

**COMMITTEE OF THE WHOLE – Meeting Minutes
June 16, 2021**

The Village Board met as a Committee of the Whole in the Council Chambers of the Village Hall via Zoom videoconference at 3:30 p.m. on Wednesday, June 16, 2021. In attendance were:

PRESENT:

Village Board

Dan Shapiro, Mayor
Mary Oppenheim, Trustee
Bob Benton, Trustee
Rebekah Metts-Childers, Trustee
Tom Jester, Trustee
Elaine Jacoby, Trustee
Bill Seiden, Trustee

Staff

Kent Street, Village Manager
Andrew Lichterman, Assistant Village
Manager/Director Community Development
David Fitzgerald-Sullivan, Comm Coord
John Sliozis, Police Chief
Eric Burk, Finance Director
Bob Phillips, Public Works Director
Tom Keane, Deputy Police Chief
Jeff Ryckaert, Principal Planner
Dan Nakahara, Village Planner
Justin Keenan, Asst. to Public Works Dir.
Tyler Dickinson, Assistant Village Engineer

ABSENT

None

Public Comment

Mr. Street, at Village Hall, read the following public comments:
Timothy Martin is in favor of affordable housing in Deerfield.
Maureen Garvy is happy this is being considered for Deerfield.
Tom Gramans is in strong support of affordable housing in Deerfield.
Mary Gramans strongly endorses affordable housing in Deerfield.
Timothy Martin supports the inclusionary housing Ordinance, noting 15 percent of earners make less than the required amount for affordable housing.
Marianne and Roger Selame are in favor of affordable housing.
David Philaheart is in favor of the affordable housing Ordinance.
Dan and Meg Georgavich supports affordable housing in Deerfield.

Discussion of the Plan Commission’s Report and Recommendation re: Affordable Housing and an Inclusionary Zoning Ordinance

Mayor Shapiro noted affordable housing has been considered and discussed for many years in Deerfield. Last year, the Board gave direction to Plan Commission to look at affordable housing and provide direction. This is a very timely topic and will provide direction for staff to take action.

Mr. Lichterman reported the Plan Commission held four workshop meetings and a Public Hearing. They came up with a worksheet with five parts to ensure everyone understands the baseline and proposed recommendation.

Part 1 – Defining the Need

The Plan Commission found there is a need to adopt an affordable housing Ordinance to address lack of housing for low and moderate-income households.

Part 2 - Program structure

The program is mandatory. If the Ordinance is triggered, the developer must comply with the Ordinance. There are different thresholds based in the number of units.

Trustee Metts-Childers asked why single-family home developments with 30 units or less do not require affordable units. Plan Commissioner Alan Bromberg explained the Plan Commission felt there is a distinction with single-family homes and it would be tougher and a more difficult burden for a developer to make it work. Trustee Jester noted the materials observe two possible locations for single-family homes. He believes people should be welcomed into the Village in locations other than south of Lake Cook Road or west of the tollway. Mr. Bromberg explained the Plan Commission cannot predict the future but wanted to come up with something that makes sense. Plan Commission Chairman Larry Berg noted the Plan Commission was not looking at specific properties; rather they looked for a plan that makes sense now and in the future. The Trustees noted affordable housing is already in place in many neighboring communities.

Part 3 - Detailed Ordinance Changes

Mr. Lichterman noted affordability is different for renters versus homeowners. Different regions have different definitions of affordability. The area median income is based on incomes that do not exceed 120 percent of the Chicago-Joliet-Naperville, IL HUD Metro Fair Market Rate Area Median Income (AMI). Priority eligibility will be given to those who work or live in Deerfield with no consideration for age. Renters would be certified and recertified to ensure they meet the income requirements while owners would qualify when they purchase the

property. Mr. Lichterman stated the Plan Commission agreed inclusionary zoning should be in perpetuity.

Mayor Shapiro asked why the Plan Commission recommends using 120% of AMI. Mr. Lichterman stated the Village does not know what will stifle development. The Trustees believe 120% seems to be on the higher end of neighboring communities. Mayor Shapiro explained the Village needs to enact the Ordinance and determine whether the percentage is working. They may need to revisit it.

