at a time prior to the Village's zoning amendment and that a building height of four stories was previously allowed for buildings in that zoning area.

Mr. Iberle stated that to the degree that is appropriate, he asked if there is any wisdom which would tell if this is the right magnitude.

Mr. Norkus stated that there is a certain benefit to the theory of providing a degree of openness around those residential units. He indicated that he is not certain that zoning is the best tool for achieving that based on the page 2 graphic and that the graphic showed what is permitted under the ordinance. Mr. Norkus stated that with regard to the effectiveness of a tool or a companion to this approach, the building code provided a degree of natural light and ventilation through each of a residential unit's windows. He stated that it provides those offsets so that a structure

would have space to allow natural light in.

Mr. Norkus stated that in the Design Review Board process, they have had a design review process where any new development or addition in the downtown area is subject to a rather extensive design review evaluation and process by the Design Review Board. He informed the Commission that the Design Review Board considered the architecture of a building and is looking for a certain measure of facade articulation, setbacks, etc. and that between the ordinance, the code and the Design Review Board processes, it provided the ability to preserve those elements of the facade articulation ordinance that they have attempted to get at.

Mr. Jansson asked with regard to the light in a residential structure, would it be okay with the Design Review Board to have light in the courtyard in the middle and for a building to be built relatively straight up on four sides.

Mr. Norkus indicated that he has not seen that. He informed the Commission that the Village staff has speculated to anticipate creative ways [that a developer would attempt] to push the envelope. Mr. Norkus stated that would be a strong change considered inconsistent with the intent of the zoning code and that they look at each request on a case-by-case basis.

Ms. Holland stated that another example would be an attempt to add on to an existing building to make a solid, straight wall up and referred to the east Winnetka Avenue building. She stated that the developer wanted to have balconies which hung over the sidewalk and that after going back to square one, the developer withdrew the request. Ms. Holland stated that they would have made a much denser building, but that zoning and the Design Review Board said no.

Mr. Norkus stated that project contained a rather excessive amount of building being proposed as an addition to an historic building. He added that it did not fare well in connection with the zoning relief being asked for.

Mr. Dowding asked if there is a reason why they would hesitate to only recommend increasing it 10% or 8% versus 90%.

Mr. Norkus stated that the likelihood is that you would find it nearly impossible in a residential second floor to cover 90% of the lot of the first floor level and that it is likely to be unable to cover 90% of the lot at the second floor because there would be no provision for the required light and air for the residential units. He informed the Commission that the code assumed that in the commercial districts, they are allowed to build to lot line to lot line and that the code assumed that the property immediately next to it is going at some point to be built to the lot line. Mr. Norkus stated that there is a tendency to require the second floor level to provide an offset to provide that protection.

Mr. Dowding stated that if it was a commercial lot, it would. He also stated that it assumed that offices did not need [natural] light.

Mr. Norkus stated that the difference between office spaces is that they are required to have

certain light and natural ventilation which he stated tended to be easily achieved through mechanical means.

Mr. Iberle stated that in making a recommendation to calculate the moderate disincentive of adding affordable units to a project, the question related to where did they get the numbers. He commented that it would be easier to justify additional floor area when you look at it relative to what is allowed for a commercially developed site. Mr. Iberle also stated that the number is more of a function of how to moderate the disincentive.

Mr. Norkus stated that he would agree that there may be an attempt to back out the amount or to add to residential construction precisely what is necessary to provide the offset for the affordable unit.

Mr. Dowding referred the Commission to page 2 and asked whether the white area plus the green area equaled 90%. He stated that there are three things to consider.

Mr. Norkus stated that page 2 did not show the increase, but only what the difference is between two existing zoning standards. He indicated that if there was a page 3, it would show the push back and that the green area would become smaller.

Chairperson Hurley asked Mr. Norkus that last month, the Commission went through the 20 item checklist and that they got halfway through it. She stated that in reviewing it with Mr. Norkus, it became clear that the vast majority which was not covered related to minor items which do not need policy direction from the Commission. Chairperson Hurley described it as a roadmap providing for the rest of the discussion at this meeting and suggested that they go through the policy portions.

Mr. Norkus stated that in the handout, Ms. Morgan provide good advice in that it be stressed that the handout did not contain new information, but that it is a restatement of the previous discussion including what is in the agenda packet and a score card of the remaining policy decisions that are to be made. He stated that they started off in the direction of discussion some more specific zoning amendments such as a 10% increase in lot coverage for commercial districts, an increase in the allowable number of units per acre and a possible reduction in the residential parking requirements in commercial districts as ways to disincentivize and offset the developer's costs of complying with the inclusionary zoning ordinance. Mr. Norkus also stated that the handout represented a streamlined version of what was previously discussed and reiterated that there is nothing new in this material.

Mr. Norkus went on to state that there are seven broad categories of policy decisions and that the first two issues have been vetted by the Commission. He then referred to item no. 1 relating to the applicability of inclusionary zoning and the Village's inclusionary zoning ordinance and that the Commission make a recommendation in that it only be a requirement within the multi-family zoning districts which is consistent with the Village Council's charge and the recommendations in the affordable housing plan. Mr. Norkus stated that item no. 2 discussed extensively the percentage of affordable housing units required. He stated that any development subject to

inclusionary zoning would be providing 15% of the total number of residential units as affordable housing.

Mr. Greable asked if the 15% figure was in the 2005 [affordable housing] plan.

Chairperson Hurley confirmed that the 2005 plan had no figure and that the 15% figure is the amount to be required with development.

Ms. Holland stated that the Fell development's original plan stated that 10% of the plan was for affordable housing.

Chairperson Hurley stated that figure was pre-existing from the report and study.

Mr. Norkus then stated that item no. 3 related to part of the outstanding remaining items in terms of the Commission's recommendation to the Village Council and that it is establishing the thresholds for which size of projects would be subject the inclusionary zoning ordinance. He referred to the August 18<sup>th</sup> memorandum given to the Commission and that the yellow highlighted page suggested that there be three different standards of possible thresholds for a project's size. Mr. Norkus stated that for buildings with 5, 7 or 10 dwelling units, that would be considered a good starting point for the discussion of the size of a project at which point it would be subjected to the inclusionary zoning ordinance. He also stated that this handout suggested that the size threshold for projects that are subject to the inclusionary zoning ordinance be for five or more units for new development. Mr. Norkus then stated that with regard to item no. 3(b), he referred to the expressions of existing developments and the example that Ms. Holland identified on Winnetka Avenue and the increase in the number of dwelling units in structures containing five or more units.

Mr. Jansson asked if they are suggesting the additional number of units which would be subject to this provision. He also asked if they are talking about five or more added units or where there are five units there in the first place.

Mr. Norkus stated that they are talking about five or more units in the current situation. He stated that if there is a building which has six units, it would be subject to the inclusionary zoning requirements. Mr. Norkus then stated that item no. 3(c) related to the conversation of rental units to owner occupied units which was included because it would have the impact to be a blend of the Village's housing resources and that any conversation of a rental building with five or more units would be subject to the inclusionary zoning requirement. He stated that it is for that reason for that conversion to be listed and that it is not uncommon. Mr. Norkus noted that Highland Park has a similar requirement and that the concern for Winnetka is that since rental housing provided a unique and uniquely affordable housing option, it would be lost when a rental unit became an owner occupied unit.

Chairperson Hurley reminded the Commission that the affordable housing study found that between 1980 and 2000, the Village lost 260 rental units or a 38% reduction. She stated that the biggest cause was condominium conversions and conversions to office space.

Mr. Norkus stated that with regard to item no. 3(d), it related to the conversion of rental units to non-residential office space, although it would have a different impact than rental to condominium conversions. He stated that conversions of this type tended to create an irreversible situation and that once it is converted to office space, it is difficult to convert it back to residential use. Mr. Norkus also stated that item no. 3(d) suggested that any conversion of one individual unit to a non-residential use would be subject to the inclusionary zoning requirement.

Mr. Dowding asked what would prevent someone from doing it one unit at a time.

Mr. Norkus indicated that there is a certain element to that in this recommendation.

Ms. Johnson stated that assuming that they all agree, there are four categories within the inclusionary zoning ordinance. She questioned whether PUD's should be included as a fifth category.

Mr. Norkus stated that there is language in the PUD ordinance with regard to that. He stated that any request for relief from lot coverage or height would only be granted in furtherance of affordable housing goals. Mr. Norkus commented that it may need to be stated and that Ms. Janega should address that PUD rule which would automatically come in the inclusionary zoning ordinance. He also indicated that is a good point and that the best way to catch PUDS as a component in this list would be to add item no. 3(e) of PUD to a development of any size. He stated that someone could have a lot large enough to require the PUD process and propose four units of residential and a significant amount of office space and find a way around conforming with the intent of the code. Mr. Norkus commented that it is a valid point to discuss.

Ms. Johnson asked with regard to item no. 3(c), could there could be a large enough building so that if only part of it is converted, this provision would still be triggered?

Mr. Dowding stated that related to item no. 3(d).

Chairperson Hurley agreed with Mr. Dowding's comment.

Mr. Iberle stated that with regard to item no. 3(d), he referred to the instance if there was a conversion to a non-residential use with an economic motivation. He questioned how would they enforce the creation of an affordable residential unit when the conversion would be diminishing the supply. Mr. Iberle stated that one issue related to unit threshold and that at seven units or more, they would gain the benefit of this. He also referred to the analysis done in June and stated that with 10 or more units, they would only lose two potentially affordable units. Mr. Iberle indicated that the benefit of raising the bar a little there so that every property is considered goes through this cap. He stated that in a conversion, any building with 10 or more units and which contemplates the conversion of any of them would be subject to inclusionary zoning. Mr. Iberle then stated that he would advocate 10 units as the threshold and that there is a different way to address that issue. He added that he would like to keep the process as simple as possible like Mr. Dunn said last time.

Ms. Johnson stated that they would never come up with other ways of discouraging the conversion of rentals to office space. She stated that the point is that if someone is not willing to do it, there would be a fee which would go into the fund for other affordable housing goals.

Mr. Iberle stated that they would get into the diminishment of the rights of existing property owners as opposed to setting a framework for the future development of property.

Ms. Johnson agreed with Mr. Iberle's comments and commented that item no. 3(d) will generate a lot of opposition.

Mr. Iberle agreed that this is an issue, but that this is not tool to address it.

Ms. Johnson commented that she would prefer to see more of a carrot than a stick in connection with item no. 3(d). She also commented that it will become a distraction.

Chairperson Hurley stated that she can see Mr. Iberle's point that this is not the focus of the study. She indicated that they realize that it is a problem and that the Commission can suggest further study or a moratorium on conversion until it is figured out.

Mr. Greable asked Mr. Norkus if he had any idea how much of this is happening in the recent past of three years. He indicated that he assumed that is done for economics.

Mr. Norkus stated that within the last three years, there have been none that he can recall. He stated that the conversions they were thinking of were in the 5-10 year ago category. Mr. Norkus also stated that he cannot speak to motivation and that he assumed that the Commission is speaking with regard to rental to office conversion.

Mr. Jansson stated that Chairperson Hurley raised the point which figures how many housing spaces were lost during the period of the study and that the Commission has been charged with addressing that issue. Mr. Jansson suggested that one answer may be a better, more balanced answer and that part of their charge is not to walk away.

Ms. Johnson stated that she agreed that further study should be done and to determine what other measures there are, if any, short of including it in the inclusionary zoning ordinance. She stated there is the question of how to encourage property owners to retain rentals if the information has not been fleshed out.

Mr. Norkus stated that there has been recent discussion with regard to the need of the Village to do more thorough planning for the downtown area. He indicated that the issues are not unrelated enough to separate the two. Mr. Norkus then stated that with regard to a moratorium, the Village Council can consider it in future conversations until more thought is given to this. He stated that it was wrapped into the scope of the downtown study considering the economics of space and that the discussion related to achieving the right blend of residential and office use. Mr. Norkus added that there may be a possible solution or a better way to get an answer to that question.

Chairperson Hurley asked if the Commission is thinking about pulling item no. 3(d) out from the recommendations and to propose further study.

Several Commission members responded that is correct and that item no. 3(c) is different.

Mr. Greable commented that there has not been enough study on item no. 3(c).

Mr. Norkus stated that there have been several and that more recently, there was a seven unit town home development by the library which was converted to condominiums along Green Bay Road which as done 3 to 5 years ago.

Ms. Powell informed the Commission that they are also for rent.

Mr. Norkus stated that they are rentals because the condominium market was not timed very well.

Chairperson Hurley stated that the condominium conversion piece is at the heart of the report.

Mr. Iberle asked how many multi-family rentals are there remaining at 10 units or more. He commented that it is low hanging fruit which has already been picked and that they need to know how many reasonably sized rentals there are, which could go condominium.

Chairperson Hurley indicated that she is not comfortable trying to exclude condominium conversion since it has represented a source of loss of housing for so long.

Mr. Greable agreed that they need to have some context of what all this means.

Chairperson Hurley suggested to the Commission that if there is one more building with 5 or 10 units, for example, do they want to say it is okay to lose those 5 or 10 units to conversion since it would be too nebulous to write it in the ordinance.

Ms. Powell stated that it related to property rights.

Chairperson Hurley indicated that there should be a statement in that a big threat to any affordable housing they have now is the conversion to non-residential uses. She stated that it would be fine to study it and that in the Commission's Report, they made a statement that this something important and is for the protection of those units.

Ms. Johnson commented that a moratorium would be effective and that more study would give them a basis for addressing it. She indicated that she would be in favor of a moratorium while the matter is studied.

Mr. Thomas asked what kind of study should be done and if they should canvas owners.

Chairperson Hurley then asked if there is another way to encourage the retention of apartment spaces. She also asked if what they have in here for a reduced fee-in-lieu is one proposal.

Mr. Dunn stated that he would be in favor of pulling it out. He stated that the Commission should look at these items as if they were the property owner. Mr. Dunn stated that developers can deal with rules. He stated that if an existing owner took a look at item nos. 3(b), (c) and (d), they would be able to understand item nos. 3(b) and (c), but that item no. 3(d) would be looked at as being punitive and that they are being burdened with more restrictions by the Village. Mr. Dunn commented that a property owner who wanted to convert a rental use to a non-residential use ought to be obligated under the affordable housing requirements although it is contrary what he is trying to do.

Ms. Holland stated that the affordable housing stock is the existing residential units.

Mr. Dunn questioned whether the conversion would kick in for a complex.

Ms. Johnson stated that the \$40,000 figure is as-of-right, not for a complex. She stated that they have asked the Village staff to keep in item no. 3(d) for further study. Ms. Johnson questioned whether there are other measures out there to persuade landlords not to convert rentals to office space other than imposing a \$40,000 fee-in-lieu.

Mr. Norkus stated that other than an outright prohibition, they have not thought of particularly creative ways to discourage it and that the \$40,000 fee-in-lieu is worth some thought. He indicated that short of saying that they do not want conversion but not providing an effective disincentive for it, they would be left with prohibition.

Ms. Whitcomb asked what about the incentive to keep it as residential.

Mr. Iberle stated that the challenge is that they do not understand the precise motivation for the conversions and that it is fundamentally an economic issue. He stated that similar to the landmark process which occurred before the demolition process, they have to justify the process where the property owner talked to the Village as to why they are making the conversion and that the Village can provide a remedy to deal with it.

Mr. Norkus informed the Commission that in the two conversions he has seen, the property owners in both cases had conversations with the Village since they were asking for relief from parking requirements. He stated that discouragement came in a stronger statement with regard to parking. Mr. Norkus stated that the reason the two properties needed a parking variation was based on the ordinance standards for parking for the existing uses in place which were not required to provide parking and that the new uses would be subject to compliance with the parking standards. He also stated that in both cases, the properties were not able to provide any parking on site and that a conversion to office space would have required a parking variation by the Zoning Board of Appeals and the Village Council.

Ms. Morgan stated that it would have been the same if the conversion was from office to

residential.

Mr. Norkus confirmed that is correct.

Chairperson Hurley asked if it has done much to slow the pace of conversions.

Mr. Norkus informed the Commission that the variation request was denied. He added that they both occurred at a time prior to conversions being identified as an affordable housing issue.

Chairperson Hurley suggested that the Commission wrap up item no. 3(d), as well as the threshold number of units issues. She then asked for the Commission's comments on item no. 3(d) and a vote to see it remain in the document or to take it out and study it with a moratorium. Chairperson Hurley also referred to the addition of PUDS of any sizes with regard to item 3(d).

Mr. Iberle stated that he would propose 10 units as a threshold.

Chairperson Hurley asked if everyone agreed with the proposal. She also stated that would result in every development they see coming forward would only contain nine units.

Ms. Johnson commented that a threshold of seven units made the most sense.

Mr. Dunn stated that seven units would put it under 15% and also agreed that it made sense.

Several Commission members agreed with the proposal of seven units as a threshold.

Mr. Iberle stated that what dictated the developer's size of the project is what the developer paid for the land.

Chairperson Hurley stated that the concern given the size of properties in the Village is that they are likely to see smaller developments. She also stated that they are afraid of having a large number which would result in developments slipping through their fingers.

Mr. Iberle stated that there are three projects under the threshold.

Chairperson Hurley stated that they have not looked at every possibility property. She indicated that she would be uncomfortable having a threshold as high as 10 units which can exclude a lot of possible developments and dilute the effect of inclusionary zoning.

Mr. Norkus stated that a typical five unit development would be at 15%.

Mr. Jansson stated that equaled 75.

Mr. Norkus then stated that he could see the ordinance structuring a way of ½ of a unit equating to zero when it is rounded up.

Mr. Dunn reiterated that a threshold of seven units made sense.

Chairperson Hurley then asked for a vote.

The Commission voted that seven units would be okay as a threshold.

Mr. Norkus referred to item no. 4 with regard to the fees-in-lieu and stated that it referred to the amount as well as the context in which one qualified for it. He stated that for new developments and expansions of existing developments, in connection with item nos. 4(a) and (b), the suggestion is that it be application and hardship based with a fee-in-lieu of \$200,000 per required affordable unit. Mr. Norkus stated that would be consistent with Highland Park which recently increased their amount to add the cost of developing a unit.

Mr. Iberle suggested that the Commission determine if they are in favor of a fee-in-lieu first and that some Commission members are not in favor of it.

Chairperson Hurley stated there are ordinances, some with fees-in-lieu and others which are not. She stated that they have heard over the years that with regard to the fees-in-lieu, Highland Park went to \$200,000 and that people were paying the fee and they were not getting the affordable units. Chairperson Hurley stated that they have also heard that if they are collecting lots of fees-in-lieu, the ordinance is not doing what it was meant to do. She stated that it was discussed because they are attempting to create a locally funded, locally controlled and defined affordable housing program and that they have talked about funds which can then be applied to an iconic building in exchange for affordable housing and that can only happen with funds and the flexibility that a housing trust fund would allow. Chairperson Hurley also stated that they have talked about a housing trust fund would be managed. She stated that it was recommended in the reports the inclusion of a housing commission and that the Commission has since then concluded that a housing commission is not needed in the Village. Chairperson Hurley stated that a housing trust fund can be a fund in the Village budget for which the trustees are responsible for making decisions employing the funds for affordable housing plans. She also stated that if one concern is that inclusionary zoning would be a large bureaucracy, they did not see that.

Mr. Norkus stated that in Highland Park, if there were 19 or fewer units, they are as-of-right and that he will confirm that information.

Ms. Johnson stated that with regard to hardship and who would evaluate it, it has to be as-of-right and that otherwise, Highland Park would not be getting all of these fees-in-lieu and not getting affordable units.

Mr. Iberle stated that if Highland Park gets a floor area adjustment, it would increase the burden on the developer. He stated that it makes as-of-right more attractive to a developer and that they can have more certainty to the developer's economics.

Ms. Johnson questioned what kinds of hardship can be demonstrated.

Mr. Norkus indicated that the most difficult part would be to establish what is a successful hardship argument in the case of new development. He then referred to the example of hardship where the conversion is for seven units wanting to convert to condominiums and that the chance is good in that it would be a small condominium conversion and the instance if all of the renters wanted to become owners, but may not be income qualified under inclusionary zoning. Mr. Norkus also referred to the scenario if one renter was told to leave in order for the conversion to occur, which would be a hardship.

Mr. Iberle stated that with regard to an existing property where there would be a conversion or expansion, that owner did not acquire it under this set of guidelines and the fact that they have to deal with it is the hardship. He indicated that he would be less inclined there to make fees-in-lieu which would be punitive in that instance.

Chairperson Hurley stated that it would be less so for new developments and more so for expansion.

Ms. Johnson stated that it should be the same for expansion since no one is forced to expand and that it should be the same as for new development. She suggested that both of those be exempted.

Mr. Iberle stated that if they object to the creation of affordable units, they should be blunt about it.

Ms. Johnson commented that she thought a hardship is needed for item no. 4(c).

Mr. Greable stated that the Commission kept referring to Highland Park. He stated that the Village is not Highland Park which is larger and has more units. Mr. Greable reiterated that Highland Park is significantly larger than Winnetka. He then stated that with regard to fees-in-lieu, he agreed with Mr. Iberle's comments and that it may require more study. He stated that they cannot connect Winnetka and Highland Park because of the difference of the communities.

Chairperson Hurley stated that the Commission has talked about Highland Park a lot since they are the leader in the state in terms of tools and that there are 400 other communities.

Mr. Dunn commented that it did not make sense to have a fee-in-lieu for new construction and that it made sense for the conversion of rentals to condominiums.

Ms. Whitcomb stated that she agreed with Mr. Dunn's comments.

Chairperson Hurley then stated that item no. 4(d) would come out and that they only [include fees-in-lieu] for item no. 4(c).

Mr. Jansson suggested that there be no fees-in-lieu for item nos. 4(a) and (b).

Chairperson Hurley confirmed that is the proposal. She added that they did not mean for inclusionary zoning to be an out. Chairperson Hurley then asked the Commission for their comments.

Ms. Holland stated that she agreed with leaving in item no. 4(c).

Chairperson Hurley stated that it is the sense of the Commission that fees-in-lieu be applied to item no. 4(c). She then asked the Commission if they were comfortable with \$100,000 [as the fee-in-lieu].

The Commission members confirmed that is correct.

Chairperson Hurley then asked the Commission if as-of-right made sense there in the example of 20 units with 10 owners.

Mr. Iberle stated that for a 20 unit project, three of the units would have to be affordable. He stated that they can relate the as-of-right units to the proportion of units which are not bought by the occupants.

Chairperson Hurley stated that they can make it application based.

Mr. Norkus informed the Commission that with regard to the \$100,000 fee-in-lieu versus \$200,000, a structure of fees was tiered based on what they considered to be conversion of rentals to owner occupied units to preserve a residential unit at the owner occupied configuration and therefore, there is not necessarily much of a hit to the Village's housing stock. He then stated that if item nos. 4(a) and (b) fall by the wayside, there is nothing magical about the \$100,000 figure.

Mr. Jansson suggested that the fee be \$100,000 and that they would not want to go higher than that. He stated that first, they would still preserve housing and that second, it is safe to assume that they are renters and who want to buy the unit and may not be in the same financial bracket as those who own homes. Mr. Jansson stated that a fee of more than \$100,000 would be onerous on the group of people who are interested in the first place.

Chairperson Hurley asked the Commission for a consensus on taking out item nos. 4(a) and (b) and that it be application based at \$100,000. She stated that the \$100,000 figure should relate to the cost to replace the affordable unit.

Ms. Johnson asked if there would be legal challenges to the fee-in-lieu amount.

Mr. Norkus indicated that did not know.

Ms. Powell questioned how many are talking about and that there could not be more than two [such developments] in Winnetka. She stated that there is not much inventory in that category.

Mr. Iberle stated that when apartments are sold to existing occupants, they may be selling at a lower price.

Ms. Johnson stated that it is not clear that those renters in a condominium conversion building are lower income people. She stated that it did not necessarily apply and that it is a market issue.

Chairperson Hurley then confirmed that \$100,000 is the number. She then stated that with regard to zoning incentives, she referred to item no. 5(a)(ii) which was elaborated on. Chairperson Hurley asked the Commission if there was any objection to this.

The Commission members did not raise any objections.

Mr. Norkus stated that the Commission discussed item no. 5(a)(i) at last month's meeting. He then referred to parking. He stated that with regard to parking in the C-2 commercial district, the outline suggested that there be a bit less of a parking requirement both from the current requirements under the ordinance and that less parking be required within the C-2 commercial and C-1 districts when compared to the multi-family commercial district located along the Green Bay Road corridor. Mr. Norkus stated that the rationale is that the lower requirements were based on the availability of the Village's public parking lots and the location close to train stations in that transit locations tend to create developments which would depend less on owners owning more than one vehicle. He also stated that the parking standards suggested that for the C-2 and C-1 commercial districts in Indian Hill, it was recommended that the parking requirements be reduced from 2 1/4 parking spaces to 1 parking space per unit for studio and 1 bedrooms and that the parking requirement be reduced [to 1/2?] for 2 bedrooms or greater. Mr. Norkus stated that now, there is a stark contrast to that. He stated that for buildings which have several 1 bedrooms and studio units, if a development like that occurred, it would be subject to requiring 20 parking spaces for those units. Mr. Norkus stated that the reduction would be commensurate with the practice in the Village like they once had before it was increased to 2 1/4 and consistent with the transit proximity of most of the commercial zoning districts which are served by Metra.

Mr. Greable asked where is the parking now.

Mr. Norkus informed the Commission that a lot of the downtown buildings were built at the time of parking requirements and that in the C-2 zoning district, they traditionally do not have their own parking and are not in compliance with the parking standard. He noted that the Gap was converted in the mid 1990's into loft apartments which provided parking in the rear and on the surface. Mr. Norkus also stated that the Winnetka Galleria provided parking underground as well as the Belvedere.

Mr. Greable then asked what does it apply to in the C-2 zoning district.

Mr. Norkus responded that it would apply to new development.

Chairperson Hurley stated that they wrote in the report the policies should do no harm and that this is an example of how expensive parking requirements that make the construction of smaller

apartments less economical.

Mr. Norkus then stated that with regard to item no. 5(b) relating to the commercial zoning district, they are not recommending increases in units per acre or in permitted lot coverage in Indian Hill which is important to point out. He stated that in the C-1 commercial district in the Indian Hill area, the lots are characterized by shallowed depths and are separated by an alley from the homes to the west. Mr. Norkus also stated that the additional density for affordable housing would be more of a cost to those residential neighbors unlike those in the C-2 zoning district which are buffered from single family developments. He stated that they are recommending not to impose the same incentives in the C-1 zoning district, but only parking.

Mr. Dowding asked if a commercial project was built, would it be subject to these requirements.

