

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, JUNE 6, 2019
COUNCIL COMMITTEE ROOM**

Members Present: Liz Eakins, Louis Dries, Sean Baker, Carolyn Waibel, Jennifer Becker, John Glenn, Corinne Pierog

Members Absent: Karrsten Goettel; Rita Payleitner

Others Present: Ellen Johnson, Planner

1. Call to Order

Chair Eakins called the meeting to order at 7:07 p.m.

2. Roll Call

Ms. Johnson called roll with 8 members present. There was a quorum.

3. Election of Officers

a. Chair

b. Vice-Chair

A motion was made by Ms. Waibel and seconded by Ms. Pierog to nominate Liz Eakins as Chair and John Glenn as Vice-Chair. The slate of candidates was approved by a unanimous voice vote.

3. Approval of Agenda

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

4. Approval of minutes from the January 10, 2019 meeting of the Housing Commission

Mr. Dries made a motion to amend the second and third sentence of paragraph two of Item #5 on page 1 of the minutes to read as follows: *“Mr. Dries said it’s mortgage and taxes; if the average homeowner monthly payment is \$1,500, deduct \$500 for taxes, which means you can afford \$1,000 mortgage payment. If you extrapolate from that \$1,000 monthly payment + factor in home insurance, it probably means a maximum mortgage of ~\$175,000 at today’s interest rates (close to 5% last January).”*

A motion was made by Ms. Waibel and seconded by Mr. Baker with a unanimous voice vote to approve the January 10, 2019 meeting minutes with Mr. Dries’ revisions to page 1.

Chair Eakins welcomed new member Jennifer Becker, Plan Commission Liaison, who introduced herself to the Commission.

5. Discussion regarding Pending Affordable Purchase Program Project.

Ms. Johnson provided an update on the \$57,000 the Commission approved last October for a purchase/rehab project in St. Charles to be carried out by Housing Continuum, Inc. Kane County also

allocated \$202,000 for this project. Since October, the County has been searching for a home to rehab in St. Charles to sell as an affordable unit but have been unsuccessful up to this point. Staff recently met with the County regarding their efforts and why they're having difficulty finding a home based on the current market. The County explained the budget of \$250,000 was based on a previous project they completed on Union Ave. They acquired that property for \$120,000 and rehabbed it for another \$120,000. They assumed similar housing would become available in St. Charles, but it hasn't. Staff has advised them to give their search a whole year, through this October.

The County presented two alternatives for the project if a house cannot be obtained by October:

Alternative #1: Increase the City's portion of the budget. The City has allocated \$57,000 but could choose to allocate more. This could allow the County to take on a larger or more expensive home, or one that requires more extensive rehab like significant structural issues which are more costly than the current budget allows.

Ms. Waibel asked what the County's process is when searching for a home because there are different areas within the city limits and she would think there has to be a house available. Ms. Johnson said they have to balance the need for rehab and the rehab costs based on this budget. She said the County has toured several houses that they were hopeful about but then the inspectors get in and determine the renovations would be too costly. There are also investors buying houses quickly for more than asking, and they're not wanting or able to compete with the private market taking on projects that are teardowns or flips.

Alternative #2: Instead of purchasing a single-family home and rehabbing it, we could consider doing a townhome or condo instead. The County's thoughts on this are that their goals for the program are two-fold: to create an affordable housing unit and also neighborhood redevelopment and preservation. Rehab of a condo or townhome wouldn't be visible from the outside, so the neighborhood impact piece isn't there.

Ms. Waibel mentioned duplexes that could use help near Lincoln. Ms. Johnson said a lot of duplexes in town are non-conforming to zoning if they are in single-family districts. The County and City wouldn't be able to use its funding on an illegal non-conforming use.

Ms. Pierog suggested a shared home for people with developmental disabilities or seniors that could be purchased through a group to be rehabbed. Ms. Johnson said the program is to rehab one single unit; it doesn't really matter who lives in it, but it has to be sold at an affordable price based on the number of people living in it and the household income. She's not sure how a group home would work. Chair Eakins added that there are corporations behind those; that is a different type of project which could be done if we were approached by an organization to partner with. Mr. Dries said the need is there, and he's seen it done, but not here.

