

**Planning & Development Committee Meeting
Minutes of April 24, 2017
7:15 p.m.**

James C. Lytle Council Chambers - Lorraine H. Morton Civic Center

MEMBERS PRESENT: M. Wynne, A. Rainey, D. Holmes, J. Fiske, E. Revelle, D. Wilson

STAFF PRESENT: S. Mangum

OTHERS PRESENT:

PRESIDING OFFICIAL: Ald. Revelle

I. CALL TO ORDER/DECLARATION OF QUORUM: ALDERMAN REVELLE, CHAIR

A quorum being present, Ald. Revelle called the meeting to order at 7:15 p.m.

II. APPROVAL OF REGULAR MEETING MINUTES OF APRIL 17, 2017

Ald. Wynne moved to approve the minutes of the April 17, 2017 meeting, seconded by Ald. Fiske.

The committee voted unanimously 6-0, with one abstention, to approve the March 27, 2017 minutes (Ald. Tendam was absent).

III. ITEMS FOR CONSIDERATION

(P1) Grant Renewal with Open Communities for Continuation of the Evanston Landlord-Tenant Program

The Housing, Homelessness and Human Relations Commission and staff recommend approval of a \$40,500 renewal grant to Open Communities (614 Lincoln Ave, Winnetka, IL 60093) to continue the Evanston Landlord-Tenant Program. The City has partnered with Open Communities to provide landlord-tenant services to Evanston residents and property owners since August 1, 2011. The period of services funded would be from January 1 – December 31, 2017. The funding source is the City's Affordable Housing Fund, (Account 250.21.5465.62490), which has a budget of \$75,000, out of a total \$1,704,757 budgeted for 2017.

For Action

Ald. Holmes moved to approve grant renewal with Open Communities for Continuation of the Evanston Landlord-Tenant Program, seconded by Ald. Wynne.

Savannah Clement, Housing Policy and Planning Analyst, introduced Fariduddin Muhammad, Open Communities, to Planning & Development

Committee. Mr. Muhammad has office hours at Lorraine H. Morton Civic Center each Thursday, between 9:00am and 12:00pm.

Ald. Holmes asked about calls that the City receives outside of office hours on Thursdays. Mr. Muhammad noted that Open Communities recently hired an intake specialist to streamline calls received. Residents that call outside of office hours will be able to speak with intake specialist.

Ald. Rainey asked about additional hours of operation. Ms. Clement stated that the 9:00am-12:00pm hours are walk-in hours, but that appointments can be scheduled with Mr. Muhammad outside of those hours.

The Committee voted unanimously, 6-0, to approve the aforementioned grant renewal.

(P2) Community Partners for Affordable Housing Application for HOME & Affordable Housing Funding

The Housing, Homelessness and Human Relations Commission and staff recommend approval of two forgivable loans in the not to exceed amounts of \$252,662 in HOME funds and \$326,502 in Affordable Housing Funds to Community Partners for Affordable Housing (400 Central Avenue, Suite #111, Highland Park, IL 60035) for the acquisition and rehabilitation of two affordable rental housing units. Funding is from the HOME Investment Partnerships Program and the City's Affordable Housing Fund. Currently, the City has a total of \$300,000 in HOME funds (Account 240.21.5430.65535) and \$1,000,000 in Affordable Housing Funds (Account 250.21.5465.65535) budgeted in FY 2017 for affordable housing projects.

For Action

Ald. Wynne moved to approve Community Partners for Affordable Housing HOME & Affordable Housing Funding application, seconded by Wilson.

Ald. Wilson raised concerns about the cost per unit in this application. Ms. Clement noted that the City has Community Housing Development Organization (CHDO) reserve funds of \$39,000 of a total 2015 balance of approximately \$90,000 that must be committed to a project by July 31, 2017. There is a cap on the amount of HOME Funds that can be spent per unit, which varies by unit size. Also, to enable the project to generate required cash flow to operate, there can only be one unit at 60 percent of Area Median Income (AMI) and one unit at 80 percent AMI. All HOME funds would be used in one 60% AMI unit, with some Affordable Housing Fund (AHF) dollars. The second unit would be funded by AHF and be restricted at 80% AMI. The amounts proposed in this application are also "up-to" amounts for 3-bedroom units, so all funds may not be needed based on the specific property(ies) acquired. With projects completed in prior years, the cost per unit was up to \$315,000 for comparable size unit, so the proposed project is comparable to projects completed in the past.