Mr. Norkus agreed that is correct, but that it would not provide protection from everything.

Mr. Dowding then asked if they would suffer if there is a commercial project, but not residential.

Mr. Norkus commented that is a valid point.

Chairperson Hurley stated that there is sensitivity down in that district since it is not as large of a commercial district.

Ms. Holland commented that Mr. Norkus is absolutely correct with regard to density. She noted that those buildings along the alley are only one story in height and if they were expanded, they would be looming over the homes which would represent more than a simple expansion to the alley. Ms. Holland then referred to the Belvedere and the fact that there was a huge neighborhood outcry.

Chairperson Hurley asked if there was a consensus among the Commission to approve what was presented on page 2.

Mr. Norkus then stated that with regard to local preferences, the concept was discussed in the earlier stages. He stated that it speaks to the availability of the affordable units created under the inclusionary zoning ordinance and the preference given to Winnetkans, relatives or workers in the Village. Mr. Norkus also stated that the preferences were stated in an order which is similar to that in Lake Forest and Highland Park. He stated that it provided preference first to households living in the Village, former Winnetka residents, parents of Winnetka residents and households where the head of household worked in the Village.

Chairperson Hurley stated that to refresh what was stated in the report, it called for an inclusionary zoning ordinance with a local preference. She stated that priority was to be given to long time residents, seniors and business owners similar to what was used in Highland Park, Lake Forest and Wilmette. Chairperson Hurley noted that they talked to Ms. Janega who indicated that they cannot have a preference for seniors since they are a protected class. Chairperson Hurley noted that this was patterned on a combination of what is done in Lake

Forest and Highland Park and that it would be keeping in with the goals set forth in the report to serve Winnetka residents and workers here.

Mr. Jansson asked do they want to indicate how long someone lived in the Village before they get on the list for item no. 6 and item no. 6(b). He stated that a former resident could be a vast amount of people who transferred in and out and that they would never get to item nos. 6(c) or (d) if there are no specifics identified. Mr. Jansson also asked how it would be vetted by the courts.

Chairperson Hurley stated that the preferences are wisely used and as long as they cannot exclude what would be categorized as an item no. 6(e). She indicated that it is only a priority list and is not a closed set. Chairperson Hurley commented that it is a good point with regard to duration.

Mr. Iberle suggested that they say in the preamble that the income qualification is initial and that also an item no. 6(e) person would be someone who did not meet item nos. 6(a) through (d), but met the income qualifications. He stated that it needed to be articulated.

Chairperson Hurley stated that the Village attorney can write in others who may be included such as a secondary selection criteria.

Mr. Jansson stated that they do not have a section here dealing with qualifications on an economic level. He commented that it would be big to do that.

Chairperson Hurley stated that the Village is working on that.

Mr. Jansson then referred to someone with low income, but with high assets.

Chairperson Hurley stated that there would be an asset test.

Mr. Norkus informed the Commission that relative volumes were written on the qualifications of individual households that would be passed off to the Village attorney.

Chairperson Hurley agreed with Mr. Norkus' comments. She stated that they are to require that [the affordable unit] is be used as a principal residence, etc. Chairperson Hurley then stated that the point of making an item no. 6(e) being for others who meet the affordability criteria to be used as a secondary criteria made sense.

Mr. Golan suggested that current Village employees have priority over item nos. 6(a) and (b).

Chairperson Hurley asked if there were any other comments.

Ms. Whitcomb commented that for teachers and affordability, transportation is a big issue.

Mr. Iberle stated that for parents, it would be helpful to have [teachers] nearby if they are income qualified.

Mr. Jansson stated that he agreed with Mr. Golan's suggestion with regard to employees and that they should not forget about families of single parent households. He suggested that category be kept high along with employees.

Chairperson Hurley stated that they should not drop item no. 6(a) too far down. She then stated that item no. 6(a) would remain where it is and asked the Commission if they wanted to move item no. 6(d) up before item nos. 6(b) and (c). Chairperson Hurley then stated that there is a higher priority for employees [than] for taxing bodies in Highland Park. She then suggested that item no. 6(d) be broken down into (d)(i) and (d)(ii). Chairperson Hurley also referred to having Park District employees [live in the Village] locally in terms of emergency.

Mr. Iberle commented that he is not compelled by having former Winnetka residents on the list.

Ms. Johnson stated that people said at the April meeting that they like having their children move here and that the Village has lost post grads. She stated that she agreed with the suggestion of moving item no. 6(d) up.

Mr. Dowding stated that he would be in favor of workforce development and to move item no. 6(d) up to (b).

Chairperson Hurley asked if there was any objection to making item no. 6(d) the new item no. 6(b).

The Commission did not object to Chairperson Hurley's recommendation.

Chairperson Hurley then referred to splitting item no. 6(d) into (d)(i) consisting of taxing body employees and for (d)(ii) to include all other employees. She then stated that with regard to former residents, she questioned the duration of time [they have lived in the Village] and suggested that it be scratched. Chairperson Hurley then referred to parents and suggested that it be left in. She confirmed that item no. 6(a) would be left as is, the new item no. 6(b) is the old (d) and that item no. 6(c) worked as a non-tax body. She asked the Commission if they agreed that they do not need to reference duration anymore.

Ms. Johnson questioned whether they should make it consistent with residency for voting purposes.

Chairperson Hurley suggested five years.

Ms. Whitcomb commented that is too long. She stated that the income asset number would help decide those who lived here between zero and five years and that they leave it.

Chairperson Hurley asked the Commission for a consensus. She then referred to item no. 7 of related recommendations.

Mr. Norkus stated that it was discussed the most already and that the Commission is recommending that with regard to the housing trust fund, the sole purpose would be for the receipt of rarely received fees-in-lieu which would be pared back to instances of condominium conversions. He also stated that it would be used as a line item in budget for the collection of those fees for use for further affordable housing goals.

Chairperson Hurley stated that there is a lot of confusion with regard to the housing trust fund. She stated that they should say that they recommend that the Village Council adopt the fund it in its budget for purposes of holding fees.

Mr. Jansson stated that donations can be made to the Village fund and that it was investigated with the library board.

Chairperson Hurley referred to item no. 7(b) and the fact that they are not recommending a community land trust at this time. She stated that affordability control can be achieved through restrictive covenants and that the stewardship responsibility with maintaining the affordable units can be accomplished through other bodies such as the Community Partners for Affordable Housing, other groups or the Village staff.

Mr. Jansson asked if income information would be sensitive with regard to the Village staff.

Chairperson Hurley stated that they can contract it out and referred to the Community Partners for Affordable Housing. She also reiterated that they are not recommending a housing commission and that the Village Council can either do it or direct the Commission to undertake it. Chairperson Hurley then asked if there was further discussion, a consensus or a motion to approve.

No additional discussion was made by the Commission at this time.

Mr. Thomas moved to recommend to the Village Council the adoption of the policies of an inclusionary zoning ordinance as outlined in Mr. Norkus' guide and as amended by the discussion.

Ms. Whitcomb seconded the motion. A vote was taken and the motion was unanimously passed.

AYES: Dowding, Dunn, Golan, Holland, Hurley, Iberle, Johnson, Jansson, Powell,  
Whitcomb

NAYS: None

Not Voting: Greable

Mr. Iberle referred to Mr. Norkus' memorandum with regard to property tax implications. He commented that it represented a remarkable illustration and suggested that it be circulated to the Village trustees.

Mr. Thomas thanked Mr. Norkus for providing clear information.

Chairperson Hurley commented that the Commission owed Mr. Norkus and Ms. Morgan an enormous amount of gratitude.

Mr. Iberle stated that with regard to the issue of the conversion of residential uses to non-residential uses, he referred to an analogy to demolition fees and indicated that they can help enlighten the discussion.

Chairperson Hurley asked if there was any other comment from the Commission. No additional comments were made at this time. She then asked if there were any comments from the audience. No comments were made by the audience at this time.

The meeting was adjourned at 9:56 p.m.

Respectfully submitted,

Antionette Johnson

**WINNETKA PLAN COMMISSION  
MEETING MINUTES  
JULY 27, 2011**

**Members Present:** Becky Hurley, Chairperson  
Jan Bawden  
Chuck Dowding  
Paul Dunn  
John Golan  
Louise Holland  
John Iberle  
Joni Johnson  
John Jansson  
John Thomas  
Susan Whitcomb

**Non Voting Members Present:** Gene Greable

**Members Absent:** Midge Powell

**Village Staff:** Brian Norkus, Assistant Director of Community Development

**Call to Order:**

The meeting was called to order by Chairperson Hurley at 7:35 p.m.

**Adoption of Minutes of Previous Meeting**

Chairperson Hurley commented that the previous meeting minutes were brief. She then asked for a motion to approve the June 1, 2011 meeting minutes.

A motion was made and seconded to approve the Plan Commission meeting minutes from June 1, 2011. The meeting minutes were unanimously approved.

Chairperson Hurley then asked if there were any comments or corrections to be made to the minutes. She noted that the June 22, 2011 meeting minutes were not yet available and were not included in the packet of materials. Chairperson Hurley informed the Commission that she asked Mr. Norkus to bring the minutes to the meeting in connection with their discussion on the housing issues and that it would be helpful to refer to the minutes. She again asked if there were any comments.

Mr. Iberle referred to the second page of the minutes and the Commission's discussion on the

Mr. Saunders stated that it was put in with the subdivision in the early 1950's.

Chairperson Hurley then asked for a motion.

Mr. Jansson asked if the new system pipe would connect to a system which can handle the water or if it would go into the older system.

Mr. Saunders informed the Commission that the drainage study looked at the entire area and that the water would be going into a new system designed to accommodate it.

Chairperson Hurley commented that this is a very popular topic and again asked for a motion.

Mr. Thomas made a motion to approve the dedication of Trapp Lane to the Village. Mr. Dunn and Ms. Whitcomb seconded the motion. A vote was taken and the motion was unanimously passed.

AYES: Bawden, Dowding, Dunn, Golan, Holland, Hurley, Iberle, Johnson, Jansson,  
Thomas, Whitcomb

NAYS: None

Not Voting: Greable

### **Discussion of Inclusionary Zoning, Housing Trust Fund and Community Land Trusts**

Chairperson Hurley stated that while there would be no liaison reports, it would be helpful to hear a report from the Village Council level. She then asked Mr. Greable to inform the Commission of the latest in terms of housing initiatives.

Mr. Greable stated that on Tuesday, there was a lot of discussion with regard to the water plans. He informed the Commission that there was consensus that there are eight areas which are to be looked at and that there were six other areas presented. Mr. Greable stated that there was a 4 to 3 vote which approved the cost benefit analysis to be completed within the month. He then referred to the amount of emails and telephone calls received and that this was hot topic at Tuesday's meeting.

Mr. Greable then stated that while ministerial in nature, there was a lot of discussion on 718 Hibbard Road, the property which contained four garages. He informed the Commission that the property was purchased in foreclosure and that the purchaser paid \$900,000 for the property and that the garage is to be torn down and shifted to the left. Mr. Greable noted that the neighbors in the back are concerned with regard to the structure and that they left the property owner and neighbor to meet and come back to the Village Council with a solution.

Mr. Greable stated that there was discussion on the commercial property maintenance code as well and that the matter was tabled and that Ms. Janega would rewrite it for submission in

September. He informed the Commission that most of the comments related to wording as to how applicable that would be going into the resolution. Mr. Greable stated that the international property maintenance code from 2009 is a quite lengthy and detailed document and that Ms. Janega brought some of that in, with other aspects being left out which resulted in some questions in connection with unintended consequences. He noted that there is a quite a bit of work to do.

Chairperson Hurley referred to the value of the codes which are vetted and which minimize the risk of unintended consequences. She added that the more customized it is, the more they ran the risk of unintended consequences.

Chairperson Hurley then referred to affordable housing and thanked Mr. Norkus for all of his hard work. She referred to the memorandum which Mr. Norkus forwarded to the Village Council in the early morning hours. Chairperson Hurley suggested that the Commission take a minute to think about the issues they were confronted with at the last meeting. She stated that they have talked about the three different tools which are the community land trust, housing trust fund and inclusionary zoning and how they interrelate, as well as to dig into inclusionary zoning to get some policy direction to Mr. Norkus to outline what is on the Commission's mind. Chairperson Hurley noted that they are not writing the ordinance, but are providing details, structure and the outline of the principles that the Commission would like to see the Village staff turn into a document to give to the Village Council. She stated that they would vote on the June 22, 2011 minutes at the next meeting.

Chairperson Hurley also stated that there were some questions which were raised by the Commission and the public which related to the chronology of the tools, how they interrelate and how they would create a structure which would be the least burdensome in terms of cost and impact on the Village staff. She referred to a specific question raised in connection with the community land trust and whether they need particularly to focus on rental as opposed to ownership and whether they can accomplish the goals with deed restrictions. Chairperson Hurley also stated that there was a question on the threshold of inclusionary zoning and the size of the development which would trigger it, as well as restrictions on how to use a housing trust fund. She indicated that it was the fundamental consensus of the Commission that a form of inclusionary zoning was a recommendation. Chairperson Hurley then asked the Commission members for their comments.

Mr. Jansson stated that the fact that inclusionary zoning can be separated from the other two tools was left as an open issue. He commented that it would be a good idea to start with inclusionary zoning in the discussion. Mr. Jansson then referred to Mr. Norkus' report on page 2 and the payment of fees-in-lieu and if they were to do that, there would need to be a housing trust fund or some other kind of pot where the funds would go. Mr. Jansson indicated that it would be difficult to isolate inclusionary zoning totally except in some rudimentary form.

Chairperson Hurley stated that she has done research with people who are familiar with the tools. She stated that to assume the Commission was to recommend an inclusionary zoning ordinance and that the fees-in-lieu would have to go somewhere like a housing trust fund which did not

require a special board or entity. Chairperson Hurley stated that with regard to a community land trust, she referred to whether they can accomplish their goals with deed restrictions. She noted that the Community Partners for Affordable Housing did not hold title to the land and that it is implemented through deed restrictions, which is why they changed their name to reflect the different role. Chairperson Hurley also referred to whether they can accomplish their goals and that they do not need a community land trust as long as they are able to find the expertise to perform the stewardship work to ensure that there is compliance with the deed restrictions. She then stated that would help to reduce the sense of bureaucracy required. Chairperson Hurley also stated that in conversations with the Village staff, they did not think they needed a housing commission and that those are decisions that the Commission or Village Council can make.

Mr. Thomas stated that in connection with the fees-in-lieu, if they had that, in the inclusionary zoning ordinance, the funds would need to go somewhere and that they need a housing trust fund. He then stated that on the flip side, if they do not have fees-in-lieu, that did not mean that they do not need to have a housing trust fund. Mr. Thomas stated that it would give developers an economic out for not doing affordable housing and that in his opinion, it is a non-starter.

Mr. Jansson stated that the Highland Park fees-in-lieu subverted the goal.

Chairperson Hurley stated that if they all are accepting fees-in-lieu, then they are not building affordable housing. She noted that Highland Park found it difficult to get housing built for \$200,000 and that they increased the amount of their fees-in-lieu from \$100,000 to \$200,000. Chairperson Hurley also stated that they need five units and that for up to 20 units, there would be fees-in-lieu. She stated that the question related to how big a development they are talking about.

Ms. Holland noted that inclusionary zoning was used in the planned development for the Fell property. She stated that streetscape improvements were promised, among other items and that if they are not going to allow fees-in-lieu, there has to be specifics that the development cannot get away from affordable housing by putting in streetscape or a water main. Ms. Holland stated that those issues are negotiated in planned development.

Ms. Johnson stated that the agreement provided streetscape and a water main as an offset for the density variations and that it had nothing to do with affordable housing.

Mr. Iberle then stated that affordable housing was a part of the public benefit offered by the developer.

Mr. Greable informed the Commission that with regard to the Fell development, he described it as topsy turvy as to what they are proposing and that the development will change considerably.

Ms. Johnson referred to Ms. Holland's statement that it is possible for a legal challenge if they do not allow fees-in-lieu.

Mr. Norkus stated that he has heard that the same lack of an escape clause for the fees-in-lieu

should be described as an important component of the ordinance. He stated that they have looked at cases where the applicable best example is not only the consideration of inclusionary zoning to residential and mixed use development, they talked about an inclusionary zoning ordinance applying to condominium conversion of a rental building. Mr. Norkus also stated that he has heard from Highland Park and others that the fees-in-lieu have been used very sparingly. He indicated that in some scenarios, it is important, such as the condominium conversion of an existing 20 unit residential building and that it is rare that all 20 [renters] wanted to purchase the units and that the requirement to provide four or five units as inclusionary affordable housing would be a significant cost to the four owners who do not qualify under the income requirements. Mr. Norkus also indicated that there are other scenarios where fees-in-lieu are an important component of the ordinance which kept them out of trouble in those situations.

Chairperson Hurley indicated that it can be not as of right.

Ms. Johnson stated that they can allow the fees-in-lieu in the prescribed circumstances like Mr. Norkus outlined and to also make the fees high enough.

Chairperson Hurley added that they could also allow for a waiver, but that [a developer] will ask for it every time. She stated that they are interested in the use of fees-in-lieu as long as it is used sparingly.

Ms. Johnson suggested that they can make it applicable to the conversion of rentals to condominiums.

Mr. Norkus stated that another situation for the applicability of inclusionary zoning would be a person converting them into a single unit.

Mr. Iberle stated that there are many different issues the Commission are addressing here and that fees-in-lieu is one of them. He stated that they have to understand what they what to accomplish first.

Chairperson Hurley stated that if there is inclusionary zoning with fees, it would mandate a housing trust fund. She then suggested that the Commission go back to the structural element.

Mr. Iberle stated that he agreed with Mr. Thomas' comment and that if the point of the exercise is to create affordable units, then offering the option of fees-in-lieu defeated the purpose. He stated that it could be set at such a high level so that it is not economic [for the developer]. Mr. Iberle stated that there is a side issue and referred to the question of what the structure of the program is going to be. He added that Mr. Norkus did a nice job of listing 20 different issues.

Ms. Bawden suggested that the Commission take a step back and to remind everyone with regard to how many units per year they would be able to get with the affordable initiative and that they do not know.

Mr. Dunn pointed out that at the last meeting, they looked back 15 years and found that the

average construction generated four or five [affordable] units. He stated that there have been less than 50 units developed in the recent past which argued for keeping it simple. Mr. Dunn indicated that there is not much development in this economy and that even in the boom years, there was not much development. He then stated that with all of the research done for the potential fair amount of development, the real potential is significantly less. Mr. Dunn commented that it is important to keep the scope of the future in mind and stated that he would endorse keeping the bureaucracy simple.

Ms. Johnson stated that there will be development and that they might as well be proactive.

Mr. Iberle stated that there is an opportunity here for the Village to say they want to see more multi-family development and that there is a question with regard to current zoning incentives to have office space over residential and asked Mr. Norkus for an explanation.

Mr. Norkus stated that information predated him and that in theory, it is recognized that people reside in these units and referred to the benefit of light and air for the second and third floor units.

Ms. Johnson referred to an article in *The New Yorker* with regard to a little houses movement which she commented would be off the grid and not legally allowed in most municipalities since they would be too small. She noted that in the report, the Commission seeks to discourage the conversion of residential rentals to office space.

Ms. Holland stated that it trended in downtown Chicago the other way and that warehouses have been converted to residential use. She indicated that there has not been a trend in five to 10 years here.

Chairperson Hurley indicated that she did not realize the difference between [the preference between] residential and office space located mid block. She also commented that it seemed odd to make a wedding cake configuration [in terms of residential development] which would not be keeping in with the thinking of urbanism such as density by the train station.

Ms. Bawden referred to a garage conversion in Madison.

Chairperson Hurley stated that the point is if they trying to think of zoning-related ways to not discourage affordable housing or the provision of moderately priced rental units, one way would be to provide incentives to development to reduce the difference between what they would be allowed build with commercial versus residential.

Mr. Iberle stated that practically, the real limiter for the cost of developments on tight sites is parking.

Ms. Johnson commented that the parking standards seemed way too generous.

Mr. Iberle referred to the great ideas relative how to help incentivize [development] and that the

goal is to create affordable housing units which do not reach into the developer's pocket to do it. He stated that Mr. Norkus' outline has the ability to allow the addition of an affordable unit to be done at a lower marginal cost so that the loss or subsidy which has to be provided by other units is minimized. Mr. Iberle then stated that a way to incentive the development of affordable units would be to provide additional floor area in order to let the affordable unit be provided at cost that would not un motivate a developer.

Mr. Jansson referred to page 8 of 11 and stated that if zoning is left as is for residential but is extended to 9,000 square feet permitted if a building is totally commercial, there is a difference between now what is allowed for residential and the amount allowed for commercial, which would be a free give by providing a zoning variation to permit that additional housing to be built. He indicated that it would not cost the Village or taxpayers.

Ms. Holland stated that they have neighborhood structures and that when the Belvedere was built, it was a funny lot and that the developer shoe-horned in enough units for the development to make cost. She also stated that it was a long term of two years before they were able to come to an agreement that the neighborhood could live with. Ms. Holland commented that it would affect the neighborhoods which would be upset about a larger building mass.

Chairperson Hurley stated that if the building mass is allowed for office space, why would it be less accepted to allow for residential units.

Mr. Norkus referred to the way in which the code was written. He stated that in theory, the residential units would be benefitting from having terraced areas for open light. Mr. Norkus stated that on the other hand, the building code dictated the provision of fresh air and natural light and that the ordinance is duplicative in that sense.

Chairperson Hurley stated that what they would be attempting to do is to provide incentives to developers with inclusionary zoning so that they would not be disadvantaged by the fact that there is an inclusionary zoning ordinance. She also stated that they have heard talk that those which do not provide incentives discourages development. Chairperson Hurley then asked the Commission members for their comments.

Mr. Greable questioned who these developers are and how many were there in the last five years. He indicated that Highland Park is totally different than Winnetka and that the main point is that they would like to have a context of what they talking about here.

Chairperson Hurley stated that they are talking about the use of inclusionary zoning as a tool. She then stated that if NTP built a development with residential units, 15% of them would have to be affordable according to the standards they have proposed which she commented are high.

Mr. Dunn then asked what are they charged with regard to inclusionary zoning. He also asked if there is a target date for the Village Council recommendations.

Mr. Thomas asked Mr. Norkus that given the Fell project which was originally proposed, how

many units were there and also if there were any affordable units before this got into play.

Ms. Whitcomb stated that the role of the Commission is for affordable housing.

Chairperson Hurley stated that the Commission is the body responsible for the Comprehensive Plan and was asked by the Village Council to study ways and to recommend ways to further customize the existing affordable housing plan which was adopted in 2005. She stated that in terms of chronology, the Commission made a total of six recommendations to the Village Council in April and that the Village Council would tackle the first three with the Commission to study the remaining three with more flesh on the bones. Chairperson Hurley informed the Commission that the Village Council would be tackling the commercial property maintenance code, the coach house issue and to adopt affordability standards and that the Commission recommended to the Village Council affordability standards which are substantially above what the state imposed. She stated that since [the recommended standards] are substantially above [what the state required], the Village is customizing and creating its own plan, not only for affordable housing, but for moderately priced and diverse housing. Chairperson Hurley then stated that with regard to timing, the Village Council is working on its issues and that the Commission is trying to expand on the report recommendations. She indicated that she would like to do it within a month or two.

Ms. Whitcomb commented that it is helpful to provide a recap.

Chairperson Hurley described the matter as complicated stuff and that Mr. Norkus needed direction from the Commission on inclusionary zoning. She suggested that at this and the next meeting, that the Commission come up with principles in place with more flesh on the three tools so that the Village Council can consider them.

Ms. Johnson suggested that they go through and discuss each specific item on inclusionary zoning.

Chairperson Hurley then asked Mr. Norkus for his comments.

Mr. Norkus indicated that it may be helpful to explain what he wrote here and how it related to the Village Council's charge. He stated that when the recommendations were given to the Village Council in April, while the Commission was diligent in identifying the specifics of the recommendations, it would be one thing to say there should be; for example, inclusionary zoning with offsets and that it is difficult to explain those tradeoffs. Mr. Norkus stated that he provided the Commission with concepts as to how the offsets can be framed. He then stated that to incent developers, the Commission would be in a better position to make recommendations on how they are to be structured. Mr. Norkus referred to density units per acre and lot coverage and whether those are adequate incentives to provide to developers. He noted that the Village Council is looking for additional flesh on the bones [of the recommendations the Commission previously made].

Ms. Johnson referred to item no. 2 on page 2 and stated that if they were to go that route, do they

need more information on what sort of expedited permitting would be allowed.

Chairperson Hurley referred to waiving it.

Mr. Norkus stated that they can waive fees which are attributable to affordable units.

Mr. Iberle stated that the intent is to eliminate disincentives. He stated, for example, that if a developer found a site for 10 units and expected a \$1 million profit, our goal is that the developer would also provide an affordable unit. Mr. Iberle indicated that the developer would not make any money on the additional affordable unit and that the developer's profit would be diminished. He indicated that there is a lot of risk involved and that the trick is to figure out a way for the developer to still make their \$1 million profit, but with one more unit provided as affordable. Mr. Iberle indicated that the way to do that would be some adjustment in the amount of space so that the market program remains as big as it was. He referred to the volume for the market units which create a profit that is needed in order to pursue the project; Without that volume, we would create the circumstance where there is a market for \$700 per square foot for units and when the developer is required to do the affordable unit, the project needs to sell at \$750 per square foot per unit to achieve the required profit goal. He indicated that Mr. Norkus hit on the direction that would let the developer still be able to achieve the return needed to attract capital and which isolated and reduced the marginal cost to deliver the affordable unit.

Chairperson Hurley stated that she agreed with Mr. Iberle's comments.

Ms. Bawden stated that on that unit, if a unit is created and sold at cost, what did that do to the model example.

Mr. Iberle indicated that he is not sure it would be at cost.

Ms. Bawden referred to using those same projections. She stated that there would be zero margin on the affordable units so that the units are maintained.

Mr. Iberle described it as a best and unlikely case.

Mr. Jansson stated that if a developer were to build 10 units, the Village can allow for a bigger footprint so that one more unit could be built at cost.

Mr. Iberle commented while that is ideal, they cannot calculate what the marginal cost would be and whether the income demands would be met.

Ms. Whitcomb stated that if they were to eliminate developer disincentives, it would become a negotiation depending on what the builders want to do, what the neighbors want, etc.

Mr. Iberle stated that they can define how the formula is to be used. He indicated that he can work with Mr. Norkus and see how it would work from a developer point of view.

