Planning & Development Committee  
Minutes of October 22, 2007  
Room 2200 – 7:00 p.m.  
Evanston Civic Center


Alderman Absent: S. Bernstein, D. Holmes


Presiding Official: Alderman Hansen

DECLARATION OF QUORUM

Chair Hansen called the meeting to order at 7:35 p.m.

APPROVAL OF THE SEPTEMBER 08, 2007 MEETING MINUTES

The October 8, 2007 meeting minutes were approved unanimously with a vote of 7-0.

ITEMS FOR CONSIDERATION

No items listed.

ITEMS FOR DISCUSSION

(PD1) Staff Response to Alderman Rainey’s Questions Concerning City Supported Affordable Housing Units

Chair Hansen acknowledged staff’s memorandum handed out this evening as an addendum to Council’s packet information. She requested staff to elaborate on the information provided. Mr. Wolinski brought attention to the additional correspondence/information handed out this evening to the Committee. First: the memorandum has an attachment listing all of the general contractors who have worked on the affordable housing projects in Evanston for the past 12 years. He noted that although staff does not have all the information for the years prior to 2000, he assured that the information provided is a pretty good copulation. The second piece of information provided this evening is a list of properties being foreclosed on. He noted staff was anticipating on at least a few lenders being present at the meeting this evening to comment on their procedures and possible approaches to selling or disposing of these buildings, however it appears none of the lenders took up staff’s invitation. Mr. Wolinski acknowledged Mr. Janusz’s efforts on putting together this listing of information provided with all the addresses in Evanston that are currently owned by banks and the foreclosure status. He turned comments over to Ms. Spicuzza at this time.

Ms. Spicuzza explained that the first part of staff’s memorandum addresses the question about the number of available units that have been assisted by the City and they have been broken up by ownership and rental units. She noted the following attached chart details the current ownership and status of each unit. She also noted that a few of the units that were subject to recapture in their affordability period were sold by the original owner at market price and the City received a
portion of the subsidy that went into that unit. Therefore, these specified units are no longer considered affordable. Ms. Spicuzza stated that the City has since changed their affordability structure to have a resale restriction now so that the unit will stay affordable and be sold at an affordable price to another income-qualified buyer. She noted that currently there are two buildings that have completed their rehab/condominium conversion work at 602 Mulford (12 units available, 11 assisted and 1 being sold at market value), and the 6-unit building at 736-38 Dobson of which two prior tenants are going to purchase units leaving 4 units available for sale. Ms. Spicuzza informed that the latter building has 18 applications and ECDA will conduct an orientation meeting to talk with the applicants and proceed with reviewing submitted mortgage commitment documents. With the 602 Mulford building, the units are structured at various prices so that they are affordable to people approximately at 60% of median income with a selling price ranging from $80,000 to $160,000. She noted that 68 people have viewed the units and RPDC has received 22 applications which they feel are a good mix of income levels to be a match for the prices and units available. Ms. Spicuzza informed that there are also 3 other units that are in the beginning process of rehab which will be available for sale in the near future.

Ms. Spicuzza said the rental units currently show 7 vacant available units out of a total of 138 affordable fund assisted units. However, she brought attention to the fact that the 22-unit building at 619 Brummel; affordability period has expired and the loan balance has been paid off. Therefore these 22-units will be subtracted from the 138 total HOME assisted rental units.

Ms. Spicuzza directed attention to the addendum information provided this evening, which provides a list of the general contractors who have worked on the affordable housing developments, as requested by the Committee at the October 8th meeting. She pointed out that there are 7 contractors listed for the ownership developments of which 5 are Evanston based. She reiterated Mr. Wolinski’s previous comments that prior to 2000; the contractor information is vague because they are no longer in the data base. She noted that in some of these projects, the general contractor has made an effort to hire local or minority subcontractors; for instance the project at 1710-12 dodge. Mr. Wolinski mentioned the Community Builders as one of the local minority based subcontractors that successfully contributed much of the rehab work on the Church and dodge BOOCOO project. He noted that this particular group has expressed interest in working on upcoming affordable housing projects which he would support and recommend as subcontractors. He further noted that this group is also sponsored by ECDC.

