

**Planning & Development Committee Meeting
Minutes of October 27, 2008
Council Chambers – 7:00 p.m.
Evanston Civic Center**

Aldermen Present: S. Bernstein, A. Hansen, D. Holmes, L. Jean-Baptiste, E. Moran,
A. Rainey, E. Tisdahl, C. Wollin, M. Wynne

Staff Present: K. Cox, J. Chambers, A. Dean, D. Marino, B. Newman, D. Spicuzza

Presiding Official: Alderman Wollin

DECLARATION OF QUORUM

Chair Wollin called the meeting to order at 7:34 p.m., a quorum being present.

APPROVAL OF THE October 13, 2008 MEETING MINUTES

The Committee voted unanimously, 8-0 to approve the October 13, 2008 minutes.

ITEMS FOR CONSIDERATION

**(P1) Consideration of a Request for an Additional 2-Year Extension for the 1700-1722
Central Street Approved Planned Development**

**Consideration of a request for an additional 2-year time extension for the 1700-1722
Central Street Planned Development (Ordinance 7-O-07), which currently expires April 5,
2009.**

Ald. Rainey moved to approve the extension.

Chair Wollin called Mr. Robert Horne, co-developer with Mr. Jack Crocker of the “Eastwood of Evanston” project at 1700-1722 Central Street, to speak. Mr. Horne stated that they are requesting a two year extension to the planned development approval through April of 2009, based on how poor market conditions are for residential real estate. He added that the project is a 51-unit condo project with retail on the ground floor. He said they continue to be committed to the project and that they have structured the project with a very patient and smart approach to the capitalization but they just cannot make it work and need additional time to weather out the market.

Mr. Jim Hughes of 2518 Hartzell asked why they are asking for an extension at this time since the approval is for April of 2009 and we may know more about the market at that date. Mr. Crocker responded that they need pre-sales for this project and that the market is currently dead for their type of project: they have not been able to get the pre-sales they require, saying that these conditions are unprecedented. He said they have been tracking sales in the \$450,000 - \$800,000 range from June through September of 2008 on the Multiple Listing Service, and only 7 units have sold, which is remarkably low, indicating that this market has virtually stalled. Mr. Crocker explained further that it will take some time for this market to heal because many of the condos on the market currently are being converted to rentals until the market picks up again (the projects on Kedzie and the Greenbay and Emerson) and they will all have to be sold off before the new

construction will be sold. He added that they have every incentive to move the project along as fast as possible. He said they have patient equity capital and a very modest loan but there are real estate taxes, interest on their loan and interest that their patient equity capital is expecting, all of which grow with time. He said if they could start it tomorrow they would, but they feel to be safe they need a 2 year extension. For themselves, they need to know that the project remains in play for that time to ensure that the effort and additional expenditure is justified and that certainly the bank lender wants to know that the project they are financing is able to be built or they are not going to extend the loan. He said the loan they need and their equity capital depend on the extension of the planned development, and as the sponsors, they know it will take that long to get it going.

Mr. Hughes asked whether they would be changing the units to rental units and the retail space to office space. Chair Wollin advised him that the developer must proceed with the approved planned development as it was originally planned. Mr. Crocker also said that they did not plan to change the project.

Mr. Hughes pointed out that if the building is not built until 2011, 4 years after the Central Street plan was approved, the City will be missing out on property taxes in the meantime and asked that the City consider this when they are considering whether to approve the extension. Mr. Crocker responded that he appreciates Mr. Hughes' concern over the taxes and does not believe anyone could have foreseen the current market conditions. He said the project has proceeded to the point where the derelict movie theater buildings have been removed and the site has been cleared, graded and seeded and the construction fence is down, adding that the entire neighborhood is better off with that building down and a temporary piece of open space. He repeated that he would love to get the building going and improve the neighborhood, as was his original plan. He added that regarding permit fees and real estate taxes, granting the extension is the fastest way to realize those because in this market, nobody else is going to do anything.

Mr. Joe Hill, who lives on Broadway in the 7th Ward, stated that he is dismayed at the lack of notification that this building was coming up for some other action, since the City has already granted this building an extension. He said he thinks it should be denied. He asked how long we can have a vacant piece of property, and asked what it does to Evanston's tax revenue. He said he does not believe the City can afford to carry developers until they get back on their feet and asked that the City require that the project begin by the original extension date: failing that, that they have 6 months to sell: failing that, the City should take it over and leave it as the green space it is.

