

temperature checks at departure, as well. They will also be doing extra cleaning and sanitizing and will have a strict sick policy that will require children to stay home for 72 hours if sick and monitor coughs, colds and flu symptoms closely. If flu symptoms persist for more than 72 hours, children may only return back with a doctor's note saying either that their symptoms are not COVID related, not enough symptoms for a test, or with a negative COVID test result. They will also follow the Chicago guidelines stating that if a family has traveled to a red state or been on an airplane, that they must stay home for two weeks before returning. They will also follow the DCFS COVID guidelines stating that plush toys or stuffed animals will not be allowed. They will also minimize parents being in the home by offering virtual tours. Ms. Schultz added that if Illinois goes back to Phase 3 they will communicate with their DCFS representative on the process needed and will work with parents to lower number of children in their care if they need to. The Petitioner will work with the conditions they are presented.

Chairman Berg confirmed with staff that the Petitioners need to be licensed through DCFS in order to operate. Ms. Grafman added that any in-home day care with more than three children is required to be licensed. Mr. Ryckaert stated that per the Zoning Ordinances under home occupation, any applicable State licensing requirements must be adhered to as well as any additional Village requirements which in this case requires a Special Use as they are planning to have over four children in their care.

Chairman Berg asked staff if there are any parking restrictions in this area on Pine or an adjoining street. Mr. Ryckaert replied that he is not aware of any but will double check. Commissioner Bromberg stated that he lives in the area and other than no overnight parking there are no special restrictions.

Chairman Berg agreed with the suggestion that Ms. Schultz park elsewhere to accommodate clientele as best possible and keep the traffic flow uncongested. Chairman Berg also agreed that garbage is an issue to consider. Mr. Lichterman informed the Petitioners that they can rent an additional garbage can from the garbage provider. Chairman Berg stated that he agrees that there is no need for a traffic and parking study.

Commissioner Bromberg asked what happens in the event of Ms. Grafman's family going on vacation. Ms. Grafman replied that per the DCFS guidelines, they will have a school policy stating when they will be closed for vacations. And although the licensee who is Ms. Grafman must always be there, they are allowed a certain number of days to have a substitute for her which will be Ms. Schultz.

Mr. Ryckaert reported that the Public Hearing on this matter will be October 8, 2020.

2) Workshop Meeting to Discuss the Framework for an Affordable Housing Inclusionary Ordinance

For this agenda item Mr. Nakahara shared some basic definitions relative to inclusionary zoning. Inclusionary zoning may be programs and policies that require or offer incentives for the creation of affordable housing. Inclusionary zoning may come into effect when new development or redevelopment occurs. Some of the benefits of an inclusionary zoning ordinance are that they deal mainly to private sector development, which does not necessitate a direct government subsidy, integrate affordable housing into market rate development and do not concentrate affordable housing in one area.

Mr. Nakahara defined area median income (AMI) as the income limits that are determined by the specific area income or regional area income as calculated annually by Housing and Urban Development (HUD). The AMI is the median or middle number of all of the incomes for the given area. Meaning that 50 percent of the people in that area make more than that amount, and 50 percent make less. The income levels are percentages of that AMI number. Household income at or below 80 percent of the AMI is considered low-income, household income from 80 percent to 120 percent of the median income is considered moderate income, and above 120 percent of the AMI is considered middle income.

Mr. Lichterman discussed the memo presented to the Village Board on July 20, 2020. This memo is in response to the January 2020 Committee of the Whole Meeting in which the Board directed staff to further look into an affordable housing inclusionary zoning ordinance. At the January 2020 meeting, the Village Board had a favorable view to take some legislative action and recommended that an inclusionary zoning ordinance may be a method to drive affordable housing. Mr. Lichterman stated that they looked back at Village files pertaining to affordable housing or workforce housing and learned that this issue has been discussed since 2009. In the past there have been ideas of forming a task force. At this time, the Village Board is ready for action and Mr. Lichterman provided an overview of the staff memo to the Board with a framework and recommendations for a possible inclusionary housing ordinance. Mr. Lichterman added that the Board did not get into the details of a recommendation and their hope is that the Plan Commission would dive into deeper detail of an inclusionary ordinance. The Board liked the general guidelines but would like to dig deeper into what the thresholds are for when the ordinance would apply as it may not make sense for all developments.

Mr. Lichterman stated that these policy objectives will drive later decisions and specifically some of the definitions for AMI. The objectives offered for inclusionary zoning include increasing the supply of affordable housing, dispersing the supply of affordable housing, and making low and moderate income families indistinguishable from each other. An inclusionary zoning ordinance would provide better access to employment and education in Deerfield to a great demographic and the surrounding area as well as encourage racial and economic integration.

