

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, MAY 11, 2017
COUNCIL CHAMBER**

Members Present: John Glenn, Rita Payleitner, Corinne Pierog, Tom Hansen, Liz Eakins

Members Absent: John Hall, Karrsten Goettel

Others Present: Ellen Johnson, Planner
Russell Colby, Planning Div. Mgr.

1. Call to Order

Chair Eakins called the meeting to order at 7:05 p.m.

2. Roll Call

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

3. Election of Officers

Ms. Johnson explained that it is the beginning of a new Fiscal Year so they need to elect officers for this year.

a. Chair

A motion was made by Mr. Glenn and seconded by Ms. Pierog with a unanimous voice vote to approve Ms. Eakins as Chair.

b. Vice Chair

A motion was made by Mr. Glenn and seconded by Ms. Pierog with a unanimous voice vote to approve Mr. Hansen as Vice Chair.

4. Approval of Agenda

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

5. Approval of Minutes from the March 16, 2017 Meeting

A motion was made by Mr. Glenn and seconded by Ms. Payleitner with a unanimous voice vote to approve the March 16, 2017 meeting minutes.

6. Housing Program Updates

a. Home Rehab & Accessibility Loan Program

The Commission discussed marketing efforts for the program. Ms. Johnson said the last time they talked, they were going to work with the City's Communications Manager to put together a flyer to get mailed out with the utility bills and they are still planning to do that. Ms. Pierog said she sent a brochure to Fox River Valley Initiatives and Senior Services of Kane County. She spoke with Betty Shoeholtz, Senior Services of Kane County, and was told that there are 700 St. Charles seniors that would qualify for the program. Ms. Pierog asked Ms. Johnson how a senior citizen would pay back the loan that they have taken. Ms. Johnson replied that the loan is paid back when the property is sold or transferred.

Ms. Pierog stated that Shaw Media is very proactive as it relates to any marketing in this area and recently they put together a 3-4 page insert about seniors in the Fox River Valley. She asked if the Housing Commission could put an article in there. Ms. Johnson said that she was planning on putting out a news release on this program and the Downpayment Assistance Program, when it is up and running. Ms. Pierog said ideally, it would be great to interview someone who has taken advantage of the program and have an article published about that.

b. Downpayment Assistance Program

Ms. Johnson said they are waiting on a Service Agreement with the County regarding program administration. Once the Agreement is in place the program will be officially on the books. They still hope to have the program up and running in June or July. Ms. Pierog suggested the Commission go ahead and issue a press release on the Home Rehab Program, even if they do not hear back from the County by June on the Downpayment Assistance Program.

Ms. Pierog asked whether eligible seniors served by Senior Services could be contacted about the Home Rehab Program by sending them a brochure. Chair Eakins asked how the Commission would receive private income information on individuals. Mr. Glenn suggested having Senior Services contact the individuals on the Commission's behalf. Ms. Pierog agreed to approach them about this. Ms. Johnson added that mailing the brochure with the utility bills would reach the seniors who typically receive their utility bills in the mail.

Ms. Pierog asked if the Baker Community Center and Pottawatomie have been contacted – they already have some programs for seniors in place. Mr. Hansen said he would drop off some brochures at the Baker Center and at the Salvation Army on 7th Avenue. Ms. Johnson said she would get some to Pottawatomie. Ms. Pierog asked if they could create a poster and put that up at these locations as well as in the lobby of City Hall. Mr. Glenn asked if there is enough traffic – Ms. Johnson said there definitely is at City Hall. Ms. Pierog said they should have some at civic organizations in town too.

7. Discussion of Joint Housing Commission – Planning & Development Committee Meeting

Chair Eakins said there was discussion at the last meeting and it is now scheduled - a joint meeting with the Planning & Development Committee and the Housing Commission will be held on Monday, June 12 at 5:45 pm in Dens A and B.

A rough draft of the meeting's Agenda, containing possible discussion points, was handed out. Ms. Johnson said one of the things that the P&D Committee members want to discuss is the use of the Housing Trust Fund. We want to make it clear before we start that discussion that many programs have been looked into and considered, to better inform that discussion.

