

**MINUTES
CITY OF ST. CHARLES
HOUSING COMMISSION
THURSDAY, SEPTEMBER 24, 2020
COUNCIL COMMITTEE ROOM / VIRTUAL ZOOM MEETING**

Members Present: Sean Baker, Jennifer Becker, Louis Dries, Liz Eakins, Barb Gacic, John Glenn, Karrsten Goettel, Rita Payleitner

Members Absent: Ed McNally

Others Present: Ellen Johnson, Planner

1. Call to Order

Chair Eakins called the meeting to order at 7:00 p.m.

2. Roll Call

Ms. Johnson called roll with seven members present. There was a quorum. Mr. Glenn joined the meeting at 7:06.

3. Approval of Agenda

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

4. Approval of minutes from the June 11, 2020 meeting of the Housing Commission.

A motion was made by Ms. Payleitner and seconded by Mr. Goettel with a unanimous voice vote to approve the June 11, 2020 meeting minutes.

5. Affordable Rehab/Resale Project Updates

a. 1432 Dean St. (funding approved 2018)

Josh Beck of the Kane County Office of Community Reinvestment gave an update on this project, which was partially funded from the St. Charles Housing Trust Fund. The house sold in July for \$200,000 to a household below 80% AMI. Mr. Beck reviewed the project financials. Acquisition cost: \$97,352; construction cost: \$140,000; developer fee to Housing Continuum: \$14,879; soft costs: \$4,205; holding costs: \$8,191. Total development cost: approx. \$265,000. The Kane-Elgin Home Consortium contributed \$206,000 and \$58,317 came from the St. Charles Housing Trust Fund. Proceeds came to \$130,000 and was returned proportionally to the two funding sources. \$36,921 came back to the Housing Trust Fund, for a net total investment of \$21,396 from the City.

b. 704 Adams Ave. (funding approved 2019)

Josh Beck gave an update on this project. The cost was also split between the Kane-Elgin Home Consortium and St. Charles Housing Trust Fund. Work is underway; a new driveway has been poured and the interior has been framed and drywalled. Cabinets will be installed in the next week or so. Estimated construction cost is \$140,000.

Mr. Dries asked about the \$140,000 estimated construction cost and whether demolition/new construction was considered. Mr. Beck said there is value in having existing elements; a new house couldn't be constructed for \$140,000. It is generally not cost-effective to demo and build new.

Mr. Beck informed the Commission that Kane County is about to get started on another project in St. Charles which is not funded by the City. Several years ago, Kane County partnered with Community Development Foundation of the Fox Valley to receive National Foreclosure Settlement dollars to fix up dilapidated properties that are vacant and/or foreclosed. There is some funding left. The County will be closing on 1020 S. 3rd St. in October. The house has been gutted already. It will be fixed up and sold to an income-eligible buyer, up to 120% AMI.

6. Review of Affordable Housing Fund Development Proposal for 2020:

a. Spillane & Sons Inc. Moore Avenue Lot

Mr. Berger of the Kane County Office of Community Reinvestment said they conducted a Call for Proposals this summer. Earlier this month, the Kane-Elgin Home Commission met to review the proposals. A City-owned lot was included in the Call for Proposals as a buildable lot for an affordable single-family home, along with funding from the Housing Trust Fund. The parcel is at the northeast corner of Rt. 25 and Moore Ave. Spillane & Sons submitted a proposal to build a cape code style house with a detached garage on the property. They are seeking \$322,390 in financing and the parcel. Mr. Berger reviewed the County's staff report on the proposal. The proposal was reviewed based on the County's review criteria and was rated with good/excellent marks. The Kane-Elgin Home Commission approved funding of \$270,266 from the Kane County CDBG program and recommended the St. Charles Housing Commission approve \$52,124 from the Housing Trust Fund, as well as for the City to transfer the parcel to the developer. The developer has built four new homes under the County's program in Batavia and Elgin.

Mr. Dries asked about a projected selling price. Mr. Beck said sale price is based on what would be affordable for a household at 80% AMI, taking into account current interest rates.