Mr. Lichterman stated that the State of Illinois has non-binding affordable housing guidelines with different objectives than these. When the Village Board asked staff to come up with thresholds that would trigger the inclusionary ordinance, staff offered a sliding scale so that any development with over 51 units will offer 10 percent of the units as affordable. Developments with one to 10 units would be encouraged to offer affordable housing but would not be mandated. Staff suggested that affordable housing be 120 percent of AMI. This does not satisfy what the State of Illinois defines as affordable housing in the Affordable Housing Planning and Appeals Act (Act). As Deerfield is a Home Rule community, the State act is not binding to Deerfield; it is only viewed as a guideline. At this time, staff is not offering to be bound to the Act as an objective, but if the Plan Commission disagrees, this can be part of their recommendation. Staff suggests that 120 percent of AMI be used (while the State defines that 80 percent of AMI for owner occupied units and 60 percent of AMI for rental occupied units) when defining affordable housing units. Affordable housing can be owner occupied or rental occupied and an ordinance must apply to both.

Commissioner Bromberg asked if the suggested sliding scale is the same for rental and owner occupied units or if staff suggests two different scales. Mr. Lichterman responded that they are suggesting one scale, but they believe they can use two different ones if this body or the Board suggest so, as the State has.

Commissioner Bromberg commented that 120 percent of AMI is an important factor to consider for Deerfield. He understands that this does not meet Illinois requirements, but would like to know if it will allow Deerfield to meet their other goals of allowing low income families to live there. Mr. Lichterman agreed that this is an important question and it is the decision of the Commission. Staff is of the mind that this number starts the ball moving and will not be too off-putting for developers, as the Village does not want to discourage development. The question is whether this percentage along with incentives will be feasible for developers. The Village Board is looking to the Plan Commission to help make this determination. Commissioner Bromberg commented that the Zion Woods affordable housing proposal is below this percentage of AMI. Mr. Lichterman commented that this is correct, as their number is dictated by the funding and programs they are using, and that this ordinance would not apply to them as they are already offering affordable housing to low income families. Mr. Ryckaert commented that he believes Zion Woods plans to use 60 percent of AMI. Commissioner Bromberg suggested looking into 100 percent and 120 percent of AMI.

Mr. Lichterman showed a State report shows that in 2012 Deerfield had 4 percent affordable housing and in 2018, 7.3 percent affordable housing. It is not clear what drove this increase as these numbers are dependent on the housing market at the time. He shared that one reason staff is recommending that 120 of AMI be used is that the approved REVA development agreed to offer 10 percent of their apartments at 120 percent AMI, which will be 18 out of the 180 apartment units.

Mr. Lichterman reviewed what the rent and sale prices would be for 120 percent of AMI using a household of four AMI of \$109,000. Rent for a three bedroom unit would at 120 percent of AMI would be \$2,730 including utilities. Currently there are 12 three bedroom units for rent in Deerfield with an average rent of \$2,839, however this does not include utilities. 100 percent of AMI would be a significant difference in rent. And the sale price of a three bedroom unit at 120 percent of AMI would be \$369,500 for a household of four. The median value of homes in Deerfield is \$385,000. Mr. Lichterman added that the Village would need to partner with a third party housing authority to administer this program if this were put into place. The housing authority partner would audit applications and determine who would be eligible.

Commissioner Schulman asked how much utilities might be a month. Mr. Lichterman replied that rent often includes waste, water and sewer and tenants are responsible for gas and electric which can be upwards of \$100 a month. Mr. Lichterman added that internet is not considered a utility and tenants will likely need internet service.

Commissioner Bromberg commented that another key part of the income grid is for the one-person household because when affordable housing has been discussed in the past, they have talked a lot about someone newly out of college, such as a teacher or firefighter in the community who would also like to live in the community close to their job. He thinks that this is an important to consider and asked if the starting salary for teachers or firefighters would qualify.

Commissioner Stolman commented that the rent for a one-bedroom unit would still be over \$2,000 using 120 percent of AMI and one bedroom units already had an average rent of \$1,200 which is well within that range.

Commissioner Schulman asked if this would only apply to new homes being built. Mr. Lichterman replied that it would only be for new developments with ten or more homes or other types of units. Commissioner Schulman commented that the ordinance would mostly be for new construction rental apartments and very rarely if ever townhomes or single family homes. Mr. Lichterman agreed that this is true in today's market but that could change in the future.

Commissioner Keefe asked if a unit is purchased through this affordable housing program and is later being sold, does it have to remain as affordable housing for the sale. Mr. Lichterman replied that the unit would be held in perpetuity with a restrictive covenant to keep it affordable even when it turns over.