Chair Eakins stated that the summary of program-related activities over the past two years that Ms. Johnson provided them with at the last meeting will be good for the P&D Committee to hear.

Mr. Colby stated that it is important to communicate that there are limitations on what the money can be spent on. Chair Eakins asked if there is a point-by-point guideline stating what the use parameters are. Ms. Johnson said there is a list in the City Code, in the Housing Trust Fund chapter. Ms. Johnson will provide that information at the Joint meeting. Mr. Glenn suggested a one page information sheet that would contain bullet points, tables and graphics – something that would summarize all aspects of what they do instead of giving them the page out of the code book.

Ms. Johnson said that the last item on the Agenda – The Purpose of the Housing Commission – is the over-arching goal of this upcoming meeting. The Council should weigh in on what they see this Commission's role as and what they are looking for from this group. The Housing Commission chapter of the City Code has a list of purpose statements. Some of these may be outdated and may not reflect what the Commission has viewed their role as over the past several years. One of the purpose statements references the St. Charles Housing Endorsement Criteria, which preceded the IHO and really isn't relevant anymore. Mr. Colby added that that was a policy document that the Council adopted and tried to encourage developers to follow before there was an IHO. Ms. Johnson said the thought is the Commission will get the Council's feedback and amongst ourselves, come up with what purpose statements we think should be in the code. Eventually, Council would have to approve it.

Mr. Glenn said he has not viewed another purpose statement – Encourage & Guide Market Forces – as being part of their role. Perhaps it should be, but on the other hand, the City does not go out and encourage a builder or developer to come in. Ms. Johnson said with the way the code is worded, the Housing Commission does not have that opportunity to encourage and guide development. Vice Chair Hanson said a few months ago they had a developer come before the Commission with a proposed plan and it included affordable housing. He stated that he wanted to encourage the developer to do that and that is part of what they as a Commission would want to do. Chair Eakins stated that most often they are separated from that process. Ms. Johnson said normally, the Housing Commission would not have the opportunity to meet directly with a developer unless they have a special request, or in the case a few months ago, the developer was seeking a variance from the IHO.

Mr. Glenn said he is thinking of senior housing – have the Commission search for a developer who is interested in constructing smaller homes. Ms. Johnson said at the last meeting they talked about the County's new Affordable Housing Fund and opportunities with that to attract developers of affordable housing. Mr. Colby added that this goes back to the whole point of having this joint meeting and the purpose statements – what does the Council expect of the Housing Commission. Is it the role of the Housing Commission to go out and encourage these projects to happen or is your role more as a reviewer who is encouraging the inclusion of affordable units in the project. Ms. Payleitner asked if they have ever had the Commission in a proactive role and Mr. Colby stated that he did not think so. In the early days, after the Commission was established and before there was an IHO, there was some of that going on to try and encourage projects. Prior to us ever having any kind of requirements, the thought was they existed as a group to try and solicit interest in those things. Mr.

Glenn asked if the City ever does that. Mr. Colby stated that the Economic Development Division tries to facilitate these types of things through the promotion of available sites and development projects as well as with the relationships made between developers and businesses. Mr. Glenn asked if the search for housing development should be the responsibility of the Economic Development office. Mr. Colby said that will depend on how and what the Council wants the Housing Commission to be more proactive on. Chair Eakins reiterated that they are only talking about soliciting developers of affordable housing. Mr. Hansen said the City works on attracting commercial development and companies to come to St. Charles by attending trade shows and large conferences. Ms. Pierog said with regards to promotional material that the City uses to encourage development to come through – demographics have shown that there is a need for affordable housing for young families as well as for seniors. We could encourage developers to develop quality and relatively inexpensive small homes for both through housing tax incentives. Ms. Johnson said that type of project could be attracted through the Affordable Housing Fund – a call could be put out for specific projects.

