

APPROVED

Planning & Development Committee Meeting
Minutes of March 22, 2010
City Council Chambers – 6:35 pm
(15 minutes after the end of Administration Public Works (A&PW))
Lorraine H. Morton Civic Center

ALDERMEN PRESENT: D. Holmes, L. Jean-Baptiste, A. Rainey, D. Wilson, M. Wynne

STAFF PRESENT: D. Cook, B. Dunkley, G. Farrar, S. Flax, A. Logan, D. Marino, D. Spicuzza, L. Walker

PRESIDING OFFICIAL: Ald. Wynne, Chair

I. DECLARATION OF QUORUM

Chair Wynne called the meeting to order at 6:35 pm on March 22, 2010.

II. APPROVAL OF THE MARCH 8, 2010 MEETING MINUTES

Minutes were not available at this meeting. They will be reviewed at the next meeting.

III. ITEMS FOR CONSIDERATION

(P1)* Request from Citizens' Lighthouse Community Land Trust for an Additional \$20,000 Subsidy for the Rehab and Sale of 2212 Washington Property

Ald. Jean-Baptiste moved approval, seconded by Ald. Wilson.

Ald. Wilson requested further explanation about the promissory note. Mr. Wilfred Gadsen, representative from Citizens' Lighthouse Community Land Trust, stated that the note is signed by the corporation, not by board members; however the board feels a personal responsibility for the note.

Ald. Rainey questioned what happens if they default on the note.

Mr. Gadsen explained that the bank's preference is that the note be paid off in July 2010 and explained they are paying interest only on the loan at a variable rate of 3.25 %. He further explained that when the loan was assumed they had hoped that additional funds would be given to allow them to complete the project, pay off the loan, and prepare for the next project. Mr. Gadsen said the organization will be conducting fundraising efforts and the goal for fundraising is for organizational operational purposes and specifically for projects. He stated that past fundraising efforts resulted in their being able to contribute \$ 22,000 for the project.

Ald. Rainey requested clarification of all the numbers.

Mr. Gadsen explained that the total development cost, not including donations, was \$ 335,980, which is the actual cash spent. \$ 255,000 was for the cost of the home. They had estimated the cost of donations. He confirmed that the \$ 20,000 from North Shore Bank is included in the figures because of their inability to pay the balance of the loan.

Ald. Rainey asked if the amounts for advertising and interest payments that the City gave Citizens' Lighthouse were included in the figure. Mr. Gadsen confirmed that they were included.

Ald. Jean-Baptiste asked Lehman Walker, Director of Community and Economic Development why he did not support the request.

Mr. Walker, commented that the City should take a hard look at the number of Community Housing Development Organizations (CHDO'S) and think about combining them or collapsing them so there is an effective organization when it comes to affordable housing. He suggested we channel our funds and stated that Evanston has too many CHDO'S and that there should be one or two with a more effective management structure.

Ald. Jean-Baptiste asked about Home Investment Partnerships Program (HOME) funds we receive and how we deal with the Federal government when funds given to the City are not utilized.

Mr. Walker stated that the issue is that we should review the operation of the CHDO'S. He said the Citizens' Lighthouse Community Land Trust has already received funds from the City of Evanston and he did not think we should be ok financing cost overruns. He further explained that the money should not be used just because it is there and that the issue is how the funds are managed.

Ald. Jean-Baptiste questioned Mr. Walker about the role of the current economic crisis.

Mr. Walker referred to the staff report and stated that the City feels that some of the issues were foreseen by Citizens' Lighthouse and that an organization should not continue to come back and request funds when funds were asked for before and granted.

Ald. Rainey asked if the Housing Commission was aware of the \$ 20,000 unsecured loan.

Mr. Gadsen said they did not make a formal presentation to the Housing Commission because of the time frame. They were aware of the problem, however they had a closing date and the buyer could move quickly, therefore they focused on getting the property closed. He said the organization's goal is to provide a good home and that's why they do fundraising. He added that had they sold the home in 2008 this would not be an issue.

Ald. Rainey asked Mr. Gadsen if they had gone back to the bank to express concern about making the payment. Mr. Gadsen responded by stating that the bank would prefer the loan be paid back at its original term.

Ald. Holmes mentioned the additional costs identified at the last meeting for repairs to be done once the weather improves. She asked what the plan is for securing the funds for those repairs. Mr. Gadsen said they expect to cover those costs and will do fundraising in combination with the homeowner and the two neighbors.

Chair Wynne questioned what the organization's next mission is if the funds are granted.

Mr. Gadsen responded by stating that the organization will acquire, develop and sell homes through the land trust. He explained that once the land is owned by the trust, the next buyer does not have to pay for an entire parcel and would be able to purchase the home at a more affordable rate. The goal is to develop other projects with staff approval.

Ald. Jean-Baptiste suggested that the organization think through the process of making units affordable and at what cost. Mr. Gadsen reminded the committee that the home appraised at a lower value in 2009, then the 2008 appraisal and that it was sold at the beginning of a downward market. He said the home suffered maintenance issues, was sold in lieu of foreclosure, and had been vacant for a year.

