

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, AUGUST 10, 2017
COUNCIL COMMITTEE ROOM**

Members Present: John Glenn, Rita Payleitner, Tom Hansen, Liz Eakins, Karrsten Goettel, David Pietryla

Members Absent: Carolyn Waibel, Corinne Pierog

Others Present: Ellen Johnson, Planner
Rita Tungare, Director of Community & Economic Dev.

1. Call to Order

Chair Eakins called the meeting to order at 7:06 p.m.

2. Roll Call

Ms. Johnson called roll with five members present. There was a quorum. Mr. Pietryla arrived at 7:15 p.m.

3. Approval of Agenda

A motion was made by Mr. Hansen and seconded by Ms. Goettel with a unanimous voice vote to approve the Agenda.

4. Approval of Minutes from the May 11, 2017 Meeting

A motion was made by Mr. Hansen and seconded by Ms. Payleitner with a unanimous voice vote to approve the May 11, 2017 meeting minutes.

5. Approval of minutes from the June 12, 2017 Joint Meeting of the City Council and Housing Commission

A motion was made by Mr. Glenn and seconded by Ms. Payleitner with a unanimous voice vote to approve the June 12, 2017 joint meeting minutes.

6. Recap of Joint City Council – Housing Commission Meeting

Ms. Johnson noted a follow-up joint meeting is scheduled for September 11th.

Mr. Glenn said he felt the June 12th joint meeting went well, but said there's frustration on both sides as to why the Housing Trust Fund is not being used; we need to figure out the next steps to make things happen. Chair Eakins said there was a lot of agreement for senior housing being the most

viable and easily accepted form of affordable housing.

Mr. Glenn mentioned the Campana project in Batavia and stated there are quite a few affordable units proposed. Mr. Hansen said that project got approved for IHDA tax credits. The project proposed for Prairie Center did not; IHDA sees more value in having affordable housing for families than just focusing on seniors. Ms. Payleitner said she heard it was because the two projects were in too close proximity. Mr. Goettel said he also thinks the Campana developer (Evergreen) has a lot of experience with those types of applications. Mr. Glenn said he thinks it is because Batavia is trying to repurpose a building that has been vacant for so long and needs help. Ms. Tungare said it was explained that both applications went to IHDA around the same time and the Batavia project would cover this area; the one in our area was directed to refile in 2018, to have staggered timing. Chair Eakins said she has gone to a few of the public hearings for Campana for the Fox River Valley Initiative and the biggest reason that project is getting so much resistance is because, as of right now, they will have to accept people from the Aurora Housing Authority's wait list. There's no prioritizing Batavia, Geneva or St. Charles residents. Evergreen has applied for some exemptions that HUD can consider to make it more community focused.

New member David Pietryla joined the meeting. He introduced himself as the new Plan Commission liaison to the Housing Commission and shared some of his background. The other Commission members introduced themselves.

Chair Eakins gave Mr. Pietryla a brief update from the June 12th joint meeting.

Ms. Johnson said she felt there was some confusion at the meeting regarding the Kane County Affordable Housing Fund, and suggested clarifying that opportunity in more detail for City Council at the September joint meeting. She said if Council has a better understanding they may see it as a good opportunity for spending a good chunk of the Housing Trust Fund to actually get units built in town. Ms. Tungare said the Council has made it clear to her that they do not just want to write a check to the County or anyone else without having the proper checks and balances in place; she assured them that there are rules and regulations in place from IHDA and our own City Code which limit how the money can be spent. Mr. Hansen said the County works the same way as the City; staff prepares the recommendation for disbursement of funds, the recommendation goes to the Commission for review, then to the County Board for approval. He suggested that if the City has an opportunity to work with the County that we follow a similar process. Ms. Johnson said logistics would have to be figured out, because part of the funding would still be coming from the County, so that part would still need to be approved by the Kane-Elgin Home Commission and County Board. If the City's money were bundled with the County's, there would be concern if the Kane-Elgin Commission/County Board would also be recommending use of St. Charles' funds. Mr. Hansen said it wouldn't, and that would be this Commission and the City Council. Ms. Johnson said it's a matter of figuring out the process that would be involved.

Ms. Johnson noted that she and Chair Eakins are attending a Kane-Elgin Home Commission meeting in Elgin on September 19th to see how the Affordable Housing Fund review process works, including the types of projects that are submitted. She will share the meeting details with the Commission members if they are interested in attending. Ms. Johnson said they had hoped the Kane County staff would be able to come to this month or next month's Housing Commission meeting, but they have been too busy and invited us to their meeting instead. Unfortunately the September 19th meeting is after our joint meeting so we won't be able to report about it, but we can let Council know we are

looking into learning more about the Affordable Housing Fund to see if it will be a viable option.

