

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, JANUARY 10, 2019
COUNCIL COMMITTEE ROOM**

Members Present: Liz Eakins, Louis Dries, Sean Baker, Rita Payleitner, Karrsten Goettel, Carolyn Waibel

Members Absent: John Glenn, Corinne Pierog

Others Present: Ellen Johnson, Planner

1. Call to Order

Chair Eakins called the meeting to order at 7:04 p.m.

2. Roll Call

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

3. Approval of Agenda

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

4. Approval of minutes from the October 11, 2018 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 October 11, 2018 meeting minutes.

Ms. Payleitner noted that the minutes reminded her of what a nice job Mr. Berger did with his presentation.

Chair Eakins noted that the Kane-Elgin Home Commission meeting has been delayed until sometime in January.

5. Affordable Housing Planning & Appeal Act: 2018 Report on Local Government Affordability

Ms. Johnson said in 2013 St. Charles was at 11.2% affordable. IHDA came out with the 2018 update at the end of December and we're at 17.1% affordable, which was a surprise. She went through the data to try to figure out the reason for the increase. There was an increase in area median income and they used a lower interest rate in the calculation, which raised the affordable home price. The increase in AMI also caused a rise in affordable rent.

Chair Eakins asked for clarification on the affordable owner-occupied home price and asked why the real estate taxes per month were deducted from the affordable monthly payment to come up with \$687. 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). Mr. Goettel added that you have the amount you can afford for the month, you then take away the portion that will be paid to property

taxes, so that leaves you the amount of principal and interest you will be paying. Chair Eakins said to her it seems incredibly low. Mr. Dries said it's only principal and interest; in many cases the taxes are as much as the principal. Mr. Baker said it seems low but it is accurate because taxes are so high in Illinois. Mr. Dries said it would probably make sense to also include insurance in the calculation, because the homeowner must have insurance to get a mortgage.

Mr. Dries said it surprised him that on the rental side, the trigger is \$1,320 for a 3 bedroom apartment; he knows you cannot rent a house for that amount in St. Charles. Ms. Johnson said the chart Mr. Dries is referring to which provides affordable rents based on bedroom count is used for our affordability analysis. The State's analysis doesn't differentiate based on bedroom count, they just have a single affordable rent of \$950.

Mr. Dries noted that he was surprised at the population numbers on the tables comparing the AHPAA findings for neighboring communities. Ms. Johnson said she would look into that; she may have duplicated the numbers in the second and third tables.

Mr. Goettel asked if the state has taken any action against Geneva since they have been under 10%. Ms. Johnson said she thinks Geneva submitted an affordable housing plan after the 2013 finding, which is all they are required to do. She noted that South Elgin jumped up to 43% from 15%. Ms. Payleitner noted that they added an affordable housing building downtown. Ms. Waibel noted that Campton Hills dropped, maybe due to the increase in population.

6. 2019 Inclusionary Housing Fee In-lieu.

Ms. Johnson said that the City Council is able to set the fee on a yearly basis. Last year they set it at the Housing Commission's recommended fee of about \$36,000 which was based on the calculation of the cost of 25% downpayment for one affordable unit. The affordable unit price was from IHDA's 2013 AHPAA report. If we want to keep that formula it would make sense to update the calculation to use the new affordable home price of \$158,000 which would increase the fee to about \$39,000. The Commission may recommend this option, or recommend choosing a new fee or using the current fee. The fee will be discussed at the P&D meeting on Monday, along with a report of the State's findings.

Commissioners agreed that they should stick with the formula because it made sense and has a lot of logic behind it. Ms. Waibel suggested presenting the updated information to the Committee and see if they're opposed to an increase because this data is only computed every five years, so it could be held for the next five years.

Ms. Payleitner asked what developments are in the hopper. Ms. Johnson said the only pending residential development is Smith Road Estates, a 16-lot single-family subdivision. They have been quoted the \$36,000 fee, but they haven't had Council approval yet. Mr. Dries asked when that fee gets locked in. Ms. Johnson said it is due upon issuance of the building permit, unless it's a PUD and something is written into the ordinance that locks the fee at what it is when the project is approved.

A motion was made by Mr. Dries and seconded by Ms. Waibel, with a unanimous voice vote to recommend using the same formula to calculate the 2019 Inclusionary Housing Fee In-lieu, but updating the fee based on the new affordable home price set by IHDA in the 2018 AHPAA report.

7. Housing Trust Fund Report for FY 2017-18 and FY 2018-19

Ms. Johnson noted that this report was prepared at Ms. Eakin's request and as discussed at the last meeting. The report goes back about a year and a half, from May 2017. At that point the fund was at about \$600,000 and by the next year we were at \$730,000, pretty much all from Prairie Winds. A few months ago we earmarked \$500,000 for the Kane County Affordable Housing Fund, which is still in our fund technically but has been put to the side, leaving us with about \$250,000 available.

Mr. Dries asked when Kane County would be getting back to us with ideas. Ms. Johnson said she's not sure when they will be releasing their next call for project. She thinks they do two per year, but she's not sure when the new RFP will be issued.

Ms. Waibel asked about the \$57,000 approved last time. Ms. Johnson said Kane County is trying to find a house to take on in St. Charles.

Chair Eakins noted that the P&D meeting will be held January 14, in case any Commission members wanted to attend.

8. Additional Business

9. Future Meeting Dates

- a. Thursday, February 14, 2019 (Committee Room) –Possibly cancel or reschedule.**
- b. Thursday, March 14, 2019 (Committee Room)**
- c. Thursday, April 11, 2018 (Committee Room)**

10. Public Comment – None

11. Adjournment at 7:35pm