

**VILLAGE OF LAKE BLUFF
JOINT PLAN COMMISSION & ZONING BOARD OF APPEALS
MEETING**

**Tuesday, June 26, 2017
Lake Bluff Park District Community Room
355 W. Washington Avenue
6:30 P.M.**

SPECIAL MEETING NOTICE AND AGENDA

1. Call to Order and Roll Call

2. Non-Agenda Items and Visitors (Public Comment Time)

The Joint Plan Commission & Zoning Board of Appeals Chair and Board Members allocate fifteen (15) minutes during this item for those individuals who would like the opportunity to address the Board on any matter not listed on the agenda. Each person addressing the Joint Plan Commission & Zoning Board of Appeals is asked to limit their comments to a maximum of three (3) minutes.

3. Comprehensive Plan Workshop – Housing

- Discussion of Goals, Policies, Implementation Steps, etc.

4. Adjournment

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact R. Drew Irvin, Village Administrator, at (847) 234-0774 or TDD number (847) 234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.

VILLAGE OF LAKE BLUFF

Memorandum

TO: Chair Kraus and Members of the Joint Plan Commission & Zoning Board of Appeals

FROM: Glen Cole, Assistant to the Village Administrator

DATE: September 22, 2017

SUBJECT: Materials for Tuesday's Comprehensive Plan Workshop

There is no additional information provided for Tuesday's workshop. Please bring the packet from the last Housing workshop. Chair Kraus anticipates circulating a memo with discussion points to the Committee prior to the workshop.

**VILLAGE OF LAKE BLUFF
JOINT PLAN COMMISSION & ZONING BOARD OF APPEALS
SPECIAL MEETING**

AUGUST 15, 2017

APPROVED MINUTES

Call to Order & Roll Call

Chair Kraus called to order a special meeting of the Joint Plan Commission and Zoning Board of Appeals (PCZBA) of the Village of Lake Bluff on Tuesday, August 15, 2017, at 6:00 p.m. in the Village Hall Conference Room (40 E. Center Avenue).

The following members were present:

Members: Sam Badger
 David Burns
 Leslie Bishop
 Mary Collins
 Elliot Miller
 Steven Kraus, Chair
 Gary Peters

Also Present: Glen Cole, Assistant to the Village Administrator (AVA)

Non-Agenda Items and Visitors

Chair Kraus welcomed the Commissioners, as well as Pam Russell and Mary Francoeur appearing as members of the public. He asked if they wished to provide introductory comments. They did not, but asked if they would have the opportunity to speak during the workshop. Chair Kraus said that they would.

Comprehensive Plan Workshop

Chair Kraus said that the PCZBA has worked through the Transportation section of the plan, and they would now focus on the Housing section. The PCZBA will revisit the Transportation section before too long. He asked that, throughout the workshop, the PCZBA to consider carefully what housing would look like in an upper-class, built-out suburb of Chicago in the future. He also said that the PCZBA would later look at a map of the Village and consider specific sites for residential development.

Member Miller said that everyone wants fair housing, senior housing, and affordable housing – but no one wants it when a proposal is before them. He believes many of the previous plans are still applicable, but are unrealistic. He thinks the PCZBA’s workshop should focus on what the group wants to see twenty years from now, and allow the details to be filled in later. Chair Kraus said that this was a good place to begin, and that two articles (on small apartments and senior housing) illustrate the conflict Member Miller speaks of. Part of Chair Kraus’ hope in reviewing a map of the Village is to identify where various alternative forms of housing may work, even though

the answer for many sites will be to continue the single-family character of the Village that exists today.

Member Collins spoke of Lake Bluff's single-family character and opposition to change on Block Three. She believes that the issues with Block Three had to do with the scale of the project proposed, and not the concept of multifamily housing in that area. She discussed the process pursued by the prior Block Three developer.

Member Collins also believes there is a great opportunity to build higher-density multifamily housing in the light industrial area. Chair Kraus said that the plan should reflect a desire to see appropriately scaled multi-family on Block Three. Member Badger discussed current conditions in the light industrial area, and said that he is unsure that multifamily uses can coexist with the developed industrial tenants in that area, even if becomes a productive retail area. Chair Kraus discussed the light industrial area in the context of a perceived community need for smaller, less expensive housing and the ultimate construction of Stonebridge.