Ms. Johnson suggested that the planned development ordinance be used as a template for inclusionary zoning and that it would give the Village and the Community Development Department the discretion to work with developers to come up with something which makes sense given the needs and goals of the developer and the Village. She stated that is why the Fell development had streetscape, a water main and affordable units as an offset for density, etc. Ms. Johnson noted that planned development applied to properties which measured 10,000 square feet or more.

Ms. Whitcomb added that it would give them more flexibility.

Mr. Iberle stated that the challenge is the risk involved and that developers may decide not to go down that road.

Chairperson Hurley then asked Mr. Norkus what he thought of that idea.

Mr. Norkus stated that the planned development ordinance only applied to properties which measured 10,000 square feet and that within the PUD ordinance, those projects which are subject to it would only be those projects which request additional lot coverage or unit density which would be subjected to the affordable housing component. He indicated that he would characterize it less as less flexible as opposed to a lack of certainty.

Mr. Iberle added that any relevant planned development would be required to include affordable housing via the inclusionary zoning requirement.

Chairperson Hurley stated that the local planned development ordinances may be based on state statutes. She then referred to Mr. Norkus' recommendation nos. 1, 2 and 3 and the incentives. Chairperson Hurley stated that first, there are zoning incentives and that the attachment to Appendix 1 and the three recommended incentives which moved toward what Mr. Iberle mentioned with regard to taking away disincentives, which are density increase, residential buildings with the second and third floors not having as much floor area as they could if they were office space and the parking requirement reduction.

Ms. Johnson stated that the second one would only apply to the downtown areas with condominiums, etc. on the second floor. She then referred to The Mews.

Mr. Iberle asked if they still needed to address the issue there, would it take a different form since there would be residential on the first level.

Chairperson Hurley noted that with regard to incentive no. 2, how would this apply to a fully residential building.

Mr. Jansson referred to the use of the word "proscribed" versus "prescribed" on page 9 of 11.

Mr. Norkus then provided clarification.

Chairperson Hurley then stated that with regard to item no. 1, she asked for the Commission's comments on the general attempts to provide incentives to take away disincentives for developers for inclusionary zoning.

Mr. Iberle stated that in connection with item no. 1, if the intent is an additive one, he would suggest that they keep it as simple as possible and that any affordable unit provided would be an additive to the 38 units per acre and that it would only be defining the requirement. He then stated that item no. 2 is intended to mitigate the impact of adding an affordable unit by allowing some additional space to be built.

Ms. Holland stated that with regard to the first two incentives, politically to build a big massive building with 78 units instead of 70 units, are they supposed to describe what a developer needed. She stated that the Commission needs to make recommendations as to what the community can swallow.

Chairperson Hurley agreed that they are not here to define profit for developers, but to not discourage development. She referred what would be allowed as of right for an office building.

Ms. Johnson stated that they are only dealing with existing commercial buildings with rentals on the second floor and that it would not apply, for example, to the Mews.

Mr. Jansson stated that the Village Council gave instructions when they identified the area to which [affordable housing] is to be applied which are the downtown business districts and along Green Bay Road. He also referred to some areas which can be combined and can be included.

Ms. Holland stated that the reason apartments are vacant is that they are old and decrepit and that a property maintenance code would allow the apartments to be rentable and affordable.

Chairperson Hurley stated that the ground floor can cover 90% of the lot for an office building and that the whole building can cover 90% of the lot. She stated that for residential, the second floor can cover 70% and that the third floor cannot be more than half of the second floor. Chairperson Hurley noted that this related to new construction.

Mr. Norkus stated that with regard to the wedding cake example, he clarified that there is an additional tier in that for an office building, it could be 90% of the first floor, 90% for the second floor and that the third floor can be 45%.

Chairperson Hurley stated that greater bulk is permitted for office space as opposed to residential. She then recommended that Mr. Norkus' suggestion allow residential buildings to approach the requirements of what an office building could be.

Mr. Norkus referred to the Belvedere controversial situation which Ms. Holland described and that the solution is to consider not having been so generous in incentives in the C-1 Indian Hill district since those lots are likely to abut residences and that the C-2 lots are fairly well isolated from single family residences. He then stated that item no. 2 would only apply to the C districts

and not B-1- or B-2.

Mr. Greable stated that any space which is open is in the B-1 and B-2 districts.

Mr. Norkus stated that the challenge is to assemble more than one lot.

Chairperson Hurley informed the Commission that Mr. Norkus needed direction for that item.

Mr. Norkus stated that increasing coverage by 8% will make a developer whole in the example previously provided.

Mr. Dowding asked if a three dimensional diagram can be drawn and that he has no idea what they are talking about.

Chairperson Hurley stated that the difference in density is in the back and not in front.

Mr. Norkus indicated that he can do a sketch of general massing diagrams.

Chairperson Hurley stated that if they are taking away disincentives, they can go for the full 8% and that Mr. Norkus will provide an illustration showing the full 8%. She then stated that with regard to other construction incentives, there are simple things which did not take an enormous amount of interpretation and asked Mr. Norkus to recommend specific permit fee issues for affordable housing.

Mr. Norkus stated that he would prefer to be cost neutral on this. He stated that if they were to make a developer whole in terms of density, waiving of fees would not be his first choice.

Chairperson Hurley suggested that the Commission skip that item. She then referred to payments in lieu and parking. Chairperson Hurley stated that it is only for buildings which contained affordable units. Chairperson Hurley also referred to the change to reduce the 2 1/4 parking requirement.

Mr. Norkus informed the Commission that the original intent was to provide incentives as it related to inclusionary zoning only. He indicated that there is room for future discussion in connection with lowering the parking requirement across the board. Mr. Norkus noted that there are different standards which they can consider adopting which would depend on whether there are commercial or multi-family residences since these are two different areas which have distinct parking needs. He then referred to the C-1 and C-2 districts near the train station and the propensity for smaller units and that the B-1 and B-2 districts typically contained more vehicles per unit. Mr. Norkus informed the Commission that The Mews and Green Bay Road north had a parking requirement of 2 1/4 spaces per unit. He stated that the parking requirement was increased in response to the number of multi-family developments and that it was increased to 2 1/4 parking spaces across the board. Mr. Norkus indicated that a three bedroom unit with 2 parking spaces would be a good minimum starting point and that 2 1/2 parking spaces provided a cushion.

Chairperson Hurley asked if there was any other discussion.

Ms. Johnson suggested that they remove the 1/4 guest parking space requirement.

Mr. Golan stated that the cost of underground parking is huge to development.

Ms. Johnson stated that if there are 20 units, if one person needed only one parking space, one space can be sold to a neighbor and that the 1/4 parking space per unit can be eliminated.

Mr. Norkus commented that there have been good points that the parking requirements should be adjusted downward. He informed the Commission that he would look at existing unit mixes in other communities and bring back recommendations to the Commission.

Chairperson Hurley then referred to item no. 3 with regard to payments in lieu. She stated that what the Commission said in their report is that while the Village may adopt a fee-in-lieu for new affordable units in exceptional circumstances, the intent of inclusionary zoning is to attempt to create additional affordable housing units instead of accepting fees-in-lieu. Chairperson Hurley suggested that the Commission provide for a fee-in-lieu in extraordinary circumstances, to make it expensive and not as of right. She then asked the Commission for their comments.

Everyone agreed that would be fine.

Chairperson Hurley then noted that Highland Park's fee-in-lieu is \$200,000 and that they should consider that as a starting point. She again asked the Commission members for their comments.

Mr. Iberle suggested that the fee be higher.

Mr. Dunn stated that with regard to a contrary opinion, that if the fee requirements are to go into a housing trust fund, if they were to administer the housing trust fund, they would lose the simplicity approach. He suggested that they get the fee without the housing trust fund fee.

Ms. Johnson indicated that it can be a line item in the budget.

Mr. Golan questioned why they would want to have a fixed fee. He suggested that a flat fee would not be appropriate.

Mr. Iberle stated that he agreed with Mr. Dunn in that he would prefer not to do it.

Mr. Thomas stated that he would also vote no.

Chairperson Hurley informed the Commission that in connection with a housing trust fund, there would be a customized approach and that the concept of using housing trust fund money in agreement with a landlord in exchange for a contribution to increase efficiency or for an elevator would be made to get the affordable unit. She indicated that would not be possible without the

opportunity for funding to be held. Chairperson Hurley stated that she would be in favor of a housing trust fund. She added that in the report, it was stated that there are a number of ways in which it could be funded and that they are not suggesting that all of them would be adopted. Chairperson Hurley also stated that it would exist and not require administration.

Mr. Jansson suggested that they leave it in for now. He stated that they have not gotten to the community land trust and housing trust fund on the agenda yet.

Ms. Johnson commented that the fees-in-lieu should not be tied to the housing trust fund. She indicated that the Commission needed the opinion of Ms. Janega with regard to if they have affordable housing without fees-in-lieu and whether that would be subject to legal challenge.

Chairperson Hurley suggested that they come back with that information. She then referred to waivers and exemptions. Chairperson Hurley suggested that they put the burden on the Village to waive it and that it be scratched. She then stated that geographic applicability would take care of itself and that the types of construction have been covered, as well as new construction.

Mr. Dunn stated that the conversion of office space to residential should be clarified.

Mr. Dowding asked with regard to item no. 6(a), if the absence of planned development on there is because of item no. 5. He suggested that they err on the side of over-expression.

Mr. Norkus stated that it meant to suggest a project which converted rental space to office use and which could be a trigger for the inclusionary zoning requirement. He also stated that related back to fees-in-lieu.

Chairperson Hurley then asked how it would relate to the threshold.

Mr. Norkus informed the Commission that there was an attempt in connection with item no. 7 to apply to the consolidation of two residences to one. He stated that it was included for discussion purposes.

Ms. Johnson suggested that it be removed and that there are other ways of doing it.

Mr. Dunn stated that it can be made subject to scale. He commented that this would cast a pall on property owners with regard to the flexibility on their property. Mr. Dunn also stated that they need to have some flexibility to manage through tough investment times.

Ms. Johnson stated that the report says that one reason for the loss of rentals is conversion to office space and that they should address the discouragement of the conversion of rentals to office space.

Chairperson Hurley stated that the Commission can suggest that inclusionary zoning may not be the right remedy for the conversion of rental space to office space or consolidation. She then asked Mr. Norkus to ponder that. Chairperson Hurley stated that they can think of different ways

to encourage the retention of rental apartments. She then asked if there was any public comment. No comments were made by the audience at this time.

Chairperson Hurley informed the Commission that the next meeting would be August 24, 2011 and asked if there would be a quorum. She also stated that she would work with Mr. Norkus and for the Commission to provide them with any other comments and that they would come back with something to focus on the issues that the Commission needed to wrap their brains around. Chairperson Hurley stated that they are to get through inclusionary zoning and then tackle the other two tools. She suggested that the Commission bear in mind the possibility of excluding community land trust as a tool.

The meeting was adjourned at 10:03 p.m.

Respectfully submitted,

Antionette Johnson

**WINNETKA PLAN COMMISSION  
MEETING MINUTES  
JUNE 22, 2011**

**Voting Members Present:** Becky Hurley, Chairperson  
Jan Bawden  
Chuck Dowding  
Paul Dunn  
Louise Holland  
John Iberle  
Joni Johnson  
John Jansson  
John Thomas

**Non Voting Members Present:** Gene Greable

**Members Absent:** Midge Powell  
Susan Whitcomb  
John Golan

**Village Staff:** Brian Norkus, Assistant Director of Community Development

**Call to Order:**

The meeting was called to order by Chairperson Hurley at 7:35 p.m.

Chairperson Hurley began the meeting by welcoming new Commission member, John Thomas, who is the representative from the Park District. She also welcomed new Commission member Paul Dunn, who is a Commission member-at-large.

**Adoption of Minutes of Previous Meeting**

Chairperson Hurley asked for a motion to approve the May 25, 2011 meeting minutes.

A motion was made and seconded to approve the Plan Commission meeting minutes from May 25, 2011. The meeting minutes were unanimously approved.

Chairperson Hurley then asked if there were any comments or changes to be made to the minutes.

Ms. Johnson stated that she submitted her non-substantive changes via email.

Chairperson Hurley asked if there were any other comments or changes.

Mr. Jansson stated that while he was not in attendance at the meeting, he referred to page 15 and made grammatical changes.

Chairperson Hurley asked if there were any other comments or changes.

Mr. Greable referred to some of the comments made by the presenters from Highland Park that he did not remember.

Chairperson Hurley informed the Commission that she took substantial notes from the meeting.

Ms. Holland stated that the minutes are well done and very detailed.

Mr. Greable referred to the comments made with regard to the property maintenance code.

Chairperson Hurley asked if there were any other comments. She then referred the Commission to the first paragraph on page 1, clarifying the public comments portion of the meeting. Chairperson Hurley also referred to the last line on page 13 and clarified Mr. Anthony's comment with regard to the difficulty of doing private fund raising for affordable housing at higher income levels.

Mr. Greable referred to an email which was generated after the meeting which answered some important questions and questioned whether it should be attached to the meeting minutes.

Chairperson Hurley suggested that instead of attaching the email to the minutes, to keep it in mind since the Commission would be going through and discussing what they learned. She asked if there were any other comments. No additional comments were made at this time.

A motion was made and seconded to approve the Plan Commission meeting minutes from May 25, 2011, as amended. The meeting minutes were unanimously approved.

### **Discussion of Inclusionary Zoning, Housing Trust Fund and Community Land Trusts**

Chairperson Hurley stated that this meeting would present a good opportunity to reflect on what the Commission has learned and to help them start to form a way in which to put flesh on the bones of the three remaining items that the Commission has been charged with studying which include inclusionary zoning, the housing trust fund and the community land trust. She then suggested the Commission speak generally and that they would hear from Mr. Iberle who has performed separate research with Mr. Norkus in looking at the scope of potential new construction and inclusionary zoning and what they may expect that to yield. Chairperson Hurley then asked the Commission members what they thought of Rob Anthony of Community Partners for Affordable Housing and Michael Duhl, the Director of Community Development for Highland Park.

Ms. Johnson stated that she learned more by going back and looking at some of the documents that they generated in December to reacquaint herself with some of the fundamental issues and concepts. She informed the Commission that she did that to try and understand what measures they could take without having a community land trust or a trust fund. Ms. Johnson stated that they should have asked Mr. Anthony and Mr. Duhl about the chronology. She was unable to figure out from their own documents whether they needed to have both of those bodies initially or whether they could start with an inclusionary zoning ordinance without having those bodies. She stated that Winnetka is different than Highland Park and that even if there is a robust multi-family housing development in Winnetka, whether they would go forward with these very complex bodies of the community land trust and the housing trust fund. Ms. Johnson indicated that the Commission needed to think about the chronology and that it might be too ambitious or unnecessary at this point to create the land trust and trust fund.

Ms. Johnson stated that she also noticed in their final report to the Village Council on page 14, they stated that the Commission "... recommend that the Village Council establish the housing Commission early so that the housing Commission could define and establish the community land trust and housing trust fund in accordance with the goals contained in this report." She stated that the Commission has not really talked about the housing commission at all since December. Ms. Johnson stated that Highland Park did indicate that their housing commission dealt with a lot of different things. She suggested that the Commission put that on the table as well.

Mr. Thomas stated that he read that inclusionary zoning did not have to be tied to the other things that are to be done. He stated that he wondered what the others members who have been involved over the last month thought about that and whether it has to be contingent upon the community land trust, the housing trust fund or the Housing Commission.

Ms. Johnson stated that it was her understanding that they could probably have inclusionary zoning without either the community land trust, which would be the holder of land or the housing trust fund which is meant to generate funds. She stated that she wanted to go back to another issue which still troubled her which is whether it is correct when dealing with multi-family housing and condominium development, that you cannot own that through a community land trust and that it is only intended for single family housing or townhomes.

Chairperson Hurley stated that she is not sure that a community land trust could not hold condominiums. She stated that pretty much all of the solutions they have seen by other municipalities focus on single family properties.

Ms. Johnson responded that they needed to confirm that and questioned what did the other communities own and whether they owned the land itself.

Mr. Norkus stated that he believed that the typical application for the community land trust in the instance of a town home or a condominium whether it was Highland Park specifically or another community, their role would tend to be one where they would have a reserved right of repurchase.

Chairperson Hurley stated that this was an issue which was raised last month and stated that it is a wrinkle in the ownership by a community land trust that condominium associations typically have a right of first refusal so that the property cannot be sold to a third party before it is first offered to the condominium association. She stated that in this case, it would be a mandatory sale back to the community land trust so that they would have to get the condominium association to agree that it would not require its typical right of first refusal.

Mr. Iberle stated that with regard to Mr. Thomas' question, they are talking about a couple of different tools. He stated that he believed that they could have inclusionary zoning and what would be required is that the administrative process to approve qualified buyers and approve the subsequent re-sale. Mr. Iberle indicated that he did not believe that the issue of ownership is really the affordable qualified buyer. He stated that with regard to Highland Park's community land trust, they have gone through the business of purchasing foreclosed properties and distressed properties, repairing them and then selling them subject to their retaining ownership of the ground underneath. Mr. Iberle stated that with regard to the process regarding a condominium, there is a nuance there and some precedence with regard to how to deal with it.

Ms. Johnson stated that she looked at the preliminary Fell development ordinance with regard to how those units would remain affordable in perpetuity.

Mr. Greable stated that it is not in there and that at the time, it was a concept.

Ms. Johnson questioned whether there was any contemplation when that development came to be whether the Village would own those units, whether they would contain deed restrictions or rights of first refusal.

Mr. Greable reiterated that it was only conceptual in nature and that they wanted the Fell development to at least agree to the affordable housing concept.

Mr. Iberle stated that, when the Post Office site development proceeds, one of the elements which needs to be prepared is the development agreement which would address any inclusionary zoning program.

Chairperson Hurley stated that the broader question related to chronology and sequence and which of these tools could stand alone and which cannot. She stated that in Highland Park, the way inclusionary zoning was described is that it is managed by Community Partners for Affordable Housing. CPAH has told the Village that if Winnetka were to have such a program, that Community Partners for Affordable Housing could manage it for them. Chairperson Hurley stated that if CPAH did not do so, maybe a housing commission could do the same thing. She stated that they were told by Kathy Janega that as some of these programs got started there will be little to do, and management may be something that the Village Council could undertake in place of a housing commission.

Mr. Norkus confirmed that he recalled the same explanation from the Village Council and that

they would want to self manage it.

Ms. Holland stated that there were two homes involved and referred to the substantial fee involved in that they paid Community Partners for Affordable Housing \$25,000 per year.

Mr. Iberle stated that there would be an allocation with regard to a percentage of Community Partners for Affordable Housing's time. He then stated that with regard to the question Chairperson Hurley raised and the fact that they had a broad number of tools here, his inclination is that if affordable housing is going to be pursued, he would prefer to approach it as market focused. Mr. Iberle commented that inclusionary zoning is one way to do things since it would set a framework to which the market would respond. He stated that he is a little more troubled with the use of a housing trust fund and community land trust since that would imply a mechanism that will take some source of funds to be devoted to it that could presumably be devoted to something else as to which specific units it would be involved with. Mr. Iberle also stated that he is not sure that the Village should be "in that business." He then referred to the long track record in Highland Park and some success there.

Mr. Iberle then stated that another thing which became evident to him in the discussion is that regardless of where they try to effect the affordable housing program, if they are all essentially looking at the same income levels and referred to 100% of the AMI figure, that qualified eligible buyer is devoting the same dollars, whether they were to pursue something in Chicago, Evanston, Highland Park, etc., the gap between what that supports and what the local housing market is which arguably increased in each of those communities, he stated that Winnetka and Kenilworth would create the highest gap between what the median market price is and what that median income level could support. He stated that you would get less bang for your buck in trying to provide affordability in that instance. Mr. Iberle stated that these two reasons make him less comfortable with those two tools.

Chairperson Hurley referred to the fact that there is a higher affordability standard is proposed for the Village. She stated that they recognized the gap caused by their higher property values. Chairperson Hurley stated that is another reason they are focusing on rental and existing housing as opposed to new construction since the land cost is substantial.

Mr. Iberle stated that if you look at the numbers here, the average Winnetka median income versus the Winnetka housing price suggested less affordability there than for someone in the Chicago region as a whole. He stated that Winnetka remained one of the most desired places to live. Mr. Iberle stated that they attempted to address that to some degree by having a higher median income percentage, but that it is not sufficient to address the issue.

Mr. Jansson stated that assuming that they create a list of preferred buyers, for someone who now lived out of town who would meet that criteria and if they preferred to live in Chicago since it would be cheaper, they would take their name off of the list.

Mr. Iberle stated that another way to look at it is, to the purchaser, their housing cost is identical since they would be devoting the same 30% of their household income to housing. He stated that

the issue is whether they would be willing to spend that money to get a home that is less expensive than one in Winnetka.

Mr. Jansson stated that in that case, if you were on that affordable list, then you would want to get more house for the buck.

Mr. Iberle responded that is his point.

Ms. Johnson asked why would that affect whether they have a community land trust or a housing trust fund.

Mr. Iberle stated that what they are attempting to solve is the land to house value.

Ms. Johnson stated that it is her understanding that the question is whether they should have these tools to administer the program and not whether it is going to affect the market, incentives, etc.

Mr. Iberle stated that ultimately, someone has to absorb the differential and that in Chicago, the differential is more modest than it is in Winnetka.

Ms. Johnson stated that it said clearly in the literature that inclusionary zoning did not involve any outlay of capital by the Village.

Mr. Iberle stated that creating an infrastructure is necessary to handle a community land trust and that in Highland Park, they had the ability to purchase a building.

Several Commission members stated that has not been decided yet.

Chairperson Hurley stated that they must remember that the Highland Park experience is much different than that of Winnetka and that they can learn some things from them and that they would not be doing the same things as Highland Park.

Mr. Greable stated that is a big part of the program and is what the email that he planned to share with the Commission clarified. He stated that first of all, the email stated that 124 units are Section 8 and senior housing which he stated he removed from the equation. Mr. Greable stated that the email stated that there are 60 units which are condominium units for seniors, 48 units which are owned by the residents and that 12 are affordable units which the city owned and rented to qualified people. He stated that the email then referred to 29 Section 8 units which he threw out and then referred to the 33 units. Mr. Greable stated that the email stated that of the 33 units under the community land trust, six are in one townhouse development, 14 units were more recently in property that the city owned (Hyacinth) with the rest as scattered site units, two of which are condominiums and that the rest are single family homes. He stated that of the 33 units, 1/3 of them are single family housing and that they are not addressing that.

Chairperson Hurley stated that the problem related to whether they had a problem with the

structure or the way Highland Park is using the structure.

Mr. Greable stated that what is struggling with is whether Winnetka needed Highland Park's structure.

Ms. Johnson stated that the housing commission in Highland Park existed before either the community land trust or the housing trust fund was established and that second, the impetus to these bodies being formed is that there was city property that was refinanced to create a \$1 million fund. She stated that they need to address the chronology and whether they could have parts of this which can be implemented now and other parts deferred.

Chairperson Hurley responded that she believed they could.

Ms. Powell asked if they have discerned what the difference would be between the inclusionary, the trust fund and the community land trust and what are the three departments which are to provide funding. She commented that while Highland Park did a good job, she got lost in the shuffle.

Chairperson Hurley agreed that there was a lot of information. She stated that as a recap, inclusionary zoning is the tool which would not use municipal money, aid or federal funding but that it is a zoning planning tool. Chairperson Hurley stated that the reason it is called inclusionary zoning is to distinguish it from other types of zoning which by effect are exclusionary. She stated that the question related to what is the right type of zoning restriction. Chairperson Hurley stated that with regard to inclusionary zoning, if someone wanted to build a multi-family property consisting of 'x' number of units, it can be done but that 15% of those units would have to be affordable. She stated that they can be strict in that incentives cannot be provided which discourage the development of those units to a developer.

Chairperson Hurley stated that the other tools worked hand in hand which are the housing trust fund and the community land trust. She commented that the things she liked about those two tools is that they are entirely locally defined, funded and controlled and would help them achieve local goals. Chairperson Hurley stated that they have talked in the past about using housing trust money to fund and encourage improvements to iconic downtown Tudor buildings in exchange for an affordable unit. She stated that it would be beneficial not only to the person living in the unit, but to the Village as a whole. Chairperson Hurley stated that the community land trust is the mechanism which would hold the title to the land and also does some of the oversight. She then stated that because she is stumped with regard to the chronology question, she would like to turn to another one. Chairperson Hurley then referred to the source of funding for a housing trust fund and questioned whether a dedicated source of funding should be going toward it, such as including demolition fees going into it. She noted that it is a separate issue.

Mr. Greable stated that he is struggling with regard to whether they needed all of that now.

Chairperson Hurley reiterated that they are not Highland Park and that they needed a more customized approach.

Mr. Greable stated that he is also struggling with regard to why do they need this.

Mr. Jansson stated that is a Village Council question and that the Village Council has asked the Commission to give them some nuts and bolts.

Mr. Greable stated that he is struggling with this solely being limited to having coach houses resolved and that the other issue related to the apartments.

Mr. Thomas stated that the recommendation of the Village ended up by saying that the Commission recommended to the Village Council to establish a housing commission early and asked if they slipped by that and went on to steps three and four. He commented that a lot of what the Commission is discussing related to issues that the housing commission would be wrestling with and not the Commission.

Ms. Johnson stated that there are not any costs to having a housing trust fund and that it would represent a line item in the budget. She indicated that she was startled by the last paragraph which stated that the Commission is to determine the contours of the community land trust and the housing trust fund and that they might decide to recommend that one or the other not be part of the process until later on.

Ms. Holland stated that the whole impetus for any kind of discussion and study was the state statute which was passed in 2004. She stated that the Village did not meet the 10% number and that they were not home ruled. Ms. Holland stated that they are now Home Rule and that even though Ms. Janega stated that they do not have to adhere to this, she stated that the Village Council has stated that the right thing to do. She then referred to inclusionary zoning and the fact that there would be give and take with planned development which allowed for it. Ms. Holland stated that they are looking at numbers which would be greatly enhanced by a good property maintenance code that would bring the apartments which are in such bad shape up to some standard of rentability. She stated that if it is really a complaint driven kind of code that the Village could enforce, those numbers would enhance the 10% that they are looking at and are trying to achieve. Ms. Holland stated that coupled with inclusionary zoning, it would seem to answer a lot of the questions in the near future.

Ms. Holland went on to state that sometimes too much is not good and that too much thrown at the public and the Village Council would just go into a drawer. She commented that it is good to have these reports and thoroughly examine them, but that if they wanted to get something done and want to reach that 10% number, a very strong maintenance code coupled with inclusionary zoning will increase the numbers without a housing commission or a community land trust.