Commissioner Stolman asked if this only applies to units in multi-unit housing or if it also applies single family home developments. Mr. Lichterman replied that it would apply to all new developments and all units are viewed as the same, whether apartments or condos or single family homes. However, it would not be very common that there would be a development of more than ten single family homes.

Commissioner Stolman asked how this program would be marketed and if it would be offered publicly as well as whether the third party partner would accept tenants or if the owner or landlord would. Mr. Lichterman replied that the third party partner would handle all of the marketing and applications. Commissioner Stolman asked what the potential annual cost would be of this partner. Mr. Lichterman replied that they believe it would be between \$20,000 and \$30,000 per year to help administer a program like this. He added that there is a selection of reputable companies that do this that have been used throughout Lake Forest to Evanston.

Commissioner Bromberg asked how would this apply to a large development similar Coromandel. Mr. Lichterman responded that Coromandel is 400 units total a mix of townhomes, apartments, and condominiums. If this potential ordinance were to apply to a development like Coromandel, the Village would say that 40 housing units need to be affordable. Commissioner Bromberg asked if what types of units those 40 could be. Mr. Lichterman replied that this is something for this body to deliberate and perhaps the 10 percent could be across the board so that 10 percent of each apartments, condos and townhomes would need to be made affordable.

Chairman Berg asked Mr. Lichterman to expound on the possible advantages or disadvantages of condos only being made affordable and not single family homes. Mr. Lichterman replied that applying an ordinance like this to all types of new development units provides for more diversity. And there is value in having a variety of housing stock if they really want to achieve affordability and diversity. The whole point of inclusionary zoning is to not differentiate and to comingle the affordable housing. In this example, a Coromandel-type development in the future would be indistinguishable.

Mr. Lichterman next discussed developer incentives being proposed. He stated that setting the right AMI and incentives will determine if the Village stifles development or not. Developers focus on economic outcomes to stay in a project and the Village hopes to offer certain incentives that are valuable.

One commonly used significant incentive is a developer fee which allows the developer to pay a fee in lieu of adhering to the affordable housing requirements. Mr. Lichterman stated that the Village Board is opposed to accepting fees in lieu of offering affordable housing. The Board is

also opposed to forming a Housing Commission as they are looking for a more efficient way to do this without additional bureaucracy.

Mr. Lichterman stated that another possible incentive is density waivers. This would allow developers to build above and beyond the density restrictions in the Zoning Ordinances and would often trade one for one with more units and affordable units which can be a valuable incentive to developers. Additional incentives include impact fee waivers, building permit fees waivers and expedited building permits, and other fees waivers on just the affordable units but not the entire development.

Mr. Lichterman next discussed eligibility. A common policy objective is for low and moderate-income families to live in the community. The question is how to allow this when there will only be so many affordable units with possibly many eligible applicants. When the Village Board discussed this, their reaction was that giving priority to people that live and work in Deerfield. However, they are opposed to giving priority to employees of the Village as this seems self-serving. The Village Board discussed the importance of this ordinance to benefit the broader community. Mr. Lichterman asked the Commission to consider whether we exclude library and park district employees from getting priority, as well. Chairman Berg clarified that Village employee applicants would not be excluded, just not prioritized.

Chairman Berg asked what would happen if someone is accepted and ceases to be employed there during the term of their occupancy. Mr. Lichterman replied that he is not sure, but that as long as that person still qualifies they can remain.

Mr. Lichterman stated that when the Village Board discussed incentives and eligibility they stayed very broad and it is their hope that the Plan Commission would dig into the nuances more in these areas. The Board discussed just a basic framework to move the ball forward. Mr. Lichterman informed the Commissioners that they can let staff know what they need more information on and can discuss what feels right and wrong and what they need more time or information on. At this time staff is looking for that basic reaction and how to move forward.

Commissioner Bromberg asked if Trustee Jester felt that this was not necessary and was against inclusionary zoning referring to Trustee Jester commenting (at the July 20th Board meeting) that the Village already has many homes that meet these requirements. Mr. Lichterman confirmed that this is accurate. He added that some trustees believed that 120 percent of AMI is a good starting place and better than nothing and others wanted to further explore 100 percent or 80 percent of AMI.

Chairman Berg asked each Commissioner for their input.