Mr. Jeff Smith of 2724 Harrison, stated that the neighbors and residents share the pain of the developers and they would love to see it built and fully occupied. He said his concern is that the City, in this case, has made decisions in the midst of a real estate bubble. He stated that these conditions are not unprecedented as history has shown that similar conditions existed in Germany in the 1930s and in the post war housing market in this country. He explained that the problems are not only with the mortgages, but that the supply is greater than the demand: vacant houses and lots are caused by people holding on to values that no longer hold. He said an economist would say to the comment that nothing can be built under these conditions, is that if you built something at a lower price, it would sell. He suggested asking for more detail as to when the developer believes the market will come back. He said he doesn't believe the peak years will return; he does believe Evanston's market will come back but at some point but he would be willing to support some change in the nature of the project in respect to the number of units, price of units, etc. that makes sense for the developers and that would cause this project to begin faster, adding that it is still being carried on the tax rolls as a one story building and will soon be a vacant lot.

Ald. Rainey informed Mr. Smith that we have 19 units of affordable housing in the range of \$100,000 a unit that have been sitting for almost 2 years now and his suggestion of lowering the price will not help the situation.

Ms. Mary Rosinski of 1729 Chancellor stated that she agrees with the other neighbors. She said that regarding Ald. Rainey's comment on Reba Place, they are not offering much of an incentive to realtors, which is necessary sometimes. She believes they would have sold, given the right price. She said that in another 2 or 3 years the developer of this project may ask for another extension. She asked the Committee to consider the prices of these units based on what is out there, before making their decision.

John Zbesko of 1129 Noyes Street, stated that he is opposed to this extension of the planned development. He said economic conditions have changed, as acknowledged by all sides and what may have been the best use of this property is no longer the case, as evidenced by the fact that the building has not started in spite of the current extension. He said that by granting a further extension, the City risks delaying development for another 2 years and foregoing any increase in property value and taxes that could occur if an alternative development plan were proposed. By refusing this extension, he presumes the developers will be more motivated to consider alternatives to their original plan, hopefully resulting in new development before 2 years, though there is no guarantee that even if the extension is made, we will see a condo building in 2 years.

Ms. Mary Therese Staub of 2627 Broadway, asked what the procedure is for an extension to a planned development. She and her neighbors did not think any further action would be taken by the City on this project until closer to April. She asked whether the neighbors were supposed to be notified about this meeting as part of the procedure. Mr. Marino responded that there is not a requirement for neighbor notification related to an extension of a planned development, adding that what is required is what had been done: posting of the agenda of the Planning and Development Committee.

Ald. Tisdahl agreed that in 2 years the project may be back for another extension and said that does worry her. She said she supports an extension of 2 years but she warned the developers that she does not think it will be granted again after that. She said they may need an alternative plan that will work at that time. She said that if the Committee denies the extension at this point, it will remain vacant and the City does not have enough money to take it over. She concluded that she expects the developers to come back in 2 years with an alternative plan.

Ald. Rainey said a sure way to get the property off the tax rolls is for the City to buy it and that it makes no sense and just because there's no improvement on the property, it doesn't mean it is off the tax rolls. She is sure they are paying some property tax. She said the public has a right to purchase real estate and if they want to keep it vacant forever that is their business but the motivation of developers is profit so she is sure they don't want to delay this project any more than 2 more years. She said believes Mr. Crocker wants to build on it as soon as they possibly can, as anyone who owns a piece of property would.

Ald. Tisdahl agreed with Ald. Rainey but said it may not be possible to make a profit in 2 years' time and that she will hope to see a viable plan in 2 years.

Ald. Rainey clarified to Ms. Rosinski that she was not only talking about the Reba building when she referred to affordable housing vacancies. She said she has 3 vacant buildings plus a vacant house that she knows about in her ward and that the developers are asking the City for help in carrying those vacancies.

Chair Wollin agreed that there are vacancies in all wards and that the City does not want to own property.

Ald. Bernstein said he does not have difficulty with an extension. He said the market will decide the outcome and that is the risk the developer takes. He said he does not believe we can determine with certainty when the market will turn around and that he has vacant property in his ward also. He said he is also concerned about the 2 year length of the extension. He requested that the developer report back to the Committee in a year and commented that this is the strangest market he's ever seen however he also saw the biggest boom in Evanston's construction. He added that he would consider an 18 month extension. He agreed that it is in Mr. Crocker's and Mr. Horne's best interest to get the project going. Ald. Rainey responded that an alternative to the 18 month extension is Ald. Tisdahl's suggestion of finality on the 2 year extension. Ald. Bernstein pointed out that there will be a subsequent Committee who could make a different ruling at that point.