Member Kraus discussed the idea that subdivisions should be viewed carefully, and the existing plan says that many subdivisions should not occur. He noted the interaction between subdivisions, lot sizes, real estate values, and the real estate market.

Member Bishop said that the group should decide if, indeed, we should have multifamily development in the Village.

Chair Kraus said that the conversation was very different when he joined the Plan Commission. The thought then was if Lake Bluff should allow teardowns to create bigger lots and bigger homes, rather than to consider subdivisions and smaller homes. He noted the interaction between these decisions, the need for historic preservation, and the current community conversation about other uses in residential areas.

Member Burns asked if we have any high level constraints or guidance about our capacity for housing, or is the expectation that we should grow our capacity over the planning period. He also asked if there were drawbacks to housing growth. He discussed various patterns of housing development that could occur in the Village. AVA Cole responded that, where infrastructure exists, there is typically adequate infrastructure for foreseeable development. The more consequential issue is that there are areas devoid of infrastructure, especially water and sewer lines, where that condition would impede most additional development.

AVA Cole said that density decisions in the Village are driven by the market and the Village, through its comprehensive plan and the mechanisms of the zoning code. He discussed how lot sizes in the R-4 district make certain lots substandard, and how the code may impact substandard lots over time. Member Collins said she believes that 50x125 lots in the R-4 district are essential to the character of that district, but that the code makes them substandard. AVA Cole discussed how the code works in regards to these lots, as well as upcoming petitions before the PCZBA that illustrate this mechanism. He discussed the tension between a community interest in smaller homes that are more affordable and easier to upkeep, and the apparent development pattern of expanding bulk and lot sizes to appreciate property value.

Member Burns asked about the economic benefits of increasing population. Chair Kraus believes that infill (subdividing existing lots) within the Village will not increase or decrease the overall cost of government services. Member Collins said that schools may experience additional demand for students, but that enrollment is presently low.

Member Burns asked if Lake Bluff would experience negative consequences if it didn't create diverse housing options, such as reduced prices because of a glut of high-end housing stock on the market. He was unsure if that was the case or not. AVA Cole said that he was soliciting a proposal from Tracy Cross Associates to provide some quantitative data about Lake Bluff's housing market and its role in the Chicagoland housing market, but that it was not yet ready for consideration. AVA Cole also discussed the effects that adding new units could have on the housing market.

AVA Cole also said that, in regards to the larger question of capacity to grow housing and the cost of government services, Lake Bluff had a significant amount of property unavailable to develop because it was off the tax rolls, whether because it was owned by a governmental agency or held in a conservation easement. He also speculated about Lake Bluff's role and threats in the present housing market, where capital is going towards urban centers and where new projects in Lake Bluff resemble other North Shore communities rather than Lake Bluff's past patterns of development.

Member Peters said that density was a concern for him, and he was always concerned about the density proposed on the Stonebridge site. He believes there are already significant traffic issues affecting Lake Bluff. He also defended conservation easements as a positive for Lake Bluff's quality of life.

Member Peters discussed the prospects for residential development in the industrial park, and was unsure how a residential development there would look. Member Bishop said she could imagine people wanting to live in a mixed-use and residential development in the first loop immediately south of the Target development. Member Collins said that this was one of the least problematic areas in the Village to consider higher density development, because it was so separated from single-family neighborhoods. She said that she was recently in Edina, MN, where they are successfully building apartments in existing retail parking lots. She believes many of the tenants in the business park are good neighbors that are conducive to residential use.

Member Badger says he knows of one major warehouse that generates significant tractor trailer traffic. He believes residential and retail are a natural mix, but that light industrial may not complement residential development well. Member Collins said that there was office space in the park as well. Member Badger believes it would be a challenging situation to separate a residential use from that area in a way that makes sense. Chair Kraus said that this and other nearby areas, such as the unincorporated mobile home park, will be interesting to explore as the PCZBA continues the workshop process.

