

**MINUTES  
CITY OF ST. CHARLES, IL  
HOUSING COMMISSION MEETING  
THURSDAY, JANUARY 17, 2013**

**Members Present:** Holler, Amundson, Hansen, Hall, Henningson, Eakins, Pierog and Goettel

**Members Absent:** Payleitner

**Others Present:** Matthew O'Rourke

**1. Opening of Meeting**

The meeting was convened by Chair Holler at 7:03 p.m.

**2. Roll Call**

**3. Approval of Agenda**

A motion was made by Hansen and seconded by Amundson to approve the Agenda. Motion carried.  
– Voice Vote.

**4. Approval of Housing Commission Minutes**

A. October 18, 2012 Housing Commission Minutes

Motioned by Goettel and seconded by Hansen to approve the October 18, 2012 Housing Commission minutes. Motion carried – Voice Vote. Members Abstain: Amundson

**5. Discussion Items**

A. Inclusionary Housing Ordinance – Sliding Scale Amendment - Update

Chair Holler recapped the Commission's work on the Inclusionary Housing Ordinance (IHO) and where that is in the process. She asked O'Rourke to give a more detailed update. O'Rourke explained that the ordinance amendments had been taken through the formal general amendment process and have been recommended for approval by the Plan Commission and Planning & Development Committee. He further stated it is on the following Monday's agenda for approval by the City Council. O'Rourke stated that the three main focus points of the amendments were to create a sliding scale for the inclusionary requirements, to create the alternative affordable housing plan, and to remove the requirements of the IHO as eligible deviations through the PUD process.

Chair Holler asked O'Rourke if there was a lot of discussion about the amendments at the Planning & Development Committee meeting. O'Rourke stated that there was not a lot of discussion which he attributed to the efforts made by the Commission and P&D Committee to discuss these items prior to the meeting.

O'Rourke stated that a question was asked about the 25% number in the ordinance as to when the requirements of the IHO are suspended. O'Rourke stated that it would seem there is some confusion as to what this number means and how the 25% cutoff was arrived at. O'Rourke stated that he responded to the question by informing the Committee that this number was not meant to be a goal, but as a cut-off point should something happen in the market to dramatically lower housing prices across the board, and that this was always meant as a safeguard if some market failure were to occur.

Vice Chair Amundson stated that he remembers discussing this idea when it was originally discussed that there should be a safeguard just in-case something ever happens. O'Rourke stated that the sentiment he has heard is people tend to think this is more of a goal as opposed to a failsafe. Vice Chair Stated that it should be noted that under the provisions of the ordinance we would never get to 25% limit as we only require 15% maximum anyway.

Chair Holler stated that she wanted to confirm with the members that the next time a developer asks for a variation we should direct them to these new provisions. O'Rourke stated that he is not sure how someone could ask for a deviation since the IHO can no longer be deviated from through the PUD.

Member Hansen asked if it was clear to developers how they are to approach the City when they have extenuating circumstances. O'Rourke stated that the ordinance revisions clearly establish a process and what documents are required for those situations.

Member Eakins stated that she was happy to see that the Plan Commission thought that the 10% financial hardship requirement was too low. Chair Holler stated that it was intentional to strike a middle-ground with developers in terms of cost impacts.

#### B. Development Projects Update

O'Rourke stated that he just wanted to provide an update with regards to the residential development projects that the Commission had recently reviewed. O'Rourke stated that the Corporate Reserve apartment development was recommended for denial by the Planning & Development Committee and that there would not be any contribution to the Housing Trust Fund from that project.

Chair Holler asked for more clarification as to why the project did not get approved. Members Hansen stated that his company is the financier of the project. He stated that in his opinion the developer did not do enough community outreach at the outset of the project and created resistance from the neighboring property owners. He also stated that the developer had initially approached the Council with a project with 200 units and when he submitted plans there were 400 proposed units and that this may have had an impact.

Member Henningson stated that the developer started with over 400 units at the Plan Commission level then reduced it to 331, then to 317, and finally 230 units. He stated that the Plan Commission voted in favor of the project, but it was a split vote 4-aye to 3-nay. He stated

that the concerns mentioned by the Plan Commission were density and that the IHO had not been satisfactorily addressed. He further stated that it became more political after it moved on from the Plan Commission. Member Henningson suggested that the Housing Commission take a more active role in these conversations since the neighbors did not want low income housing next to them and that there is still a misperception about what the affordable units are.

O'Rourke stated that the perception seems to be that all rental units are low income not just the required affordable units, regardless of the price point or amenities of the proposed rental product.

Member Pierog stated that the residents of Remington Glen were probably worried about their home values since they have been reduced greatly in the last few years.

O'Rourke stated that the Lexington Club project was approved by the City Council. The applicant has drafted and will sign an agreement that commits them to taking on the responsibilities that were discussed with the Housing Commission and that if they do not fulfill these obligations they have to meet the requirements of the IHO.

#### C. Follow up Discussion Regarding the September 2012 Joint Planning & Development Committee and Housing Commission Meeting

O'Rourke stated that the two items listed on the agenda are items that were discussed at the Joint Planning and Development and Housing Commission meeting that was held in September. He wanted to discuss these items and begin a discussion on what concepts or initiatives the Commission will spend the next year working on.