Sarah Flax, Housing and Grants Administrator, noted that CHDO reserve is something the City receives annually, as 15% of the City's HOME funds are designated as CHDO reserve and the City has no flexibility on this requirement due to grant-based accounting system introduced in 2015; there are no waivers available for CHDO reserve, even if prior year spending on CHDO reserve projects exceeded the required 15%. The City contacted the three organizations that have been CHDOs in prior years and intends to combine CHDO reserve for 2015, 2016, and 2017 in one project, if possible. CHDO requirements are truly onerous for these reserve funds and they cannot be used for Tenant Based Rental Assistance; they must be used for housing units or will be recaptured by HUD. CPAH submitted the only application for a CHDO project and has successfully completed CHDO projects in the past.

Ald. Wilson asked whether the \$39,000 reserve amount could be used to maintain existing affordable housing stock. Ms. Flax responded that CHDO reserve funds may be used only for projects undertaken and owned by a CHDO, so these funds cannot be applied to any other projects currently funded or under consideration.

Ald. Rainey asked whether HOME funding could be used for rehab of Housing Opportunity Development Corporation's project, which had been approved for CDBG funding. Ms. Flax responded that HODC's project is not eligible because it is not a comprehensive rehab as required for the HOME program.

Ald. Rainey questioned this model of affordable housing and its costs.

Sarah Vanderwicken, Resident, disagreed with using this amount of money on two affordable housing units while large developments are completed without building in affordable housing units. There is a real need for affordable housing, and it is a good market. Ms. Vanderwicken urged the Committee to require developers to build in the affordable units.

Ald. Wynne asked about alternative uses from the Affordable Housing Fund. Ms. Flax stated that there are two aspects of affordable housing to keep in mind. The first is building or maintaining units that are income restricted for a long period of time, and the second is voucher programs to help households with rental subsidies in certain circumstances. However, the City may not have the funds to maintain such a program if households need a subsidy for longer than a two-to-five year period. Currently, the TBRA program is spending between \$10,000 and \$15,000 a year per household. She reiterated that the cost per unit in the proposed CPAH project is very much in line with what the City spent on NSP2 acquisition and rehab units, though NSP2 had lower acquisition costs but higher rehab costs because properties acquired were vacant and foreclosed and required gut rehab. She gave additional examples of properties where the City spent \$272,000 per unit on 3-bedroom

units and \$235,000 per unit on 2-bedroom units, which is a good investment when considering the 15-year time period these units remain affordable.

Ald. Holmes stated that affordable housing must mean housing that is affordable based on what a household earns. For residents that earn less than 60 percent AMI, these units will not be affordable. The City must find a way to create affordable units for these residents as well.

Ald. Wilson moved to hold this item until next Committee meeting.

(P3) Ordinance 42-O-17, Major Adjustment to a Planned Development at 1881 Oak Avenue

Staff recommends adoption of Ordinance 42-O-17 for approval of a Major Adjustment to a Planned Development at 1881 Oak Avenue, also known as E2. The applicant proposes to reduce the number of required parking spaces, currently 353, by 25% (88 spaces) in order to lease those spaces to the public. The applicant has agreed to a one-time \$5,000 contribution to the City of Evanston Divvy Program as a public benefit.

For Introduction

Ald. Rainey moved to introduce Ordinance 42-O-17, seconded by Ald. Fiske. The Committee voted unanimously, 6-0, to introduce Ordinance 42-O-17.

(P4) Ordinance 38-O-17, Granting a Special Use for a Business/Vocational School, Knowledge Systems Institute, at 820 Davis St.

The Zoning Board of Appeals and City staff recommend adoption of Ordinance 38-O-17 granting special use approval for a Business/Vocational School, Knowledge Systems Institute, at 820 Davis St. in the D3 Downtown Core Development District. The applicant has complied with all zoning requirements and meets all of the standards for a special use for this district. *Alderman Wilson recommends suspension of the rules for Introduction and Action at the April 24, 2017 City Council meeting.*

For Introduction and Action

Ald. Rainey moved to introduce and approve Ordinance 38-O-17, seconded by Ald. Wilson. The Committee voted unanimously, 6-0, to introduce and approve Ordinance 38-O-17.

IV. ITEM FOR DISCUSSION

There were no items for discussion.

V. COMMUNICATIONS

There were no communications.

VI. ADJOURNMENT

Ald. Holmes moved to adjourn, seconded by Ald. Wynne.

The committee voted unanimously 6-0 to adjourn.

The meeting adjourned at 7:40 p.m.

Respectfully submitted,
Nicholas Zettel