Ms. Johnson said the mailers for the Home Rehab Program are being printed and will be going out with the utility bills to single-family homes and townhomes. Hopefully we will get more interest in the program as a result. Ms. Tungare added that there was a press release issued, an article in The Den and brochures are available at the City. Ms. Johnson said Community Contacts contacted her yesterday and they did receive a new qualified application. It will be sent over for review by staff. Mr. Pietryla suggested attaching a PDF of the mailer on the online utility bill for those who pay online. Ms. Johnson said she would speak to the Utility Billing Dept. to see if that would be possible.

7. Housing Commission Purpose Statements

Ms. Johnson said the Purpose Statements were mentioned briefly at the joint meeting. If we change any of these statements it will require a City Code amendment approved by Council. We can present the changes for a preliminary review at the September joint meeting. She went over the sections and shared the suggested revisions (shown below in red):

Purposes

- A. Advise the City Council on matters related to affordable housing policy;
- B. Preserve and maintain the existing affordable housing stock;

Ms. Tungare noted she liked the addition of “maintain”; that is very important. Chair Eakins said that what the rehab program is about.

- C. ~~Maintain~~/Increase the availability of attainable/affordable housing for all members of the community. ~~by working with the private sector and major employers in the community.~~

Mr. Glenn asked why “attainable” was removed. Ms. Johnson said attainable is a nicer word for affordable, and if we’re using the word affordable anyway we don’t need both. Mr. Glenn noted that our ordinance uses the term “inclusionary” as well; it’s confusing. Mr. Hansen said in terms of the law, inclusionary is part of the state law and affordable is a defined term; attainable is not a defined term. Ms. Tungare said “inclusionary” was used so that others would not automatically related the ordinance to Section 8 housing, and she feels leaving the word “affordable” makes it clear. Ms. Johnson said we could add a separate purpose statement related to the inclusionary housing ordinance, but she felt that was covered in Item A, because it is related to affordable housing policy. Chair Eakins said this is about the Commission, not the ordinance; it’s to define who we are. Mr. Hansen said he feels the changes reflect the discussion that was had. Commission members agreed.

- ~~E. Encourage and guide market forces to build new homes that meet the St. Charles Housing Endorsement Criteria, and~~

Ms. Johnson said this item is outdated as it references a document that was adopted by the City prior to adoption of the Inclusionary Housing Ordinance.

Powers and Duties

- A. Provide advice to the City Council for increasing, retaining and rehabilitating affordable housing stock within the City of St. Charles by evaluating, setting priorities, and recommending affordable housing programs and policies, examples of which include Housing Trust Fund, Community Land Trust, Inclusionary Housing Ordinance, density bonus, fee-in-lieu of provision, etc.;
- B. Coordinate with other communities and governmental agencies in meeting the housing needs of low-income and moderate-income families in the a community;
- C. Establish liaisons with other groups interested in affordable housing in the City and the surrounding area;
- D. Work with area builders and developers in implementing affordable housing programs;
- E. Develop programs that will assist in accessing new funding opportunities at the local, state and federal levels;
- F. Identify possible revenue streams to create and preserve homes that are priced to meet the needs of low- to moderate-income families;
- ~~G. Evaluate expansion of the City's Employer Assisted Housing as a tool to leverage private sector investment in workforce housing options; and~~
- H. Create mechanisms for increasing public awareness and educating residents regarding the needs for affordable/~~attainable~~ housing.

Ms. Johnson noted Item G pertaining to the City's Employer Assisted Housing program was removed because the City no longer offers that program.

Mr. Pietryla suggested adding a separate statement to work with the builders, developers and stake holders for them to be mechanisms for raising public awareness. Chair Eakins also suggested removing the word "area" from Item D because the affordable housing developers are not necessarily from our area. The Commission agreed.

Ms. Tungare suggested presenting this at the joint meeting to get input from Council, then trot it through the public process to get it adopted as a City Code amendment. Ms. Johnson said the changes suggested by the Commission will be incorporated in what is presented to Council.

8. 2017 St. Charles Housing Affordability Analysis

Ms. Johnson said when the analysis was last done in 2014 we were at 23.1% affordable. We have fallen just slightly, to 22.3% affordable. Area Median Income has gone up from about \$72,000 in 2014 to almost \$79,000, which drove the affordable housing price up to about \$198,000. This is an increase of almost \$15,000 from 2014. Mr. Glenn suggested adding the most recent figures in a table on page 1. Ms. Johnson agreed.