#### Large Lot Single-Family Developments

O'Rourke discussed the first item. He stated that from staff's perspective he does not see any tracts of contiguous land that can be developed as a large scale/large lot single-family subdivision in excess of 10 units. Member Goettel asked about the Delnor Woods project. O'Rourke stated that this project has been reconfigured into 6 to 8 single family lots that would be larger, but this would fall into the category in which the developer can pay 100% fee-in-lieu.

O'Rourke stated that due to existing boundary agreements there is not a lot of room for expansion or annexation and limited opportunities for this type of development. O'Rourke stated the he did not feel this is an urgent need to address.

Vice Chair Amundson stated that as a counterpoint, that in 2004 the Lexington Club project was not foreseen either. Vice Chair Amundson stated it would be his preference to address this item or a least keep it on the agenda for future discussion. He further stated that he fears if it is not addressed that the Commission will be forced to react to something again before they have a chance to establish a policy. He also stated that he takes issue with the concept that at a certain price point there is no need to do affordable housing because the price points are too different.

Member Hall stated, as a hypothetical scenario, if you take a development similar to River's Edge where they are selling homes around \$500,000 the challenge is how to make a unit look like it belongs when the price point is so different. Vice Chair Amundson agreed that this is a challenge. He stated that the solution you come up with is a nicely designed duplex or triplex. O'Rourke stated that this could become an issue for development in a single-family zoning district that does not permit duplexes. He stated a PUD would allow that kind of flexibility, but a developer may not want to develop as a PUD.

Chair Holler suggested that since the Commission is setting their agenda that we just ensure this is part of future discussions. Vice Chair Amundson reiterated his desire to try and be pro-active on this topic to ensure they are not caught off guard. Member Pierog mentioned that she recently took a trip to the south and has seen examples of multiple housing types and price points mixed together.

#### Housing Trust Fund – Future Uses

Chair Holler stated that there will not be any new contributions, but that there is still money in the Housing Trust Fund to utilize.

Member Hansen passed out a handout with an idea summary as to how these funds can be used. His idea was to create a partnership program between the City and local banks that could be used to help eligible buyers purchase homes in St. Charles where the City would provide down payment assistance and the bank would provide a lower interest rate.

O'Rourke stated that there is a first-time home buyers program that is facilitated by Kane County. He further stated that since there is already a relationship there that this type of program could also benefit from a partnership. Vice Chair Amundson stated that he liked this idea and felt it could be addressed quickly. He then stated that he is not sure if an affordable buyer could provide the \$18,000 down payment, but in general really liked the idea. He also stated that he was not sure that he would be comfortable with a forgivable loan but would prefer a deferred payment 0% interest loan to ensure that the funds come back to the Housing Trust Fund.

Chair Holler asked if this type of program would be means tested. Member Hansen stated that he felt it should be and that a bank would probably want it to be as well. O'Rourke stated that based on the Housing Trust Fund ordinance any recipients would be limited by income. Vice Chair Amundson stated that as a concept he really did like it.

Member Hall looked up the information regarding the County's first time-home buyer down payment assistance program and stated that there is \$10,000 for eligible buyers and \$20,000 for those purchasing an NSP home. Member Hansen stated that right now there are a pool of people that had a house and do not currently have a home, and his suggestion would be to open this program up to more than just first-time home buyers. Member Hansen said that he did want to state that this program should not be open to investors. O'Rourke stated that this would be structured similarly to the single-family rehab program that requires the home to be owner

occupied. He also stated that as staff he is willing to meet with these banks as a City representative with Member Hansen. Chair Holler stated that she feels there is a consensus that the Commission should continue to examine this program.

Member Pierog stated that as an idea that there is a need for senior housing and would be interested to see if there is a way to help this demographic. Chair Holler suggested that the Commission try to quantify the problem to formulate some direction for a program.

O'Rourke stated that one of the concepts he wanted to suggest is a more general marketing or educational program.

Chair Holler stated that in her work experience that it is not easy to create units for seniors and that there are ways to attract and market senior housing and put some items on the table such as incentives, site selection assistance, etc. and that they place this on the agenda for further discussion.

Member Hall suggested the idea of renovating or purchasing homes such as a distressed property and sell it back to an eligible home buyer. O'Rourke stated that this idea was discussed in the context of a potential infusion of Housing Trust Funds and now the budget is a little more limited. Chair Holler stated that in her experience doing all the necessary due diligence is time consuming and would be worried that City staff would not be able to take on that much. She suggested thinking about an RFP to developers that would do most of the work for them.

Vice Chair Amundson stated that another concept would be to try and link realtors with distressed properties, which can be sold to income qualified buyers, and with the Kane County programs. Essentially, figure out a way to find the opportunities that exist in the market and link the right groups together. Chair Holler mentioned using realty track to determine how many foreclosures are out there. O'Rourke asked what the City's role in this process would be. Vice Chair Amundson stated that it would be to direct the potential home buyers to the right programs, either City or County programs with realtors. Chair Holler suggested quantifying the idea more for the next meeting and that marketing these types of efforts are the key.

**6. Additional Business**

**7. Next Meeting Dates**

A. February 21, 2013

**8. Meeting adjourned at 8:12 p.m.**

Motion made by Henningson and seconded by Hansen to adjourn.

Voice Vote – Motion Carried