

**EVANSTON HOUSING COMMISSION  
MINUTES  
October 16, 2008**

**Present:** Susan Munro, Chair, Carol Balkcom, Eric Beauchamp, Brooks Harding, Richard Mosley, Bruce Nelson, Joanne Zolomij  
**Absent:** Tim Angell  
**Staff:** Donna Spicuzza, Housing Planner

---

**I. The meeting was called to order at 7:02 pm with a quorum present. The Minutes of the September 18, 2008 meetings were approved 6– 0.**

**II. Communications**

Susan Munro noted that the Mayor responded positively to her letter regarding plans to form an Affordable Housing Comprehensive Plan Task Force.

Members discussed the proposed Green Building Ordinance and made recommendations to submit to the Human Services Committee meeting on October 20, 2008. They voiced their concern about the cost of requiring affordable housing projects to attain LEEDS certification, and thought there should be an incentive for affordable housing projects. They felt attaining certain specified standards would not always be economically feasible.

Joanne Zolomij reported the Planning and Development Committee discussion of the Housing Commission's recommendation for CHDO operating grants. The Committee tabled the item until October 27 because they didn't know how funds would be spent without seeing operating budgets, and they questioned whether funds would be better spent on projects which are currently unsold. Members discussed Planning & Development's concerns. They are also concerned about unsold units and were going to discuss that problem and the related issue of increased development costs due to carrying costs. They commented that they felt it is important to ensure the CHDOs are able to keep operating and operating grants represent a way to support the CHDOs in all their efforts. Ms. Munro said she thought they could help the organizations raise funds in other ways and make sure they are aware of other resources and tools. Richard Mosley said he thought the HUD guidelines required Evanston to provide 10% of funds to CHDOs. Ms. Spicuzza said the regulations only require that 15% of funds be used for CHDO projects and allow up to 5% to be used for CHDO operating grants but don't require it. She said she would send the relevant section of the regulations to members. Ms. Spicuzza said that the CHDO budgets will be included in the P&D materials for the 27<sup>th</sup> along with a memo from the Housing Commission regarding their recommendation for funding.

Ms. Spicuzza said there is not a report on the Affordable Housing Fund because she needed to get more information on some expenses, but said there would be a report at the November meeting.

**III. Report on Sales and Development Costs of on-going City-assisted affordable ownership projects**

Ms. Munro said that both the Commission and the Council were concerned about the affordable units not selling and wanted to use this opportunity to discuss it rather than make any specific recommendations about requests for additional funding at this meeting. She chair invited the representatives of organizations which are marketing affordable ownership units to the front for a discussion of their ongoing projects and problems related to slow sales, availability of credit, and extended carrying costs, in order to discuss possible solutions. The group the discussed the ownership projects which have the following carrying costs:

2212 Washington Citizen's Lighthouse Community Land Trust; \$2,276/ mo. carrying costs  
736-738 Washington Evanston Community Development Association; \$4,450/mo.

602 Mulford  
241 Callan

Reba Place Development Corporation, \$8, 290/mo.  
Econ Development Corporation; \$6,947/mo.

Ms. Spicuzza reported that she had reviewed materials submitted by the three CHDOs asking for additional funds to cover carrying costs but staff needed to meet again with the organizations and analyze their needs and possible solutions. She said they wanted to consider different scenarios for the various situations, such as lease-to-purchase deals, use of organizations' reserves and assets, and assistance with broader advertising through the Round Table or the Evanston Review. She said she hadn't yet reviewed or discussed the request from Econ Development for additional funds for overruns and making all five units affordable.

Rev. Moseley, who is on the board of the Land Trust, said their situation was different from others because fewer lenders will make loans for a property in a land trust. He said they refer interested buyers to two banks. He said they had one interested buyer but they decided not to purchase at this time.

Neil Davidson of Econ Development said that the unsold units take away from his profitability, because he is a for-profit organization. He said he had two units with contracts when the project was approved but they couldn't get financing so no units have sold.

Ms. Munro asked the developers what they could do to turn the situation around at the end of six months. David Janzen of Reba Place Development listed a number of ideas.

1. He said he felt the CHDOs, the City and the banks should recognize they're in it together and if the developments fail, it then becomes the banks' or the City's problem, which isn't a good solution.

2. He said he liked the idea of getting help with publicity costs; that could be very helpful.

3. He appreciated getting help from Housing Commission Eric Beauchamp, a realtor, with getting their projects listed on the MLS without taking a listing commission, and felt that would help bring in potential buyers.

4. He also said he feels that selling to purchasers who are not from Evanston is okay, because while it may not be the preferred target audience, it would get a unit sold. He felt we should welcome people who want to make Evanston their home and be part of the community.

5. He also said that they should work to change the public perception about whether now is a good time to buy property. He said they had interested buyers who they thought would qualify for a mortgage but didn't because lenders started to change their guidelines, so some potential purchasers gave up. He said the organization needs to identify lenders who will make the loans, and know their guidelines so they can help pre-qualify buyers.

Mr Janzen said that they have to figure out how to do Affordable Housing in the present climate because the people who need the housing have not gone away. He said that previously when they developed the Elmwood condos, they had five people interested which resulted in their two affordable sales. With Mulford, they had 60 people interested which resulted in four sales.

Ms. Zolomij, a realtor, suggested that they might talk to some local realtors or provide fliers to them to distribute at their Monday staff meetings, as some realtors may not be aware of the developments and might know clients who fit the guidelines. She said right now there are about 500 condos on the market, and sales are slow. She said that there were no sales made the previous week.