Chair Kraus asked the PCZBA to consider who was and is buying houses in Lake Bluff. He told the story of how he chose his home as a starter home at age 27, as well as the characteristics he saw among his peers who bought into Lake Bluff at this time. Now, he believes that housing prices in Lake Bluff are too expensive to be considered starter homes. Member Burns asserts that the new Lake Bluff buyer is someone who has lived downtown, has rented or owns a condo, has a decent

salary, has accumulated wealth, and is now married with children and wants a single-family house in a good school district that is a reasonable distance from their home. They see Lake Bluff as a more affordable alternative to other North Shore communities.

Member Badger concurred with Member Burns' assessment, saying he knows of other recent arrivals who fit that profile. Member Bishop asked if this was happening in the Terraces as well as the east side; Member Badger thought so. Member Bishop said that, in her area on west Blodgett, she knows people moving into three and four bedroom homes who are downsizing from Lake Forest as well as homes being renovated for downsizing.

Member Collins said that many of the families moving into her area are mostly childless or have high-school aged children. She provided examples, including a couple who moved to Lake Bluff because it reminded them of a little New England town. She thinks this is part of why school enrollment is dropping.

Chair Kraus said that the plan needs to reflect what Lake Bluff is, and who we are attracting. Alternative housing won't be affordable housing in Lake Bluff, except perhaps on the west side and near downtown. He believes that this housing will be occupied by downsizers, by seniors, and so forth. He asked how to reflect this housing environment in the Comprehensive Plan to come. In response to a remark from Member Miller, he said that considering how much Lake Bluff will change is also an essential question to answer in forming the Comprehensive Plan.

Member Burns discussed the type of person who would move to Lake Bluff, and how it would change over time. Chair Kraus believes that housing prices are unlikely to change, although recent media coverage sounds like Lake Bluff is presently overpriced in the market. The group discussed the economics of downsizing, especially as it related to the price competitiveness of future alternative housing as compared to existing homes in Lake Bluff. Member Badger recalled last year's conversations about Block Three, noting the belief that older members of the community would have nowhere to go in Lake Bluff and would have to exit the community. He believes that Lake Bluff may not ever have that kind of housing stock. Chair Kraus concurred that a \$350,000 unit was difficult to imagine in Lake Bluff.

The group reviewed a historical map illustrating subdivision and infill potential in the Village and returned to the previous conversation.

Member Burns discussed this idea in the context of the Village's strategic planning process. The only way he believes that cost-level unit will be reasonably built is a five story, dense development that may not garner community support. He believes the community will have to choose between affordability and density or an alternative that maintains the Village's single-family character. AVA Cole said that the Village has had previous interest in building three condos on a smaller lot, but that interest has not yet come to fruition between pressures from the market and the requirements of the Zoning Code.

Chair Kraus asked Member Badger how the Armour Woods project was successful in this context. Member Badger responded that the land was cheaper then, and that the zoning allowed it. He compared the Armour Woods development to the possibilities on the Stonebridge site and the current proposed density. He believes that the manor on Stonebridge will prevent the project from

becoming feasible. The group discussed the Terlato site and the Armour Woods development, as well as other sites suitable for multifamily development (e.g. the site near the school, Arden Shore, near the water tower). Member Burns discussed the challenges that increased density would pose for transportation, arguing that Green Bay Road should not have any additional load imposed upon it.

The group discussed the prior affordable housing plan, its legal basis under state law, and its future.

Chair Kraus returned to the prior conversation about the tensions in providing more affordable and diverse housing options in the Village. He asked the group to consider what aging in place would look like in Lake Bluff, and how that interacts with the housing stock. In-law apartments, for example, may be something to consider in the plan. AVA Cole noted that these accessory dwelling units – granny flats, over-garage apartments, carriage houses, etc. – were a common way to realize infill in affluent communities but were currently not allowed in the zoning code as separate principal structures. The group discussed if it was appropriate to allow for that type of development and illustrated the challenges involved with comparisons, such as the acceptability of renting them to immediate family versus third-parties. Member Badger believed that there would not be community support for those types of units.

The group discussed appropriate alternative uses for Stonebridge, given this and the current community conversation about short-term rentals and bed and breakfasts.