Ms. Johnson stated that the point of creating the land trust was to provide financing for commercial property owners to put in elevators to make the building handicap accessible or to make other enhancements to the other residential portions of properties and that she did not know whether practically that would be done unless there is some type of trust fund.

Chairperson Hurley stated that the trust fund is one thing and that the community land trust is a 501(c)3 charitable corporation and that the benefit to Highland Park was that it allowed that charitable corporation to accept charitable donations and grants that the municipality would not otherwise be able to get.

Ms. Johnson stated that one of their recommendations was to halt the conversions of rental apartments to office space and questioned whether that involved any monetary expenditures.

Mr. Norkus stated that is likely to be more of a zoning amendment with regard to the discouragement of the conversions or at least to have a process through which the conversion would have to be evaluated. He also stated that somewhat complementary to that is the notion of community land trust dollars perhaps receiving grant or foundation money being able to sweeten the pot. Mr. Norkus stated that the funds in a community land trust could be used to help crack those cases where the numbers do not necessarily work and to help to bring some of those more difficult vacant units back into the market.

Ms. Johnson stated that the housing trust fund could be funded in part by the demolition fees that the Village already has and that the Village Council would decide what portion of those fees would go into the housing trust fund. She commented that she did not see why they should not go ahead with that. Ms. Johnson then questioned whether they needed to have the community land trust with it.

Chairperson Hurley asked the Commission to bear in mind that they have heard from Highland Park that their new regional approach left them ready and able to assist with the administrative side of the community land trust on an hourly basis. She stated that the community land trust would hold the Village's money separate and apart and that it would not go toward Highland Park projects and that they would bill on an hourly basis how much time would be spent on Winnetka which at this point is nothing. Chairperson Hurley commented that maybe they do not need a Housing Commission at this step and referred to Ms. Janega's suggestion. She also commented that it may be one more layer of government that they do not want to deal with. Chairperson Hurley stated that the housing trust fund could have a dedicated stream of funding and that the community land trust could be contracted out to Community Partners for Affordable Housing. She reiterated that the community land trust and the housing trust fund would be the tools that the Village would have to pursue its own goals in whatever form it wanted.

Mr. Iberle stated that they have pointed out that they have an acknowledgment of coach houses that come out of service and that it would make sense to bring those on, as well as the fact that they have rental units that are not up to standard and that many of them are vacant. He stated that to the degree that they are talking about a housing trust fund, they are not talking about purchasing single family homes and that he would be very reluctant to start putting money into a fund without a very specific understanding with regard to what it is for. Mr. Iberle stated that if the intent is that it might be able to help some of the property owners to fix up their properties, he would suggest that is premature at this point. He suggested that the first order of business is to determine what the code is and that in that determination, figure out what carrots would be necessary, particularly if they are talking about funding it from a source that the Village is

currently relying on for some other reason.

Mr. Iberle stated that they have a couple of irons in the fire already and that perhaps what would make sense at this point is to see what comes out of the attempt to define the maintenance code. He stated that he is talking with regard to enforcement mechanisms which he commented is the bigger issue.

Mr. Greable stated that Ms. Janega and the Village staff are using the model code and that in that code from 2009, they are going to work it over and tweak it so that it would fit Winnetka which would include taking the residential portion out.

Mr. Iberle stated that is underway and that if the intent is to consider a housing trust fund at some time specifically devoted toward some resolution for assisting families, perhaps they should determine what it is specifically for.

Chairperson Hurley stated that she would not personally constrain the housing trust fund to the concept they have of Tudor buildings which would be too restrictive.

Mr. Iberle stated that he is saying that there should be some restrictions.

Ms. Johnson stated that property maintenance is different than property enhancement and that even though they may intertwine at some point, one would not be dependent on the other.

Chairperson Hurley suggested that they first put aside the question of funding sources. She stated that if funds were to show up in the Housing Trust Fund from some source at some point, wouldn't the Village want the flexibility to use that money in whatever creative way made sense. Chairperson Hurley then referred to the instance of a land swap becoming available. She asked the Commission members if that is something they wanted to do or if someday there is a housing commission, to make those decisions. Chairperson Hurley then suggested putting parentheses around the wording "single family."

Mr. Iberle stated that would become a question that the Village Council would ultimately answer and that things tended to not get done on an ad hoc basis.

Chairperson Hurley stated that she believed it is an ad hoc basis.

Mr. Iberle stated that it would be to the degree that there are funds sitting there.

Ms. Holland informed the Commission that the Village has swapped land in the past for all kinds of things.

Chairperson Hurley stated that is why she would not suggest putting restrictions on the ability of the housing trust fund to use funds in whatever way the Village Council thought made sense for the purpose of creating affordable housing. She then suggested that the Commission come back to this part of the discussion. Chairperson Hurley pointed out that similarly when they were

writing the plan, the Commission wrestled with the level of detail. She stated that at last month's meeting, as part of the packet, she sent out a two page summary of items to consider with regard to inclusionary zoning, a community land trust and the housing trust fund. Chairperson Hurley referred to the items in the summary as some of the things they may want to consider. She then asked Mr. Iberle to walk them through his presentation.

Mr. Iberle stated that inclusionary zoning addresses future developments. He stated that one question which they have not addressed is to identify the potential scope of such future multifamily development. With a lot of help from Mr. Norkus, he attempted to look at that and referred to the B-zone multi-family and commercial zones to identify sites which might lend themselves to development and in some cases, mixed used development. Mr. Iberle stated that one challenge included some sites which are already a sufficient size and that there are other sites which can be assembled together by a developer.

Mr. Iberle stated that 10 sites were identified as already assembled and which are of a sufficient size and location to make them potential for multi-family and that of those 10 sites, four are owned by public bodies. He stated that in connection with what zoning would allow, a total of 316 units could be created, 120 of those on private sites and 196 of those on public sites. Mr. Iberle noted that it did include the Fell site. He stated that of those sites which would require some assembly, there were also 10 sites identified and that three of those 10 sites had some public property involved in them. Mr. Iberle then stated that of those 10 sites, there are as many as 181 units, 128 of which could be on private property and 53 of which could be on public property. He stated that the grand total of new units would be 497 dwelling units of which 248 are on private properties and 249 on public properties.

Mr. Iberle stated that to put this information into context, the 2000 census identified 4,301 housing units in Winnetka. He stated that the 2009 housing study stated that the Village had 695 multi-family units. Mr. Iberle stated that one of the major findings which came out of this was the key role that publicly owned property will play in future multi-family development in the Village. He then stated that of the publicly owned sites, those tended to be larger in terms of capacity and that the seven sites out of a total of 20 counted for half of the development potential.

Mr. Greable referred to the post office as his first thought of publicly owned property and asked what are the other sites.

Ms. Johnson referred to the library.

Mr. Iberle confirmed that the library site was included and if they were to relocate. He stated that the interesting anomaly with regard to the post office site is that these numbers assume 38 units on the post office site and that if they were to follow the zoning code, they could put 76 units on the site. Mr. Iberle indicated that there were a number of plans in the Post Office report and that the ones that he saw ranged from 40 and that he picked 38 as half.

Mr. Dowding stated that they must understand that from an environmental point of view this

would be a very densely developed site.

Chairperson Hurley stated that the purpose of this is to understand the maximum possible scope. She stated that one of the things which they heard in the community is the question of why would you include inclusionary zoning which would only result in very few units. Chairperson Hurley stated that the question is what is the possibility and that none of this included the idea that even half of this would ever be built and described it as an exercise. She then stated that the Commission has heard from the community that Winnetka has 4% affordable housing and that they would like to get to 10% since that is what the statute would like for them to have. Chairperson Hurley stated that there is nothing with regard to what the Commission is doing to get to the 10% and that as a planning body, the Commission is attempting to plan for the market creation of some affordable units, and that realistically, they 10% is not their short term goal.

Mr. Iberle informed the Commission that the purpose of the exercise was to attempt to put a scope on this and that there has been so much conjecture, at least this created a ceiling. He stated that the intent of the exercise was to determine the potential impact of establishing an inclusionary zoning requirement. Mr. Iberle stated that as the Commission recalled, the way in which the Highland Park plan worked is that inclusionary units are additive to what the developer are allowed under the zoning ordinance, but that you are not allowed additional floor area in which to build. He added that the numbers support the fact that the average multi-family unit is going to be less expensive than the average single family unit in Winnetka and that even the market units would make the average units more affordable. Mr. Iberle then stated that if they were to proceed with a 15% inclusionary standard, that would yield up to 58 units and if they went with a 20% voluntary standard, they would reach up to 82 affordable units.

Mr. Iberle stated that as suggestions, projects would have to be of 10 units or greater to be required to participate and that there would only be three units out of a development of 20 units which would be affordable. He stated that for those developments which are 10 units or higher, they would be required to provide an additional 15% of units with no change in floor area. Mr. Iberle then stated that there could be a voluntary option if the developers elected to go up to 20% of additional affordable units total and that they would be granted extra floor area, up to 5% for example.

Mr. Iberle went on to state that a couple of other issues which need to be looked at are the affordable mix so that it attracted a reasonable market mix and that it would be appropriate to take another look at their parking requirements for the affordable units in that they should they be consistent with all of the other requirements, as well as whether they should look at the parking requirements for all of the other sites in the commercial zones, particularly those areas which are within close proximity to the train stations.

Mr. Iberle stated that the last question which came up related to what is the property tax consequence. He stated that they are talking about the creation of new housing units and that these affordable units are additive to what would otherwise be created. Mr. Iberle stated that they would be taxed at what their sales price would be, which is lower, and that the real calculus which should be taken are the taxing bodies costs to support those additional households versus

what the new additional real estate taxes are that these affordable units will pay. He stated that he would submit that it would be a bargain for the Village to get those extra units put on the tax rolls.

Ms. Johnson stated that Highland Park talked about working with the Lake County Assessor to buffer the property tax impact.

Mr. Iberle responded that Highland Park had a particular issue with those properties since they did own the land.

Chairperson Hurley referred to a single family home that Highland Park picked up which was dilapidated and fixed up in order to make it affordable. She stated that they are talking about new units which would be on the tax rolls.

Mr. Iberle added that there would be a limitation as to how much that unit would be sold for. He reiterated that the point of the exercise is to begin to put some ceiling on the scope of the inclusionary zoning discussion.

Ms. Johnson stated that in defense of the exercise, a few years ago, people were talking about the Grand Foods site being like the Fell site and that it was the only other site other than Fell and the post office site which fell under PUD. She stated that obviously, the site is not being redeveloped under PUD, as Grand Foods recently completed a significant expansion. She commented that it is important to look at the parameters and that she appreciated the information.

Mr. Greable stated that they have to provide the information to challenge it and that he liked to have some context here. He stated that at the same time, he did not buy it.

Ms. Johnson stated that the exercise did not mean that they were endorsing it and was to make them aware of the possibilities if they were to have a clean slate. She stated that they are always talking about how landlocked the Village is and that the only sites which were considered were the Fell site, the post office site and properties on Green Bay Road.

Mr. Iberle stated that the code did what they wanted it to and that some of the smaller sites tend to be the ones with the lower count.

Mr. Greable stated that another question which related to this is in connection with the economics, the economy they are in today and the economy in the future. He stated that there is nothing happening since there is no capital. Mr. Greable commented that the Fell development is struggling. He stated that to talk about something of this size without having more specificity to it, he did not think it was anywhere near this personally.

Chairperson Hurley reiterated that they have to remember that they are not planning for a development for affordable housing and that what they are proposing are what are the zoning structures that they want to create for any development which came their way in the next 20 years.

Mr. Iberle stated that to the degree that a housing policy is going to be established, he commented that it is helpful to have the scope of what they would be working with.

Ms. Johnson stated that whatever the economy is, they have to start getting their wheels in motion and that the Fell development may be a blueprint for what they may be able to do with regard to inclusionary zoning and that they need to be ahead of it. She stated that even though the Fell preliminary ordinance was passed a year before they made their recommendations, that they have to use the Fell development as a template if it does come on board since it would represent their first opportunity ever to have affordable housing in the Village.

Mr. Jansson stated that he agreed with Ms. Johnson's comments and referred to the economic condition and that now is the time to put some design guidelines in place. He described the information provided as a classroom exercise with regard to what could happen given a certain set of circumstances. Mr. Jansson stated that it is helpful in that it gave them the total maximum number of affordable units that could possibly be created in the Village over a long period of time.

Chairperson Hurley then asked the Commission what this exercise did to inform their discussion with regard to the tool of inclusionary zoning.

Mr. Thomas stated that it did nothing for him since it is unrealistic. He commented that it is interesting. Mr. Thomas stated that in looking at the map, he did not know where all of this proposed land is and referred to the Grand Foods site and the Fell site. He stated that the concept of inclusionary zoning is something which should be done to plan for the future.

Ms. Holland stated that it did happen with the planned development ordinance for the Fell site and that there was give and take with regard to density, the streetscape, etc.

Ms. Johnson stated that in defense of the theoretical exercise, they have had some multi-family developments on Green Bay Road which were built within the past five years, one of which was an assembly of property that resulted in the Wingate development. She stated that whether or not they needed to know the maximum number of units they could have under these circumstances, it underscored that the longer they wait and study it, things are going to happen.

Mr. Iberle indicated that it would be good to get some feedback on some of the potential policy directions that he derived from the exercise, one of which is that they exclude projects of nine or fewer units. He commented that the other part which is more novel is the voluntary component to allow a developer to do 20% affordable and to incentivize it.

Ms. Johnson stated that the Fell development proposed affordable units which would clearly be smaller than the other units. She stated that in Highland Park, she referred to the size of the multi-family units and questioned whether the Commission stated that the size of the units had to be comparable in their report.

Mr. Iberle confirmed that is correct.

Ms. Johnson questioned whether they meant comparable in size and whether they wanted to revise that.

Mr. Iberle stated that he would propose that it be revised and that the cost would be borne by the overall developments and the cost to the developer. He stated that like in Highland Park, you should not be able to look at the property and be able to determine which are the market rate units.

Ms. Johnson stated that in terms of the minimum number before it is triggered, she would defer to Mr. Norkus and asked how many developments of less than nine multi-family units are there.

Mr. Norkus stated that he would have to look up that information and that the study had a detailed breakdown of the size of existing multi-family units. He noted that most of the units are concentrated in the larger developments and that there is a fair to middle number of smaller units.

Mr. Iberle informed the Commission that of the 20 sites, three of them are less than 10 and that they involved assemblage.

Chairperson Hurley agreed that it is an interesting question and that while she is in favor of creating an incentivization structure, her first question would be in first thinking back to Highland Park, they allowed fees in lieu as of right for the smaller units and that there was a distinction. She then referred the Commission to page 12 of the materials which stated that "inclusionary zoning in Highland Park applied to all developments over five units but for any under 20 units buy out or pay a fee in lieu as of right."

Ms. Powell stated that Highland Park also stated that the number of teardowns affected the amount of fees received.

Mr. Norkus informed the Commission that this year, the Village has already had 20 teardowns.

Ms. Powell informed the Commission that the Winngate development has had a difficult time selling units and that now they are renting them.

Chairperson Hurley noted that Highland Park doubled the fee-in-lieu and that it had previously been \$100,000. She stated that they also had to appear before a board in order to get special dispensation which was before the fee was doubled and that now, it is as of right.

Ms. Holland asked if the recommendations the Commission are going to make in connection with inclusionary zoning are so detailed, to a certain degree, they would be tying the hands of the Village staff since it represented negotiation. She commented that it had to be fairly broad because you cannot tie the hands of the Village staff. Ms. Holland referred to different sites which would require different types of negotiation as to what a developer were to get if they

were to do x, y and z.

Chairperson Hurley responded that with planned development, they would always have that give and take conversation. She stated that they do want a sense of certainty so that a developer would know what they are facing.

Mr. Iberle referred to the second point of requiring a developer to pay the fees-in-lieu.

Chairperson Hurley suggested that it go into the housing trust fund.

Ms. Johnson stated that while the Commission stated in its report that they would strongly discourage fees-in-lieu, she suggested that they do fees-in-lieu if the developer only wanted to do 10% instead of 15% so that they would get both. Ms. Johnson also suggested that it could be revised down the line so that the fees-in-lieu would represent seed money.

Chairperson Hurley stated that in being mindful of the time, she wanted the Commission to hear from the public at this time in order to make sure everyone is heard. She then asked the Commission if they are leaning toward recommending inclusionary zoning of some sort.

Ms. Powell stated that they have to respect property rights.

Chairperson Hurley agreed with Ms. Powell's comment.

A Commission member stated that with regard to the tools discussed, to him it seemed as though the housing trust fund is the most attractive and least difficult tool. He then stated that the community land trust would have his least support and that he did not understand why they would need it since they are not considering the acquisition of single family homes. He then suggested that they change the term and that otherwise, he did not see how it would work.

A Commission member stated that if they are thinking of themselves as a Planning Commission, they are supposed to consider the future. He commented that he is sure that Winnetka would continue to grow and that there would be a need to provide housing. He stated that there should be some intelligent way of providing for the future of Winnetka. He also commented that workforce development is an important issue and that this would be one way to provide for it. He stated that for that reason, he would be in support.

Chairperson Hurley asked if there were any other comments or questions before they heard from the public.

A Commission member stated that he appreciated Mr. Iberle's useful information in terms of putting some context with regard to what they are talking about. He suggested that in the matrix of materials, it showed that from 1996 to 2009, there were only 46 multi-family housing units built. He then referred to the economy.

A Commission member commented that the simpler they can make this, the better. He stated

that while he liked the idea of inclusionary zoning, the idea of trust funds, land trusts and bureaucracy, while they say it can be farmed out to a third party, it would still take a lot of time to talk about it.

Chairperson Hurley suggested that the Commission hear the public's comments and then make any wrap-up comments.

Richard Kates, 1326 Tower, informed the Commission that he is speaking as an individual. He stated that is concerned with regard to the hypothetical ceiling which was referred to. Mr. Kates stated that they are talking about incorporating public lands and parking and that it would have to be replaced. He then stated that with regard to height and space limitations, they can pull out a lower level parking and it would have to be incorporated on site with all of the other necessary parking on site and that it would be economically unfeasible unless the burden of building a parking garage is thrown onto the public. Mr. Kates then stated that indications that the hypotheticals might not play out to be possibilities or that it would include additional costs for replacement structures such as for parking or a new library, that related to the public sector part of the ceiling which would create all of these additional units. He also stated that there is the private part which presumed the willingness of private land owners to do something additional on their property.

Mr. Kates stated that from his observations of the commercial district, they want to maintain the commercial structures within the commercial district to attract additional commerce and help the businesses. He stated that besides needing the willingness of private property owners, they would also possibly come into conflict with the idea of enhancing the commercial district by bringing on more commercial activity which would multiply throughout the district. Mr. Kates stated that these things should be taken into consideration.

Carol Fessler, 1314 Trapp Lane, asked that once a unit is identified as affordable in connection with inclusionary zoning, as described in the presentation from April 12, 2011, there was discussion of the need for a community land trust, she asked what is the mechanism through which these affordable units are held and maintained as affordable units, or simply to say they would build units of a certain size and a certain market value and that it would not be called affordable housing and that it would be tiered housing. Ms. Fessler stated that it would be taking away from the affordable housing agenda and that it would be multi-price housing levels in any development. She stated that she is attempting to understand how they can have inclusionary zoning and not have something like a community land trust.

Katie Seigenthaler thanked the Commission for the great work. She stated that in connection with Carol Fessler's point, she asked with regard to the existing affordable units in the Village, how are they monitored or a cap put on those. Ms. Seigenthaler also asked the Commission to go over again the property tax ramifications for inclusionary zoning and the fact that there is obvious concern with regard to the proposed ceiling and asked the Commission if they had a sense of what might be more reasonable as to what might happen between four units and 80 units.

Chairperson Hurley informed the Commission that she met with Ms. Fessler earlier in the day with regard to the caucus and that she would be talking to other members of the committee in connection with what would be put on the survey. She indicated that she would be happy to provide information to help them form the questions. Chairperson Hurley then stated that with regard to the PowerPoint slide, it referred to inclusionary zoning of a unit that is sold to the community land trust. She stated that the question related to whether they have to have a community land trust to have inclusionary zoning or could deed restrictions do the trick. Chairperson Hurley stated that she noted it for Mr. Norkus to follow up on that and that more information would be provided on that topic.

Ms. Johnson stated that it is important because when the Fell development was negotiated with three affordable units, there was no contemplation of having a community land trust.

A woman in the audience asked if there would be a monetary exchange or if the Fell developers would deed over the units and if they would be compensated.

Ms. Johnson stated that she did not know how the units would be maintained in perpetuity if there are no deed restrictions.

Mr. Iberle stated that in his experience, it can be done with a deed restriction and referred to the person who purchased the affordable unit. He stated that presumably, the process would be explained to the purchaser in that the unit would be restricted to sale to another party who would be similarly qualified. Mr. Iberle stated that there needed to be a body to perform that function and that is one of the roles that Community Partners for Affordable Housing would play.

Chairperson Hurley suggested that she and Carol Fessler discuss the matter more and that for the Village staff to explore the intersection of inclusionary zoning, the community land trust and deed restrictions. She also stated that there was an interesting question in connection with the property tax ramifications for inclusionary zoning and asked Mr. Norkus if they had not taken a look at the property tax ramifications.

Mr. Iberle stated that if the inclusionary zoning policy is addressing additive units, then it would not have been a case of \$10,000 in taxes as opposed to \$6,000. He described it as a net add rather than a replacement. Mr. Iberle then stated that to the extent they get involved in taking existing units and restricting those to affordability that may become a relevant question.

Ms. Powell stated that Highland Park stated that they assessed the property at the standard that the affordable person would get.

Mr. Iberle stated that Highland Park had that nuance that with regard to properties which are single family or townhomes and in which the community land trust owned the land, the question is how much appreciation is due to the building and how much would be due to the land. He stated that the limiter for the affordable unit of this type is going to be the income for the affordability standard.

Ms. Powell stated that for the affordable owner who purchased at a certain price, that owner would be able to enjoy that appreciation.

Chairperson Hurley stated that it would be a shared equity model so that any appreciation is shared between the owner of the affordable unit and the underlying land owner. She stated that how that is crafted would depend on the ordinance. Chairperson Hurley stated that the question related to the fact that these are additive units which would not be paying the same amount in taxes when compared to something that is market value. She stated that the question they have been asked by the public is if they were to take existing condominiums and reduce them by half to the affordability level, what impact would that have on the remaining taxpayers. Chairperson Hurley informed the Commission that she had an information conversation with the Director of the Cook County Extension and that the difference in the assessed valuation created by taking ten \$500,000 condominiums and reducing them to \$200,000 condominiums would be negligible and how the loss of the valuation would be spread out. She stated that his general response were that they were looking at a rounding term since that would be the impact of it being shared incrementally with all of the other property owners. Chairperson Hurley noted that would assume no other changes to the assessed valuation of other properties in the community. She stated that while it would have an impact, it would be a minor impact and that it would be hard to quantify. Chairperson Hurley reiterated that it would only relate to additive units.

A woman in the audience asked that in terms of the differential in tax revenue in converting a commercial space to a residential space in the downtown second floor rentals, what is the tax impact of that.

Chairperson Hurley responded that residential paid a lower tax rate than commercial.

Mr. Iberle stated that if it is an owned residential, then it would pay the same taxes as commercial and that it would have to be owner occupied. He reiterated that this was just an exercise and that there is no question that each property in a mature site is going to have very unique circumstances and considerations, especially with public lands in particular since they would contain parking.

Chairperson Hurley stated that one thing which was talked about in the study was the fact that it was more difficult to finance multi-family development as opposed to single family.

Mr. Greable stated that he is struggling with putting this kind of information out since it is not going to happen and that it will be misleading and has not be evaluated.

Chairperson Hurley reiterated that they do not expect anything of this magnitude and that the information represented a ceiling. She asked the remaining Commission members for their comments.

Ms. Johnson asked what would they be doing next.

Chairperson Hurley responded that they have some questions to come back to which were raised

at this meeting and asked Mr. Norkus to put together information with regard to what they have heard in terms of policy direction on inclusionary zoning to present to the Commission at the next meeting. She suggested that the Commission focus on the housing trust fund and community land trust at the next meeting.

Mr. Greable suggested that they review inclusionary zoning which is done in other communities besides Highland Park such as Wilmette.

Chairperson Hurley stated that Wilmette did not have inclusionary zoning.

Mr. Norkus stated that Wilmette's inclusionary zoning is a voluntary process.

Ms. Johnson referred to the Voorhees study materials which were distributed at the last meeting and the article attached to it and commented that it is not that complicated.

Mr. Greable responded that inclusionary zoning can be much more than that.

Chairperson Hurley asked the Commission members to review the two pages of material and refresh their thinking on some of the policy decisions that they might want. She then asked Mr. Norkus to draft something which could be used as a starting point.

Mr. Norkus stated that once the Commission is given examples of how other communities besides Highland Park have approached this assignment, it may help.

Chairperson Hurley asked if there was any other information or expert views they could bring in.

Ms. Johnson suggested that they contact the woman who was supposed to be in attendance at the last meeting.

Chairperson Hurley stated that she would contact her and informed the Commission that she is an expert on affordable housing with Harris Bank.

Mr. Greable then referred to Glencoe and the fact that the number of their housing units are within 1,000 of Winnetka.

Chairperson Hurley stated that Glencoe is not home rule and did not have the ability to look at the tools they are considering. She then suggested that Mr. Norkus make some broad recommendations for the Commission.

The meeting was adjourned at 9:45 p.m.

Respectfully submitted,

Antionette Johnson

**WINNETKA PLAN COMMISSION  
MEETING MINUTES  
MAY 25, 2011**

**Members Present:**

Becky Hurley, Chairperson  
Jan Bawden  
Chuck Dowding  
John Golan  
Gene Greable  
Louise Holland  
John Iberle  
Joni Johnson  
Midge Powell  
Susan Whitcomb

**Members Absent:**

John DiCola  
John Jansson

**Village Staff:**

Michael D'Onofrio, Director of Community  
Development  
Brian Norkus, Assistant Director of Community  
Development

**Call to Order:**

The meeting was called to order by Chairperson Hurley at 7:35 p.m.

Chairperson Hurley informed everyone that the meeting would be devoted to a study session on the topic of affordable housing. She first pointed out that there is an error on the meeting agenda and corrected the Public Comments agenda item to state that it is for the public to comment on items which are on the agenda. Chairperson Hurley stated that agenda item would take place at the end of the discussion. She stated that the comments would be limited to items on the agenda and which include the three tools that the Village Council has asked the Commission to study. Chairperson Hurley noted that they would not be looking at how or why they should do affordable housing, but would discuss how it would be implemented.