Mr. Davidson said the developers should go to banks and ask them to pre-certify their projects, so they can refer buyers to them. He also said that he liked the idea of getting financial assistance to pay the realtors' commissions if they sold units, and that would be very helpful for him. He said with interest of \$6,000 a month, he needs to stop the bleeding on monthly carrying costs. Members referred to his request for \$200,000 in additional HOME funds to sell all five units as affordable, rather than just 3 units. Members said they wouldn't consider additional funds for more affordable units unless the existing affordable units were sold. Mr. Davidson agreed and

said he would withdraw that request at this time but he still needed help with carrying costs and cost overruns.

Keith Banks of Evanston Community Development Association said that many potential buyers have a dream of owning a single family home, and the organizations need to work to educate people how the economies of scale of a condominium home can be less expensive than owning a single family house.

Members discussed the timing of sales and Mr. Beauchamp said typically the down time is between Thanksgiving and the Super Bowl. It was noted that the affordable housing market might not track with market rate housing, however. He also said he is concerned about the time it takes an interested buyer, if they haven't already gone to a home purchase workshop, and the scheduling of the workshops. Usually he said, the longer they wait, the less likely they will buy. Ms. Spicuzza said there are other sources for homeowner counseling. She said they can refer them to CEDA for individual counseling, do it themselves with a Fannie May booklet and then refer them to a counselor, and use sources in Rogers Park. Mr. Beauchamp felt it is important for the developers to be aware of timely homeownership counseling opportunities and also to sit down with lenders who will provide financing so they can refer potential purchasers to willing lenders.

Members talked about the consequences if the lenders foreclosed on the projects and Ms. Spicuzza said if units were not sold as affordable the City would have to pay the money back. Members said that then the City could not only lose its investment if all the subsidy is not repaid at a foreclosure sale, but there would still be vacant units on the market and no affordable housing created.

Ms. Munro said she felt it would help to get information on developers' marketing efforts and how many people have expressed interest, how many were qualified, how many could get a mortgage. In the meantime, she would like to prepare a graphic presentation showing a timeline and steps going from buyer-interest to getting a mortgage, so that in 60 days there can be lots of activity, possibly resulting in 1 or 2 contracts. Mr. Beauchamp said he would meet with the developers to help them put together a detailed marketing plan, because they need to ensure that if they get help for carrying costs for six months, they won't be coming back in another six months for more help.

Ms. Munro said they would discuss the requests for additional assistance again at the Housing Commission meeting next month after staff has had a chance to review situations in detail.

#### **IV. Update on Neighborhood Stabilization Program Funding through the Housing and Economic Recovery Act of 2008**

Ms. Spicuzza referred to the October 6 on NSP funds which was sent to Planning and Development Committee and said the City would apply to the State and the County for funding since Evanston did not receive a separate allocation. She said the funds must be used on abandoned or foreclosed property and not to help people avoid foreclosure.

The entities receiving allocations must submit their plans to HUD by December 1, so staff will learn more as the entities ask for public comment on their draft plans. She said staff is looking at eligible uses such as funding purchase and rehab of foreclosed houses, funding multi-family rental project, land banking, or helping homebuyers with rehab funds if they acquire a foreclosed property. In addition to herself, Dennis Marino and Susan Guderley, the planning team includes Jeff Murphy, Assistant Community Development Director for Property Standards and Rehab and Sarah Flax, the CDBG Grants Administrator, because the program follows CDBG guidelines,

Members asked if there are foreclosed multi-family properties. Ms. Spicuzza said that staff is working to identify properties. Ms. Munro said that the City definitely would want to get some of the funding and hoped they propose a range of strategies and if wondered if there was a role for

CHDOs and if they could be include. She asked if the land banking use was a land trust. Ms. Spicuzza said no, it was simply acquiring properties then determining whether should provide rental or ownership housing and who could best develop them. Ms. Munro also asked if they could put in some consideration to use the Citizens' Lighthouse Community land Trust an opportunity to build in permanent affordability. Ms. Spicuzza said she would mention that to the staff. She noted that properties also have to be purchased at below market value, and can't be sold at a profit.

Ms. Munro asked if they can use the money to fund a staff person, for example to do purchase negotiations. Ms. Spicuzza said that was one of many areas that was not clear and they needed more guidance, although she said perhaps some costs could be built into the project. She said she would provide the web address for NSP.

#### **V. Discussion of Comprehensive Affordable Housing Plan Task Force**

Ms. Munro said she put together a slate of Task Force members from the list of people who volunteered or were nominated, and thanked the Commission members who had interviewed the nominees. The names are:

Ald Delores Holmes  
Susan Munro  
Al Hunter  
Cherylette Hilton  
Mary Friedl  
James Ticus  
Michael Corr  
Rob Anthony  
Judy Levey  
Janet Morgan  
Phil Nyden  
Andrew McGonigal  
Paul Seldon  
Tim Nimrod  
Brooks Anthony  
Yvonne Dickerson

Staff: Dennis Marino or Susan Guderley may alternate

One more Housing Commission member was needed and Richard Moseley volunteered. Bruce Nelson made a **motion to accept the slate**, seconded by Eric Beauchamp. The motion **passed 7-0**.

Members also discussed having a consultant facilitate Task Force meetings and drafting a plan, and looked over the draft Request for Qualifications. They also reviewed the draft from Ms. Munro to the Planning and Development Committee. Ms. Munro said that BPI offered to help the Task Force with research but could not to facilitate the meetings or draft the plan.

#### **VI. Public Comment**

Fran Seidman urged Commission members to attend Planning and Development Committee and Council meetings.

**Adjournment.** The meeting adjourned at 9:05 p.m.

Respectfully submitted,

Donna Spicuzza, Housing Planner