

**MINUTES
CITY OF ST. CHARLES, IL
HOUSING COMMISSION
THURSDAY, APRIL 26, 2012**

Members Present: Holler, Amundson, Payleitner, and Pierog

Members Absent: Goettel, Hansen, Henningson, Eakins, and Hall

Others Present: Matthew O'Rourke, Russell Colby, Rita Tungare, Robin Jones (Gorski and Good)

1. Opening of Meeting

The meeting was convened by Chair Holler at 7:35 p.m.

2. Roll Call

3. Approval of Agenda

A motion was made by member Amundson and Seconded by Pierog to approve the Agenda. Motion carried. – Voice Vote.

4. Approval of Minutes from January 19, 2012

Motioned by Pierog and seconded by Amundson to approve the January 19, 2012 minutes. Motion carried – Voice Vote.

5. Discussion Items

A. Inclusionary Housing - Policy Discussion

O'Rourke began the discussion by briefly describing the Staff Memo. He explained that the intent of tonight's meeting was to review the draft amendment to the Inclusionary Housing ordinance described in the memo. Staff also informed the Commission that Robin Jones of the Law Offices of Gorski and Good had reviewed the proposal and that the draft presented incorporates that feedback.

Chair Holler stated that she is comfortable keeping the Inclusionary Housing Ordinance in the Zoning Ordinance. She stated that after reflecting on the idea, that it makes sense especially when considering the density bonus provisions. Robin Jones also stated that just because these requirements are removed from the Zoning Ordinance does not mean that the public will not mention them.

Vice Chair Amundson stated that he is generally in favor of the direction that the proposed amendments are moving, but felt that the criteria to justify the relief from the inclusionary requirements needs to be strengthened. He would like to see the criteria include requirements that limits the ability of all developers from simply claiming that they have a

hardship. Some suggestions were documented financials, a project pro-forma, and some hard numbers like the environmental remediation costs must exceed 20% of the project cost.

Robing Jones suggested having a clause that if the project's profits exceed their stated projections that some of this extra profit be placed in the Housing Trust Fund.

Vice Chair Amundson stated his desire to require that any environmental contamination or other issues be stated and known from the beginning of the process. He would like to avoid a developer buying land and then discovering it is contaminated after the project is approved. Tungare stated the clean-up, even if discovered after construction begins, could affect the viability of a project. In these instances the project might meet other City goals or have unique circumstances that require revising a development plan.

Vice Chair Amundson asked if this alternative was meant to have a redevelopment focus. O'Rourke stated that a majority of future projects in St. Charles will be redevelopment. He further stated that there are not an abundance of development sites, and a majority of them will have unique circumstances.

Chair Holler suggested that Staff create some benchmarks into the criteria, so that Staff has concrete objective measures to evaluate the alternative requests. Vice Chair Amundson agreed and stated that these criteria need to be strong enough to deter every potential developer from just stating that they have a hardship. He stated that there should be some specifics that act as sort of a gate keeper. O'Rourke stated his concern for making these criteria too specific. He stated that he has written a number of Zoning Ordinance Amendments and it's impossible to think of all the scenarios and eventually a unique circumstance will arise that was not thought about.

Chair Holler asked how or who would review the financial statements. Tungare stated that the City does not have the Staff to conduct a detailed financial analysis, and that this should be considered when formulating the criteria.

Vice Chair Amundson asked how the amount of off-site units required would be calculated if the developer decides to pursue that option. O'Rourke stated that based on the past conversation he did not incorporate any such requirement into the proposed amendment. It was his understanding that the Commission wanted to ensure that units get created. O'Rourke further stated that it would be near impossible for a developer to know how many units are available for purchase.

Vice Chair Amundson stated that his preference is to have the majority of affordable units be created in the new housing development and avoid areas in St. Charles having concentrations of affordable Units. Pierog stated that she feels rehabbing homes in these areas would be a good thing. She further stated that fixing one property could elevate the entire neighborhood and feels this is a worthwhile concept. O'Rourke stated that is how the County's NSP program is set up. They try to buy the worst of the worst and basically rip them down to the studs and start again. Their goal is to eliminate homes that the market will not fix on their own.

Chair Holler stated her preference to have new units created whether they are rehabs or new construction. She then inquired about the review process for the proposed Alternative Affordable Housing Plan. O'Rourke stated that the developer has to make this request at the time the development is proposed. It will be reviewed by Staff and then forwarded to the City Council for their approval. O'Rourke stated that he did not incorporate a review by the Housing Commission since it has been stated that they do not want to negotiate with developers. Chair Holler stated that the Housing Commission could review each proposal against the criteria, but reiterated her preference to give enough tools to Staff to review these proposals.

Tungare also stated that it is important to consider how much new residential development there will be in St. Charles and that one of the goals of the Housing Commission is to preserve the existing affordable housing stock.

Chair Holler stated that there are other possible tradeoffs for example the length of time that the developer is required to keep a unit affordable could be extended in these cases. She suggested that if the unit is a rehab it be kept affordable for 10 years and that would constitute a value for the requested relief.

Vice Chair Amundson asked how would these rehabs be monitored? He stated that the home should be inspected to make sure it's not being sold with a 20 year old furnace or roof? His concern is that someone buys the home, but then immediately has to take on repairs. Tungare stated that the Building and Code Enforcement Division would only inspect items that are under permit. Chair Holler suggested looking to see if HUD has any standards. O'Rourke stated that he would do that and also Call Scott Berger at Kane County to see how they evaluate these homes.

Chair Holler polled the Commission to see if there was agreement on whether or not these items should be reviewed by the Commission. There was general agreement by the Commission that they did not need to review each project on a case by case basis.

O'Rourke quickly reviewed the project timeframe for the ordinance amendments. He stated that based on tonight's meeting, he will revise the proposed amendments and review them with the Housing Commission at the May meeting. Then he will present the amendments to the Planning and Development Committee for discussion only in June. Once he has comments from the Council Committee, he will then submit a formal application to amend this chapter of the Zoning Ordinance. O'Rourke then explained the General Amendment process. Tungare asked Chair Holler if she could attend the June Planning and Development Committee meeting. She stated that she should be able to be there.

6. Additional Business

7. Next Meeting Dates (May 17, 2012)

8. Meeting adjourned at 8:41 p.m.

Motion made by Amundson and seconded by Payleitner to adjourn.

Voice Vote – Motion Carried