Commissioners discussed the two floor plan options and two elevation drawings. They preferred the option with a first-floor office and 3-bedrooms upstairs as opposed to the first-floor master option as it will be more versatile and will appeal to more buyers. They liked the elevation with the front porch.

A motion was made by Ms. Gacic and seconded by Mr. Glenn with a unanimous voice vote to approve a Housing Trust Fund allocation of \$52,124 for the Spillane & Sons Inc. Moore Avenue project.

A motion was made by Mr. Dries and seconded by Mr. Baker with a unanimous voice vote to recommend to City Council transfer of the City-owned Moore Avenue property to Spillane & Sons Inc. for construction of one single-family home to be sold to an income-eligible homebuyer.

Ms. Eakins thanked Kane County staff for presenting and for all their work on these projects. She asked for a tour of the Adams Ave. house once it is finished. Mr. Berger said that will likely be in December.

7. Promotion of Home Rehab & Accessibility Loan Program

Ms. Eakins said many months ago we talked about how to best promote the Home Rehab & Accessibility Loan Program to promote awareness. Ms. Johnson said we talked about presenting to various community organizations but have held off due to Covid-19. Commissioners suggested promoting the program in several ways: articles in the Den Newsletter; a link from the online utility bill webpage; Park District brochure; City's Facebook page; Facebook post Commissioners could share to other groups/pages; St. Charles Township/newsletter; contractors that come into the building department; local contractor association/business group.

Mr. Baker said the program could be promoted as a green initiative, and that aspect should be highlighted.

8. Additional Business

a. Anthony Place Phase 2

Ms. Johnson said Anthony Place on Prairie St. is completed and fully leased. The same developer, GC Housing Development, has expressed interest in doing a Phase 2 project of 75 senior affordable units. The site is a vacant lot in the shopping center between Lincoln Hwy and Bricher Rd., owned by Shodeen. The project went through the Concept Plan process last month and received positive feedback from Plan Commission and Planning & Development Committee. Zoning approvals will be needed and staff expects the applications will be filed in the next couple of months.

Ms. Payleitner said the developer received 300 applications for the 75 existing units. This demand prompted them to pursue another project.

b. CARES Act Grant Programs

Mr. Berger said Kane County received coronavirus relief funds from the CARES Act. They recently launched two programs. Small Business Grant Program- \$8 million to provide grants up to \$20,000 to eligible small businesses to defray costs of rent, utilities, PPE, work from home equipment, etc. Non-Profit Grant- \$2 million to assist nonprofits with the same types of expenses, aimed at nonprofits that provide housing, food, and medical assistance. The application deadline is next Friday.

c. Fee In-lieu

Ms. Payleitner said the City Council retreat is this weekend. One of the topics to be discussed is the IHO Fee in-lieu amount. Since February when the last fee was set, two good sized, moderately priced housing developments have been proposed. The developments will be age-targeted (not age restricted) with prices in the \$300k-\$400k range. The smaller the homes, the bigger percentage the fee. Given our affordable housing stock and these developments, the Council wants to look into possibly lessening the fee amount. Ms. Payleitner wanted to get the Commission's thoughts. She said she likes the current calculation the fee is based upon- 25% downpayment for one affordable unit = \$39,665 per required affordable unit.

Ms. Eakins said she stands by the current fee. More work needs to be done to increase affordable housing, and not just for seniors. With that price home, the fee is minimal when added to the total price of the home.

Mr. Berger asked what assurance do you have that a reduction in the fee will be reflected in the sale price of the housing? How do you know it won't be extra profit for the developer?

Mr. Glenn said this was the best month for new home sales in 14 years. There is a shortage of homes. As soon as interest in buying homes picks up, Council wants to reduce the fee. We need to make money while the sun shines and the sun is finally shining.

Ms. Gacic said there is not a lot of land in St. Charles to build on. If the developer leaves, there would be another developer that would want to build. We have to think of the entire community and where their needs are, not just the developer.

9. Future Meeting Dates

- a. Thursday, October 8, 2020 at 7:00pm Committee Room – To be cancelled
- b. Thursday, November 12, 2020 at 7:00pm Committee Room
- c. Thursday, December 10, 2020 at 7:00pm Committee Room

10. Public Comment- None

11. Adjournment at 8:40pm