

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, OCTOBER 20, 2011**

Members Present: Holler, Amundson, Payleitner, Hanson, and Henningson

Members Absent: Eakins, Hall, Goettel

Others Present: Matthew O'Rourke, Rita Tungare, Corinne Pierog-Dist. 303 Board Member, Lindy Wordlaw CNT-Energy, and Peter Lofgren CNT-Energy

1. Opening of Meeting

The meeting was convened by Chair Holler at 7:00 p.m.

2. Roll Call

After the roll call, Chair Holler suggested that everyone present at the meeting introduce themselves and briefly describe their interest in housing issues for the benefit of the newly appointed Housing Commissioners and the guests from the Center for Neighborhood Technology – Energy Division (CNT-Energy).

3. Approval of Agenda

Chair Holler asked that an addition be made to the Agenda under Additional Business to add a discussion about future policy considerations regarding residential redevelopment projects.

A Motion was made by member Hanson and Seconded by Goettel to approve the amended Agenda. Motion carried. – Voice Vote.

4. Approval of Minutes from September 15, 2011

Motioned by Payleitner, to approve the minutes and seconded by Henningson to the September 15, 2011 minutes. Motion carried – Voice Vote.

5. Discussion Items

A. Multi-Family Rental Rehab Program(Energy Efficiency) – CNT-Energy

Lindy Wordlaw and Peter Lofgren both gave a PowerPoint presentation describing the history of CNT and the Multi-Family Energy Efficiency Program that CNT-Energy administers. After the presentation the following discussion ensued:

Chair Holler thanked the representatives from CNT-energy for their presentation. Chair Holler then explained that the Commission was discussing the possibility of using a portion of the Housing Trust Fund to create a lending program aimed at rental properties to increase energy efficiency in exchange for keeping rents affordable. Holler also pointed out that building multi-

family types in St. Charles differ from those in Chicago, but wanted to create a case study to see how to guide future program creation.

Tungare added that the conceptual sequence of events was to look at a pilot project before any HTF funding was allocated, and based on the success of the pilot project the Commission can move forward with drafting a program and presenting it to the City Council for approval.

Chair Holler stated that yes that was her understanding and that the next step was to try and find a rental property owner interested in participating in the project.

Wordlaw asked what the typical multi-family building types were in St. Charles. Chair Holler stated that there are newer apartment complexes such as AMLI that might not be interested due to their recent construction and that there are B&C type properties that were built in the 50's and 60's such as the buildings along Dean Street and near the old post office.

Chair Holler asked about ownership status of rental properties in St. Charles. O'Rourke stated that AMLI still owns their development, but ownership varies greatly throughout the City.

Wordlaw stated that newer luxury apartments are not always energy efficient and that they might still be interested. Chair Holler agreed that sometimes that is the case, but AMLI being a big corporation might take a while to discuss the idea with the people making the decisions.

Vice Chair Amundson stated that he feels the best place to start is the older complexes behind the old post office. Holler stated that these types of areas are good because one project will get noticed by the adjacent property owners. Lofgren agreed that word of mouth is great and often the main way that property owners find out about programs.

O'Rourke mentioned that he had the water and electric meter maps created by GIS. Wordlaw also mentioned that the older buildings closer to downtown often make a good pilot or first project and that this can also serve as a model for other cities in the area.

Pierog asked how the building efficiency of the pilot project would be monitored in relation to creating the project and expressed concerns about a yearlong monitoring period. Pierog is concerned that it will be too long to wait to get other complexes to utilize this program. Chair Holler stated that it is true it takes a year to monitor, but the land lords will start to see their bills decrease and usually share this information with other landlords.

O'Rourke stated that while the monitoring of the pilot project was going on, there would be a lot of behind the scenes work such as creating a program description, figuring out the lending and funding sources, and City Council approval, and that it would be a long time before a formal program was put into place.

Wordlaw stated that a large part of the program is looking at energy bills, and even after the 1st month, once the changes are implemented, there will be data to examine. Vice Chair Amundson also noted that there are metrics that can be used such as he is able to figure out how many

BTU's his home uses per square foot per day. These can be accurately compared to historical data, but really waiting a year yields the best results.

Chair Holler mentioned that the organization she works for has used this program and has found that often times owners already looking to make upgrades use the program. Wordlaw stated that how the message is framed is important and that something such as an open house is often a good starting point. Wordlaw also offered that CNT-Energy would be happy to start brainstorming on the pilot project.

Chair Holler stated that at this time she wanted to see what the consensus of the Commission was towards the pilot project and perhaps thought a couple of Commissioners could work on which properties to start with, and could have another discussion with the Commission. Holler also wanted to talk about speaking to apartment organizations to see what the interest is.

Vice Chair Amundson stated that his only concern is that affordable housing to the renter be kept in the back of everyone's mind and not just subsidies to property owners.

