

**MINUTES
CITY OF ST. CHARLES
HOUSING COMMISSION
THURSDAY, MAY 12, 2022
DENS A & B**

Members Present: Sean Baker, Jillian Barker, Louis Dries, Liz Eakins, Jeff Funke, John Glenn

Members Absent: Karrsten Goettel, Paul Lencioni

Others Present: Ellen Johnson, Planner
Chealon Shears, GC Housing Development

1. Call to Order

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

2. Roll Call

Ms. Johnson called roll with five members present. Ms. Barker arrived at 7:15pm.

3. Approval of Agenda

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

4. Election of Officers

a. Chair

Ms. Eakins stated that she would like to step down as Chair.

A motion was made by Mr. Baker, seconded by Mr. Glenn with a unanimous voice vote to elect Jeff Funke as Chair.

b. Vice Chair

A motion was made by Mr. Glenn and seconded by Mr. Dries with a unanimous voice vote to elect Sean Baker as Vice Chair.

5. Approval of minutes from the January 13, 2022 meeting of the Housing Commission

A motion was made by Mr. Dries and seconded by Mr. Funke with a unanimous voice vote to approve the January 13, 2022 meeting minutes.

6. Discussion with GC Housing Development

Chealon Shears, Director of Real Estate Development for GC Housing Development, introduced herself to the group. She explained that about 10 years ago, Crane Construction Company, general

contractor, decided to venture into real estate development and formed GC Housing Development. GC focuses on developing affordable senior communities. They developed Anthony Place at Prairie Centre in St. Charles. The principal of GC Housing Development knew Dave Patzelt with Shodeen. Given the affordable unit requirement for Prairie Centre, they thought this affordable senior development would have a nice synergy. It was a pretty smooth process working with the City. Illinois Housing Development Authority (IHDA) provided low income housing tax credits. Bank of America provided a construction loan and conventional lending. The Certificate of Occupancy was issued in September 2020; the building was already about 90% leased up at that point. GC also has Anthony Place properties in Ottawa, Yorkville and Glendale Heights. All have leased up 100% within a 3-month period. In terms of amenities, the communities have a community room with full kitchen, game room, fitness center, and outdoor recreation area where space is available. All are independent living communities, age 55+. Rents are based on household income and cannot exceed 30% of the renter's income. The period of affordability is 30 years.

Commissioners discussed the need for affordable senior housing in St. Charles and nationwide. It was noted that Hunt Club Village and Carroll Tower senior affordable developments are also located in St. Charles.

Ms. Shears discussed reasons for why there is not more affordable housing. NIMBYism (Not in My Back Yard) is an issue. Coupled with that is the perception of what affordable housing is. GC's experience is that those who occupy their developments are people who are already living in the community and need something more affordable. Once those concerns are addressed, it makes working with the community more successful.

Ms. Shears said median rent at Anthony Place for a 1-bedroom unit is \$795 and 2-bedroom is \$980. Subsidy for renters comes in the form of a project-based voucher. The voucher covers the amount of subsidy needed based on the household's income so they don't pay more than 30% of their income. Maximum allowable income is 60% of the area median. There is a 150-person waiting list for Anthony Place at Prairie Centre. GC is in the process of reapplying for IHDA tax credits for Anthony Place Phase 2. They are encouraged they will have a strong chance at being awarded tax credits next year.

Ms. Shears provided information on IHDA. IHDA provides tax credits, grants, and low-interest loans to finance affordable housing development. They are GC's main financier. IHDA has set-asides that are distributed to five geographic areas: City of Chicago, Chicago metro area, other metro areas, rural communities, and another pot to be used at IHDA's discretion anywhere in the state.

Mr. Dries asked about rising construction costs and impact on developing affordable housing. Ms. Shears said GC is trying to do a lot of value engineering. As a developer, their biggest challenge at the moment is rising interest rates. There will be more funding gaps.

Ms. Shears explained how Anthony Place was financed. The total development cost was about \$20 million. \$5-\$6 million was loans. The majority of the project was financed from the equity generated from tax credits, plus a couple of smaller grants.

Ms. Shears explained how Low-Income Housing Tax Credits work. IHDA awards a certain dollar amount of tax credits. The developer is tasked with finding an investor that wants to buy the tax credits. The investor purchases the tax credits at a certain price. That purchase is what generates equity. The benefit for the investor is that they receive a tax credit. Investors are typically banks or large corporations. There is a syndicator that works between the investor and developer. Rising

interest rates will impact the pricing of tax credits; the price will probably go down because of the cost to the investor.

Ms. Eakins discussed the need for affordable housing for families and asked how the City can develop a relationship with a developer interested in developing affordable housing for families.

Ms. Shears said the City can talk to developers that have done successful developments in the area. Invite developers to respond to an RFQ (Request for Qualifications) to create a list of developers that would be a good fit for St. Charles. Along with that, continue to keep a running list of vacant/abandoned properties that could be redeveloped. Then you can go through the RFP (Request for Proposals) process for a particular property to select a developer. This would be for City-owned property.

Mr. Funke discussed modular homes as a way to build housing at a lower cost. Working with the building department would be necessary from a code perspective. Renovation costs are very high, especially for older homes; it's not feasible to renovate.

Ms. Johnson said the City allows accessory dwelling units as secondary units on single-family home lots in the traditional residential zoning districts. ADUs are a way to add density and affordable units to a neighborhood.

Commissioners discussed rising housing prices and the housing market. Mr. Glenn shared an article from the National Associations of Realtors discussing historically low supply and rising interest rates among factors contributing to unaffordability for buyers.

Mr. Dries said if seniors have affordable apartments to move into, they will sell their homes, creating a supply of smaller homes for younger families with limited budgets to move into. In that way, focusing on senior apartments creates some affordable supply for families.

Ms. Shears said IHDA has been pushing green, sustainable design standards. The cost and finding qualified contractors are challenges. St. Charles could become more familiar with what IHDA is requiring, and look into any issues for permitting.

Ms. Shears offered to help get the Commission get in contact with other affordable housing developers who may be interested in speaking to them. She thanked the group for inviting her to share about her company and experience. Commissioners thanked Ms. Shears.

7. Home Rehab Program Promotion

a. Video

Commissioners discussed alternative options for a promotional video including using online platforms like Animoto and Canva to create short videos for social media. Mr. Baker volunteered to look into this further.

b. Misc.

Ms. Eakins suggested having a permanent link to the Home Rehab Program webpage in the Den newsletter.

8. Additional Business

a. 2022 IHO Fee In-Lieu Update

Ms. Johnson reported that City Council adopted the same fee in-lieu for 2022 as last year, as recommended by the Housing Commission.

b. Project Updates

Ms. Johnson said the Moore Ave. home being constructed is almost complete. Kane County plans to offer a tour for the Commission in June.

c. Housing Trust Fund Account Report

Ms. Johnson provided an account report for January 1st to present. IHO fee in-lieu was paid for three houses in the Munhall Glen subdivision. A loan payment was issued to Kane County for the Moore Ave. house being constructed. The account balance is about \$692,000.

9. Future Meeting Dates

- a. Thursday, June 9, 2022 at 7:00pm Dens A & B
- b. Thursday, July 14, 2022 at 7:00pm Dens A & B
- c. Thursday, August 11, 2022 at 7:00pm Dens A & B

10. Public Comment- None

11. Adjournment at 9:05pm