Mr. Glenn said he feels we should wait a little while. Mr. Dries agreed to wait rather than increasing the City's budget as suggested in Alternative #1.

Chair Eakins said we need to be cognizant that the developers have paid into the fund and she thinks Council may get frustrated that the money is not being utilized after the program has been approved.

Ms. Pierog mentioned apartments between Rt. 64 and Dean St. and wondered if any the County could match the City to buy a group of apartments that could be rehabbed and sold as affordable condos. Ms. Johnson said it's a potential project but a developer would need to propose doing that. Ms. Waibel added that would then be displacing renters.

Ms. Johnson said the County is going to be issuing a new RFP for the next round of Affordable Housing Fund projects. The City has made our money available through this process in hopes that a big project will be proposed and that our money can be used for that, but it's really up to the private market and non-profits to come to the County with a proposal.

Ms. Becker suggested maybe buying one of the non-conforming duplexes to convert it to a conforming single-family.

Commissioners agreed that they have no problem with rehabbing a townhome or a condo rather than a single-family home.

Ms. Johnson mentioned that the County is looking at a single-family home in bad shape that is on the market. It is in a downtown zoning district where duplexes are permitted. Potentially it could be demolished to construct a new duplex. This type of project would be much more costly but would create two units to house two families. She noted that the County has done new construction in Elgin on a vacant lot that the City owned and donated, so they do have experience with new construction.

The Commission agreed that they are hesitant on new construction development due to the expense; they want to create the most affordable units for the money as possible.

Ms. Pierog suggested upping the City's portion of the project budget for either a single-family home, or a bigger project like a demo and construction of a duplex. Commissioners agreed.

Mr. Glenn asked if the amount the County is giving for the St. Charles project is similar to what they gave to Elgin or Aurora. Ms. Johnson said she believes so; for Housing Continuum the County approved two projects, one in St. Charles and one in another community. They are already working on that project; she's not sure of its location.

Chair Eakins asked how the City came up the amount of \$57,000. Ms. Johnson said the County requested that amount based on what they had.

Ms. Johnson said a vote is not necessary; the group would get back together to formally approve an amount once there is a proposal to vote on from the County. Chair Eakins agreed and suggested having continued discussions.

Chair Eakins asked how the Commission felt about a developer that maybe wanted to rehab some substandard rental housing. Mr. Glenn said he feels that helps the developer out. Chair Eakins said it would be a developer for the single-family home too; they make money doing that as well. Mr. Glenn said but it will be rented out, and they will collect the rent money. Chair Eakins noted it is affordable rent.

Ms. Pierog asked how much money is being earned through the trust fund with new construction. Ms. Johnson said nothing is pending. There is a concept plan for a 66-unit apartment complex near

Volkswagen. The developer has stated they will opt to pay a fee in-lieu if the project moves forward. The group agreed that they would rather have the units.

Ms. Johnson noted that the groundbreaking for Anthony Place is June 13th at 10:30am.

Chair Eakins gave a brief update from the Kane-Elgin Home Commission. They recently approved two projects. She noted that she toured two rehabbed homes on the east side of Elgin and they were amazing. One was new construction on donated land from Elgin.

Mr. Dries spoke about senior citizens currently in their homes who need assistance, because they are being forced out. Chair Eakins noted that Kane County has a program; there is an interest rate charge, but it allows people to stay in their homes for the rest of their lifetime. Mr. Dries suggested reverse mortgages. Ms. Waibel said there is a lack of affordable housing here for 55 and over. Ms. Johnson noted the new Anthony Place will be available soon, but those are probably filling up quickly. Ms. Pierog asked if that development is restricted to Kane County or St. Charles residents. Chair Eakins said she believes if they are receiving tax credit money they may be required to not restrict and accept anyone that qualifies. She said HUD is requiring most developments to remove priority for residents.

6. Additional Business

7. Future Meeting Dates

- a. **Thursday, July 11, 2019 (Committee Room)**
- b. **Thursday, August 8, 2019 (Committee Room)**
- c. **Thursday, September 12, 2019 (Committee Room)**

8. Public Comment – None

9. Adjournment at 8:25pm