

VILLAGE OF JOHNSBURG
JANUARY 12, 2016 MEETING OF THE
PLANNING AND ZONING COMMISSION

Chairman Husby called the January 12, 2016 meeting of the Planning and Zoning Commission to order at 7:00 p.m. Commission Members Wiltse, Niggemann, Foreman, Larsen and Benck were in attendance. Commission Member Letzter was absent.

Bartmann Variance Request - Chairman Husby confirmed that all fee and notice requirements were met regarding Mr. Bartmann's petition. Phil Bartmann was in attendance to request a variance to Section 12.4-3.4 to permit a side yard in the amount of 40 feet on the north property line and 65 feet on the south property line in lieu of the otherwise required 100 feet for yards abutting residential zoning. Mr. Bartmann explained that he is requesting the variance to accommodate an accessory storage structure to store a bucket truck, materials and inventory for the business. He reviewed a packet of information he submitted regarding the request and explained that the structure will include a door 14 feet in height to accommodate the bucket truck.

Commission Member Wiltse remarked that it appears that the building is situated more towards the north side of the property. Mr. Bartmann confirmed that it is situated more to the north to provide 20 feet between the proposed structure and the principal building to accommodate snow removal.

Commission Member Wiltse noted the tree line along the south property line. Mr. Bartmann stated that he has been working to maintain the tree line to create a buffer for the homes to south.

Commission Member Niggemann asked for clarification of what parcels make up the subject property. Mr. Bartmann explained the property consists of three separate parcels but he is combining them.

Commission Member Niggemann noted that there is no power in the building. Mr. Bartmann confirmed there will be no power as the structure will only be used for storage.

Commission Member Larsen questioned what type of foundation will be used. Mr. Bartmann stated that the poles will be on footings with a poured slab.

Commission Member Larsen questioned if the petitioner will be constructing the building himself or contracting the project. Mr. Bartmann stated that he has hired a contractor.

Commission Member Foreman questioned how the neighbors have responded. Mr. Bartmann stated that he has not heard anything from neighbors however he expected that they would attend hearing.

Commission Member Foreman remarked that it appears the petitioner plans to clean up the property and plans to put everything under roof. Mr. Bartmann confirmed that is why he is pursuing the accessory storage structure.

Commission Member Foreman questioned when Mr. Bartmann plans to proceed. Mr. Bartmann stated that he would like to begin as soon as possible.

Commission Member Foreman questioned if Mr. Bartmann anticipates an increase in traffic to his property as a result of the improvement. Mr. Bartmann stated that he does not.

Commission Member Benck also remarked that it appears the petitioner is trying to clean up property and did not have additional questions.

Chairman Husby questioned if the doors will be facing Chapel Hill Road. Mr. Bartmann stated that they will.

Commission Member Foreman questioned if the petitioner anticipates an impact to drainage on property. Mr. Bartmann stated that he does not expect an impact to drainage and added that the project may improve drainage.

Todd Williams of 2613 Kendall Crossing stated that owns an adjacent lot. He remarked that it appears Mr. Bartmann is pursuing the structure to clean up the lot and perform some landscaping. He added that he is situated north and east of the property and therefore not as greatly impacted by the improvement. Mr. Bartmann confirmed that yes he is cleaning up the lot. Mr. Williams thanked him for cleaning up lot and remarked that he is glad that Mr. Bartmann is pursuing a structure that is architecturally appealing.

John Campbell of 4212 Ella Lane questioned if there is a fire hydrant situated by the property. Mr. Bartmann stated that there is no fire hydrant and explained that water for fire prevention comes by tanker trucks.

Commission Member Wiltse moved to recommend a variance to Section 12.4-4.3 to permit a side yard of 40 feet from the north property line and 65 feet from the south property line in lieu of the otherwise required 100 feet adjacent to residential zoning for the property commonly known as 2604 Chapel Hill road to accommodate the construction of an accessory storage structure. Commission Member Foreman seconded the motion. All Commission members present voted aye. Motion carried

With no further questions or comments, the public hearing closed at 7:16 p.m.