Mayor Shapiro questioned whether the affordability requirement should be in perpetuity, as it could be challenging for the developer. Mr. Bromberg noted the Plan Commission envisioned the possibility of people being forced to move if there was a set expiration of the affordable requirement. The goal is to increase the number of affordable units. He questioned why it would go away after a set number of years. Trustee Jester noted 120% of AMI is not static.

Mr. Lichterman explained the Ordinance defines that affordable units are provided in equal proportion to all housing types and are to be dispersed throughout the development. The exterior appearance and size have to be substantially the same.

Part 4 – Incentives

Mr. Lichterman reported the Plan Commission is in favor of a density bonus increase of 1 to 1. For example, if a developer has 10 affordable units, they would be allowed 10 additional market rate units. Other possible incentives are a reduction in the parking ratio and/or fee reductions. The Plan Commission may approve a reduction in the off-street parking minimums as well as fee reductions including application fees, permit fees, review and inspection fees and other development fees which may be imposed by the Village. These fee reductions would be applicable to the portion of the development that consists of affordable units, up to a maximum of 15 percent of applicable fees. Any fee reduction requests need to be made by the developer while the density bonus would be automatic. The fees and costs would still apply to the market rate units. Mr. Nakahara noted the density incentive is by right, but it does not necessarily mean the height of the building would increase. Mr. Bromberg explained the Plan Commission felt this would encourage adding inclusionary units. Mayor Shapiro believes there should be a hybrid between the density and height. He believes allowing density with a variance could give some pause to the developer. Mayor Shapiro suggested putting limits on the implementation. For example, if the developer got a density bonus, they could be eligible to go up 1 story or 12 feet from the regulation. He noted the Village also needs to consider FAR and lot

coverage. Trustee Oppenheim questioned whether the parking variation could be quantified ahead of time. Mayor Shapiro suggested allowing the parking variation of up to a certain percent of the Zoning Ordinance. Trustee Metts-Childers suggested allowing a certain percentage for parking, and if the developer wants more, considering it on a case-by-case basis. Mr. Lichterman noted the parking would be different in a transit-oriented environment and will survey neighboring communities on their approach.

Part 5 – Compliance Alternatives

Mr. Lichterman stated the affordable units must be in the same development. He noted if the Village adopts an affordable housing Ordinance, staff recommends contracting with a housing authority to help manage the program. Mr. Lichterman noted staff would prepare additional information for a draft Ordinance.

Discussion of proposed 2022 Capital Improvement Plan and Associated Funding

Mayor Shapiro suggested a high-level discussion to introduce certain capital improvements and the issues, as well as the possibility of issuing debt.

Mr. Phillips made a presentation highlighting infrastructure and transportation assets, the location selection process, water distribution modeling, a stormwater management master plan, the Water Reclamation Facility (WRF) and an overview of the department budget.

Mr. Phillips discussed the process on how streets are selected for repair or replacement. He explained the IMS system measures road condition and smoothness. The Village tries to get an average pavement condition rating of 70 or better on a 1 to 100 scale. They look at the pavement core to help understand what treatment is needed for the road, as well as the traffic volume and utility conditions. The Village also coordinates with other agencies.

Mr. Phillips provided an overview of the water system. He explained the Village receives water from the City of Highland Park. The average demand is 2.27 MGD with the maximum daily demand of 4.5 MGD. The Village completed the water system modeling this year, which included capital project planning, fire flow analysis, water age analysis, main break analysis, emergency connection investigation, water and sewer rate analysis and a system wide risk and resiliency analysis.

The main reasons the Village has to replace water mains include the age of the pipes, the number of water main breaks, the age of the water and the low fire flow. Water mains typically last between 50 and 100 years. The Village has 107 miles of water mains, and should replace approximately 1.5 miles of main each year at a cost between \$1.2 million and 1.6 million annually. In the past 16 years, the Village has only replaced 0.74 miles of water main.