Chairperson Hurley then welcomed the new Commission members, John Golan, a member-at-large, and Gene Greable who is a Village trustee. She noted that the Village trustee position on the Commission is now a non-voting position. Chairperson Hurley also welcomed Hadley Elizabeth Morgan, the new daughter of Village planner, Jill Morgan.

Chairperson Hurley stated that she would like to start with some preliminary information for the people who are new to this topic. She stated that the Commission is working on a customized approach to affordable housing in the Village and that they would be focusing briefly on local control, local definition, local funding and preserving and enhancing the historical traditional sources of the diverse affordable housing in Winnetka. Chairperson Hurley noted that there is a wealth of information available on the Village's website including the housing and demographic study that the Commission approved in November and the 15 page report which contained the recommendations to the Village Council approved in December, as well as the PowerPoint presentation which was made to the Village Council on April 12, 2011.

Chairperson Hurley stated that with regard to background and process, at the April 12<sup>th</sup> study session, the Village Council initiated its review of the Commission's affordable housing study and recommendations regarding possible amendments to the existing affordable housing plan for Winnetka. She stated that the plan was first adopted and amended in 2005. Chairperson Hurley stated that during the April 12<sup>th</sup> study session, the Village Council directed the Village staff to undertake the following: (1) prepare a review of the proposed affordability standards, (2) review options for a property maintenance code, (3) review zoning amendments regarding coach houses, and (4) review options for preserving residential apartments in the commercial districts. She stated that in addition, the Village Council directed the Commission to more fully evaluate inclusionary zoning and the concepts of a housing trust fund and land trust.

Chairperson Hurley informed everyone that this evening's study session is to learn more about those three tools which include inclusionary zoning, the land trust and housing trust fund and particularly, to learn from experts in the field in their region who have had success with this plan to learn what worked, what did not and what may work in the Village. She then introduced the two experts and stated that they may have a third person joining them who is Katherine Mazzocco who is a Winnetka resident and an expert in the financing of affordable housing with Harris Bank. She stated that Ms. Mazzocco has been delayed at the airport. Chairperson Hurley then introduced Michael Blue, the Director of Community Development for Highland Park and Rob Anthony, the Executive Director of the Community Partners for Affordable Housing which is the successor organization of the Highland Park Community Land Trust.

Chairperson Hurley stated that she would also like to focus their conversation after the introductory information to address the bottom line question heard in the community, which is how much would this cost and how will it be structured. She stated that there is a lot of detail that they can get to ultimately and suggested that they first focus on the cost and legal structures and to understand how this can be done in a Winnetka way which is cost efficient. Chairperson Hurley then asked Mr. Blue to address how the process has worked in Highland Park.

### **Affordable Housing Discussion with Representatives of Community Partners for Affordable Housing, City of Highland Park and City of Lake Forest**

Mr. Blue began by stating that Highland Park has had a housing commission since the late 1970's

and early 1980's to deal with the specific issues which came up in Highland Park. He stated that the issue of affordable housing in its current form is something that they planned for in the late 1990's and later adopted. Mr. Blue stated that in 2003, it was turned into an ordinance. He stated that the city did a lot of research and a lot of homework in terms of starting up the affordable housing program.

Mr. Blue referred to the two lessons which served them the best, the first of which is that the affordable housing program has to be customized to address their community's needs and capacities, as well as including a vision of what it needed to be. He stated that the second lesson is that as soon as it is all set and in place, to be prepared to change it. Mr. Blue informed the Commission that they adopted their policies, procedures and ordinances several times since 2003.

Mr. Blue stated that in 2003 when they adopted the ordinance, it had four specific parts to it, which include the inclusionary zoning requirement, the establishment of an affordable housing trust fund, an employee assisted housing program and the establishment of the community land trust.

Mr. Blue stated that an affordable housing trust is a funding source. He informed the Commission that they got off to a good start with the trust fund because they received \$1 million in seed money which started the process through the sale of land. Mr. Blue indicated that the first key to an affordable housing trust fund first was their \$10,000 demolition tax. He stated that it was dedicated until a couple of years ago entirely to the affordable housing fund and that now, 1/3 of it goes toward streets.

Mr. Blue stated that they also established a permit fee for demolition. He informed the Commission that was during time that they saw a lot of teardowns. Mr. Blue stated that the fund generated \$4 million total and that the fund this year is lower than \$1 million in terms of its balance. He noted that there have been fewer teardowns.

Mr. Blue described the fund as absolutely essential and that it has been used in several ways, primarily through a series of grants. He noted that the community land trust was a recipient of the grant. Mr. Blue also stated that it was used for the acquisition of single family homes. He stated that they have used the fund to do a significant development project called the Hyacinth Place which is a development of 14 units, four of which are rental units that the trust fund is a manager of. Mr. Blue stated that the city came into the ownership of the property through a land swap with the county and that they used the fund to pay for the land to underwrite the development.

Mr. Blue stated that the process of financing affordable housing development is incredibly complex. He indicated that it is important to know that with regard to any developer who is looking for work in affordable housing, they are stepping into an area which they do not know. Mr. Blue compared it to the highest form of math in terms of development. He indicated that the other use of funds is the housing commission which is a manager of the affordable housing trust fund. Mr. Blue commented that it is the best bang for the buck. He referred to their ability to

identify homes which sell at the lower end of the market. Mr. Blue indicated that normally, these homes are purchased by developers who tear them down and construct high end homes. He described it as the most successful part of the program in Highland Park.

Mr. Blue went on to state that the trust fund pays for an annual halftime planner who works in his department and is an essential element of the program. He informed the Commission that when they take on the affordable housing program, they would need an infrastructure in order to maintain it. Mr. Blue referred to their ability to leverage funds into federal grant money and that having money allowed them to identify opportunities to get involved in projects and grants and stated that having money to leverage other money is essential.

Mr. Blue then stated that with regard to lessons, they found that it is difficult to turn money into units. He informed the Commission that when they put funds on the table for developers, they got no takers. Mr. Blue stated that with regard to the community land trust and part of creating it, when they first adopted the affordable housing ordinance, first, they created a partner to provide technical assistance and second, it provided a bit of separation between the program and the city so that projects are not city projects, but were done as a matter of the community land trust. He informed the Commission that only two of three projects were approved and described one as a terrific town home development.

Mr. Blue informed the Commission that scattered site development created the bulk of their units. He stated that they can talk about the inclusionary zoning program, but that it has not been as strong of an aspect of the project as anticipated. Mr. Blue stated that it is due to the fact that the market turned and that there was no development going on. He noted that there is a 20% requirement of all of the units to be affordable. Mr. Blue then referred to one 17 unit development and one 13 development which provided two affordable units each and that there have only been four affordable units in the last eight years. He commented that the inclusionary process wreaked havoc with the development market and that developers have said that it did not make sense from a marketing standpoint. Mr. Blue indicated that they agreed with that comment to a point in that there is less value to the land and less profit for a developer. He also stated that the city did not collect permit fees, school fees or a density bonus. Mr. Blue referred to the shared cost to doing the inclusionary element and that it did not generate a lot of units.

Mr. Anthony stated that he would explain how the community land trust model worked in Highland Park. He indicated that he would echo Mr. Blue's comments in that an affordable housing plan needed to be specific to a community and that he did not believe what has been successful in Highland Park would be successful in Winnetka. Mr. Anthony informed the Commission that the community land trust model is based on permanent affordability. He stated that they have done some new construction and that they did 14 new construction town home units years ago, as well as another town home development.

Mr. Anthony stated that primarily in this economy, they find properties in the community and focus on those that are in need of significant repair, foreclosures and properties which are eyesores and perform a thorough rehab and focus on energy efficient improvements. He stated that first, it is right to do energy efficiency and second, if the current owners have utility bills that

are lower, it would represent a significant savings to them. Mr. Anthony stated that then, they sell the home only to income qualified buyers and those whose earnings are less than 80% of the median income. He noted that the land trust retained ownership of the underlying value. Mr. Anthony stated that land value is what drives up the cost of housing in high income areas and that the program took land value out of the equation.

Mr. Anthony then went on to explain the resale formula. He stated that when an owner decided to sell within one year or 30 years, there is a formula in place through the ground lease which is designed give the buyer a fair share of appreciation and the opportunity to build wealth through home ownership. Mr. Anthony noted that it is capped so that the home would remain affordable for the next buyer. He indicated that there is a middle ground between renting and full ownership. Mr. Anthony also stated that there is a piece of the resale formula which worked the same in a declining market and that it is a very safe way to purchase and effect the compression of any kind of gain or loss.

Mr. Anthony indicated that there are different kinds of funding sources going into homes and that different homes are researched for people at different income levels. He reiterated that they generated \$4 million through the housing trust fund and that \$3 million had been used so far. Mr. Anthony stated that the funds were leveraged to get another \$5 million of non-Highland Park funds and that they tripled the amount of money coming in for affordable housing. He stated that with regard to the amount of a subsidy to make a home affordable, if they are seeing that a subsidy of \$100,000 is needed, the total acquisition and development cost would be in the \$275,000 range and that \$350,000 of that amount would come from the housing trust fund and the remainder from “green” grants, HUD, private donations, etc. Mr. Anthony informed the Commission that they do have four rental units and that they are predominately “For Sale” units. He indicated that there is a huge need for more affordable rentals and that it is on their radar.

Mr. Anthony then stated that in terms of the kinds of people who are served, he referred to the information which was distributed. He stated that they are proud to be serving the types of people that affordable housing was set out to serve. Mr. Anthony then referred the Commission to page 3 which represented a breakdown of the homes in the community land trust and income levels. He stated that they include teachers, non-profit staff, city employees, private sector workers such as administrative staff, retail workers, etc. Mr. Anthony stated that the last page included statistics of where the people are coming from and referred to the preference for those who live and work in Highland Park.

Mr. Anthony stated that they began working solely in Highland Park and that as they did more work, several communities such as Northbrook, Deerfield, Highwood and Lake Forest came to them to learn how to do affordable housing. He stated that they met with them and gave them tips. Mr. Anthony stated that they then realized that it did not make sense [for each community] to establish their own community land trust and that it would be more beneficial to work more regionally. He stated that they changed their name to Community Partners for Affordable Housing and expanded the geographic surface area. Mr. Anthony informed the Commission that they are now working with Lake Forest on two pilot homes this year and that they are available to work with other communities. Mr. Anthony added that their role is not to make funding

decisions or to set policies and that if a community decided that is what they want to do, then they help them with regard to implementation.

Chairperson Hurley stated that with regard to the affordability standards in Highland Park, they are tiered standards like what Winnetka recommended in going to 120% of AMI. She also asked if Highland Park received state and federal funding since a lot of their projects meet with the state standards of 80% of AMI.

Mr. Anthony indicated that they go after funding those income levels that apply for that specific home. He stated that ideally, they would do a mixed income project.

Mr. Greable asked what is the agency name that they get their funding from.

Mr. Anthony stated that is Urban Housing and Urban Development, as well as various foundations and several banks. He added that Lake County had an affordable housing program which allowed them to serve people at 100% of median income, as well as grants.

Chairperson Hurley stated that the Commission is proposing affordability standards which are above the state standards and that they would discourage taking state and federal funding because of the requirements which would go along with it. She asked everyone to bear in mind the difference between the proposal and Highland Park's experience. Chairperson Hurley then referred to the fact that with regard to the single family aspect, they are not pursuing that and that they would be looking at multi-family housing in the business districts. She added that the only exception would be coach homes but that they would not be restricted in terms of affordability and that they would allow the property owners to rent them if they wanted to. Chairperson Hurley then asked if there were any other questions.

Mr. Iberle stated that in the creation of the Community Partners for Affordable Housing where they have multiple villages participating, he asked how would that work from a funding standpoint on a specific project in that jurisdiction.

Mr. Anthony stated that the project funds would stay within the community and that the administrative costs would be shared with regard to the time spent.

Mr. Iberle asked Mr. Anthony to explain the scope of what existed today in terms of the number of rentals that they are managing and those which are for sale.

Mr. Anthony informed the Commission that they have 33 "For Sale" units in their inventory and that there are four rental units. He also stated that under the inclusionary zoning housing program, there are four units. Mr. Anthony stated that in addition to those, there are approximately 200 senior rentals that were Section 8, which covered three properties.

Mr. Iberle asked if the four units came through inclusionary zoning for sale.

Mr. Anthony confirmed that is correct. He also stated that another 20 units were Section 8

family housing units which were done under the precursor of affordable housing. Mr. Anthony then referred to the number of townhomes.

Ms. Johnson asked Mr. Anthony if they are calling townhomes single family homes.

Mr. Anthony stated that they are not and reiterated that the four components of the affordable housing plan are the inclusionary housing program, the land trust, the housing trust fund and employer assisted housing. He informed the Commission that the city would provide \$4,800 in down payment assistance for the employees housing trust fund to match that to buy any home.

Mr. Blue stated that the reality is that if they are looking to get a useful down payment, the affordable housing programs work well with the other affordable units in town. He also stated that the city did reach out to their employers in the community, school districts and hospitals and that they are still working on that. Mr. Blue noted that the housing trust fund was set aside to leverage those kinds of funds.

Mr. Iberle then asked Mr. Blue and Mr. Anthony if they knew how many people are employed in Highland Park.

Mr. Blue stated that they did not. He noted that Deerfield and Northfield have a significant amount of public employers. Mr. Blue stated that it also related to the cost of transportation and that people who had service jobs have had to drive an hour which represented an immense cost. He also stated that the other benefit is employer assisted housing and that those who did it have commented that it is great and that it helped them maintain employees. Mr. Blue indicated that while they have not had a lot of success in generating employer assisted housing, it is a great program.

Ms. Powell asked Mr. Blue and Mr. Anthony if they went after short sales and foreclosures.

Mr. Anthony responded that they did. He informed the Commission that they have a real estate agent on their board. Mr. Anthony stated that they have lists of foreclosures and sheriff's sale properties and that they used funds which are acquired through funding sources.

Ms. Johnson asked if there had been any legal challenges based on preferential tenants or buyers or local preference.

Mr. Anthony stated that their first preference is for those live in Highland Park or work for the city and other taxing bodies. He identified others who work in Highland Park as their next preference and that Community Partners for Affordable Housing has the same level of preference for those who live or work in the community. Mr. Anthony stated that the selection criteria is on a first come, first served basis and that they do have a waiting list with perhaps 30 households on it. He indicated that it depended on what they qualify for in terms of housing cost and that there are a lot of reasons that people may be on the waiting list for a while.

Ms. Powell referred to short sales and that there is a huge waiting list of being able to get

approved.

Mr. Anthony stated that they are working on a foreclosure now which they have been negotiating for six months. He agreed with Ms. Powell that they are a nightmare to deal with and added that those on the list are not waiting for a particular home, but for a program.

Ms. Holland asked Mr. Blue how many single family homes are in Highland Park.

Mr. Blue estimated that there are 10,000 homes and 1,000 multi-family homes.

Mr. Greable asked if the Village's 4,200 homes include multi-family homes.

Mr. D'Onofrio confirmed that is correct.

Chairperson Hurley stated that they have not talked about a housing commission yet and that they want to know the structure of the housing trust fund and community land trust in terms of who does what and the costs.

Mr. Blue informed the Commission that Highland Park has had a housing Commission since the 1970's and which is the administrator of the housing trust fund. He then stated that the costs in terms of staff and operations, they have six people on staff and a half time housing planner who provided a lot of the day to day work and who administered the affordable housing program. Mr. Blue stated that in connection with senior housing and Section 8 housing, the half time planner spent a lot of time on that and estimated that the cost of managing the affordable housing program would be the equivalent to close to one full time person.

Chairperson Hurley asked if the housing trust fund is a line item in the budget.

Mr. Blue indicated that it is a separate fund in the city budget and that the affordable housing trust fund is a fund of the city managed by the city's housing commission. He identified 501(c)3 as a separate entity which is Community Partners for Affordable Housing. Mr. Blue stated that as part of the city's budget process, there is a set aside for funding grants and programs and to supplement employer assisted housing. He indicated that it is budgeted the same as anything else. Mr. Blue noted that the job of the housing commission and staff is supporting the budget approved by the city council. He also stated that with regard to the way in which the ordinance is written, the housing commission has flexibility as to how the funds are used.

Chairperson Hurley stated that for the Highland Park affordable housing program, they have one full time planner.

Mr. Blue stated that the break down is that there are [roles of] several people get to 3/4 and one full person.

Chairperson Hurley stated that the housing trust fund is a separate 501(c)3 organization.

Mr. Iberle asked how often the housing commission met.

Mr. Blue responded that they met monthly and that the affordable housing element is a portion of what they do.

Ms. Powell asked what their obligation to the state is.

Mr. Blue noted that they do not report to the state and that Section 8 is vouchered through HUD which is federal. He also informed the Commission that the city hired a management company which deals with accounting and that they have outsourced that whole function. Mr. Blue stated that it is underwritten by rents which are generated by the Section 8 units.

Mr. Dowding asked if rental revenue exceeded the cost of administration.

Mr. Blue stated that it is not big revenue for the city. He then stated that if there is extra at the end of the year, it goes into a separate fund and not the city fund.

Mr. Anthony stated that the Community Partners for Affordable Housing role is to administer the inclusionary housing program for the city, the marketing of units, assisting developers in marketing units, to do screening and eligibility determination, home buyer education for potential home buyers and to help with the standard home buying processes, such as working with the lender in getting insurance, etc. He also stated that they provide ongoing educational assistance such as a home buyer maintenance class. Mr. Anthony stated that inclusionary aspect manages the resale and refinance of homes and that the land trust related more to fund-raising to get money to leverage dollars, selectively rehabbing the bid selection, the wait list management, to provide support services to residents, corporation requirements and audits, etc. He informed the Commission that their operating budget is \$150,000 per year and that project financing varied from year to year. Mr. Anthony stated that with regard to the Lake Forest, they are doing two pilot homes this year and have contributed \$25,000 in operating costs to be allocated as a percentage of their time.

Chairperson Hurley stated that they have to think about cost and structure as to how it related to Highland Park and Lake Forest and then translate it into what the Commission is proposing. She then asked how Community Partners for Affordable Housing could partner with Winnetka to reduce the need for skilled staff time and for cost efficiency.

Mr. Anthony stated that it would depend on a lot of where it goes and which path they decide to go down. He stated that he has heard talk about Winnetka possibly providing incentives to landlords to help with an elevator in exchange for reserving units. Mr. Anthony stated that they could help the Village in determining eligibility screening, inspections and rent certifications. He also stated that if the Village was to do a new construction development, they could partner with the Village and retain ownership of the underlying land. Mr. Anthony then stated that in connection with specific condominium units, he commented that could be tricky with regard to the ground lease and referred to a proposal to write the unit back and that some [condominium associations] allow condominiums to have the right of first refusal. He stated that they have

learned with regard to community land trusts that they are 30 times less likely to foreclose than market rate units and that the reason is that they provide ongoing services to make sure that they collect the ground lease fee and that the intent of the fee is to maintain that connection with the owner. Mr. Anthony added that they also managing inclusionary zoning.

Mr. Iberle then asked what does Community Partners for Affordable Housing own.

Mr. Anthony stated that if you were to look at their balance sheet, it would look like they own a lot. He stated that they own the land under a lot of the homes and a four unit apartment building.

Mr. Iberle asked if the owners of the homes pay a ground lease fee.

Mr. Anthony confirmed that is correct and that it is \$25 per month.

Mr. Greable stated that [Community Partners for Affordable Housing] owned 33 land units and four rental units. He then stated that with regard to the 200 senior units, how did they fit in.

Mr. Anthony informed the Commission that they were developed before in the 1980's and that the Section 8 units were long before the affordable housing plan was developed. He stated that it had nothing to do with that specifically and stated that there is a management company for those which reported to the housing commission.

Mr. Iberle asked when a person is eligible and their income substantially increased, if there was no further review of that.

Mr. Anthony confirmed that is correct with regard to the “For Sale” units and that for the rental units, they would have to re-certify annually.

Chairperson Hurley asked if there is an asset test in addition to income.

Mr. Anthony confirmed that is correct, but that it is not a requirement for funders. He added that it does not include retirement funds, but only accessible savings, which represented approximately \$113,000 for a family of four.

Mr. Iberle then asked if that has been an issue in discussions in Lake Forest. He noted that their focus is on seniors' assets, but not income.

Mr. Anthony confirmed that is correct and that they are attempting to gear housing toward seniors. He stated that they are not concerned about asset limits. Mr. Anthony informed the Commission that the question came up as to whether something can be done if a person's income goes way up in order to get them out and make the unit available to others. He stated that they have found that those people may want to leave if their income went way up since the home is modest.

Mr. Iberle stated that with regard to inclusionary zoning, there were discussions about density

bonuses being provided. He stated that one has an as of right opportunity to build 20 units, four of which would be required to be affordable, but that they could create another four units which would result in a total of 24 units. Mr. Iberle asked if there is a mechanism which adjusted the floor area allowed.

Mr. Blue stated that there is not and referred to the zoning code. He stated that with regard to multi-family units, they can have more units, but that the [building] box would have to be the same in that it cannot be taller and wider. Mr. Blue also stated that variations are approved through the planned development process and that they would have to apply for it.

Mr. Iberle asked if there was a lot of discussion at that time.

Mr. Blue indicated that there was some discussion, but not a lot. He stated that the understanding for multi-family development, he referred to making smaller units. Mr. Blue stated that for single family units, they may be closer together than what they might otherwise be and that otherwise, they could not fit. He stated that the concern is that there would be no additional impact on the adjacent properties which was the thought that carried through the day.

Mr. Iberle then asked if the parking requirement had been addressed.

Mr. Blue confirmed that there would be no break on that and that the development would need to meet the same zoning requirements as if there were no inclusionary aspect unless there is an exception which is not by right. He added that most multi-family development is on a scale to fit planned development anyway.

Mr. Blue then stated that for inclusionary zoning, an ordinance was set up and the intent was that the exterior of the units are to look the same. He stated that it was his understanding that the interior of the units would not be exactly the same or as big. Mr. Blue informed the Commission that the ordinance required the configuration to be the same in terms of the mix of bedrooms to be the same. He stated that is done through the development agreement as to how the units are configured, etc. Mr. Blue then referred to the percentage as to how big the units can be in relation to the other units. He stated that people who are looking for affordable units are looking for the same things as market rate prospects. Mr. Blue added that now, they have a different set of standards with the inclusionary standards.

Mr. Iberle asked how did the resale formulation work.

Mr. Anthony informed the Commission that the appraisal is based on a formula in connection with both the home and the land. He stated that two calculations are done, the first of which is the initial investment ratio. Mr. Anthony stated that with regard to the second calculation, it is a shared investment ratio which is 15% so that the unit remained affordable for the next buyer. He also stated that there are other costs and savings which are built into the program and which offset the limited amount of appreciation. Mr. Anthony noted that there is an exemption from private mortgage insurance, an exemption from the Highland Park transfer tax and that the property taxes are based on the resale restrictions price.

Mr. Blue added that was the result of a lot of discussion with the assessor.

Mr. Anthony informed the Commission that it is already in place in Cook County.

Mr. Iberle asked if it is possible with the restrictions, when the owner goes to sell the unit, the incomes are at a level where they could still sell the affordable unit to someone at that price.

Mr. Anthony indicated that the 15% figure cut down a lot of the appreciation. He stated that countless hours went into creating the formula and that it was figured when there were times of huge appreciation in Highland Park. Mr. Anthony indicated that they may change that number. He also stated that so much related to changing it, that it would not make sense to change it since the market stabilizes. Mr. Anthony noted that all of the requirements are the same with inclusionary zoning and the land trust model.

Ms. Johnson asked when did Highland Park pass the transfer tax.

Mr. Blue responded that he did not know and that it had been around for a while.

Ms. Johnson stated that she was told that a referendum would be needed for it.

Mr. D’Onofrio stated that the laws changed in Highland Park and have been in effect for a number of years.

Mr. Greable questioned a demolition tax referendum.

Chairperson Hurley asked if there are fees-in-lieu.

Mr. Anthony stated that it is \$200,000.

Chairperson Hurley stated that it did not require board approval.

Mr. Iberle asked if it only related to projects that are less than 20 units.

Mr. Blue noted that it would apply to all development over five units and for those under 20 units, there would be a “by right” buyout. He also stated that it is not an option for multi-family and townhomes, but only for single family homes. Mr. Blue informed the Commission that there have been three developments with the inclusionary element attached which is where the housing commission came in for negotiation. He stated that the developer would need to provide affordable units in pertinent proportion with the other units in the development. Mr. Blue also stated that there are alternatives to providing all of the units onsite and that they can be provided for offsite.

Mr. Greable stated that with regard to the economy, housing is in the tank. He asked how is affordable housing in Highland Park going to come back and that he did not see it happening in

the foreseeable future.

Mr. Blue stated that with regard to their sense of the economy, it is done getting worse and that there have been more building permits issued this year. He indicated that they would not ever get to the 2005 level again. Mr. Blue then stated that in terms of the inclusionary element, Highland Park is primarily built out similar to Winnetka and that the question is to what extent the inclusionary aspect can be dragged in the housing market to come back and that they cannot answer that. He also stated that in terms of the ability to pick up affordable units for the scattered site program, there are more opportunities in the single family aspect.

Mr. Iberle stated that in the discussions, there is a lot of concern of people who are dealing with divorce, job loss, etc. and that the program would provide much utility in that regard.

Mr. Anthony informed the Commission that half of the calls they receive are from divorced people and that a lot of people are “upside down” with their homes. He indicated that they may be able to fold those homes into their inventory. Mr. Anthony noted that they have had two re-sales since 2003 of the 33 total units.

Mr. Greable asked who is paying the cost for the 33 units.

Mr. Anthony responded that the owners are paying the mortgage, insurance and taxes and that there is no additional cost coming from anywhere other than operating costs.

Ms. Johnson asked if the housing commission members were volunteers.

Mr. Blue confirmed that is correct and that the Village Council has the final approval on any development.

Chairperson Hurley asked if there were any other issues or comments from the Commission or Village staff. She stated that they would then open the meeting to public comment.

Mr. Anthony stated that relevant to Winnetka, now they have no trouble selling any homes which are rehabbed at 80% of median income. He indicated that there is still a substantial difference between the price of the homes and market rate homes. Mr. Anthony stated that as you go up the income bracket, the 120% income bracket can afford more. He then referred to income levels and stated that for funding and fund raising, they have been to do some private fund-raising and get private contributions because they want to support teachers, etc. Mr. Anthony commented that it is difficult to do private fund-raising for affordable housing at higher income levels.

Chairperson Hurley stated that they have talked about those important issues.