Ms. Johnson said the rental share of affordable housing went up a little bit, from 11.9% to 13.5%. This is because affordable rents went up as AMI increased. Fox Run Apartments, which has over 100 units, has become affordable due to those higher rents, which are set by the state. Ms. Tungare added that they made some improvements to that property, so it's good affordable housing. Mr. Hansen said the last time we did this exercise the percentage staff came up with was much larger than when IHDA calculated it, and he wondered if IHDA would find St. Charles to be at less than 10% now, since staff's affordable housing share finding has also decreased. Ms. Johnson said IHDA stated they will be coming out with a new number next year. We are not sure of the methodology

they will use, but there will be a new list of every community's affordable share in 2018. Based on our own data, we should be pretty close to what we were before.

Ms. Tungare said in the past, the state has not notified municipalities ahead of time to let us know of the methodology used and resulting findings. Last time IHDA released a new finding in 2013, our City Council took a stance to not allow the state to dictate where we are at. The state did commend us on our efforts for having an Inclusionary Housing Ordinance, a Housing Trust Fund, a Housing Commission that discusses affordable housing initiatives and policies, and a Single-Family Rehab Program. In terms of what would happen if we fell below the 10% affordable threshold based on their methodology, the City would have to come up with an affordable housing plan. Since we have the elements for an affordable housing plan already in place, the risk factor is minimal. Ms. Johnson noted that the City's 2014 Affordability Analysis was sent to IHDA to see if they could use our numbers instead of theirs. They said they could not because they have to use the same methodology for every community, but they did look at our report and said our methodology made sense. Ms. Tungare said the City is doing our part as far as transparency and communication, but we can't control when we will hear from IHDA.

Mr. Hansen said he would be cautious in dealing with the state. If we have fallen below 10% their calculation is the only one that matters and he thinks it's going to be close. Ms. Johnson said if that happens, we would have to adopt an affordable housing plan and submit it to IHDA. There are requirements that the plan identifies certain goals and ways to meet the goals. She said compared to other communities that are below 10%, we have a leg up in complying with the law because we already have a foundation of affordable housing policy in place and won't have to start from scratch. Mr. Hansen said if we do show some measure of success in working with the County and deploying some of the funds, that would help a lot. If we do get to that point, make sure it is in the minutes that we are doing that to specifically improve our situation with regard to the housing index.

9. Additional Business

10. Future Meeting Dates

- a. Monday, September 11, 2017 – Joint City Council-Housing Commission- (Dens A & B)**
- b. Thursday, September 14, 2017 (Council Chambers)**

Chair Eakins felt the September 11th joint meeting is enough for the month of September so the September 14th meeting can be cancelled.

- c. Thursday, October 12, 2017 (Committee Room)**

The Commission expressed they would like to have a meeting in October to discuss the joint meeting. Ms. Tungare requested the November, December and January meetings be cancelled due to lack of staff since Ms. Johnson will be out of office until mid- January, 2018.

Ms. Johnson said if we get the go ahead from Council, the next big focus will be the Affordable Housing Fund and working with the County to make our money available through that Fund. Ms. Tungare said it is going to be an ongoing process and take time. The key is to keep the conversation

and dialogue going between the two groups.

Ms. Payleitner suggested sharing with Council that we have received an application for the Housing Rehab Program since publicizing the program. Ms. Tungare suggested sending out another press release in the Den in September. Mr. Glenn suggested running an article in the Daily Herald or Tribune. Chair Eakins suggested a feature story. Ms. Tungare said the story should be about the make-up of the Housing Commission volunteers and align it with the timing for the code amendment for the purpose statement. Chair Eakins suggested contacting the reporters from the papers directly, not just doing a press release. Ms. Tungare suggested the Commissioners also publicize through their own organization newsletters.

Chair Eakins said since it is coming up on the one-year anniversary of the current affordable housing fee in-lieu, she would like to have a discussion about the fee in-lieu for the coming year and making a recommendation about the fee to Council. Ms. Tungare said it wouldn't hurt to bring it up at the joint meeting, as to whether the Council would like to see a recommendation from the Housing Commission to maybe bring before them in February 2018.

11. Public Comment

12. Adjournment

A motion was made by Mr. Hansen and seconded by Mr. Goettel with a unanimous voice vote to adjourn at 8:20 p.m.