Commissioner Bromberg stated that he is not sure about the 120 percent of AMI and he needs time to mull that over as he is considering lowering that number. Mr. Ryckaert replied that the Commission could consider recommending that half of the required units be at 100 percent of AMI and half at 120 percent at AMI, or a third at 80 percent, a third at 100 percent, and a third at 120 percent of AMI. Commissioner Bromberg liked this suggestion. He added that it is his preference for people who work in the Village to have priority, but not Village employees and not public sector over private sector employees. He also agrees that the Village should not accept a fee in lieu of affordable units, and he likes the idea of other waivers as incentives. He also added that if someone's income goes up there should be a way for them to age out of the program and pay market rate. He does not think that once someone qualifies and is accepted

that they should never leave the unit or always have the same rent. Mr. Lichterman responded that if someone no longer qualifies for affordable housing then the unit can go to market rent and another unit in the development can be made affordable in return. A tenant would not necessarily have to leave the unit. Commissioner Bromberg also commented that in the Highland Park Ordinance, an owner occupied unit has to meet the requirements of perpetuity for 25 years and he'd like to give more thought to this. Mr. Lichterman stated that the Village Board had the opinion that a unit for sale should remain in perpetuity and that ten percent of units in a development need to remain affordable in perpetuity.

Chairman Berg asked how this might be governed and overseen in a multi-unit establishment. Mr. Lichterman replied that the third party housing authority would audit program participants on an annual basis and generally act as an arm to the Village to manage the entire program.

Commissioner Schulman asked if a new development has 50 units and five need to be made affordable, if it can it be any five units. Mr. Lichterman replied that yes it can be any units the developer would assign. Often times it may be units with poor views or some downside to them. Or they may choose different countertops or fixtures for the affordable units.

Chairman Berg confirmed that the affordable units would have to be indistinguishable from full market rate. Mr. Lichterman confirmed that this an objective of the potential ordinance. He added that for comparison, Highland Park's ordinance states that affordable units cannot be less than 75 percent of the square footage of a market rate unit. They can place limits such as these on it. The objective is to be affordable and indistinguishable from the others.

Commissioner Keefe commented that he wants to be sure that if someone purchased an affordable condo that they cannot rent it out for a higher rate. He also commented that there could be concern about people not upgrading or property maintaining affordable units because know they know they will not get market value when they sell. Mr. Lichterman stated that staff can look into this as owner occupied affordable housing is more rare and not as well understood. Mr. Nakahara stated that if a unit is purchased as an affordable unit then it would not be eligible to be rented out and it must be owner occupied.

Commissioner Schulman commented overall it is a good policy and he understands why the Village would want to have it on the record. However he is not sure how applicable it would be in Deerfield as there is not very much new development of large scale. He added that he likes Mr. Ryckaert's idea of splitting the AMI and that without incentives for developers they could curb development. He stated that waivers could be enticing and meaningful for developers. Regarding eligibility, he asked how multiple applicants that live or work in Deerfield could be prioritized at the same time. And regarding perpetuity for rental or owner occupied units, if the unit is only affordable for 25 years it would be hard to have to cycle people out in year 24 if they could not afford to pay market rent.

Commissioner Stolman agreed that he liked the idea of splitting AMI levels in halves or thirds. And regarding incentives, maybe the Village could consider requiring less than ten percent of units be made affordable so as to not scare developers away. He also questioned the cost and efficiency of the third party contractor versus the Village managing the program themselves. And regarding eligibility he would like to know if essential workers and educators will receive priority.

Chairman Berg asked the Commissioners whether this matter should be continued, as there has been quite a bit of meaningful dialogue at this point. He stated that the Village Board has requested that the Plan Commission study this issue and make necessary recommendations and he believes it is incumbent upon them to provide information and support if they wish to adopt something.

Commissioner Bromberg agreed to continue the discussion and stated that he believes that they should have an ordinance in place but that they first need more information to inform their recommendations. Commissioners Keefe, Schulman and Stolman agreed to continue the matter to a later date. Chairman Berg asked staff to look further into the cost of potentially forming a housing authority.

Mr. Ryckaert suggested continuing the matter at the October 22, 2020 Plan Commission meeting, Chairman Berg confirmed.

Document Approval

- 1) September 1, 2020 Plan Commission Meeting Minutes

Commissioner Bromberg moved, seconded by Commissioner Keefe to approve the minutes with the corrections provided by Commissioner Bromberg. The motion passed with the following vote.

Ayes: Stolman, Bromberg, Keefe, Schulman, Berg (5)

Nays: None (0)

Items from the Staff

Mr. Ryckaert reported on upcoming Plan Commission agenda items.

Public Comment

Mr. Ryckaert reported that there was no public comment via email received during the meeting. Mr. Lichterman reported that no one was present at Village Hall for public comment. Mr. Nakahara reported that there were no Zoom participants requesting oral public comment.

Adjournment

There being no further discussion, Commissioner Bromberg moved, seconded by Commissioner Stolman to adjourn the meeting at 9:27 P.M. The motion passed the following vote.

Ayes: Stolman, Bromberg, Keefe, Schulman, Berg (5)

Nays: None (0)

Respectfully Submitted,
Laura Boll