Ms. Spicuzza said the remainder of the memo addresses the concerns regarding the high cost of affordable housing development because of all the additional costs involved that seem to drive up the expense and create a huge need for a higher subsidy. She went through the topics listed in the memo which briefly explain and cover specifically: The use of HOME Funds, HOME BASICS – The Home Investment Partnership Program, Down payment Assistance Program, Costs & Benefits of Affordable Housing Development, Affordable Housing Needs & Availability, and Future Planned uses of HOME Funds. Ms. Spicuzza said there are many HOME Program bonuses included and there is availability of program flexibility to fit certain community needs. She noted that the HOME Program was designed to encourage partnerships between governments and housing developers and between the public and private sector. Therefore, some of the suggested uses mentioned previously by Ald. Rainey and others, although maybe not as specific as suggested, are possibilities that can be proposed.

Ms. Spicuzza recalled comments that were made in response to CHDO’s as developers of affordable housing and the high cost involved to subsidize their projects. Nevertheless, she supports the CHDO’s experience, knowledge and assistance they provide from the range of
applying for and securing HUD funds and other financial means, to their expertise in acquiring appropriate properties for rehab and the management involved over the rehab/construction process, to their expertise in assisting income-qualified clients from beginning to end in purchasing properties and continuous support to their clients. She concluded that what the CHDO’s provide can not be met in the private sector.

(PD2) Meeting with Lenders Who Currently Own Vacant/Boarded Buildings
Ald. Rainey asked staff to elaborate on the status of each of these properties listed on the foreclosure list handed out this evening; pointing out that most of these auction dates go back some time. Mr. Janusz went into detail as much as possible on the status of each of these buildings. In most cases, it is unclear from this list if the property was actually sold, but the original amounts and balance due’s shown may differ according to interest, late fees, legal fees or fines that accumulated by the time of sale. Ald. Jean-Baptiste said that the information provided is good but staff is unsure if the properties have even been sold therefore the accuracy of this list is questionable. Ald. Rainey suggested looking or going into “details” of the listing as illustrated on the list. Mr. Janusz informed the Committee that it is up to the institution how long they sit on a property due to different circumstances. Ald. Tisdahl commented that she is in favor, as mentioned earlier, of placing a higher property tax on vacant/boarded buildings that have continue to sit in that state for a long period of time. She requested that the Law Department look into this possibility of placing these properties under a different tax bracket. Mr. Wolinski noted to the Committee that currently staff is peaked out on being able to do much further research of any time consuming nature, with all that is going on within the City and staff’s work load.

The Committee asked the availability of obtaining search warrants for some of these vacant/boarded building. Mr. Janusz responded that it is possible in certain cases; usually ones that involve illegal activity similar to the situation at 309-11 Sherman.

Chair Hansen made note that no lenders were available this evening to respond or comment on the status of their properties listed in foreclosure. Mr. Janusz reiterated the lenders that he had contacted to attend that the responses he received back from them, as indicated on the agenda item sheet. Ald. Rainey commented on some of these lending institutions and their bad lending practices with fraud properties that end up not being worth their selling prices, therefore leaving the properties in an abandoned state and practically worthless to buy.

Ald. Jean-Baptiste suggested that legal staff look into the ordinance in place in Bellwood regarding forced demolition of vacant properties. Mr. Cox responded that there is also State legislation that should be taken into consideration; however he will research the Bellwood ordinance. Ald. Rainey added that Joliet also has an ordinance to take over properties instead of demolition, which she also requested legal staff to look into as well.

Mr. Wolinski assured the Committee that staff will stay on top of this issue and feel strongly that this is a very important dilemma that needs to be dealt with. He noted however, that if the City starts taking over some of these buildings, the amount of subsidy by the City will be another issue and the question for each property will be what is the most economically feasible means of dealing with the building; demolition, rehab, etc. Ald. Rainey said if the City were to take over some of these properties, such subsidies she would support because we would oversee the project just like the CHDO’s do, without the middleman cost. She realizes that additional staff would be needed if the City were to take on this responsibility. Mr. Wolinski responded that if this case there are two different issues they need to decide what is more important for certain properties; to make affordable or clean up neighborhoods blighted with boarded buildings.
In conclusion, Ald. Jean-Baptiste said that the City needs to be more aggressive in working with the banks to obtain some of these properties. The City needs to form relationships/partnerships with these banks as well. The Committee suggested staff working with the banks listed on the foreclosure list as a start.

**ADJOURNMENT**

The no further business, the meeting was adjourned at 8:25 p.m.

Respectfully submitted,

Jacqueline E. Brownlee