Mr. Iberle stated that with regard to real estate taxes on a home, the assessor in Lake County can accept an approach and that took some arm wrestling. He asked if there is any sense of that being done in Cook County.

Mr. Anthony stated that Cook County did the same thing.

Chairperson Hurley stated that the assessor does not know on its face the property restrictions and that the owner would bring that information to the office which reduced the assessment. She stated that they have to consider the effect on the impact on taxes on others who are owners in the community. Chairperson Hurley also referred to the impact on property taxes when they take market rentals and reduce them to an affordable level.

Mr. Anthony stated that when the properties are sold, they are sold at the appraised value of the home and that they can provide a subsidy to get the affordable values so that there is no effect on property values.

Mr. Dowding asked for example if a property is valued at \$300,000 and that the value to an affordable person is \$150,000, if the property appreciated \$100,000, they would get 50% of that. He stated that the property would now be worth \$400,000 and asked what the next person would have to pay at the affordable level.

Mr. Anthony stated that it would be at the level to whatever that income level is for that home. He stated that the home would be resold at what the initial person sold it for.

Mr. Blue stated that developers do not know how much they will get for units and that it depended on a person's income level.

### **Public Comment (for items on the agenda)**

Chairperson Hurley stated that the Commission would now hear the audience's comments and the Commission would then review the prior meeting's minutes. Chairperson Hurley asked that the comments be addressed to the Commission as a whole and be limited to the discussion as to what the Commission is tasked with which are the three tools that the Village Council asked them to further study.

Jen McQuet, 528 Maple, stated that she supported the Village's plan in its entirety.

Ann Airey, 110 Glenwood, thanked the Commission for their hard work and commented that the presenters have been very informative.

Gail Schechter introduced herself as the Executive Director of Interfaith Housing. She stated that she remembered the entire Highland Park process. Ms. Schechter suggested to the Commission that as they are thinking about tools, to think in terms of a concept of stewardship. She commented that the aspect of affordable housing is important in a landlocked area and where there are high housing values and that when they lose units, they are similar to trees and do not come back. Ms. Schechter also commented that the wonderful thing about a community land trust is that they will have a stable set of units that they are stewards for. She stated that with

regard to the comments of not tinkering with the market, one result of not doing that is over-development. Ms. Schechter commented that this is a great forum to keep educating the community and that she is in support of it.

Mark Kurensky, 1088 Pine, asked Mr. Anthony and Mr. Blue to explain the impact on the community and the neighborhood specifically.

Mr. Anthony stated that the impact is that people are forced out of the community after having lived in the Village for a long time and that those who are working in the Village such as teachers who are commuting, they can now live in same community in which they teach. He stated that with regard to homes, when the land trust started in 2003, the concern at that time related to teardowns. Mr. Anthony stated that they have recently taken foreclosed homes and cleaned and rehabbed them which thrilled the neighbors. He also stated that some of the neighbors volunteer working on the homes.

Mr. Blue agreed that it provided a great opportunity for people to stay in the community first. He also stated that it is a way to help the city advance their other goals. Mr. Blue stated that they have been inundated with teardowns and the impact on the community. He indicated that it is their desire to figure out how to have less teardowns and have the homes remain. Mr. Blue added that the scattered site program helped the home stay which he commented is better for the neighborhood. He stated that the rehabbed homes are done with green improvements and technology and that there are a lot of Highland Park people who may not be aware of the program. He concluded by stating that there is no huge change in the community in terms of the fabric of the town.

Patrick Livney, 365 Elder, referred to the diagram of money coming in and money going out. He stated that his understanding is that the lion's share of Highland Park's money is from the teardown tax and fees and that they are leveraging that with state and federal money.

Mr. Anthony indicated that half of the funding comes from the housing trust fund through the teardown tax and then from donations, grants, federal funds and county dollars.

Mr. Livney stated that the Village's teardown fees are the highest in the nation and that if it is not a source for funding the housing trust fund, he needed to understand where half of the funding source would come from, which he described as a glaring question. He stated that they also mentioned that they began with seeded money and questioned whether they have that capability in Winnetka. Mr. Livney stated that he appreciated Mr. Blue and Mr. Anthony providing information and answers.

Wes Baumann, 445 Sunset, asked what realtors think about the plan. He stated that in a multi-family home, if there is affordable housing, it would be detrimental in terms of getting the highest value for the other units. He also stated that he is concerned with people who are driven out of Winnetka because of taxes and that affordable housing would place the tax burden on the rest of the people in the Village. Mr. Bauman then referred to the New Trier referendum and that the real estate agents were against it because of what it would do to the tax rate and that his

concern is all of them.

Richard Kates, 1326 Tower, asked if there would be one staff member for how many houses. He then stated that as far as seniors, he had no problem dealing with that and that it was consciously excluded. Mr. Cates then stated that if there is a multi-family housing situation and they want to have housing in favor of residents and employees and someone in the protected category applied for those units, he asked if the city can exclude outsiders from those units and if so, why.

Mr. Blue indicated that the senior component is already in place in Highland Park. He stated that as far as anyone being excluded, the issue has not come up.

Mr. Anthony added that it is also since they have a preference based system as opposed to an absolute requirement. He indicated that it depended on how people are prioritized on the waiting list and that preference did not mean exclusion.

Mr. Blue then stated that as far as staffing, it is difficult to break down from the municipal staffing side. He reiterated that there would be 3/4 of a person dealing with housing. Mr. Blue stated that in terms of the community land trust, they run a lean ship and do more than just manage this part of the program. He stated that he could not equate a full time person to total units in terms of a ratio.

Chairperson Hurley asked if this person dealt with all of the affordable units.

Mr. Blue stated that they have close to 300 units.

Jack Coladarci, 568 Cherry, asked if the Commission had any idea how many units out of 4,000 homes could be in the program and what is the percentage.

Chairperson Hurley stated that they currently have 4% of units which are affordable by market standards. She stated that the Village is not planning an affordable housing development and that they are planning for opportunities for affordable housing. Chairperson Hurley stated that they are talking about the creation of tools to capture the opportunity for development in the free market. She then stated that if they added all of the properties which are multi-family which could be zoned and not maxed out, she did not know the amount, but stated that there would not be many.

Mr. Coladarci stated that his question related to what is the real effect. He asked if they have some idea as to whether it is going to be 5, 10 or 20 years and that it tells people the effect rather than to have a fear of the program. Mr. Coladarci indicated that it may be a smaller program and that they need to quantify it to some extent. He commented that it seemed speculative now.

Chairperson Hurley referred to the PowerPoint presentation to the Village Council which indicated in 2007 a proposal for the post office site which called for 33 units or 5 affordable units. She described it as the Village's largest developable site.

Arthur Braun, 850 Bell Lane, stated that in Highland Park’s experience, of the affordable units, how many are occupied by local people who are teachers, the elderly, etc.

Mr. Anthony responded that 85% either lived or work in the community and five homes where the occupants had some other kind of connection to the community. He reiterated that there are a total of 33 units under the Community Partners for Affordable Housing organization as well as other affordable senior rentals.

Chairperson Hurley informed everyone that the figures are in the handout. She then referred to the conversation in the Wilmette community and how many Wilmette residents reside in this senior housing development and that it is an entirely different structure. Chairperson Hurley then thanked Mr. Anthony and Mr. Blue for their time.

### **Adoption of Minutes of Previous Meeting**

Chairperson Hurley asked if there were any substantive changes to be made to the April 27, 2011 meeting minutes.

Ms. Whitcomb referred to page 11 and clarified her comment which she stated she would email to Mr. Norkus.

Chairperson Hurley asked if there were any other comments or changes.

Ms. Johnson stated that she provided her comments to Mr. Norkus.

Chairperson Hurley stated that she would do the same. She then asked for a motion to approve the April 27, 2011 meeting minutes, as amended.

A motion was made by Ms. Johnson and seconded by Ms. Whitcomb to approve the Plan Commission meeting minutes from April 27, 2011, as amended. The meeting minutes were unanimously approved.

Mr. Norkus reminded the Commission of the special meeting on June 1, 2011.

The meeting was adjourned at 9:46 p.m.

Respectfully submitted,

Antionette Johnson

**WINNETKA PLAN COMMISSION  
MEETING MINUTES  
APRIL 27, 2011**

**Members Present:**

Becky Hurley, Chairperson  
Jan Bawden  
Chuck Dowding  
John Iberle  
Joni Johnson  
John Jansson  
Christopher Rintz  
Susan Whitcomb

**Members Absent:**

John DiCola  
John Golan  
Louise Holland  
Midge Powell

**Village Staff:**

Brian Norkus, Assistant Director of Community  
Development  
Jillian Morgan, Planning Technician

**Call to Order:**

The meeting was called to order by Chairperson Hurley at 7:58 p.m.

**Liaison Member Reports**

Mr. Rintz stated that, as the Commission knew, the Village Council had an affordable housing meeting a couple of weeks ago. Mr. Rintz stated that they looked at how to structure the relationships between the various committees which he indicated started the discussion as to how the committees would be structured. He also stated that they went from having no non-Village representation, no library board representation, no park district representation, no Zoning Board of Appeals representation, etc. as far as members on the Commission.

Mr. Rintz also stated that there was paranoia from the caucus that something was going on which drove the discussion. He stated that they came full circle and restored everyone's membership with the exception that there would be no Design Review Board representative on the Commission. Mr. Rintz noted that there would now be five at-large members on the Commission. He commented that they are important since they would be completely independent of voice and that he argued for having as many at-large members as possible. Mr. Rintz also stated that they took votes away from some members. He concluded by commenting that there have been some good discussions.

Chairperson Hurley informed the Commission that she spoke [at the Village Council] two meetings ago and made it clear that would be speaking for herself. She stated that based on her experience with the Commission, they value the school, parks and library's representation on the Commission and that she is confident in whatever choice the Village Council made.

Ms. Johnson commented that with regard to the at-large member, she agreed with Mr. Rintz's comments. She stated that it took the Village Council six to seven months to find a replacement for Mark Kurensky whose membership on the Commission expired last October and who was replaced by John Golan. Ms. Johnson questioned what should they do when people are not willing to serve.

Mr. Rintz stated that the problem is that there are only seven of them out there.

Ms. Whitcomb arrived at the meeting at this time.

Mr. Rintz stated that in trying to find people who have some leading or informed voice, there are a lot of volunteers ironically. He then stated that when the Village Council parsed out the volunteers' agenda and the real reason for them wanting to be on the Commission, it was determined that they would not be good people to represent the community as a whole.

Chairperson Hurley stated that it would all be at the Village president's discretion.

Mr. Rintz informed the Commission that the Village president was not comfortable with some of his suggestions for membership.

Chairperson Hurley then introduced new Commission member, Chuck Dowding. She also stated that Chuck Page is no longer on the Commission and that Mark Kurensky is off of the Commission as of this month. Chairperson Hurley then referred to the amount of turnover on the Commission.

Ms. Whitcomb stated that her membership could change since the school board representation changed last night.

Mr. Rintz informed the Commission that he would also no longer be on the Commission. He described his service on the Commission as the most relevant service he has performed for the Village.

Chairperson Hurley informed the Commission that she is proud of the work they have done and that she is done astonishingly happy with the dedication, intelligence and respect of the group.

### **Adoption of Minutes of Previous Meeting**

Chairperson Hurley asked if there were any other comments to be made to the February 23, 2011

meeting minutes. She informed the Commission that she made some minor changes.

No additional comments were made at this time. She then asked for a motion to approve the February 23, 2011 meeting minutes, as amended.

A motion was made by Ms. Johnson and seconded by several Commission members to approve the Plan Commission meeting minutes from February 23, 2011, as amended. The meeting minutes were unanimously approved.

### **Public Comment**

Chairperson Hurley asked if there was any public comment.

No comments were made by the audience at this time.

### **Update on Affordable Housing**

Chairperson Hurley referred to the affordable housing meeting on April 12, 2011 and informed the Commission members that they can also see it on the Village's website. She commented that she was very pleased with the whole thing and that the room was filled to capacity. Chairperson Hurley stated that people spoke passionately and that it raised a level of discourse. She stated that the Village staff worked very hard in connection with the amount of information provided and commented that the level of detail was unassailable.

Chairperson Hurley stated that they moved the discussion from whether they should have affordable housing to how it should be implemented and described it as an enormous and physical load off of the Commission's plate. She stated that in summary, she referred to information provided by Ms. Morgan and stated that the Village Council directed the Village staff to move forward by adopting and considering affordability standards, to look at approving the zoning amendments proposed and coach house restrictions. Chairperson Hurley indicated that those items had little opposition and would be at no cost to the Village. She stated that there is serious intent to look at these items in the near term by the Village Council relatively soon.

Chairperson Hurley stated that the Village Council asked the Commission to provide further information on the more controversial or less spelled out items, such as inclusionary zoning and the community land trust. She stated that a series of possible sources of funds was listed as used by other communities which the public thought represented as a full list of funding sources. Chairperson Hurley indicated that the Commission needed to work with the Village Council and narrow down and determine what the likely sources of funds would be and what the implications of those costs would be.

Chairperson Hurley also stated that they have heard a lot of conversation with regard to the impact on property taxes. She stated that this community has had some financial worries and struggles in this economy and that what she would like for the Commission to drill down is the impact of the affordable level on property taxes on an affordable unit which is owned and rented

and if the assessments are increased/decreased on that unit, its impact on other properties. Chairperson Hurley commented that Ms. Morgan's summary of what the Village Council asked the Commission to do is good and would form a basis to drill down on that. She then asked the Commission members for their comments.

Mr. Iberle stated that one area which he thought was very important in the report and which was not addressed in what came out of the Village Council's idea of creating a density bonus to incentivize the development of affordable units.

Mr. Rintz indicated that would fall under inclusionary zoning.

Mr. Iberle stated that the community needed to articulate what it wanted and that would be one way to do it.

Chairperson Hurley stated that they could look at other communities which have an inclusionary zoning ordinance and find incentives in there. She noted that they are not trying to be restrictive.

Mr. Iberle stated that one way to address this is for everyone to acknowledge the fact that there is a finite amount of opportunities to develop multi-family housing. He also stated that one way is to study and look at those sites under current zoning to determine what is allowed. Mr. Iberle referred to how to provide incentives to gain 10% more affordable units. He commented that people do not have a sense of scale in the Village and that if people realized that, it could change the tenor of the conversation.

Mr. Rintz informed the Commission that 300 emails were received on the subject. He stated that the tone of the emails was if they were only talking about that few of a number of units, then why waste everyone's time. Mr. Rintz commented that there are also people who are just opposed to it and that if they do not understand it, it goes back to the conspiracy theory.

Mr. Iberle agreed that in some have always had that position and that there is a great mass in the middle. He stated that if the facts are presented, people will say what is the big deal.

Chairperson Hurley stated that they did that with the post office site and it was determined that 33 units would yield five affordable housing units. She stated that even on the largest lots in the Village, they are talking about five units.

Mr. Rintz stated that the fear of the unknown is what gripped people. He stated that for the Village staff, infrastructure is much more attuned to proactive information. Mr. Rintz stated that the discussion on affordable housing was the first initiative that the Village staff undertook where they were way out in front and that the nature of the conversation changed. He informed the Commission that Rob Anthony, Mr. Norkus and Ms. Morgan worked very hard getting information out early and often. He described the post office as a perfect example and that there was no information out there except for the meetings and that when the matter came to the Village Council, 10 angry people showed up and that two were mildly supportive. Mr. Rintz stated that the Village Council then set the whole thing aside.

Chairperson Hurley stated that the Commission is tasked with trying to come up with recommendations and greater details and that they need to do that openly and share as much information and help the community join in terms of learning. She stated that one proposal would be to invite to a special meeting people with expertise on community land trusts, inclusionary zoning etc. Chairperson Hurley informed the Commission that she had lunch with the Village staff and Rob Anthony, who is the director of the former Highland Park Community Land Trust. She noted that they are also in the final stages of a land trust for Lake Forest. Chairperson Hurley indicated that it is possible to learn from them and to use their resources to minimize administrative costs. Chairperson Hurley also stated that they could manage the Village's inclusionary zoning and set up some of the structures, while keeping some pieces here in the Village such as asking for recommendations for using funds in a housing trust fund. She then asked the Commission members for their comments. Chairperson Hurley also referred to some professionals.

The Commission members agreed that is a good idea.

Chairperson Hurley asked the Commission members to provide their suggestions to Mr. Norkus. She also suggested that they find a date in May on which to hold such a meeting.

Ms. Johnson asked if they would send a post card to all of the households.

Mr. Rintz stated that they can depend on the media to provide information. He also stated that they can send an email those who are interested in the subject.

Mr. Norkus agreed that is correct and that they have a good database.

Mr. Rintz indicated that it is all about education.

Chairperson Hurley agreed with Mr. Rintz's comments. She then suggested that they gather other names and for the Commission members who can add an element to call her.

Ms. Bawden stated that the question is how it would look visually. She referred to the concept of the pool at the Washburne School. Ms. Bawden stated that if something were to be that big where all those people would speak, she suggested that they consider a different venue.

Chairperson Hurley stated that there could be a presentation or study session.

Ms. Johnson referred to the League of Women Voters and that the next meeting is on May 4, 2011. She asked if anyone from the Commission could attend. Ms. Johnson commented that it is important that either a Commission member or Mr. Norkus be there.

Chairperson Hurley asked if there were any other affordable housing thoughts.

Mr. Jansson stated that with regard to demographics, how soon could they expect to see some

numbers from the 2010 census that would be of value as to what they are looking at. He stated that he has heard that it would be three years from now.

Ms. Morgan indicated that 2013 is her understanding and that it would not be 2010 census data. She stated that they did away with the long form which is where they got good information. Ms. Morgan stated that it was replaced with the American Community Survey which is under the census bureau umbrella.

Mr. Iberle stated that it would be more of a sampling than the full census data.

Mr. Jansson then asked if there would be progress reports up to 2013.

Ms. Morgan indicated that some 2010 information would trickle out before 2013. She noted that the demographic, income and household data would come from the American Community Survey.

Chairperson Hurley stated that it was brought up that housing is getting more affordable by the minute. She then referred to the Schiller House housing graph which benchmarked the housing crisis from 1890 in real dollars, which represented 120 years. She stated that the information was the current market. Chairperson Hurley stated that it reduces 30% and that it is all relative. She also commented that what is interesting is they want to see when that would start in Winnetka. Chairperson Hurley indicated that she would send the information to everyone and asked if there were any other comments.

Mr. Rintz stated that as they are looking at trust fund and housing trust assignments and costs, they are a critical part of the Commission's analysis. He informed the Commission that the general sense of the current Village Council is that it would have to be uniquely Winnetka and that it would cost nothing to accomplish. Mr. Rintz stated that there is no appetite of the Village Council to spend money on this issue. He referred to the fact that there would have to be clever thinking as to how to implement it and to not dig into the Village till. Mr. Rintz also stated that the Village Council has to balance issues, such as flooding versus affordable housing for instance and that there are not a lot of votes to spend money to implement it. He stated that to him, he knew that there are a lot of ways to implement it on a low cost basis and that it would take a lot of study and research.

Chairperson Hurley commented that did not discourage her. She referred to Highland Park as the most well known affordable housing community in the state and the country. Chairperson Hurley stated that Highland Park has been doing it since the 1970's and that there was a community land trust in 1999. She informed the Commission that Highland Park has 33 affordable units and that when Highland Park partners with Lake Forest, they plan to do two free standing single family affordable housing units in Lake Forest. Chairperson Hurley indicated that the Village is looking at 20 to 25 coach homes which are affordable by nature, as well as the plan to do what they can to retain second floor units. She also stated that they are responding to their tradition and using market forces at no cost.

Mr. Rintz commented that a good example of inclusionary zoning is the Fell project, which represented no cost to the Village.

Ms. Johnson stated that the report says that the units should be comparable in size. She asked if they can get a better sense of current rents of the commercial district apartments and coach homes.

Mr. Norkus confirmed that he could get that information and that he has contacts with property managers in order to see what the trend is.

Ms. Johnson stated that there has been chatter already that a lot of the affordable rental housing is vacant and that no one wanted it.

Chairperson Hurley stated that when the Commission defined what is affordable, it has to be affordable at 30% and in good condition. She commented that some properties are not since they are not in good shape. Chairperson Hurley asked if there were any other comments. No additional comments were raised by the Commission at this time.

### **Village Council's Strategic Plan as it Relates to Appendix 6**

Chairperson Hurley informed the Commission that it is time to do Appendix 6. She stated that they did a lot of work last year and that they would tune up [the Appendix] when they come to it. Chairperson Hurley asked the Commission to think about it. She then asked Mr. Norkus and Ms. Morgan to come back to the Commission with a status report on where the Village is on all of the priority items on the chart. Chairperson Hurley stated that the Commission is to respond to the Village Council's request for the top two or three priorities that it can feed into its strategic planning process. She stated that with regard to the identification of the two or three top issues, they are to explain the issue and policy proposal, the background on it, challenges, the benefits of work done on it, timing and provide a recommendation for moving forward. Chairperson Hurley also stated that they already started on the project with the Appendix 6 cover memorandum from last May where three priorities were identified. She then asked Mr. Rintz for additional information.

Mr. Rintz stated that this is the first time this is being done by the Village Council. He informed the Commission that an interview with the consultant was held weeks ago. Mr. Rintz stated that they have nothing to compare it against and that there was a feeling on the Village Council level long ago that it would be nice to know what are the important topics in town and how to get them on the agenda and out to the public in order to get dialog and deal with it. He also stated that there is a sense of Village Council frustration in that they do not know what is coming up until they receive the information in the agenda packet. Mr. Rintz stated that the Village Council wants to know six months down the line in order to start thinking about it and for the Village staff and public to gather and get information in order to have good discussions. He stated that with regard to whatever the Commission sent, a lot of weight would be given to it. Mr. Rintz stated that it would be looked at very intensely and then referred to other issues such as flooding,

## *Appendix 3*

**MINUTES**  
**WINNETKA VILLAGE COUNCIL STUDY SESSION**

**September 13, 2011**

(Approved: October 18, 2011)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Police Department Classroom at 410 Green Bay Road on Tuesday, September 13, 2011, at 7:30 p.m.

- 1) Call to Order. President Tucker called the meeting to order at 7:32 p.m. Present: Trustees Arthur Braun, Gene Greable, Bill Johnson, Richard Kates, Chris Rintz and Jennifer Spinney. Absent: None. Also in attendance: Village Manager Robert Bahan, Village Attorney Katherine Janega, Community Development Director Mike D’Onofrio, Assistant Community Development Director Brian Norkus, and approximately 7 persons in the audience.

[Drafter’s Note: Stormwater Follow-up. In response to a question from President Tucker before the set agenda items, Manager Bahan reported that the sanitary sewer survey had been sent out, and a stormwater management report would be given at the October Study Session.]

- 2) Discussion: Coach House Amendments. Attorney Janega gave the history and background of coach houses and their status under the Winnetka Zoning Ordinance in Winnetka, and then explained possible Village Code amendments needed to allow existing coach house structures to be returned to residential use:

- Amend Chapter 17.04 – Introductory Provisions and Definitions.
- Change coach house units from nonconforming to permitted uses.
- Establish a procedure that includes pre-occupancy inspections for life safety compliance.
- Require registration of coach houses.

Attorney Janega noted that, consistent with the Plan Commission’s recommendations that restoring coach houses to residential uses be voluntary, the proposed amendments would give coach house owners more options, but would not require a change back to residential use.

The Council discussed the issue at length and questioned Assistant Community Development Director Norkus and Attorney Janega about some specifics in the proposed zoning amendments, including parking and occupancy density per unit.

Public comment: Margaret Posner, 959 Tower Manor, opposed the Council’s consideration of coach houses rather than flooding from stormwater runoff.

Attorney Janega summarized the issues that surfaced from the Council’s discussion, which included creating a detailed inventory of coach houses in the Village that covers the following: (i) coach houses currently in use; (ii) coach house parking arrangements; and (iii) the size of coach house units and number of potential occupants.

Trustee Rintz said he does not favor sending staff out to determine which coach houses are legally occupied, saying it’s not fair to penalize residents who might simply be unaware of the restrictions. He also did not favor further study of the issue, but prefers to deal with the matter as it currently stands.

Trustee Spinney viewed the coach house question as a property rights issue rather than an affordable housing one and said she did not think it worthwhile to spend a lot of time on it. She also thanked the Plan Commission for its dedicated work, and asked residents to trust the Council to work on the stormwater issues in a deliberate and thoughtful manner.

Trustee Braun said that the coach house recommendations came out of the Plan Commission's affordable housing report and that he did not understand why the Council was spending time on the issue. He said he could be in favor of inspecting coach houses for safety purposes that have been unoccupied for years, but added that the residents want the Council to focus on stormwater and that he favored deferring other matters.

President Tucker noted that no stormwater issues will be ready for discussion until the October Study Session, after the consultant's report has been finished, that the Council has never been a one-issue body, and that she trusts Staff to do the legwork required to get the discussion before the Council again as soon as possible.

Trustee Kates agreed with President Tucker and Trustee Spinney that discussing coach houses is not detracting from the stormwater problem, which has absolute priority over everything else.

Trustee Rintz said affordable housing was remanded to the Plan Commission long before this current Council was elected, and that a lot of volunteers in the community gave countless hours of their time to work on the issue and give their best advice to the Council. He agreed that the Council has never been one-dimensional in its focus, and that last April the Council directed staff to research various things in conjunction with the recommendations that were brought by the Plan Commission. He stated it would be a slap in the face of the Village's committees who have put in so much work at the Council's request, to now tell them that stormwater is the only topic the Council is interested in. He pointed out that doing so would be a good way to lose well-intentioned volunteers to the community, if their work products will not be used by the Council.

Manager Bahan explained that Staff put the timing of the affordable housing discussion before the Council and received direction to bring back the affordable housing recommendations in November after the Caucus tallies its survey results. He said clarification was given that a policy discussion could be held about coach houses while the Council waited for the drainage consultant to finish its stormwater report.

Trustee Johnson said it is a good thing the Council is not acting hastily and did not start on the recommended \$14 million stormwater project, as the July storm has proven that a 10-year storm protection is likely not enough for the current times. He agreed that coach houses are a property rights issue, and added that the property maintenance code is simply a tool to balance the rights of landlords and the protection of tenants.

Trustee Greable said the coach house issue did come to the fore as a result of the Plan Commission's study on affordable housing and added that the issue that is most important to residents is flood reduction.

Trustee Kates pointed out that the Council needs to have the report from its stormwater consultant before any action on flood reduction can be taken.