Chair Kraus turned to the subject of Lake Bluff’s residents today, and the type of people that are likely to be attracted here. Should the Plan continue to encourage the current trajectory? He also raised the question of restrictions on size and bulk. Member Badger raised the prior year’s conversations regarding bulk and subdivision. Member Burns said that 701 Park Place was a better example, showing the tension between historic preservation and compliance with the Village’s bulk regulations. The group discussed these tensions. Member Bishop said that old Lake Bluff doesn’t involve large lots and homes; Chair Kraus said that the idea of “Mayberry” invokes 50-foot wide lots, modest houses, and great walkability. Member Burns said that the owners of historic homes need incentives to preserve. Member Collins said that the PCZBA often gives flexibility when a project preserves a historic home, such as the Craftsman house on Center.

The group discussed the historic preservation ordinance.

Member Collins raised the idea of closer regulation of subdivisions to preserve the current small lot character the group seems to be concerned with. The PCZBA should have discretion to approve lot subdivisions that relate to the neighborhood’s lot sizes. Chair Kraus said that the subdivision ordinance is structured the way it is because the zoning code tries to regulate a minimum lot size. Member Burns commented on the difficulties of such a mechanism in practice – someone who lived next to neighbors with large lots would be “stuck” with their own large lot under such a rule. Member Collins said that outcome would protect the character of the neighborhood.

Chair Kraus said that part of the bulk and character conundrum here was that new houses will tend to be built to the maximum permissible size, which will rival the scale and degrade the character of the surrounding houses. The group discussed the idea of bulk regulations. Member Badger said that building to the maximum is the right of the property owner. Chair Kraus suggested that the

PCZBA make clearer that maximum structures won't be considered favorably for variation relief. The group discussed the idea of hardship as it concerned variation relief from the bulk requirements as well as the 701 Park Place variation.

Chair Kraus directed the group to the Residential Housing Goals section of the Draft 2017 Comprehensive Plan Compilation. He asked to go through the individual items listed.

➤ **6.3.1 Promote orderly property redevelopment, rehabilitation, and maintenance in the Village in a manner compatible with surrounding land uses**

The group discussed grammatical changes to the goal. Chair Kraus asked Staff to ensure that a narrative would precede the goals including the flavor of the conversation for the past hour, Lake Bluff's housing identity and the identity of Lake Bluff's buyer, and statistics. The group discussed the various sources incorporated into the Plan Compilation.

- *6.3.1.1 Control new construction through rigorous application of the Zoning Regulations;*
- *6.3.1.2 Monitor home size and construction trends by continual review of the impact of the Bulk Ordinance;*
- *6.3.1.3 Examine appearance and design review concepts and programs for possible implementation in the Village;*
- *6.3.1.4 Develop an ordinance regulating development of properties near or in ravines;*

The Architectural Board of Review has considered the concept of design review. Both it and the Village Board agree that design review of single family homes is inappropriate in Lake Bluff. Member Bishop said that the ABR is addressing the idea of material quality and standards. AVA Cole reviewed the ABR's current proposal and similar mechanisms existing in the Building Code. His understanding is that this proposal attempts to balance the need for some design control with a desire to preserve property rights for homeowners. Member Bishop circulated a picture of two large aluminum houses in two Chicago neighborhoods.

Chair Kraus said that modern architecture is absent in the Village today. The group discussed materials being used in new construction in the Village. AVA Cole presented an abandoned development proposal for modern-style residential development in the Village and speculated as to the causes of abandonment and the demand for this style of product. The group discussed the structure and numbering of the housing goals.

Member Miller discussed the listed ravine goal, noting that it was from the prior plan. Pam Russell was recognized from the audience. She spoke about her concerns as a ravine property owner regarding any further regulation, and circulated a copy of a letter the Russell family wrote the Board of Trustees earlier this year speaking against any prospective regulation. Member Miller said that the concern was that the ravine area would still be considered as lot area in calculating permissible bulk for single-family residences.

Chair Kraus referred back to the overarching goal, 6.3.1, and said that it should list the regulatory housing tools governing single family development that need to be managed. He asked the group

about the concept of residential design review. The consensus of the group was that residential design review is not appropriate to Lake Bluff, but that quality standards such as those presently considered by the ABR are appropriate.