Mr. Crocker argued that no one can be sure when this market will turn but when it has come down as far as it has, it has a good deal of improvement to make to get back to where it can begin to justify new construction and units priced based on new construction. He explained why their equity providers and their lender are urging a 2 year extension saying that it does have a lot to do with when the supply and demand will balance and that putting much of the existing supply into a rental pool for a year is not solving those developers' problems, it is allowing them to carry the project with a little less pain until that better day arrives. He explained further that those units that were originally developed for sale, temporarily rented, will again be units for sale and that is part of the supply that has got to be brought into balance, and that it will take about 2 years for all those units to clear out. He said he believes that the unique characteristics of Evanston: the diversity, the infrastructure, particularly the public transportation and the school system, will cause the market in this community to come back, especially this project which is between 2 tremendous transportation services, but it is going to take time and that that is the advice they are getting from their equity providers and their lenders. He said they must be able to go back to their lenders and tell them they have reasonable time for the supply to work itself back into balance.

Ald. Moran argued that under the circumstances, the request for 2 years is a very rational and defensible one and that no one can figure out when this economy is going to turn around. He said agrees that Evanston will rebound some day but his perception of what is going to happen would be well beyond a year. He agreed that there is going to have to be a stabilization of the market, that it isn't clear when that is going to happen and that nothing will happen before that. He said he believes it is going to be at least 2 years. He said he understands the impulse to reduce it to a year but a year won't make a difference.

Ald. Jean-Baptiste said he agrees that a 2 year extension seems reasonable. He is not able to see the negatives of granting a 2 year extension in light of the current conditions unless members of the community are saying that the lot needs to be improved, so he said the City should make sure that it is properly landscaped, etc. because forcing a sale to a brand new project to be debated about in detail is not reasonable at this point. He said we have to be careful about the many projects we have outstanding because this is the reality for almost all of them and that developers will ask for extensions. He said we can help manage the situation so that these lots are not negative places in the community that they are maintained properly so they do not negatively impact the surrounding properties. He said he understands peoples' anxiety about trying to get something done there and elsewhere but the reality is that we are stuck right now and we have to recognize it and try to work with what we've got.

Ald. Bernstein said he has been persuaded and he will have to adopt a new reality. He asked Mr. Crocker what their plan is if they cannot sell the units in 2 years. Mr. Crocker responded that he believes this is a great project in a great location in a great city and he wants to be part of it. He said that if they wake up in a year and a half in a new reality entirely, they will be flexible in their ideas and see what makes sense for the community and for themselves, but he said he believes that in this community, in that location with the infrastructure that supports it, it is precisely the kind of development that will be the first to get going when the market returns. He said we don't need more sprawl in corn fields; what we need is quality developments in special communities like this that are well served with public transportation. So, he said, they are committed and they are going to push hard to see this project through, but they are practical and will open their eyes when the market comes back and if things revisit their plans if need be. He said he will be happy to come back in a year or any time and give a formal report on where it stands.

The Committee voted unanimously to pass the motion for an extension of the planned development.

(P2) Recommend Allocation of HOME CHDO Operating Funds

The Housing Commission and staff recommend that \$81,830 in HOME funds reserved for operating grants to Community Housing Development Organizations (CHDOs) be awarded to Evanston's five CHDOs on an equal basis.

Ms. Carol Balkom of 2811 Harrison Street, also a member of the Evanston Housing Commission, urged the Committee to support the recommendation for distribution of these funds in equal amounts. She said the Plan Commission went through much thought and discussion about this and they realized that the CHDOs that are asking for this money spend a lot of money that is not necessarily reflected in the budgets and expenses that were distributed. There said there are many things on balance sheets, and there is money contributed by Board members that is not visible and it is on that basis and on the basis of some other things that they decided on equal distribution.