GWF Johnsburg LLC – Remington Grove – Joe Gottemoller and Jeff Brown were in attendance on behalf of GWF Johnsburg LLC to request an amendment to Ordinance 04-05-29 removing rental restrictions in Phase III of Remington Grove of Johnsburg subdivision. Jeff Brown explained that the request is limited to the townhome portion of the development. He further explained that GWF owns 33 single family lots in Phase I, all of the Phase II and all of the multifamily lots in Phase III.

Mr. Brown explained that since taking ownership, GWF completed the public improvements in Phase I. He added that last summer they completed the turnover of the homeowners association to the homeowners and in doing so cleaned up some of the inconsistencies and errors in the covenants and restrictions, properly aligning and allocating costs to appropriate phases of the development so that they are more equitably distributed. Mr. Brown stated that they have been steadily working to improve property values in the development.

Mr. Brown explained that Phase 3 is zoned R-4, Planned Development and was approved in 2005 for 83 townhome units. At that time there was a single family ranch unit of approx. 1200 square feet and 7 two story units ranging between 1600-2000 square feet. Mr. Brown added that because it is a planned

development, only the approved units can be built without having to go back through the zoning process. He pointed out that one building consisting of six units was built and has been sitting vacant since its construction. Mr. Brown explained that there has been a change, not just in the market but a change in the buying habits of individuals today as young single persons are more inclined to rent and young families that would have bought a townhome home as a first step home, now purchase a single family home.

Mr. Brown explained that townhomes are selling between \$90,000-120,000. At that value, the construction costs cannot be covered by the sale price. Mr. Brown further explained that he is asking for an amendment to deal with hardships that are affecting the property. He remarked that having the building vacant as a front step to the Remington Grove community is not a good reflection. Having a rental restriction puts it at a competitive disadvantage with townhome units which people can rent if needed.

Mr. Brown stated that renting the units is a better option at this time. He explained that there is a 1.4 month supply of rental units compared to a 6.3 month supply of owner occupied units on the market. He added that a \$30,000 income would be required to buy the unit as compared to a \$50,000 income required to rent based on market requirements.

Jeff Brown stated that the housing will not be subsidized or tax credit housing. Monthly rentals are expected to range between \$1400 and \$1500 per month. If approved to rent, pre-screenings will be done to confirm a tenant's ability to pay along with criminal background checks to insure that they will be good neighbors. He feels it is the best solution for the six-unit building and the right way to position the development to build out the remainder of the phase. Mr. Brown stated that he feels the best option is to remove the restriction on the rental.

Commission Member Wiltse questioned if they are also planning an option for people to buy as well as rent. Mr. Brown stated that they don't plan to build any more units at this time until market conditions change. He explained that they are only looking to rent the six-units in the building that has already been constructed at this time. Mr. Brown added that they may come back in the future to build some smaller units but would have to come back for approval from the Village first.

Commission Member Wiltse questioned if they will allow both rental and ownership in the building. Mr. Brown stated that he thinks it would be difficult to mix ownership with rental. He explained that it is not uncommon for units that begin as rental to change over to owner occupied but not common for both ownership and rental in same building.

Commission Member Wiltse questioned the price of units. Mr. Brown stated that they would be approximately \$1 per square foot.

Commission Member Wiltse questioned how maintenance will be handled. Mr. Brown explained that GWF will pursue a management agency to handle maintenance. He added that as the property owner they would be obligated to handle that.

Commission Member Wiltse questioned how parking will be handled. Mr. Brown explained that each unit has a two car garage plus two spots in front of the garage. Also, there is a small area cut out for additional guest parking.

Niggemann questioned if it is GWF's intent to own the building(s) and rent the units. He further questioned what prevents GWF from selling to investors. Mr. Brown stated that there is no prohibition for GWF to sell the property. He added that it is not likely that the individual building would sell but perhaps it would sell in the future with the rest of the property. Mr. Brown stated that whether or not the future units will be rental or owner occupied remains to be seen. He explained that construction of additional buildings is not supported as rentals or owner occupied units at this time. He added that most building configurations are 5-6 units per building.