Ms. Pierog sought clarification on the City Code as it pertains to apartments. Ms. Pierog stated that she is aware much of it is based on single family homes or townhome ownership rather than rentals. Does the code address rentals – specifically, the building of new rentals? Ms. Johnson replied that the Inclusionary Housing Ordinance requires developers to provide a percentage of affordable units in the development or pay the fee. Ms. Pierog verified that the fee fluctuates for both rentals as well as for single family homes. Ms. Johnson confirmed; there used to be one fee for everything, however in February, the Council lowered the fee to \$5,000 for multi-family units and kept the fee for single family and townhome units where it was last year - at \$72,000. Ms. Pierog asked if rentals were to shift to condominiums say 5 to 7 years from now, would they have to pay an additional fee? Ms. Johnson said no; the fee is based on the unit type; it doesn't matter if they are rented or owned. Mr. Hanson added that it is similar to a one-time fee at construction.

Mr. Glenn asked about condo ownership verses single family ownership – townhomes are a particular style – you can have the same building as single family units or the whole building owned as individual condos. It is a technicality on how the deed is structured. Aesthetically, they look the same but how does the fee differ on the ownership? Then, if there are condos - common ownership - that is more like an apartment. Should we regard them differently? Ms. Johnson replied that townhomes or attached single family units are connected vertically. If units are connected horizontally, then they are considered multi-family. Mr. Colby stated that the Zoning Ordinance defines these types of residential units based on their physical configuration regardless of ownership structure. If they are attached, side-by-side vertically, they are called townhomes even if they had been constructed as a condo. Mr. Glenn said that it could be condo ownership. Mr. Colby agreed, however it would still be called a townhome. In the City Code zoning regulations, the City does not regulate the ownership – they are both regarded as the same type of unit. If they are built one above the other – therefore a condo – then that is a different fee than if they were built side-by-side, asked Mr. Glenn. Mr. Colby said if they were one above the other, and more than 2 units, we would call them multi-family. It would be multi-family, regardless of how the units are arranged unless they are arranged as a townhome. If they are organized next to each other, they would pay the townhome fee. If they are stacked units, they would pay the multi-family fee, regardless of ownership structure.

Mr. Glen asked if this dictates to builders how they should construct the units. Mr. Colby said the current fee that was set by the Council is just for this calendar year, and right now there is a significant difference between the multi-family fee and townhome/single family fee. Mr. Glenn said if there is a big difference in the fee, you have to be careful.

Chair Eakins said it was interesting information from the County on the number of homes that would qualify for the Downpayment Assistance Program. Ms. Johnson added that when they met with the County about a month ago, they went on the MLS and saw there were very few homes available at or under \$209,000, which is the home value limit to qualify for the program. If we could do 2 - 3 Downpayment Assistance loans each year, that would be a success because of so few available.

Ms. Pierog stated that they are going to have the same situation with the Rehab Program. Ms. Johnson said the home value for that is around \$270,000. Ms. Pierog said if someone has been in their home awhile, their home value could be higher, especially if there are newer homes being built around them. Ms. Johnson added that that is part of the reason why the program has not been used. This qualification is a County requirement that comes from HUD and since our program piggy-backs on the County's, the City's program had to adopt that standard. We will have the program available should someone be able to qualify for it. It has been expanded to townhomes, which opens a market that was not served by the program previously.

Mr. Glenn asked where the properties are located that the County is making the Downpayment Assistance loans on. Ms. Johnson said for the past 4 – 5 years, the County has conducted almost all of their Downpayment Assistance Program on properties in Elgin. They were using Neighborhood Housing Services to administer the program for a number of years and they are based in Elgin. Part of the reason the County took administration of the program back in-house was to try and make it more of a County-wide program again. Chair Eakins said that they have been putting a lot of effort into these two programs and very few people qualify. They need to learn from the Planning & Development Committee what else they can do – how can they work together.