Ms. Susan Munro of 1316 Maple Avenue and Chair of the Evanston Housing Commission pointed out that Evanston doesn't have a Housing Authority so we depend on the CHDOs to do development of affordable housing. She said that for the \$81,000 of HOME funds that is designated for this purpose, we are getting a fair amount of service and benefit to the community. She said the Housing Commission looked at the budgets of the CHDOs and that they are running very tight operations. She said they do not have a lot of staff, which is one of the reasons it is hard for them to carry their current projects. She acknowledged that the Committee has concerns about the current projects and carrying costs and that the Housing Commission will be coming back to the Committee about that. She said there are a total of 15 residences still on the market. She said that they have had 240 interested buyers who have come to their projects without having realtors, though they are now strategizing to use some of the realtors on the Housing Commission: of those 240, 33% were qualified under HUD guidelines; of the 240, only 10% were credit-worthy and had a down payment; of the 25 people who were credit-worthy, only 12 or 5% of the interested buyers could actually get a mortgage and those were all before the current credit crunch. 7 of those have closed: 4 of Reba Place and 3 of ECDA's condos on Dobson. But of those 12, 3 are contracts that were signed before the credit crunch and have now been lost. Even ones they thought would be able to go forward, have not been able to. She said a CHDO can not go to a bank and get a line of credit any easier than their buyers can go to the bank and get a mortgage. CHDOs aren't seen as for-profit. They do not get equity capital so they are dependent on a rather small grant of \$16,000 from the HOME funds to keep their operations going.

Ald. Rainey asked which units sold. Ms. Munro replied that Reba Place had 12 and they sold 4, ECDA had 6 and they sold 3, the Land Trust had one and they are close to selling it, "Econ" had 3 that are affordable and they haven't sold any, and that two of them are not City funded.

Mr. Jeff Smith said regarding time donated by the Board members, Ms. Balkom is absolutely correct. He said she was too modest and that she was out there this weekend on a Land Trust house doing landscaping and putting down wood chips. He agreed with Ms. Munro that marketing without the benefit of realtors is difficult, these units are caught in that very narrow window between qualifying for affordable housing and qualifying to get a loan and it is a tough place. He said the City has made the commitment that this is a valuable endeavor and the real question regarding these HOME funds is whether we are going to grant them the allocation that has been requested. He said these are federal funds that have been made available for CHDOs and that the Housing Commissioners agreed that they should be split equally rather than spending a lot of staff time and organizational time arguing over a couple thousand dollars either way. He believes to go into further details or to try to parse it out or move those numbers would be micromanagement. He concluded, saying that the CHDOs and the Housing Commission are in agreement that this is a proper use of the funds that are coming from the federal government (not from City property taxes or parking meters).

Ald. Rainey said that Mr. Smith does not understand that federal dollars do come from people in Evanston and that they are not pennies from heaven. She said she is going to support dividing up the money but that it is becoming a full employment program, saying that in Evanston Community Development Association, the Executive Director and his assistant are getting \$50,000, they have one building of six units, 3 of which are vacant and she does not know that one 6 unit building with 3 vacant units requires a \$50,000/yr salary. She said the Land Trust has one house that is still vacant and they are getting approximately \$29,000. She added that her constituents want her to micromanage tax dollars and she feels they are wasting money, adding that the City is going to be getting a request to carry these vacancies to the tune of \$29,000 a month. She said she does not know how a not-for-profit can carry their development without the City's help, but that she is not going to vote for it. She said this was a good idea to begin with, just like 1700-1722 Central Street was a good idea, but the time has come when this just can't work right now. She said if they can't find people in the City of Evanston to find banks who will loan money to people who require affordable housing at these prices, then we need to rethink the whole program at this time. She said she believes we need a moratorium on affordable housing projects.

Ms. Betty Sue Ester of Citizens' Land Trust said she understands the frustration of the Committee and that their frustration is the organizations' and also the people of the community's. They are trying to create a market for people who cannot afford the kind of condos that Mr. Crocker is trying to sell. She said they are a different type of buyer that requires a lot of loving tender care and hand-holding sometimes and sometimes they get a mortgage then they get frightened by the news and worry that the bank will fold and they constantly try to reassure them. She said that in 2007 the Committee asked the CHDOs for an explanation of how they operate and what they do. The CHDOs have been waiting for the opportunity to present this information to the aldermen. She said what they do entails creating a house and selling a house but there is also a lot more involved: counseling, working with the counselors, and educating the community on what the components are of affordable housing. She said they are having a community affordable Housing Forum on November 13, 7:00 p.m. at the Levy Center. She said she hopes that the Committee will be there. She thanked Ald. Holmes and Ald. Jean-Baptiste for their support of the Housing Forum. She said Interfaith Housing had its annual meeting last night and they talked about the issue of foreclosure that has affected this market so badly and that people need answers to their questions about foreclosure, such as what will happen if they go into foreclosure and what is the

process. At the forum, they will try to address them. She again asked for an opportunity for the CHDOs to speak to the Committee about what they do. She also asked when the City would be posting notice of the Neighborhood Stabilization Program meeting for citizen review and comment. She said again that a CHDOs work is more than selling a house: first you have to find it, then you have to sit down and crunch numbers to see if you can do it and there is much more to be done. She said she would love for any of them to come and sit in the chair of the Director.