Commission Member Larsen question why there was a rental restriction placed on property. Chairman Husby explained that back when the property was developed, the Village wanted to see owner occupied housing as they did not want rentals. She explained that the thought was that it would help retain the value of the development. Chairman Husby added that the economic climate and housing market has since changed.

Commission Member Larsen stated that he agrees that the building sitting vacant is not in the community's best interest

Commission Member Foreman questioned Village Administrator Claudett Peters what the rental market is currently like. Ms. Peters explained there currently are few rentals in Village to compare so it is unknown. She added that single family and multifamily homes sales of been slow as is the case in all communities, however it is improving.

Commission Member Benck questioned if it is GWF's intent to rent out individually just the six-unit building in place and then sell the remaining multifamily lots separately. Mr. Brown stated that no discussions have been had about selling the building separate from the development. He explained that at this time just looking to fill the existing building.

Chairman Husby questioned at what point does GWF no longer own the development. Mr. Brown explained that each building pad is a separate lot. Lots 158 and 159 (north and south of the building pads) are common open space. The owner/developer will typically convey the common areas when the buildings are constructed.

Len Keil of 4211 Jay Street questioned the comment about downsizing the size of the units. Mr. Brown explained that he expects that will be what the market dictates. Mr. Keil questioned how close the rental amount is to the vouchers for subsidized housing. He questioned if the units are out of the possibility of being subsidized house. Mr. Brown stated that he believes they are too costly to be subsidized housing. He explained that it is his understanding that in order to qualify as subsidized housing the owner offers below market rate rentals in return for a long term, low interest mortgage or subsidized options.

Mr. Keil remarked that the vacant townhomes did not prevent the four new homes from being purchased recently in the single family phase. Mr. Brown agreed that it did not preclude the purchasers from buying but the vacant townhomes provided challenges to selling the homes.

Mr. Keil stated that people that bought in the single family phase would not have bought if they knew there would be 83 rental units in the area because the perception is that people that rent do not take care of their homes. Mr. Brown agreed that that may be the perception especially in the past but he believes the market is different now. Mr. Brown stated that the townhome units would sell at a lower

rate than they could be rented and therefore changing the economics of the people living there. Mr. Brown stated that the way the units look will be the responsibility of the owner/manager. He added that the Johnsburg Crime Free Housing ordinance also places restrictions on rentals.

Stacy Klemstein stated that she is an owner of property on both Aubrey and Jay Street. She questioned the number of homes built in the single family home section. Mr. Brown stated that 37 homes are completed and there are a total of 71 possible SF units in Phase I.

Stacy stated that if Phase II is not built the home owners could be out-numbered by renters if the townhomes are permitted to be rented. She further stated that she does not believe you can turn away someone with a voucher as a renter nor can you require a criminal background check. Mr. Brown stated that it is his understanding that you have to place your property as subsidized housing.

Commission Member Larsen stated that he lives in an area of all owner-occupied units but had four foreclosed homes in his neighborhood which created difficulties because the banks failed to properly maintain the properties. He added that some property owners fail to properly maintain their homes and lots too.

Ms. Klemstein stated that they just started to recover from the loss in property values they experienced with the market and now she is concerned this will further harm their home values. She also does not feel that a management company will insure that the maintenance is addressed as there were problems when there was a property management company handling the snow plowing and mowing in the single family phase before turning over the homeowner's association to the homeowners.

Dean Molburg of 4210 Jay Street questioned if the petitioners are only looking for the rental restriction to be removed for the existing building. Mr. Brown clarified that they are looking for the rental restrictions to be removed for the entire townhome development. Mr. Molberg stated that he is concerned that there was a comment made about reducing the size of the future units. He believes the development is very nice and does not want to see it become negatively impacted by higher densities. Mr. Brown explained that if unit sizes are reduced in the future, it would not necessarily mean higher densities. Mr. Brown iterated that he has no plans to build additional units at this time.