Mr. Phillips recommends installing an emergency interconnection with the Village of Northbrook and suggested five possible locations. The Pfingsten Road and Sanders Road locations would be preferred.

Mr. Phillips noted some of the Village's older water mains have lead service lines to homes. While the IEPA and USEPA currently do not require full replacement of lead services, partial replacement has been shown to elevate lead levels. In addition, the IDPH is no longer approving partial lead service replacements. Recent Senate bills include language for mandatory replacement in lead services. Mr. Phillips explained the Village has approximately 900 lead service lines and a contractor is itemizing a detailed list of lead services in the Village.

Mr. Phillips discussed the stormwater management master plan (SWMP). He explained it would identify and propose projects that work in conjunction with the Village's capital improvement plan, reduce the frequency and depth of flooding, protect property and water quality. Mr. Phillips stated Waukegan Road is the dividing line between the west fork watershed and the middle fork watershed. There is a Village-wide stormwater study that recommended a 20-year capital plan for storm sewers with improvements ranging from \$54,000 to \$17 million. Mr. Phillips noted one possible funding solution would be a stormwater user fee, which was originally discussed in 2018. He noted other municipalities, such as Highland Park, Buffalo Grove, Northbrook, and others, have implemented this type of fee within the past two years. Mayor Shapiro would like to know how the communities are using this fee. Mr. Phillips noted the Village is showing \$1 million in recurring stormwater improvement costs in 2023.

Mr. Phillips presented an overview of the Wastewater Reclamation Facility (WRF). He explained it was originally constructed in the 1950s and was reconstructed in 2013. It was designed to meet the water quality requirements determined by the IEPA. There is a new phosphorus limit of 1.0 mg/L which must be in compliance starting June 2024, but recommends constructing to meet 0.5 mg/L, as that will be the future standard. There are two methods of treatment – a chemical additive or biological treatment. The chemical addition would have a

lower capital cost, but higher maintenance and operation costs. Biosolids would increase approximately 35 percent with this method. Mr. Phillips explained the Village may need to add an additional sludge hall, but that would be determined later. Design will begin in Fall of 2021 and construction will begin in Spring of 2022. Capital, operation and maintenance costs and the present worth of O&M costs would be \$1,351,000 with the chemical method or \$166,000 for the biologic method. The total opinion of present worth costs would be \$1,268,200 for chemical or \$2,407,800 for biologic. Mr. Phillips noted the Village needs to budget \$1 million for chemical phosphorus removal at the WRF in 2022.

Mr. Phillips discussed the budget overview. He noted the ongoing infrastructure needs for roadway rehabilitation, water main replacement, lead service line replacement, storm sewer improvements and sanitary sewer main lining will be \$5,500,000 in 2022. He showed various scenarios on the capital improvement plans and the possible bond issues.

Mr. Burk reported the funding is important because there are no bad projects on the list. In order to make a good decision, the Village needs to consider funding options as well. There are options for funding with no bond issue, just using reserves as well as other options by issuing debt and/or restructuring existing debt. The one-year plan would have a minimal effect on the tax levy. The two-year plan is nice for budgeting and planning. The 2-year plan would need the same \$1 million recurring revenues and a General Fund transfer as the 1-year plan. This would need \$7 million debt, which would add about \$20 to an average home's tax bill, or about a 2% increase.

Trustee Oppenheim asked if there are any grants available. Mr. Phillips explained the Village has been short listed for a 2023 project but it is unlikely the Village will receive funding for it.

Mayor Shapiro noted the Board is not unanimous whether there is an inclination to issue debt for the capital project.

The Board will discuss this further at the next Committee of the Whole meeting on July 28, 2021 at 3:30 p.m.

Public Comment

Mr. Street read an additional public comment received by Jo and Doug Bailey who were in support of having affordable housing in Deerfield.

Adjournment

There being no further business or discussion, the meeting was adjourned at 6:11 p.m.

Respectfully submitted,
Jeri Cotton