Tungare agreed that eventually the program will ultimately factor that in, but that it would be addressed after the pilot project. Chair Holler also mentioned using the rental housing information from the affordable housing update to start to figure out where which rental properties could be approached.

Lofgren also stated that there are always quality of life benefits and that while energy prices are currently low, he does not expect them to stay that way.

Chair Holler asked if any of the Commissioners want to work on this pilot project as a subcommittee. Vice Chair Amundson and Payleitner agreed to begin working on this. Chair Holler stated that she is in favor of the open house suggestion.

Amundson asked how small CNT-Energy is willing to work, but what he has in mind are Single-Family conversions that are now 2 to 3 units. Chair Holler did state that the willingness of the landlord to keep a unit affordable would be in the larger buildings.

Lofgren stated that we should be careful in speaking to owners before the program and all terms are put in place. O'Rourke stated that his understanding was that as part of the pilot project the city would just observe a CNT-Energy project and that any funding would come from their established financiers. Tungare stated that the City cannot communicate this as a partnership before there is a program established. Vice Chair Amundson summarized that the Commission would just act as a feeder to CNT-Energy for the pilot project. Lofgren stated that there low interest financing provider does have affordability requirements.

O'Rourke asked do these financing sources use the affordable rent criteria established by IHDA as a guide. Lofgren stated that the rents are based on a percentage of area median income.

Holler stated some of the rental properties use St. Charles Bank and Trust and that might be a good starting point through Commissioner Hansen. Lofgren stated that he would like to get Mr. Hansen's contact information.

Lofgren also stated that they try to get property owners to leverage energy efficiency programs offered through the utility companies such as Nicor.

Pierog asked where CNT gets their funding from. Lofgren explained that in the City they have been able to leverage funding from the gas company and they get support from other organizations. He further stated that in this case they could work on the pilot building and then if a program is created then the ongoing funding could be figured out at that point.

O'Rourke summarized that the two main goals at this point are to figure out who to approach with the pilot project and then how to approach those individuals. Tungare added that this effort will probably be an ongoing process over the next month.

6. Additional Business

Chair Holler stated that this discussion is a follow up from the previous meeting and that this Commission is a little unprepared to examine project with a lot of nuances such as redevelopment. Chair Holler suggested that the Commission consider crafting a list of options to forward to the City Council that helps provide direction for nuanced development projects.

Chair Holler stated that she would like to prepare some ideas for the next meeting as way to help define these options. Payleitner stated that she was surprised that there was only one meeting to discuss. Chair Holler did state that the Commission was not really set up to negotiate with developers. Tungare added that really the discussion at the last meeting was somewhat outside of the purview of the Housing Commission and that it was brought as more of a courtesy, even if it relates to affordable housing. Chair Holler agreed that neither the Commission nor the Inclusionary Housing Ordinance were set up to negotiate with developers. Tungare stated that the ordinance was drafted under different economic circumstances.

Hansen asked if the Commission should be or is set up to be more of an information giving body and that the Commission explain what the City wants. O'Rourke explained that the Inclusionary Ordinance is set up that way, it states the developer is required to provide so many affordable units and that developers are not really supposed to come before the Housing Commission.

Chair Holler stated that the issue with the last project was that they were not able to utilize the density bonus in the ordinance, and that maybe another program needs to be considered when there is no density bonus available, but lists some policy recommendations. Chair Holler reiterated that she does not want this Commission to become a negotiating body.

Tungare stated that since the ordinance has been in place for a few years, and that the economic situation has changed, that this might be an opportune time to reevaluate some of the provisions. Chair Holler stated that she did not feel that the ordinance itself needs to be revisited at this time, but felt that a policy document or another tool be added, one that is more flexible to be used for

unique projects. Particularly, where there is no density bonus available.

Chair Holler further stated that this second tool should allow some additional latitude for Staff and the Council. Vice Chair Amundson stated that he would like these types of discussions earlier in the process and that the policy suggestions get incorporated into the development plans from an early stage.

Chair Holler stated that it is the job of the Commission to recommend to Council how these types of developments are dealt with, and that the Commission should really describe to developers what best faith effort really means. Tungare agreed that the Commission should establish the groundwork, but it is the City Council's responsibility to negotiate and approve these conditions.

Pierog briefly described a program being created by Mike Pink, called investing in communities and wanted to bring this model to the Commission for informational purposes.

7. Next Meeting Dates (November 17, 2011 & December 15, 2011)

O'Rourke explained that with the Holidays approaching the Commission has typically cancelled the December meeting. The Commission agreed that cancelling the December meeting was appropriate.

8. Meeting adjourned at 9:02 p.m.

Motion made by Amundson and seconded by Hansen to adjourn.

Voice Vote – Motion Carried