The group discussed other items to include under the overarching topic of 6.3.1. AVA Cole gave a few examples of how the group could structure items to convey more meaning; as an example, 6.3.2 could be rephrased as “Form and relationship to the street is essential to the character of our neighborhoods; we should continue to have a rigorous bulk ordinance that preserves reasonable form.”

Chair Kraus asked for draft language expressing the group’s concern about the use of non-buildable ravine land in calculating bulk. Pam Russell used her lot dimensions to illustrate the difficulties of excluding ravine land from bulk calculations.

Member Bishop said that the group’s concept of bulk has to include small forms as well as large forms, and referred to the emergence of “tiny houses.” Would, and should, they be permissible in the Village? Chair Kraus asked the group to consider, hypothetically, the subdivision of the Arden Shore property for twelve tiny homes at \$150,000 per unit. Member Collins believes that smaller houses will continue to grow in popularity, but that “tiny houses” are more of a fad. The group discussed how the Village would create appropriate lots and regulations to enable this type of housing, as well as the underlying trends driving this interest. Chair Kraus asked that Staff present information regarding tiny houses in other communities such as Vancouver, Austin, and Charlottesville.

- **6.3.2 Adopt a voluntary historic preservation ordinance which encourages preservation of the Village’s architectural history;**
- *6.3.2.1 Maximize resident’s ability to participate in state and local incentive programs supporting preservation;*
- *6.3.2.2 Direct preservation efforts to exterior continuity and compatibility;*
- *6.3.2.3 Investigate methods of promoting the restoration or rehabilitation of landmark-eligible properties;*
- *6.3.2.4 Incorporate historic preservation as a standard component of all elements of Village planning;*

The group discussed the origins of this item from the present Comprehensive Plan; the goals of historic preservation in the Village; the effect of historic preservation on property values; the concept of historic districts; and the difficulties in addressing this item when a separate advisory body is charged with Historic Preservation. Member Burns talked about the balance of incentives and restrictions that would be necessary to help the success of the Historic Preservation ordinance. Member Collins said that the Plan should include language about strengthening the historic preservation ordinance and a review of historic districts. Chair Kraus said that historic districts would be a powerful tool in retaining the “Mayberry” character of the Village.

Member Badger said that Village residents support concepts like stopping multifamily development, but oppose restrictions on their property rights as would be entailed in further historic preservation measures. Member Collins argued that very tradeoff – giving up your own rights to gain protection - is essential to zoning. Members Collins and Badger discussed exchanges in property rights. Chair Kraus argued that, if historic preservation measures achieves the Village goals, it should be implemented and the transition piece should be worked through. If the group disagrees that it would be effective, it should be silent on this issue in the plan. He reviewed the history of the present historic preservation ordinance and the Board of Trustees’ past consideration of a historic district tool. Member Bishop said that this tool may be effective in addressing teardowns.

Chair Kraus suggested that the plan acknowledge the present historic preservation ordinance; keep 6.3.2.1 as is; strike 6.3.2.2; strike “Investigate methods of promoting” in favor of “Promote” in 6.3.2.3; and keep 6.3.2.4 as is to continue to view planning issues through a historic lens.

- **6.3.3 Encourage development of alternative housing options;**
- *6.3.3.1 Consider redevelopment of the private property west of Green Bay Rd, east of the golf course and north of Central School and south of Thorn Valley as a higher density Planned Residential Development, evaluating the possibility for empty nester housing similar to Armour Woods;*
- *6.3.3.2 Encourage the development of multi-family housing options within the Central Business District.*

The group discussed the structure of the draft document. Chair Kraus said that the group would revisit the idea of individual sites at a later date. Member Burns discussed this section and the other multi-family oriented sections of the draft; the controversy around density; and the need for alternative housing on the east side of Lake Bluff and not isolated away from transit and the Central Business District. The group discussed alternative forms of housing as compared to free-standing, single-family homes and motivations for locating in these alternative housing forms. Chair Kraus and Member Burns suggested that the Plan should analyze housing diversity in terms of matching different forms of housing to Lake Bluff’s different would-be buyers – seniors, young professionals, divorcees, etc. AVA Cole referred the group to the “Missing Middle” housing article included in the informational packet, as well as the housing cost data included therein.