Mr. David Janzen of Reba Place Development Corporation, stated that the \$16,000, if approved, will be used for salaries that haven't been paid for quite a while. He said that 3 years ago they were wrapping up a project on Elmwood where they had one open house attended by 5 people and of those 5, 2 bought the 2 vacant units and that those buyers are in their units and doing well. He said no one can predict what is going to happen 3 years from now with the economy and that back then no one was able to predict what would happen 3 years in the future either, as Susan Munro's numbers reflect. He said that in the past 2 weeks he has shown the condo units to 8 interested buyers and that there is a demand but the way it's been going they will be lucky if one of them can close because the standards at the banks are so much more stringent, so the CHDOs have to work a lot harder to get results. He said the CHDOs, the City and the banks are all in this together, placing blame for the current situation is not helpful, and that they need to look at the current situation and figure out what to do with these circumstances. He said the City doesn't want these properties to land in their lap, the banks don't want them to land in their lap, and the CHDOs want to get them sold so they're working on the best plans they can. He said they will be back to discuss this with the Committee, but they want to talk about it in the sense that they are all in this together.

Ald. Rainey asked Mr. Janzen to remind the Committee of the subsidy that they voted on for the 602 Mulford property. Mr. Janzen replied that there was an initial acquisition subsidy of \$600,000 and later for \$80,000 more because of other City requirements that were added to the project. Ald. Holmes said that unlike the other CHDOs, Citizens' Lighthouse had personnel expenses of about \$38,000 and ECDA \$50,000 but when she got to Reba Place she did not see salaries. She said there were salaries of \$400 and \$397.50 listed for 707 Seward and no place else were salaries listed. She said there were administrative expenses but she could not determine which of those were salaries and she found it confusing. She referred to the Housing Opportunities Development Corporation, where there was a salary of \$15,000 in the budget for the Executive Director. She said she would be voting not to divide the money equally because of these discrepancies. Mr. Janzen explained that those expenses were the ongoing operations for the buildings that they have regular responsibilities for and that the owner's statement for the 602 Mulford project will show a developer's fee of about \$100,000, which pays for the oversight of that project over a period of 3 years. Ald. Holmes said that 602 Mulford showed year to date administrative expenses of about \$18,835 and asked Mr. Janzen to explain how many people were employed. Mr. Janzen explained that Reba Development Corporation does not have anyone working full time and that he works about 1/3 time, Mary Deering works about 1/4 time, and there are some interns and some other people so it is divided among several people who are working less than full time. Ald. Holmes further explained that she wanted to know what percentage was paid to what employee: director, custodian or secretary, etc. Mr. Janzen said Reba Place Development Corporation does not have actual staff. He said it contracts with Reba Apartments for administrative and development services and that he works for Reba Apartments who has a contract with Reba Development Corporation for services, and that that is why you don't see staff salary in the budget.

Ald. Rainey explained that you would look at salaries as the Mgmt fees: Reba Apartments manages many buildings and that is why there are no salaries listed for the CHDO buildings' mgmt. She said that Housing Development Corporation is very well documented: they list

\$290,000 for salaries. Ald. Holmes replied that of the \$290,000 listed, you only see \$15,000 for an Executive Director and that she would like to know how many people are being paid, and what percentage they are getting.