Becky Hurley, Chair of the Plan Commission, agreed that flooding is the Village's #1 priority at the moment, but said she felt there is plenty of time to work on other issues as well. She explained that Winnetka's Comprehensive Plan contains provisions that encourage diverse housing to benefit Winnetkans of all ages and lifestyles. She noted that this goal was reiterated when the Village's affordable housing plan was amended in 2005, and the Council assigned the Plan Commission to do an affordable housing study. She pointed out that the term "affordable housing" is an unfortunate moniker, as it has emotional connotations for many people; that the Plan Commission is tasked with looking beyond the state affordability standards and for unearthing solutions that are customized for Winnetka. She stated that the proposed amendments for coach houses benefit Winnetkans and property rights, and improve opportunities for residents to live in various styles of housing. Finally, she agreed that volunteers will not be found to serve the Village if their work is ultimately second-guessed, and if there is no recognition that they performed the task at the Council's request in the first place.

President Tucker thanked Ms. Hurley for her comments, and asked Mr. Bahan to place updates on the stormwater issue in the Village's newsletters so the community will be informed on the progress of this matter.

Manager Bahan reported that staff has placed stormwater updates on the website, along with a library of documents. He noted that it takes time to put recommendations together thoughtfully, and that staff wants the stormwater report to be their best work.

- 3) Executive Session. Trustee Braun moved to adjourn into Executive Session for the purpose of discussing Personnel Matters and Collective Bargaining, pursuant to Sections 2(c)(1) and 2(c)(2) respectively, of the Illinois Open Meetings Act. Trustee Johnson seconded the motion. By roll call vote, the motion carried. Ayes: Trustees Braun, Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: None. The Council adjourned into Executive Session at 9:14 p.m.

The Council reconvened into Regular Session at 10:34 p.m. Present: President Tucker, Trustees Braun, Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: None. Also present: Village Manager Rob Bahan.

- 4) Adjournment. Trustee Spinney, seconded by Trustee Johnson, moved to adjourn the meeting. By roll call vote, the motion carried. Ayes: Trustees Braun, Greable, Kates, Johnson, Rintz and Spinney. Nays: None. Absent: None. The meeting adjourned at 10:35 p.m.

---

Recording Secretary

## *Appendix 4*

## AGENDA REPORT

**SUBJECT:** Plan Commission Report on Affordable Housing

- Winnetka Affordable Housing Report
- Study of Housing Conditions and Needs

**PREPARED BY:** Brian Norkus, Assistant Director of Community Development

**DATE:** April 8, 2011

### Introduction

The Plan Commission has submitted an Affordable Housing Report, *Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing*, and an Affordable Housing Study, *A Study of Housing Conditions and Needs in the Village of Winnetka*, for Village Council consideration. (See Tabs 1 and 2) The report and study are the culmination of five years of work begun in 2005 at the direction of the Village Council.

To assist the Council in its consideration, this Agenda Report provides the Council with (i) the historical and procedural background of the Plan Commission's work, (ii) an explanation of the Plan Commission's findings, (iii) a discussion of the Plan Commission's specific recommendations, and (iv) a list of recommended policy issues for Village Council determination. In addition, a list of Frequently Asked Questions (FAQs) about the Plan Commission's report, study and proposal is attached to this Agenda Report.

Accompanying this Agenda Report is a binder containing a compilation of relevant documents. The binder is divided into ten sections:

- Tab 1 Plan Commission Affordable Housing Report:  
Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing
- Tab 2 Plan Commission Affordable Housing Study:  
A Study of Housing Conditions and Needs in the Village of Winnetka
- Tab 3 2007-2008 Focus Group Summary and community-wide workshop mailer
- Tab 4 Compilation of Winnetka 2020 Comprehensive Plan statements and policies regarding housing.  
  
1979 Statement of Community Objectives
- Tab 5 Ordinance M-6-2005, An Ordinance Amending the Affordable Housing Plan for the Village of Winnetka Pursuant to Its Home Rule Authority as Provided in the Constitution of the State of Illinois  
  
2005 Village of Winnetka Amended Affordable Housing Plan

## Affordable Housing Agenda Report

April 8, 2011

Page 2

- Tab 6 Spring 2011 Winnetka Report
- Tab 7 Plan Commission minutes, 2005-2011
- Tab 8 Summary of E-mail comments received, as of 10:00 AM, Friday, April 8, 2011
- Tab 9 Written comments to Village, as of 10:00 AM, Friday, April 8, 2011
- Tab 10 E-mails received from Winnetka Home Owners Association, as of 10:00 AM, Friday, April 8, 2011

For ease of reference, all references to the supplementary materials in the binder will be by Tab and page number.

### **Factual Background**

**Initial Affordable Housing Plan.** The Village first adopted an Affordable Housing Plan on March 15, 2005, as provided by the Affordable Housing Planning and Appeal Act. (310 ILCS 67/1 *et seq.*). That Act required all municipalities with an insufficient number of affordable housing units to adopt a plan before April 1, 2005, and to file it with the Illinois Housing Development Authority. The Act constrained the Village, as it defined affordability based on regional standards, required municipalities to choose one of three affordability targets, and did not contain any tools that would enable a municipality to actually implement its plan.

**Home Rule Referendum.** The Village's home rule referendum passed on April 5, 2005. As a home rule unit, the Village gained considerable flexibility on local matters, including housing. The State agency that administers the Act considers it to be applicable to home rule units. Consequently, rather than risk a protracted legal battle over the Act, and in furtherance of the Village's long-standing policy, the Village Council followed the path of other home rule municipalities in the area and set out to replace the initial plan with a new one that would be adopted in the exercise of its home rule powers. In addition, acknowledging the unique constraints of the Village, the Village Council provided the Plan Commission with clear direction to focus its recommendations for addressing housing diversity and affordability on the Village's commercial and multiple-family zoning areas.

**Amended Affordable Housing Plan.** On May 10, 2005, the Village Council passed Ordinance M-6-2005, which adopted the Village's current Amended Affordable Housing Plan (the "2005 Amended Plan"). (Tab 5). Ordinance M-6-2005 cites the longstanding policy of the Village to encourage affordable housing options, which was first articulated in the 1979 Comprehensive Plan, and later included in Winnetka 2020 Comprehensive Plan, the Village's updated plan that was adopted in 1999. (See Tab 4 for relevant excerpts.)

When it adopted the *2005 Amended Plan*, the Village Council noted that changes in the Village's population and housing stock were yet to be fully understood and acknowledged that the 2005 Amended Plan was an "intermediate step" in the development of a Village-specific affordable housing plan. Consequently, the Village Council directed the Plan Commission to

## **Affordable Housing Agenda Report**

April 8, 2011

Page 3

undertake further study on the subject and to issue findings and recommendations and additional detail on implementation strategies appropriate to Winnetka.

As stated in Ordinance M-6-2005, the Plan Commission's study and recommendations were to cover: (a) the Village's housing and demographic characteristics, (b) affordable housing standards and goals that address the Village's particular characteristics and needs, (c) "techniques and incentives to encourage and facilitate the development of affordable housing units in the Village of Winnetka that will address the Village's particular characteristics and needs," and (d) related amendments to the Comprehensive Plan, the Winnetka Zoning Ordinance, and other provisions of the Village Code

No longer constrained by State affordability targets and standards, the Plan Commission has fulfilled the Village Council's directive and developed a report on the Village's demographics and issued findings and recommendations that are highly customized to fit with the unique challenge of promoting affordability in a community with very high land costs and little vacant land to develop.

### **The Plan Commission's Process**

Over the past five years, the Plan Commission has engaged the services of consulting planners at the Voorhees Center at the University of Illinois Chicago to assist the Plan Commission in its study of changes in the Village's population and housing, in the Commission's evaluation of demographic trends, and to provide guidance on possible tools to address housing diversity.

Communicating with Village residents and engaging in an open dialogue have been key components of the Plan Commission's study. The Plan Commission conducted focus groups in 2007 to enhance their understanding of housing affordability issues as viewed by local residents and other stakeholders. Focus groups were followed by a community-wide mailing regarding preliminary findings, which invited residents to two Plan Commission meetings for further detail and discussion. (See Tab 3)

Following the 2008 workshops, the Plan Commission conducted eight additional meetings to discuss and refine its recommendations, culminating in the issuance of their final Report on December 15, 2010. (See Tab 7 for minutes of Plan Commission meetings.)

### **The Plan Commission's Final Report**

The Plan Commission's Final Report, adopted at the Commission's December 15, 2010 meeting, consists of two parts. The initial work of the Plan Commission to develop an understanding of the Village's changing population and housing is contained in the "Study of Housing Condition and Needs." (Tab 2) The data and analysis contained within the Plan Commission's Study ("*Study*") led to the adoption of a companion report ("*Report*"), titled "Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing: A Report to the Village Council." (Tab 1)

**Summary of the Plan Commission's Conclusions**

The Plan Commission's 18-page *Report* contains a detailed discussion of its conclusions, including the following key conclusions:

- 1) **Affordable housing has always existed in Winnetka, but the amount available is shrinking.** Trends contributing to the loss include conversion of rental apartments to condominiums, a declining number of coach house units, and occasional conversion of residential apartments above downtown storefronts into non-residential uses.
- 2) **Winnetka's population is changing.** The rapid change in the Village's housing stock from 1990 to 2000 brought a corresponding change to the Village's population. The number of seniors grew slightly in the Village, but the rate for growth was dwarfed by the growth of senior population in surrounding communities. Households became larger as seniors sold their homes and left the Village. Consequently, the number of families with school age children went up by 26%, while the number of young adults dropped by 56%.
- 3) **Many Winnetkans are struggling, particularly seniors.** There is a large gap in the number of housing units available and affordable to lower income groups that live in Winnetka. According to the 2000 Census (the most recent data available), 591 Winnetka households earned less than \$50,000, but only 402 housing units were available at a cost affordable to that income level.

Households paying more than 30% of their income to housing expenses are considered "housing cost burdened." In 2000, there were 943 housing cost burdened households in Winnetka, of which 250 were senior households.

- 4) **Winnetka has become a fairly transient community.** Winnetka's increase in mobility rates is noticeably higher than surrounding communities. Housing choices are increasingly limited, making it difficult for empty nesters and retirees to stay in the Village. The turnover in population may also indicate that Winnetka is increasingly viewed as a community to move to for the high quality schools, and to move from after school-age years.
- 5) **There are limited opportunities to develop new multiple family housing.** In the past, space has sometimes become available as public property is redeveloped. For example, The Winnetka Mews, a multiple family building near the Elm Street business district, is located on land formerly occupied by the Village's Public Works operations. Today, such options for redevelopment are comparatively limited.

**Basis for the Plan Commission's Recommendations**

The Plan Commission's *Report* focuses on creating a customized approach to Winnetka's housing needs. The *Report* states:

“Rather than simply following other affordable housing programs, which can overly rely on new construction and available developable land, we owe our residents a customized approach to housing needs in Winnetka. This customized approach must provide the flexibility to meet Winnetka's goals, honor its character and traditions, empower property owners to provide a healthy and diverse housing stock, and recognize a growing national focus on rental housing and housing programs as important solutions to affordable housing needs”.

(*Report*, Tab 1, p.3)

In an effort to further clarify the principles of the Plan Commission's report, the Spring 2011 *Winnetka Report* (Tab 6) was dedicated in large part to communicating the recommendations contained within the Plan Commission's Report. The following core principles were noted in the *Winnetka Report* as establishing the basis for the Plan Commission's recommendations:

- High land values and limited opportunities for new multiple family housing call for a highly customized approach to housing in Winnetka.
- Single family neighborhoods are *not* an appropriate location to focus housing affordability efforts.
- Focus should be on maintaining and enhancing *existing* market rate housing units in downtown and multiple family areas.
- Housing diversity should be approached without relying on new development.
- Whenever possible, incentives rather than mandates should be emphasized.

**Specific Plan Commission Recommendations:**

The Plan Commission's *Report* concludes with a series of *Recommended Incentives and Implementation*. The recommendations of the Plan Commission are varied, ranging from simple modifications to existing zoning regulations, to the more complex. (Tab 1, p.10)

In some cases, recommendations such as zoning amendments can stand on their own as separate actions, while other recommendations, such as establishing a Housing Trust Fund and establishing a Community Land Trust are somewhat complementary to each other and can perhaps best be viewed as a “system”.

**Recommendation # 1**

**Creation of appropriate affordability standards.**

The key recommendation of the Plan Commission is the adoption of those affordability standards. Affordability standards define which households may benefit from affordable housing created under the Village's proposed affordable housing programs, such as the proposed Inclusionary Zoning Program described in more detail below. (See Recommendation #4.) Affordability standards establish the maximum income level for households which may rent or purchase affordable housing units created under Winnetka's proposed affordable housing program. The goal of affordability standards is to assure that newly created affordable housing units are directed toward population groups which have a defined need for affordable housing.

To determine the appropriate level at which to establish affordability standards, the Plan Commission's work included a detailed analysis of where "housing gaps" occur within the Village. The Village's demographics were analyzed to determine the number of households at various income levels, along with a parallel analysis of the number of housing units within the Village that were affordable to their income level.

The Plan Commission's analysis found that there is a shortage of housing affordable to Winnetka households at income levels below \$135,180, as detailed on page 9 of the Plan Commission's *Report*. (Tab 1, page 9) This amount is 180% of Area Median Income (AMI).

Acknowledging that different solutions are appropriate to differing income levels, the Plan Commission's *Report* recommends adoption of a "tiered" series of affordability standards, which provide affordability standards for rental housing developments as well as new owner-occupied multi-family developments.

In the following Table, proposed affordability standards are shown in the shaded areas. For comparison purposes, the income levels are also expressed in terms of both annual income as well as the resultant monthly expenditure on housing expenses (being no more than 30% of monthly income).

*[Remainder of this page intentionally left blank.]*

**Affordable Housing Agenda Report**

April 8, 2011

Page 7

<b>Table 1 - Proposed affordability standards for affordable housing units</b>				
<i>Type of development</i>		Percentage of Area Median Income	Expressed as Annual income  <i>2010 Chicago Metro area median income for a family of four (100%) = \$75,100</i>	Expressed as affordable monthly housing costs  <i>Assuming no more than 30% of monthly income</i>
<b>Condominium and townhome developments (for sale units)</b>	All required affordable units to be affordable to those earning	140% of AMI	\$105,140	\$444,000 approximate purchase price  (assuming 20% down, 6% APR, and property taxes 1% of purchase price)
	With one-third (1/3) of the required affordable units to be affordable to those earning	100% of AMI	\$ 75,100	\$320,000 approximate purchase price  (assuming 20% down, 6% APR, and property taxes 1% of purchase price)
<b>Rental apartment developments</b>	All required affordable units to be affordable to those earning	100% of AMI	\$ 75,100	\$1,877 monthly housing exp.
	With one-third (1/3) affordable to those earning	60% of AMI	\$ 45,060	\$1,126 monthly housing exp.

**Recommendation #2 –**

**Revise the Village Code to encourage retention of the downtown area’s existing residential housing stock.**

The *Report* recommends amending the Village Code to encourage retention of downtown residential units through a series of code amendments which may both maintain existing residential units and encourage building owner investment in downtown’s residential housing stock. Recommended amendments include:

- A. Discourage conversion of apartments to non-residential uses such as offices;
- B. Relax parking requirements for downtown residential units as an incentive to allow the conversion of downtown’s upper floor office space to residential use;
- C. Adopt a property maintenance code to assure that downtown’s residential buildings are adequately maintained and comply with sanitation and life safety codes.
- D. Explore building and zoning code amendments which allow the creation of “work/live” units in downtown areas.

**Recommendation # 3**

**Ease restrictions on existing residential coach house units.**

Coach houses have been built throughout the Village, most of them prior to the enactment of zoning regulations. There are approximately 20 existing occupied coach houses, along with approximately 30 vacant units. While their numbers are small, coach houses are an important component to the Village’s housing diversity.

Current zoning: Non-conformities. Current zoning regulations treat coach houses as “non-conforming,” meaning they were once legally allowed but zoning changes have since prohibited using them for residential purposes. As such, their use and occupancy is restricted, as is their repair and upgrade. Modifications that would either expand the size of such a building or increase the number of dwelling units it contains are prohibited. Perhaps the most onerous restriction comes from the Zoning Ordinance’s prohibition of reconstruction in the event of substantial damage such as a fire.

Current zoning: Registration. Additionally, the Zoning Ordinance presently requires coach house owners to register these residential units with the Village each year, and it treats a vacancy of six consecutive months (or any 18 months within a 36 month period) as evidence of abandonment, which results in the permanent loss of the owner’s ability to rent the premises.

Proposal to expand owners’ rights. The Plan Commission’s coach house recommendations are focused on easing the above restrictions and expanding owners’ rights to use coach houses as residential. As is the case today, owners will continue to be free to decide whether to lease such units, to whom they will be rented, and how much rent to charge. The proposed easing of restrictions on coach houses may allow occupancy of vacant coach houses which have had their legal nonconforming status lapse.

**Recommendation # 4**

**Adopt an Inclusionary Zoning Program to require new multiple family developments to include 15% of all units to meet the Village's affordability standards for rents or purchase prices.**

As described earlier, there are limited opportunities for new multiple-family development. An inclusionary zoning amendment is recommended to respond to such development as it occurs by requiring 15% of total units to be sold or rented at affordable levels.

Minimal impact. To illustrate the effect of inclusionary zoning, assume that a parcel of land is large enough for a new development of 12 units. Under the Inclusionary Zoning Program proposed by the Plan Commission, the developer would be required to provide 2 units at the Village's affordability standards. (See Recommendation #1, above.) While units would be built at the expense of the developer of such a project, the requirements typically provide off-sets or incentives to alleviate the cost of selling units at below-market rates. Such offsets or relief typically allow the developer to build an additional market rate unit for each affordable unit (increasing the permitted total from 12 units to 14), or reducing the required number of parking spaces required.

Local preferences. The Plan Commission further recommends adoption of a local preference component to the Inclusionary Zoning Program, by giving priority to income eligible long-time residents, employees and local business owners.

Assuring continued affordability. Continued affordability over the long term is generally achieved through deed restrictions that place limits on resale, thereby assuring that the units remain within the Village's supply of affordable housing units. Although such restrictions would prohibit an individual owner from reselling affordable units to realize a windfall gain, they are typically fashioned to allow a reasonable capped gain in equity so that such owners reap a benefit in ownership and get a return for affordability.

An inclusionary zoning requirement may be "self-sustaining" through Village administration at the onset of the program. If the program expands, or if the Village Council establishes a Community Land Trust (see Recommendation # 5, below), the Village Council could assign the program administration functions, such as assuring that units achieve local preference, income and resale restrictions, to the Trust.

**Recommendation # 5**

**Create a Community Land Trust**

The proposed Community Land Trust (CLT) would be a non-profit organization that would act as an ownership mechanism for affordable units created through such programs as the Inclusionary Zoning Program. Purchasers of such units would own the residence they occupy, with the CLT holding in trust an easement or covenant assuring continued affordability and other program objectives such as a local preference requirement.

**Recommendation # 6**

**Create a Housing Trust Fund**

The proposed Housing Trust Fund would work largely in tandem with the CLT described above, and would serve as the source of funding for affordable housing programs, and as the means of financial support for projects that further the Village's affordable housing goals. A Housing Trust Fund can serve as a source of financing for a variety of affordability efforts, and is flexible and highly adaptable to Winnetka's constraints and conditions.

Due to the lack of vacant land and perceived slow rate of market-based new development, Housing Trust Fund dollars could also be used to fund smaller projects that are consistent with affordability goals. For example, funds could be used to assist in the funding of accessibility improvements, such as the addition of an elevator to one of Winnetka's iconic downtown multiple family buildings, or by promoting the long term viability of such buildings by providing gap financing for other improvements such as the addition of fire alarms, fire sprinklers, or weatherization work.

**Recommendations:**

Provide initial policy direction on the following issues raised by the Plan Commission's *Study of Housing Condition and Needs* and *Reinvigorating a Tradition of Varied, Moderately Priced and Affordable Housing: A Report to the Village Council*:

- (1) Should the Council direct staff to prepare an Ordinance adopting the affordability standards recommended by the Plan Commission as stated in Table 1, above?
- (2) Should the Council direct staff to draft possible zoning amendments to encourage the retention of downtown housing by:
  - a. prohibiting or discouraging conversion of apartments to non-residential uses such as offices?
  - b. relaxing parking requirements for downtown residential units as an incentive to allow the conversion of downtown's upper floor office space to residential use?
  - c. adopting a property maintenance code to assure that downtown's residential buildings are safely and adequately maintained and comply with applicable building codes?
  - d. modifying zoning regulations to allow the creation of combined "work/live" units in downtown areas?
- (3) Should the Council direct staff to draft possible Zoning amendments to ease restrictions on the occupancy, use, repair and reconstruction of existing residential coach house units?
- (4) Should the Council direct the Plan Commission and/or Village staff to draft a Inclusionary Zoning provision applicable to the commercial and multiple-family zoning districts?

**Affordable Housing Agenda Report**

April 8, 2011

Page 11

- (5) Should the Council direct the Plan Commission and/or Village staff to provide further information regarding options for creating and operating a Community Land Trust and Housing Trust Fund?

## *Appendix 5*

**MINUTES  
WINNETKA VILLAGE COUNCIL STUDY SESSION**

**April 12, 2011**

(Approved: May 17, 2011)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Tuesday, April 12, 2011, at 7:30 p.m.

- 1) Call to Order. President Tucker called the meeting to order at 7:36 p.m. Present: Trustees Gene Greable, Bill Johnson, King Poor, Chris Rintz and Jennifer Spinney. Absent: Trustee Linda Pedian. Also in attendance: Village Manager Robert Bahan, Village Attorney Katherine Janega, Interim Police Chief Patrick Kreis, Director of Community Development Mike D'Onofrio, Assistant Director of Community Development Brian Norkus, Planning Assistant Jill Morgan, Plan Commission Chair Becky Hurley, and approximately 120 persons in the audience.
- 2) Affordable Housing Discussion. President Tucker explained that the Village first adopted an affordable housing plan in 2005, after the State enacted the Affordable Housing Planning and Appeal Act (AHPAA), which requires local governments to meet State affordable housing planning requirements. She reported that after Winnetka became a home rule community that same year, the affordable housing plan was amended to insert placeholder affordability standards that were more in keeping with property values in the Village. She said the Plan Commission was then asked to study the issue of affordable housing in order to make recommendations to assist the Council in setting affordability standards and to research other tools the Village could use when implementing its affordable housing plan. She added that property values will not be negatively impacted by affordable housing.

President Tucker then thanked the Plan Commission for completing their assignment and Village staff for assisting in the process, commended the audience for their continued interest and participation, and asked Plan Commission Chairperson Becky Hurley to proceed with the Commission's presentation of its report and recommendations.

- a) Plan Commission Presentation. Ms. Hurley observed that affordable housing is an emotional and confusing term, and may not be reflective of the merits of the Plan Commission's report. She explained that the Village is attempting to create a customized, unique approach to the affordable housing issue, and asked the audience to focus their conversations on the actual report and its recommendations.

Ms. Hurley presented a PowerPoint synopsis of the affordable housing issue and the Plan Commission's two work products, the *Winnetka Affordable Housing Study: A Study of Housing Conditions and Needs in the Village of Winnetka*, prepared by the Winnetka Plan Commission in cooperation with the Nathalie P. Voorhees Center at the University of Illinois at Chicago, and the Plan Commission's final report, *Reinvigorating a Tradition of Moderately Priced and Affordable Housing*.

She explained that the report and recommendations respond to the Council's directive that the Plan Commission take a more customized approach for Winnetka, provide more detail on the Village's changing housing stock and demographics, and define affordability standards for the Village.

Highlights of Ms. Hurley's presentation included:

- A review of Winnetka's history of a traditional mix of diverse, moderately priced housing, including apartments above storefronts, coach houses where employees or family members could live, and 2-flats that owners could use to either care for parents or rent out for extra income, as well as single family homes of various sizes, which provided housing suited to various income levels, family sizes, and ages.
- A review of the Community Objectives for moderately priced housing contained in the *Winnetka 2020 Comprehensive Plan*.
- A review of the Village's 2005 Amended Affordable Housing Plan.
- A recap of the affordable housing plan requirements of the State's Affordable Housing Planning and Appeal Act, and the effect of Home Rule on these requirements.
- A review of the Plan Commission's *Affordable Housing Study*, which provides statistical data that show: (i) a significant loss of variety in the Village's housing stock; (ii) a dramatic increase in the cost of housing; (iii) a shrinking supply of affordable housing; (iv) significant demographic changes, including a 56% reduction in young adults, a 26% increase in the school-age population, a 128% increase in single-parent families, and an increase in the number of seniors 65 and older that, at 2.8%, is dwarfed by increases of from 20% to 55% in neighboring communities; (v) a higher mobility rate in Winnetka than in surrounding North Shore communities, which is evidence that Winnetka has become a more transient community, particularly with families moving out of the Village after the school-age years; (vi) a deficit of housing for Winnetka households earning less than \$150,000, with particularly striking gaps for households earning between \$100,000 and \$150,000; and (vii) that high property values and limited buildable land are the main barriers to affordable housing in Winnetka.

Ms. Hurley explained that the focus of the Plan Commission's report is (i) on keeping control within Winnetka, and (ii) on encouraging property owners in the downtown and commercial districts to provide balanced housing for people who already live in Winnetka, especially for seniors and young families with moderate incomes, defined as ranging from \$45,000 to \$105,140 for a family of four.

Ms. Hurley explained that the recommendations in the Plan Commission's final report, *Reinvigorating a Tradition of Moderately Priced and Affordable Housing*, aim first and foremost: (i) to do no harm; (ii) to emphasize incentives versus mandates wherever possible; (iii) to enhance the rights of property owners by increasing owners' choices and options; (iv) to identify solutions that will help residents remain in their homes while at the same time not relying on new development to meet affordable housing goals; (v) to approach housing diversity by focusing on reusing existing housing stock rather than relying on new development; (vi) to use a customized approach that retains local control rather than relying on State and federal funds; and (vii) to focus on multi-family units rather than single family residential districts.

Ms. Hurley then reviewed and explained each of the proposed solutions in the Plan Commission's report, as follows:

- Recommendation # 1 – Creating an appropriate affordability standards.
- Recommendation #2 – Amending the Village Code to encourage retention of the downtown area's existing residential housing stock.
- Recommendation # 3 - Easing restrictions on existing residential coach house units.
- Recommendation # 4 - Adopting an Inclusionary Zoning Program to require new multiple family developments to include 15% of all units to meet the Village's affordability standards for rents or purchase prices.
- Recommendation # 5 - Creating a Community Land Trust.
- Recommendation # 6 - Creating a Housing Trust Fund.