Chair Kraus sought to couch the conversation in the context of what is possible in a fully-built, predominantly single-family Chicago suburb. Member Miller believed that large apartment buildings weren’t feasible, and that the Armour Woods concept is what the market would produce. That product, however, is not diverse housing; it is step-down housing for those that can afford it. Members Collins and Bishop discussed the idea of alternative housing in the Business Parks, as well as other areas that would be appropriate for higher density.

Chair Kraus asked if a goal of the plan was to encourage the diversification of the housing stock. The consensus of the group was that it was a goal. Chair Kraus directed the attention of the group to a later set of goals in the draft document on this subject:

- **6.3.8 Diversify housing to ensure choice and facilitate the balance of supply and demand.**
- *6.3.8.1 Encourage diverse housing implementation for residents in all stages of life.*
- *6.3.8.2 Engage the entire community in Village leadership's examination of what it takes to enjoy a variety of quality housing options, including condominiums and townhomes, in the context of Lake Bluff's historic housing legacy and the marketplace.*

Member Burns considered the difference between “encouraging” the diversification of the housing stock, or merely letting it happen, and how that posture relates to the goals and welfare of the Village. He believes you cannot practically commit to both encouraging housing diversity as well as preserving the character of neighborhoods as they exist today.

The group discussed the community reaction to the prior Block Three proposal. Chair Kraus suggested that he and AVA Cole would prepare an introduction to the housing section that summarizes the PCZBA's perspective on the residential component of Lake Bluff, as well as the structure of the plan that would follow consistent with the PCZBA's expressed positions over the last two hours. Chair Kraus summarized those positions. The group had a brief discussion regarding:

- **6.3.4 Preserve the unique residential character of the area.**
- *6.3.4.1 Retain the integrity of front yards by placing automobile uses to the rear of houses or lots where possible. Discourage front-loaded attached garages that overwhelm the front façade.*
- *6.3.4.2 Encourage porches and architectural features that promote use of the front of the house and informal interaction among neighbors.*

Member Collins said that the zoning code only encourages these items through bonuses on narrow lots, and does nothing to do so on wider lots. Chair Kraus asked if the plan should acknowledge that most rebuilt structures will be built to the maximum allowable bulk. He discussed the chart of subdivisible lots on the east side of the Village.

- **6.3.5 Preserve a high-quality residential community.**

Chair Kraus said that this goal may merit rephrasing, but that it essentially describes Lake Bluff's housing.

- **6.3.7 Teardowns and Changing Neighborhood Character:** *Construction of replacement houses is likely to continue where it is more economical than the extensive renovation of small, outmoded houses. But the demolition of older houses, particularly in the R-4 zoning district, concerns many because replacement houses often fail to reflect the historic character of the Village. The height and bulk of some new construction often blocks light and air from neighboring houses and is incompatible with the scale of older neighborhoods. Since residents have stated that they like the character of the Village, the*

goal should be to retain the scale, density and overall appearance of existing single-family residential neighborhoods.

The group discussed a proposed subdivision on the East side that involves a historic home.

Chair Kraus discussed the format of the compiled draft plan and what the group would prefer to do in the future. Member Burns said that source footnotes may help clarify what's coming from where. The group discussed other comprehensive plans they reviewed, such as that of Monroe, Wisconsin, and the structure of the final product of the Comprehensive Plan revisions.

Member Badger asked that Staff explore or prepare employment numbers in the L-1 district in the context of the housing ideas. He discussed other leasing activity in the Business Park area. AVA Cole reviewed the difficulties in employment estimates, as well as employment destination data from the Transportation workshops.

Members Collins and Bishop, and the group, discussed the financial sustainability (e.g. cost-benefit) of development in the context of the L-1 district and would-be residential development.

The group reviewed the calendar and upcoming meetings, and set the tentative date for the next Comprehensive Plan workshop for Tuesday, September 26 at 6 p.m. that will focus on specific sites in context of the Housing section.

Adjournment

As there was no further business to come before the PCZBA, a motion was made and seconded to adjourn the meeting at 8:41 p.m. The meeting adjourned.

Respectfully submitted,

Glen Cole
Assistant to the Village Administrator