Vice Chair Hanson stated that the County has a pool of funds – mostly federal money - that they are charged with investing throughout the County, with a large amount of the money being distributed to developers. The number of affordable units by developer varies from as many as 50 units to maybe 8 units. The County conducts the due diligence on all of the developers and obtains applications from each developer. The projects could be a combination of rehab and some new construction. County staff makes recommendations to the Kane-Elgin HOME Commission on how the pool of money should be allocated. In one example, there was a vacant lot in Elgin that the City owned that they obtained through default. The City contributed this lot to the developer with the understanding that the developer would build an affordable unit on the lot. A portion of the County funds went to that developer who was going to build the house. Ms. Johnson stated that this is what they have been discussing – to partner with the County on this Affordable Housing Fund that they have. If this is the direction that Council wants to go, the City could take a portion of our Housing Trust Fund, contribute it to the County's Affordable Housing Fund, and through the County's process, solicit proposals from developers interested in working on projects in St. Charles, utilizing both their funds and ours. Vice Chair Hanson said the good thing is that you can distribute big chunks of money fast. For example, if they wanted to utilize \$300,000 of the trust fund, they could do that in one project. The downside is, that there is a lot of due diligence involved on the part of City staff. They would have to make sure the project is viable – is this something that people will want to move into. Ms. Johnson said the County has explained that they would take on that role as they do for their other projects.

Ms. Payleitner asked if this would be a good time to discuss what happened with the Shodeen – Prairie Center. Vice Chair Hanson said funding to build affordable units come from different sources. One is primarily tax credits, distributed through Illinois Housing Development Authority (IHDA) and the other is frequently a grant from the Federal Home Loan Bank. All of the projects are ranked and

given points. The Prairie Center affordable senior development did not receive the IHDA tax credits for 2017; however the builder intends to try it again in 2018.

Chair Eakins said the agenda for the Joint meeting looked good. Ms. Johnson said they will go through the background of the Commission and the Housing Trust Fund with an easy bullet-point list of the items found in that chapter. Part of the meeting will contain an introduction and explanation of the County's new Affordable Housing Fund. Mr. Colby said if they are trying to put the money into large projects, then this is the best opportunity to get everyone on board with that.

Chair Eakins told the group about the meetings she attended regarding Campana. In addition, she talked about a tour of the old St. Charles Hospital in Aurora, located 3 blocks from the river on the east side, that was redeveloped by Evergreen, who is the same developer as Campana. One topic that was stressed repeatedly was how involved the City of Aurora was with encouraging and pulling in that development. Chair Eakins asked if she should talk about this at the upcoming Joint meeting. Vice Chair Hanson said if they had a building that could be repurposed like that one - that would really be helpful. When the firm decided to redevelop this site, that is where the City really encouraged them and helped get the approvals to get things moving quickly. Ms. Payleitner said that the City – the Mayor and everybody really jumped into gear for the Prairie Center affordable senior development. When there is something in mind, the City will be very supportive. Mr. Colby stated that one of the challenges that they have is they do not have a lot of sites where there is zoning in place for this type of development. When they go through the process similar to what they went through with Prairie Center, it is a political process to approve the land use. If there was a building in place that was suitable for this use, that would be much easier.

Ms. Pierog mentioned the old lamp factory by the train tracks as a possibility Mr. Colby said there is developer interest in that property and it seems as though it is being marketed more aggressively now. Chair Eakins mentioned a big empty building along N. 4th and N. 5th Streets not as far west as the Lexington property that may be possible. Ms. Pierog said if there are commercial or industrial properties that could be used for this purpose, they should be looked at closely.

8. Additional Business

Ms. Johnson said they are planning on cancelling the June 8, 2017 meeting due to having the joint meeting on June 12, 2017. Ms. Pierog said she will not be in attendance at the July 13, 2017 meeting.

9. Future Meeting Dates

- a. Thursday, June 8, 2017 – To be cancelled**
- b. Monday, June 12, 2017 – Joint Housing Commission-Planning & Development Committee meeting (Dens A&B)**
- c. Thursday, July 13, 2017 (Council Chambers)**

10. Public Comment

11. Adjournment

A motion was made by Mr. Glenn and seconded by Mr. Hansen with a unanimous voice vote to adjourn at 8:12 p.m.