Finally, after noting that certain rumors have been circulated around affordable housing, Ms. Hurley addressed the misinformation, clarifying issues that are not proposed by the Plan Commission, including:

- There is no proposal to tell owners how they must use their coach house or to tell owners of coach houses who they must rent to;
- There is no recommendation to develop the Post Office site with affordable housing;
- The proposed standards will not bring Section 8 housing to Winnetka, as the proposed Village affordability standards are much too high to qualify for Section 8 or other government housing programs;
- There is no proposal to increase property taxes to pay for affordable housing;
- There is no recommendation to use eminent domain to take anyone's property for affordable housing;
- There is no recommendation to use single family housing for affordable housing;
- The Caucus never voted against affordable housing;
- The 2004 Caucus platform recommended that the Village communicate to residents how it intends to comply with the State-mandated Affordable Housing Planning and Appeal Act;
- Studies have shown that affordable housing will not reduce property values, and property values in Highland Park actually increased in neighborhoods where new affordable housing was constructed.

b) Questions by Council

Trustee Johnson asked Ms. Hurley to describe what kinds of incentives will be used for the redevelopment of the Fell property, and how they would work and if developers can pay fees rather than build affordable units.

Ms. Hurley explained that the intent is to make affordable housing easier to obtain, rather than for the Village to collect fees in lieu, although in some cases builders may be permitted to make a contribution to a housing trust fund if they are unable to provide affordable units. She noted that the proposed Fell units are affordable at a standard that was adopted before the Plan Commission undertook its study, but that the recommendations in the Plan Commission's report could work for the Fell redevelopment. She said other incentives such as waiving permitting fees and expediting permits could be used to make the affordable housing requirements more palatable to developers.

Trustee Rintz commented that one of the problems with a land trust is that it is expensive to administer, especially for a small community, and he asked if a regional approach might be a better idea.

Ms. Hurley reported that Highland Park has recently begun using a more regional approach and that there is opportunity for shared expertise and even personnel, while still retaining control over Winnetka's program. She said administration of Winnetka's plan could be done at the Council level and with existing staff for the foreseeable future.

President Tucker asked if the affordability standards include property taxes and utilities.

Ms. Hurley said the standard is based on the combined cost of rent and utilities if it is a rental unit and on mortgage, taxes and utilities if it is owner-occupied. She remarked that the Plan Commission worked long and hard to create affordability standards that would tie into the housing gaps identified in the *Study of Housing Conditions and Needs* to try to meet the needs of people in the community, not necessarily so people from outside Winnetka could find housing.

Trustee Spinney asked why renting coach houses in Winnetka fell out of favor, as it is a property rights issue.

Ms. Hurley explained that in the 1970's, when coach houses became a nonconforming use, the zoning philosophy of that time was to segregate uses and Winnetka's community of mixed uses was out of vogue – although the pendulum has swung the other way and mixed use developments are currently very attractive. She indicated that the Plan Commission is not recommending that coach house rentals be required to be affordable, but that some will probably end up meeting the proposed affordability standards.

Trustee Johnson asked what could be done about buildings with apartment units that are not being properly maintained.

Ms. Hurley commented that a property maintenance code is recommended so buildings will be kept up, but details are not worked out. She said the property owner may not be expected to bear the entire burden of rehabilitating a building, and if a mechanism like a housing trust fund is created, it could be used to help to defray the cost.

President Tucker said a property maintenance code could be a sensible solution for the downtown, as complaints are sometimes received from tenants about the conditions of their downtown rental units.

Trustee Poor asked how a preference could be given for local residents and seniors.

Ms. Hurley observed that local preferences are widely used among Winnetka's neighboring communities, and that they must be crafted so they are legally enforceable.

Attorney Janega cautioned the Council not to create provisions for senior housing that have a discriminatory effect against young families, adding that the way to structure senior housing is to have a senior development built, as opposed to carving out a few units. She said the issue could be explored if the Council so desires, as ample precedent has been set around the country for legal senior housing.

Ms. Hurley pointed out that none of the recommendations from the Plan Commission's report are new, and that hundreds of communities around the country have used these same tools and techniques to create affordable housing.

c) Public Comment

Members of the public who gave comments were:

Richard Kates, 1326 Tower; Joan Sullivan, 165 Spring Lane; Myles Cunningham, 31 Woodley; William Pridemore, 1170 Whitebridge Hill; June O'Donoghue, Northfield resident; Bob Vladem, 853 Sheridan; Rick McQuet, 528 Maple; Penny Lanphier, 250 Birch; Margaret Benson, 1158 Asbury; Kathy Johnson, 982 Elm; , Lynn Sanders, 995 Pine; Kathy Fink, 558 Provident; Steve Snakard, 717 Willow; Carol Fessler, 1314 Trapp Lane; Suzie Halpin, 470 Sunset; Pete Henderson 576 Maple; Ann Airey, 110 Glenwood; Roberta Goldberg, 1580 Asbury; Jeremy Levine, 428 Elder; Jennifer Merlin, 1152 Asbury; Liz Nessler, 491 Hill; Katie Seigenthaler, 491 Hawthorn; Jan LaRosa, 1205 Willow; Robert Leonard, 1065 Spruce; Richard Newman, 726 Oak; Steve Miller, 603 Provident; James Burke, 174 Sheridan; Jen McQuet, 528 Maple; Sam Hirsch, 1737 Highland, Wilmette; Martha Ross Mockaitis, 686 Foxdale; Miki Stavros, 227 Church; Bob Mucci, 1040 Tower; Katherine Egeland, 524 Provident.

Several of the speakers favored the proposed plan, stressing the value of a diverse community and the need to address the loss of diversity in the community, with one speaker noting that the largest housing gap that was identified is for those with incomes between \$90,000 - 135,000, which would include graduates of top schools with young families, and that the Village should create "toeholds" for such families in the community. In particular, supporters commented in favor of the coach house proposal and the adoption of a property maintenance code, and in opposition to suggestions that the affordable housing issue should be put to referendum.

Several speakers spoke in opposition to the proposed plan, with many of the opponents expressing a fear that property taxes would be increased to implement the plan, and that the matter should be put to a referendum. Other opponents commented that the proposed plan would not help anyone in the current recession, with one speaker stressing the need to leave housing to the laws of supply and demand.

Some of the speakers did not address the plan specifically, but expressed concerns about existing property taxes and whether the proposed plan would lead to higher property taxes. Many speakers expressed a desire for further study and information, particularly about the housing trust fund, the community land trust and other funding mechanisms.

The public comments concluded at 10:15 p.m. and a short recess was called.

d) Council Discussion and Direction

The meeting resumed at 10:25 p.m.

President Tucker suggested focusing attention on specific items for discussion so that next steps can be formulated. She asked Attorney Janega to address the issue of whether the AHPAA applies to Home Rule communities.

Attorney Janega explained that it was her opinion in 2005, and still is today, that the AHPAA does not preempt home rule, but added that the Illinois Housing Development Authority (IHDA) takes a different stance. She noted that IHDA maintains a list of communities that are not exempt from the AHPAA, that 20 of communities on the list are home rule units, that 12 of those home rule units have filed Affordable Housing plans with the state and 8 have not. She maintained that when the home rule referendum was being discussed with the public it was made very clear that the objective was to have the freedom to create a customized plan for Winnetka, since non-home rule units do not have authority to adopt inclusionary zoning and other solutions.

Attorney Janega said the Village Council in 2005 thought it more prudent to pursue a customized approach by amending the Village's original affordable housing plan on file with the IHDA, rather than rescinding the plan altogether. She pointed out that withdrawing the plan would put Winnetka in the position of being the only municipality in the state to withdraw a plan, which could spark a legal battle with the IHDA, or even prompt the State to amend the AHPAA to add language that preempts home rule.

Attorney Janega said her recommendation is to avoid potential litigation, particularly when the Village can amend its original plan to be a better fit for the community.

Trustee Poor agreed that Winnetka would not want to single itself out by being the only town to rescind their plan and said he understands Attorney Janega's position that while Winnetka does not appear to be bound by the law, the political reality is different.

Ms. Hurley said some residents may be unaware that Winnetka already has an existing Affordable Housing ordinance, and she questioned what a referendum would look like and whether it would call for a repeal of the existing plan. She noted that the Comprehensive Plan states support for affordable and diverse housing and that if the community decides this is no longer a Winnetka value, the Comprehensive Plan may need to be revised.

Attorney Janega clarified that Illinois law does not provide for binding referendums on policy issues; therefore, a referendum would be a device to get the opinions of the community. She commented that a referendum on such a heated topic would necessitate an educational campaign so that the community fully understands the issue. She noted that the question isn't whether Winnetka should have an affordable housing plan, since the Village already has a plan on file with the State, but rather whether to amend that plan.

Attorney Janega said the issue now before the Council is to choose from the array of tools that the Plan Commission has listed in its final report. She noted that some options, such as a commercial maintenance code or easing restrictions on coach house uses, are relatively easy to implement and not very controversial, while others, such as a

community land trust or housing trust fund, need more study and are the reason for most of the community resistance.

Trustee Poor remarked that a non-binding referendum would probably not be a good option to pursue, as the issue is not a “yes” or “no” question, and he noted that affordable housing has been a priority in Winnetka as far back as 1979. He commented that the approach recommended by the Plan Commission is modest, no new property taxes are proposed, and that nobody is trying to change Winnetka’s demographics. He said he would be in favor of the Plan Commission’s first three recommendations, once details are fleshed out and he recommended further study for Recommendations 4 through 6.

Trustee Rintz said he was heartened by the evening’s conversation, as everyone was able to respectfully disagree and state their opinions. He indicated that he would be against committing any money to litigating the Village’s non-exempt status with the IHDA, and that he was bothered by the public comments about taxes, as the Village’s share of the total tax burden is very small and the largest share goes to the schools, which is out of the Village’s purview. He asked staff to return with affordable standard concepts for the Council to discuss, expressed support for Recommendations 2 and 3, and asked for more study and information for Recommendations 4 through 6.

Trustee Spinney announced that she concurred with Trustees Poor and Rintz, thanked the Plan Commission for their hard work, and commented that Winnetka’s property values are not going to be harmed by the proposals.

Trustee Greable said he wanted to work at getting community consensus on the issue, and that while he would need more information on most of the Plan Commission’s recommendations, he would like to have staff start working on plans to move ahead with Recommendations 2 and 3.

Trustee Johnson said he was in favor of the Plan Commission’s first three recommendations and he agreed that more study is needed for the last three. He added that he would like information about if and how property taxes will be impacted by affordable housing units.

President Tucker said there was consensus to measure the affordability standards in concrete terms, rather than conceptual ones, and she directed staff to draft language for a commercial property maintenance code and also for proposed zoning amendments to ease restrictions on the use of coach houses. She commented that it would make sense to have the Plan Commission do further research about inclusionary zoning, community land trusts and housing trust funds.

- 3) Adjournment. The meeting adjourned at 11:45 p.m.

---

Recording Secretary

## *Appendix 6*

# **2011 WINNETKA CAUCUS PLATFORM**

**Caucus Council Approved**

**October 27, 2011**

**2011 WINNETKA CAUCUS PLATFORM**

**Contents**

<b><i>PROPOSED 2011 PARKS' PLANKS</i></b> _____	<b>3</b>
<b>Skokie Playfield Master Plan Communication</b> _____	<b>3</b>
<b>Hubbard Woods Ice Skating Shelter</b> _____	<b>3</b>
<b>Beach Amenities and Infrastructure</b> _____	<b>4</b>
<b>Inter-Agency Efforts</b> _____	<b>4</b>
<b><i>PROPOSED 2011 VILLAGE PLANKS</i></b> _____	<b>5</b>
<b>Storm Water Management</b> _____	<b>5</b>
<b>Affordable Housing</b> _____	<b>7</b>
<b>Village Trustee Term Limits</b> _____	<b>8</b>
<b>Winnetka Business District Responses</b> _____	<b>9</b>
<b><i>PROPOSED 2011 LIBRARY PLANKS</i></b> _____	<b>10</b>
<b>Services</b> _____	<b>10</b>
<b>Patron Satisfaction</b> _____	<b>11</b>
<b>Existing Spaces</b> _____	<b>11</b>
<b><i>PROPOSED 2011 SCHOOLS' PLANKS</i></b> _____	<b>13</b>
<b>Satisfaction</b> _____	<b>13</b>
<b>Communication</b> _____	<b>14</b>
<b>Progress Areas</b> _____	<b>15</b>

## **Village Plank #4**

**The Village Council should direct staff to engage in an educational effort to increase the public's awareness of flooding issues and means by which assistance with flooding issues can be obtained.**

-----

## **Affordable Housing**

### **Survey Results**

Winnetka residents were highly interested in addressing the issue of Affordable Housing (AH) with 97% of survey respondents taking the time to read extensive background descriptions on AH and answering the questions. The results were unambiguous, by a 67% to 27% margin, survey respondents were **against** expanding Winnetka's Affordable Housing Plan to set aside affordable housing units and provide tools to bridge the affordability gap for qualifying households. The comments revealed very little misinformation among respondents and only 6% of respondents were categorized as undecided/inconclusive on the issue of expanding the Affordable Housing Plan.

The top three reasons cited against the proposed AH Plan expansion focused on the role and priorities of Village government, with:

- 85% indicating that Village government should not be involved in determining who can live here and what prices can be charged for housing in Winnetka;
- 79% indicating that the Village should focus on other priorities; and
- 60% noting that, with Home Rule, Winnetka is not required to expand the AH Plan.

Further, a majority of those opposed to expanding the AH Plan (52%) cited as a reason that they expect an expanded program would fail to deliver and ultimately become a burden on the Village. Many comments expressed the view that housing needs should be based on the free market system, as

below-market programs would be an unsustainable means to address AH goals. Interestingly, this same concern was expressed by many of the 27% of respondents who support expansion of the AH Plan in general; one-third in this group indicated that the Village should *not* enact a below-market, “affordable” housing program in Winnetka but should promote efforts to enhance the diversity and quality of modest-priced housing options on the market.

**Village Plank #5:**

**The Village Council should proceed promptly to conclude discussions on the Affordable Housing issue for Winnetka. In finalizing the Affordable Housing Plan on file with the State of Illinois, Village Council should not adopt an expanded Plan that would enact a below-market, “affordable” housing program in Winnetka, nor create the tools for such a program, i.e., affordability standards, local preference standards, inclusionary zoning ordinances, land trust, housing trust or housing commission.**

-----

**Village Trustee Term Limits**

When asked about adding a third term for Village Trustees, 54% of respondents answered YES and 46% answered NO. Due to other more important pending Village issues and the lack of significant support for adding a third term, the Caucus does not recommend a plank or Caucus rule change on term limits for Village Trustees at this time. However, based on our research, we suggest that the Winnetka Caucus continue to provide additional information to Winnetka residents on the advantages and disadvantages of the current 2-year 2-term limit. We also recommend that a question be included on the 2012 Caucus Survey to obtain feedback on whether or not the Village should consider changing the current 2 year term to a 4 year term for Village Trustees.

-----

**STORMWATER AND SANITARY SEWER IMPROVEMENTS**

**SCHEDULE OF ACTIVITIES**

Red = Updated since last report

15-Nov-11

<b>Spruce Street Outlet Improvements</b>	
<b>Activity</b>	<b>Status</b>
Identify Protection Levels - Determine what protection level to be provided to Tower/Foxdale and Sheridan/Maple areas.	Council discussion needed.
Identify Funding Sources - Determine how to fund these two projects.	Council discussion needed.
Design Engineering Proposals- Obtain fee proposals to complete design plans, specifications, and bidding documents.	Draft proposal received from CBBEL. Obtain fee proposals from other firms?
Permitting - Obtain appropriate permits from MWRD and US Army Corps	<b>Discussed project with MWRD and DNR. No hurdles identified. Contact established with IEPA and Army Corps - planning for meeting to occur late November-early December.</b>

<b>Greenwood Avenue Area Improvements</b>	
<b>Activity</b>	<b>Status</b>
Additional Engineering Evaluation - Evaluate whether improvements address all problem areas in watershed.	Review recent survey results to identify possible areas of watershed in need of additional evaluation
Identify Protection Levels - Determine what protection level to be provided to project areas.	Council discussion needed.
Identify Funding Sources - Determine how to fund this project.	Council discussion needed.
Utility Location - Identify major utility facilities in project area to test for conflicts.	Utility locate requests sent to AT&T, Comcast, North Shore Gas. MWRD information received.
Forest Preserve Coordination - Coordinate with Forest Preserve regarding additional outfall to flood control pond.	Pending further evaluation of proposed improvements
Secondary Cost Review - Obtain independent cost review of project.	Pending further evaluation of proposed improvements
Design Engineering Proposals- Obtain fee proposals to complete design plans, specifications, and bidding documents.	Pending further evaluation of proposed improvements

<b>Tunnel Project</b>	
<b>Activity</b>	<b>Status</b>
Soil Borings - Evaluate subsurface soil conditions along proposed route of tunnel.	<b>Contract awarded to TSC. Borings to be completed late November.</b>
Utility Location - Identify major utility facilities in project area to test for conflicts.	<b>Utility locate requests sent to AT&amp;T, Comcast, North Shore Gas. MWRD, Electric, Water, Comcast information received.</b>
Railroad Coordination - Obtain information from Union Pacific Railroad concerning engineering and real	<b>Initial contact made with UP Railroad. Received permit requirements for utility crossings. No major hurdles identified.</b>
Regulatory Agency Meetings	<b>Discussed project with MWRD and DNR. No hurdles identified. Contact established with IEPA and Army Corps - planning for meeting to occur late November-early December.</b>
Meetings with State and Federal legislators	<b>President Tucker, Trustee Rintz, Manager Bahan and Director Saunders met with U.S. Rep. Dold, State Rep. Biss, and State Rep. Gabel to brief them on tunnel project and discuss areas where legislative support may be needed. Project was well received. Meeting with Sen. Schoenberg scheduled for 11/16.</b>
Critical Path Plan - CBBEL to provide fee proposal for critical path plan to complete tunnel project.	CBBEL to prepare critical path after initial meetings with MWRD and regulatory agencies
Willow Road Rehabilitation Coordination	Meeting held with Willow Road project consultant to coordinate Willow Road project with tunnel.
Secondary Cost Review - Obtain independent cost review of project.	
Identify Funding Sources - Determine how to fund this project.	Council discussion needed.

<b>Bulk Pricing for Property Assessments</b>	
<b>Activity</b>	<b>Status</b>
Identify suitable firms to provide pricing.	Staff research in December/January timeframe
Negotiate pricing with several firms	Staff research in December/January timeframe
Publicize program.	

<b>Property Protection Seminar</b>	
<b>Activity</b>	<b>Status</b>
Publicize IAFSM pamphlet via Winnetka Report, e-Winnetka, Village website.	Link on website. Winnetka report upcoming mid-November.
Identify resources for presenters.	Staff research in December/January timeframe
Explore value of joint presentation with other municipalities.	Staff research in December/January timeframe
Identify suitable location for seminar.	Staff research in December/January timeframe
Schedule and publicize seminar.	

<b>Sanitary Sewer Evaluation Study</b>	
<b>Activity</b>	<b>Status</b>
Additional flooding data survey	1,046 responses received as of 10/18/2011
Evaluate survey data	Ongoing evaluations by staff and Trustee Kates. Data will be used to fine-tune project recommendations for Greenwood and Tunnel projects, and to develop Sanitary Sewer Evaluation Study.
Hold pre-proposal discussions with qualified engineering firms.	Met with 1 firm, 2 additional meetings scheduled for November 3 and November 14.
Discuss survey results and study strategy with Village Council	Proposed for December Study Session.
Develop RFP	Awaiting Council discussion December 13, 2011.
Evaluate RFP Responses	January-February 2012
Council awards contract	January-February 2012

<b>Detention Projects</b>	
<b>Activity</b>	<b>Status</b>
Detailed coordination with Park District	Coordination discussions complete pending decision of tunnel vs. detention
Detailed coordination with School District	Discussions pending decision of tunnel vs. detention
Detailed coordination with New Trier	Initial meetings held. Further discussions pending decision of tunnel vs. detention
Detailed coordination with Forest Preserve	Discussions pending decision of tunnel vs. detention

<b>Financing</b>	
<b>Activity</b>	<b>Status</b>
Discussion of stormwater financing and bond issuance.	<b>Council discussed at November 8 Study Session</b>

## **WILLOW ROAD STORMWATER RELIEF TUNNEL – PROJECT SUMMARY**

### **What is the proposed project?**

- Construction of an 8-foot diameter storm sewer underneath Willow Road from approximately Glendale Avenue to Lake Michigan, a distance of some 7,900 feet.
- Approximately 3,800 feet would be constructed by tunneling, the remainder by open cut methods.
- Construction of additional storm sewer connected to the tunnel to provide relief to 5 drainage basins affected by frequent and/or severe stormwater flooding.
- Construction of a structure to address water quality at the Lake outlet
- Construction of an outlet structure to control water velocity and prevent erosion.

### **Why is the tunnel project being considered?**

- Winnetka suffered severe flooding in 2008, and again in 2011, and has engaged Christopher B. Burke Engineering, Ltd. (CBBEL) to develop possible improvements to reduce flooding of certain areas of the Village.
- Multiple scenarios involving detention were evaluated, however detention would be located on various open-space parcels owned by the Winnetka Park District, New Trier High School, the Winnetka School District, and the Cook County Forest Preserve.
- The cost and uncertainty involved in obtaining permission to use these parcels is significant, and renders feasibility in doubt.
- The proposed tunnel project provides more effective relief, less uncertainty, and can be constructed at a lower cost to provide 100-year relief.

### **What are the benefits of the project?**

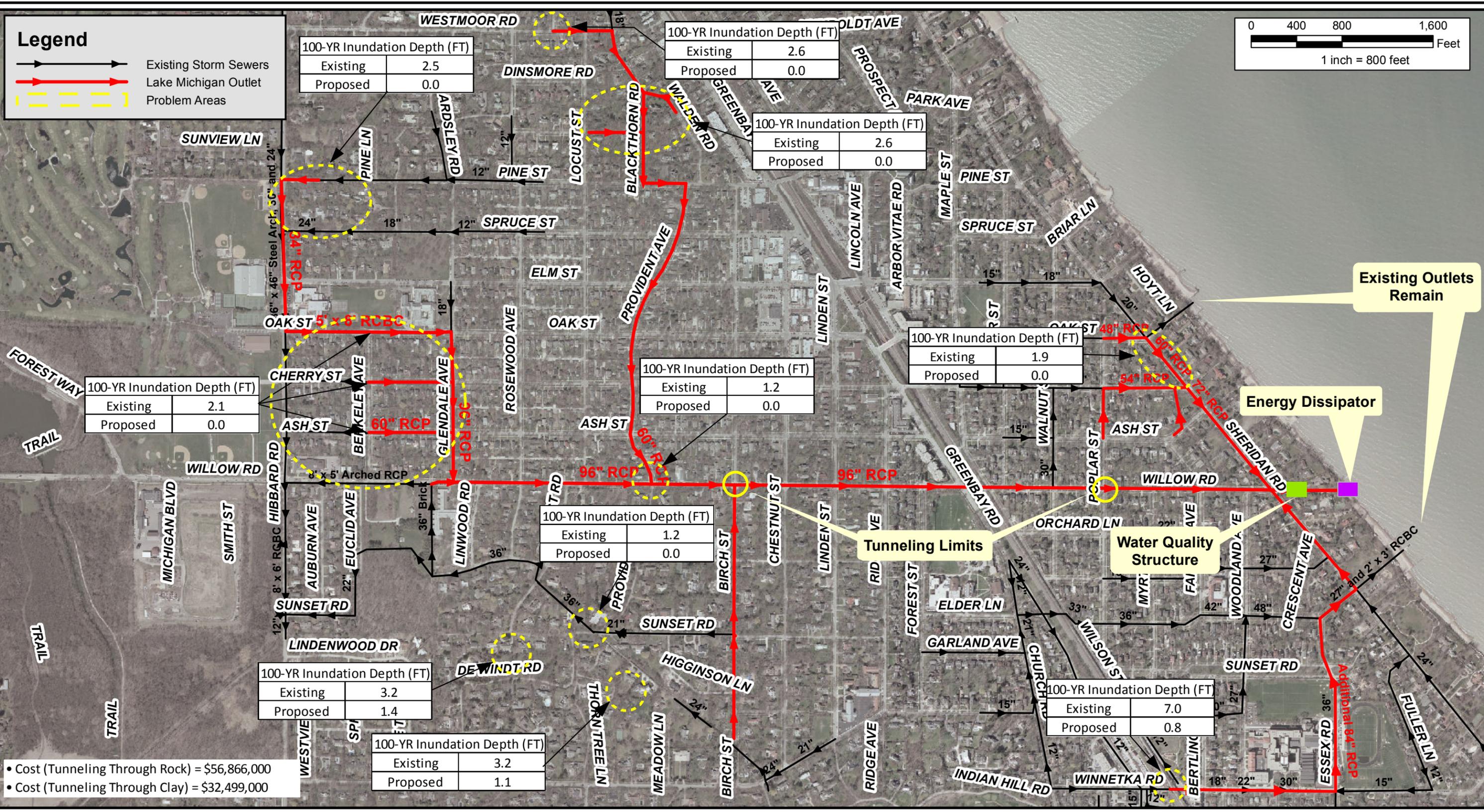
- Project as designed will provide flood damage relief from the 100-year rainfall event for 5 different drainage areas across the Village

### **What are the challenges involved?**

- There are multiple regulatory agencies with jurisdiction over Lake Michigan
  - Metropolitan Water Reclamation District
  - Illinois EPA
  - Illinois DNR
  - US Army Corps of Engineers
- The proposed route runs beneath the Union Pacific Railroad tracks at Willow Road
- Portions of Willow Road are under IDOT's jurisdiction
- Water quality requirements are unknown at this time
- Hydrodynamic forces at the Lake outlet are significant, and a suitable structure needs to be designed to dissipate them.

### **What will the project cost and how will the project be financed?**

- CBBEL has estimated a project cost of \$32.5 million (\$56.8 million if tunneling must be done through rock).
- The project will likely be funded through a combination of reserves and debt. Debt repayment likely through property taxes or a stormwater utility.



 <p>Christopher B. Burke Engineering, Ltd. 9575 West Higgins Road, Suite 600 Rosemont, IL 60018 (847) 823-0500 / FAX (847) 823-0520</p>	<p>CLIENT Village of Winnetka</p>	<p>PROJECT NO. 08-0671</p>	<p>DSGN. MJB</p>	<p>CHKD.</p>
	<p>TITLE Lake Michigan Outlet - 100 Year Protection</p>	<p>DATE 9/20/11</p>		
	<p>EXHIBIT 10</p>			