Ald. Jean-Baptiste stated that he will vote to support the equal distribution of the funds but from what he has seen, it is very expensive to place someone in an affordable unit. He said in the short term, the target should be foreclosures. He thanked Betty Ester for adding foreclosure prevention to the agenda of their meeting on Nov. 13th. He said the difficulty of discussing in detail whether to support CHDOs and their salaries may not be the most pressing issue to spend their time on, adding that the Housing Commission is directing a lot of energy towards affordable housing. He said the ship is sinking for a whole bunch of people who have homes but are facing foreclosures in the immediate future. He said that if we were to direct this much energy and resources to those who are facing this kind of crisis, we may be able to help a lot of people. He said believes they must shift their attention to foreclosures. He asked that the Housing Commission find a way to add the margin to the cost of using a realtor, and find a greater pool of potential buyers since you might get more qualified buyers from a larger pool. He suggested that we support this request for CHDO administrative funding, which is based on pre-existing needs to cover operating costs and outstanding salaries, etc. but asked that they be creative, negotiate with realtors, add that margin and get these units moving. He asked that they don't create any new ones right now. He also asked that the Housing Commission refocus their attention and come to the Committee with a creative way to help with the foreclosure crisis. He said Ms. Donna Spicuzza has put some proposals and some analysis together and there is all kind of attention being paid to it but in Evanston we need to troubleshoot this problem. He said there may be people who could help themselves out of foreclosure with one or 2 months contribution while they transition from unemployment to employment. He said this is the issue that is really relevant. He said he is supporting the CHDO funding now, but he will be hardening his position on what we do next. He said we've got to shoot the arrow at the target.

Ald. Wollin added that she has gotten many emails asking if this money could be used for foreclosures, and Mr. Marino said the HOME funds cannot be used for foreclosures.

Ald. Moran stated that this is a request from 5 CHDOs for \$16,200 each. He said they definitely merit getting these relatively modest amounts of money and he thinks we should vote for in favor.

Ald. Tisdahl stated that she is going to support funding the CHDOs equally even though it makes no sense to her, because it is what they agreed to do but she echoed Ald. Jean-Baptiste that the affordable housing program needs to look for more bang for the buck. She asked that they do consider looking at foreclosures and downpayments or anything that will be more helpful to more people because what we've got is a hideously expensive system that is not helping enough people.

Ald. Rainey corrected herself that the carrying charges on these approximately 14 unsold affordable housing units totals \$29,000: it is \$21,963.00 as stated in the minutes of the Housing Commission. She added that it appears as though the Committee is going to be asked to help pay those costs and she said she wondered what resources the City has, other than the general fund, since HOME funds cannot be used to assist foreclosures, to pay for the vacant units since they were created with HOME funds. Mr. Marino replied that yes, we are able to use HOME Funds because they are projects under development and the focus of HOME funds, based on federal regulations, is creating a new or rehabbed housing unit so the funds can be used for that purpose, since they are not occupied yet. He said HOME funds are project based with the exception of the ones being considering tonight, adding that Affordable Housing funds have more flexibility because they are City funds.

Ald. Rainey agreed with Ald. Moran that to argue over dividing the \$16,000 equally between the CHDOs is silly, but to discuss the whole issue is not silly and seeing the CHDOs budgets and being able to drill down into the issue because of the budget discussion, was important and presented us with some very serious issues.

The Committee voted unanimously, 8-0 to approve the motion.

ITEMS FOR DISCUSSION

IV. ITEMS FOR DISCUSSION

(PD1) Discussion of Planned Request For Qualifications (RFQ) for Consulting Services for Affordable Housing Comprehensive Plan to be Developed by Affordable Housing Task Force

(PD2) Foreclosure Issues

At Ald. Hansen's request and the unanimous vote of the Committee, the Items for Discussion were held over until the next meeting.

Ms. Evonda Thomas, Director of the Health and Human Services Department, announced that on Nov 5 at 6:00 p.m. Health and Human Services Department will sponsor a Foreclosure Prevention Workshop at the Civic Center given by the National City Mortgage Company, a Division of the National City Bank of Indiana.

Mr. Marino summarized a New York Times article that had been distributed to the Committee that highlighted the recent restructuring of 60,000 mortgages by the Federal Deposit Insurance Corporation. He explained that the article was about these troubled homeowner loans which were in the portfolio of Indymac Bank in California, and were taken over by the FDIC, and how the FDIC cut in half the monthly payments of homeowners in the first 5 years and then loaded that principal on the back end of the mortgage and in this manner were able to keep 60,000 people out of foreclosure. He said it is not being replicated broadly across the country but it is an example of one of many things that are being looked at on the federal level and among bank regulatory agencies. He said the article also talked about using FHA insurance as a way to help insure the risks of lenders that are willing to do this.

Chair Wollin confirmed with some of the Plan Commission members that the Downtown Plan will be forwarded to the P&D Committee for the next P&D meeting.

ADJOURNMENT

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

Bobbie Newman