Linda Bates of 4205 Jay Street stated that there is only one way in and out of the development and she is concerned with additional units impacting access to their subdivision. Mr. Brown stated that the development was designed for approximately 240 units all of which access off of Route 31 and Alexander Boulevard. He pointed out that there are stub roads that will eventually continue west that will provide access from other roads in the future.

Ms. Klemstein stated that even though Mr. Brown doesn't plan to build additional rental units, if approved, he could.

Kurt Valentin of 3309 Aubrey asked for clarification that all of the lots that are the subject of the requested zoning amendment are in the townhome phase. Mr. Brown confirmed that they are.

Mr. Valentin questioned if there has been a study done to determine the impact to the school district which is already struggling. Mr. Brown stated that he does not believe a study was originally done but student impact is typically based on number of bedrooms not whether the units are rentals or owner occupied. Valentine stated that he believes the type of development will significantly change the

number and type of children impacting the schools as Section 8 housing typically brings about special needs children.

A resident stated that there are a couple of homes being rented adjacent to her home which have been problematic as the renters park in front of the fire hydrants and mail boxes and also park semi-trailers on the road.

Another resident stated that she has had a very negative experience with renters next door to her and she is concerned with what this amendment will bring about if granted. Mr. Brown stated that GWF has two houses that they are trying to sell and the situation described is not conducive to trying to sell the single family homes they have either. He remarked that the situation is probably the result of absentee owners and GWF is not an absentee owner as they have a vested interest in the community.

Steve Bates of 4205 Jay Street questioned why a single family home owner can rent and GWF has to ask for the rental restriction to be lifted for the townhome units. Village Attorney Michael Smoron explained that the zoning ordinance and annexation agreement prohibits rentals in multi-family phase only..

John Campbell of 4212 Ella questioned how many other apartment complexes GWF owns. Mr. Brown stated that GWF does not own any apartment complexes.

Dean Mulburg of 4210 Jay Street questioned if GWF would be willing to amend the request to limit the rentals to just the building that has been built and then come back to the Planning and Zoning Commission if he plans to build more rentals in the future. Mr. Brown stated that they thought about doing so but it would be difficult as it creates two classes of development for Phase III and therefore he is reluctant to split it and create that situation as it may make it more challenging to sell or development in the future. He added that he is trying to remedy a hardship affecting the residents and Johnsburg

Linda Bates of 4205 Jay questioned how the hardship is affecting the residents when they have not attempted to sell the townhome units. Mr. Brown stated that they looked into selling the units and considered builders but if a buyer is looking at two different townhomes - one that allows the unit to be rented and one that restricts it, all things being equal, they will be more inclined to pursue the townhome without a restriction. He added that having the building sit vacant is not helping anyone.

Steve Bates of 4205 Jay Street questioned what prevents the petitioners from building the six unit building and then renting the units. Chairman Husby explained that it is not allowed to be rented per the zoning that was granted.

Attorney Smoron explained that the anti-rental restriction in the single family phase may be in the covenants and in that situation, a fellow owner has the right to enforce the restriction. Oftentimes the matter goes by the wayside as no one wishes to privately pursue legal action. In the case of the multifamily section, there is a Village ordinance related to the development that the Village may enforce.

Don Wilbois of 3514 Aubrey Drive stated that from his experience in real estate he has noticed that single family homes decrease in value when in proximity to rentals. Mr. Brown stated that his experience has been that impacts are typically based on income demographics. The perception is that rental units are less desirable in the past have been because they are less expensive which is no longer

the case in today's market. He added that GWF has a vested interest in preserving the property values in Remington Grove subdivision.

Tom Benck questioned the demographics the petitioner is targeting to help the development sell out. Mr. Brown explained that he is only targeting the rental of the six unit building at this time. He added that he believes the market for the rentals will be a couple that may have bought a townhome before the market crash.