Ald. Jean-Baptiste repeated the motion. Ald. Jean-Baptiste and Chair Wynne voted yes. Ald. Wilson, Ald. Rainey and Ald. Holmes voted no. The motion to recommend approval failed and no other motions were made. The item will be considered by the City Council with no recommendation.

(P2)* Commit \$600,000 in HOME funds to NSP2 Program via an agreement with Brinshore Development LLC

Mr. Walker referred the Committee to the letter in their packet from the Department of Housing and Urban Development (HUD) stating that it is necessary for the City to commit some funds from 2008. He said staff recommends that we commit these NSP2 funds so they are not reallocated back to HUD.

Ald. Rainey asked for clarification as to how we are planning to use the funds.

Sarah Flax, CDBG Administrator, explained that the amount originally requested in the application to HUD for purchasing and rehabilitating 100 units was \$ 17,800,000, and our current estimate of NSP2 funds is \$ 13,330,000. She said we know there are some declines in the market and that property values have gone down. Additional monies are needed to leverage that and she further explained that one of the other sources was construction loans needed for new development and that staff is still working on finding sources of financing. The money is needed to do the plan.

Ald. Wilson asked Ms. Flax to explain the NSP2 funds and the HOME funds.

Ms. Flax defined the Neighborhood Stabilization Program funds (NSP2) as part of the American Recovery Re-investment Act in which funds are allocated for the purchase and rehabilitation of abandoned and foreclosed properties and targeted for households at or

above 120% of the area median income. The work has to be done within a three year time frame. She further explained the HOME funds program is an on-going entitlement program through which the City receives about \$500,000 a year and that the funds are entirely housing-focused and that the program is designed for low to moderate-income families at 80% or below area median income. She explained that HOME funds cannot be used for infrastructure.

Ald. Jean-Baptiste asked how much money is left in the HOME funds account.

Dennis Marino, Assistant Director of Planning, referred to page 2 of the memorandum. He explained there is a balance of approximately one million dollars left. He explained that the historic spending patterns have been used to finance larger development projects by the CHDO'S and by ECON Development Corporation.

Ald. Rainey commented that the affordable housing presentation that will be presented at City Council has some very innovative ideas about rehabilitating rental housing that is not in the two census tracks that the NSP2 funds are designated for.

Ald. Rainey moved approval, seconded by Ald. Jean-Baptiste.
The Committee voted unanimously to approve, 5-0.

(P3)* Approval of Grant Agreement with the Illinois Historic Preservation Agency for the Evanston Lakeshore Historic District Survey

Ald. Rainey moved approval, seconded by Ald. Wilson.
The Committee voted unanimously to approve, 5-0.

(P4)* Ordinance 18-O-10 Designating the Properties Located at 1724, 1728, 1730 and 1732 Chicago Avenue as the "Woman's Christian Temperance Union Evanston Historic District"

Mary McWilliams, Property Manager for the Women's Christian Temperance Union (WCTU) and board member of the Frances Willard Historical Association gave a Power point Presentation about the history of the WCTU and the homes located in the 1700 block of Chicago Avenue. Frances Willard Historical Association has the stewardship of the houses, archives and collections of the Frances Willard House

Ald. Rainey moved approval, seconded by Ald. Wilson
The Committee voted unanimously in favor, 5-0.

(P5)* Ordinance 17-O-10: Granting a Special Use for a Type 2 Restaurant at 1729 Sherman Avenue "Jimmy John's"

Ald. Rainey moved approval, seconded by Ald. Jean-Baptiste.
The Committee voted unanimously in favor, 5-0.

IV. ITEMS FOR DISCUSSION

PD1 Definitions of Type 1 and Type 2 Restaurants

Chair Wynne announced that staff provided a memo on this topic and asked if anyone wanted to discuss. Ald. Rainey did not understand why this was being discussed.

Mr. Walker reminded the committee when council repealed the definitions we thought at that time a discussion may be needed. He said staff fully understands and he felt it was not necessary to revisit this topic.

There was no further discussion of this topic.

PD2 Transcripts

Chair Wynne announced that staff has provided a memo recommending a means of implementing a change in policy to no longer require verbatim transcripts of public meetings for which applicants are responsible for the cost.

Ald. Rainey moved to adopt staff recommendation.

Mr. Walker stated that this removes the requirements for transcripts and the cost associated therewith, unless someone specifically requests it, in which case staff will provide the requestor with a copy of the audio/visual recording of the meeting at a nominal fee.

Ald. Rainey wanted to confirm that it would be the applicant's responsibility to have a transcript made from the recording if needed. Mr. Walker confirmed this to be true.

There was consensus directing staff to prepare any necessary legislation so this can be codified.

Ald. Rainey asked if Council has an issue in the future with the Zoning Board of Appeals that there would be a tape or CD available for members to hear what was discussed and who appears. Mr. Walker confirmed that this would be made available.

Chair Wynne announced that it is very important to hear the discussion and know who appeared.

There was no further discussion of this item.

V. COMMUNICATIONS

There were no communications.

VI. ADJOURNMENT

The meeting was adjourned at 7:32 p.m.

Respectfully submitted,

Annette Logan

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