Robert Korlick of 3301 Aubrey questioned what will happen if the Village approves the request and then GWF sells the property and now we have an apartment complex. Chairman Husby explained that the owner can only build the townhome units that were approved by the Village. Mr. Korlick expressed concern that it could still be Section 8 housing. Mr. Korlick stated that he lived in a townhome in Crystal Lake that was higher end and there were still renters that did not care for the units/property. Mr. Korlick questioned what the impact will be on his home value. Mr. Brown stated that he does not believe it will have a negative impact on the home values as it is still the same product.

Gina Bodam of 3510 Aubrey Drive questioned if the area is better suited for a different type of use. Chairman Husby stated it may be and the petitioner could choose to tear down the building and come back before the Village to put in a different product all together.

Commission Member Larsen added that the petitioner could build them all and sell them for \$75,000 per unit. He questioned what type of neighbor that scenario would bring about as compared with individuals renting at \$1,400 + per month.

Chairman Husby questioned if the board can limit lifting the rental restriction only on the six units built and place a time limit on the rental. Mr. Brown stated that he would prefer consideration for the entire site.

Commission Member Niggemann questioned if the petitioners desire to lift the restriction for the entire phase is to make it more sellable. Mr. Brown stated that it is to make it more buildable or sellable.

Commission Member Benck questioned how maintenance will be structured – for the entire site or individual units. Mr. Brown stated that if the units are rentals it would be maintained by GWF but if they are individually sold, then an association would need to be established and dues paid to cover maintenance. Mr. Brown confirmed that there is a back-up special service area in place.

Ms. Klemstein expressed concern that should the amendment be granted for the entire development and they sell off to an investor who determines that they cannot build the development at this price point, the new owners will be back to request smaller, less expensive units.

Justin McAndrews of 3501 Aubrey questioned if the petitioner can keep the single family lots and sell off the townhome phase. Mr. Brown confirmed that Phase II and Phase III could sell off to different buyers. Mr. McAndrews compared the situation to the Meadows in Lakemoor and stated that he feels rentals create a different feel for a development. Mr. Brown stated that the Meadows is a different type of rental product but he understands the resident's concerns.

With no additional questions or comments being raised, the Public Hearing closed at 9:01 p.m.

Commission Member Foreman stated that she disagrees with statements made regarding renters. Today's renters are young people that do not want to buy but it does not mean that they won't care for property. She offered that it is a difficult decision as we don't know who will be renting and how long GWF will be around but there are preconceived notions of what renters are being expressed that are no longer accurate.

Chairman Husby stated that renting is happening everywhere, even the homes in developments that are not supposed to be rented are being rented.

Commission Member Larsen questioned why the homeowners originally bought their home - was it truly because there was not supposed to be rentals in development or because they liked the home.

Commission Member Benck stated that if the units are not rented, they will be wholesaled out at a lower rate which will draw a possibly less than desirable owner. He added that he would not want to decrease the unit size or increase density but renting may be the best alternative for the residents and the community.

Commission Member Wiltse stated that she feels the rationale brought about by Mr. Brown makes sense but she is also sensitive to residents concerned. She added that a lot of young professionals are renting today. Commission Member Wiltse stated that it would be helpful to know if there is an impact to the school.

Commission Member Benck suggested that a possible renter's agreement limiting number of people in a unit could be instituted.

Commission Member Foreman questioned if the Village can limit who can rent. Attorney Smoron stated that the Village's involvement needs to be limited in that regard such as to requiring criminal background checks. He added that the Village should not try to define family and income levels. The question is whether or not the request is appropriate for the property regardless of ownership.

Commission Member Niggemann moved to recommend amending Ordinance 04-05-29 removing the rental restriction in Remington Grove Phase III. Larsen seconded the motion. Commission Members Wiltse, Niggemann, Forman and Larson voted nay, Commission Member Benck voted aye. Motion failed.

Adjourn

Commission Member Foreman moved to adjourn the meeting. Commission Member Larsen seconded the motion. All Commission Members present voted aye. Motion carried at 9:20 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator