

**MINUTES
CITY OF ST. CHARLES
HOUSING COMMISSION
THURSDAY, JANUARY 11, 2024
DENS A & B**

Members Present: Sean Baker, Louis Dries, Jeff Funke, John Glenn, Karrsten Goettel

Members Absent: Liz Eakins, David Pietryla, Milupa King

Others Present: Ellen Johnson, Planner

1. Call to Order

Chair Funke called the meeting to order at 7:06pm.

2. Roll Call

Ms. Johnson called roll with five members present.

3. Approval of Agenda

A motion was made by Mr. Goettel and seconded by Mr. Baker with a unanimous voice vote to approve the Agenda.

4. Approval of minutes from the September 14, 2023 meeting of the Housing Commission

A motion was made by Mr. Dries and seconded by Mr. Glenn with a unanimous voice vote to approve the September 14, 2023 meeting minutes.

5. 2023 St. Charles Housing Affordability Analysis

Ms. Johnson went over the 2023 Affordability Analysis. Last year, staff found the City to be at 17% affordable; this year's finding was 12.9%, which is more in line with previous years. The report also includes IHDA's recent finding of St. Charles' affordable housing share. The 2023 Report found St. Charles to be at 17.2% affordable; St. Charles was at 17.1% in 2018. IHDA's finding differs from staff's finding due to data sources used, as detailed in the Affordability Analysis. Because St. Charles is over 10% affordable, we are an "exempt community" under AHPAA. The City does not need to submit an Affordable Housing Plan to the state and we are not subject to developer appeals to the State Housing Appeals Board. There are 48 communities in the state that are under 10% affordable, including Geneva and Campton Hills.

On the rental side, 12% of rentals are affordable, down from 16% last year. 170 affordable rental units were lost due to rising rents. Only three market-rate complexes have units that are considered affordable, totaling 57 units. All other affordable units are income-restricted and age-restricted. The median home sale price was \$369,000 in 2023, which is the highest since 2007. Only 43 homes sold last year (10%) would have been considered affordable (including single-family, townhomes and condos). Regarding future apartment development, there are about 350 units left to build at Prairie Centre and 320 units nearing completion at Springs of St. Charles.

Commissioners discussed the state of the housing market, including high for-sale housing prices, rents, and interest rates and low supply.

Commissioners discussed the possibility of requiring affordable units in new developments instead of accepting fee in-lieu. They talked about the potential for large developments to partner with affordable housing developers to construct the affordable units for a project, similar to Anthony Place at Prairie Centre. They discussed developers' perceptions of affordable housing. They discussed the need for affordable housing in this area among young people and seniors. Since the Inclusionary Housing Ordinance was adopted, Council has typically accepted fee in-lieu payments. They discussed contemplated ways developers could be encouraged or incentivized to provide affordable units rather than paying the fee. Raising the fee was discussed with concerns acknowledged that it may discourage development.

The 2023 Affordability Analysis will be presented to Planning & Development Committee in February.

6. Project Updates

a. Anthony Place II

It was previously discussed that IHDA did not award tax credits to the project. The developer is looking into options to increase their score by partnering with another company. They are looking into other properties in St. Charles.

b. Habitat for Humanity Project- Dean St. Lot

Planning & Development Committee expressed support for the idea of donating the City-owned lot at Dean/15th Streets to Habitat for Humanity. A Plat of Survey was prepared, which showed the lot to be smaller than anticipated. The lot size does not meet zoning. There is potential for either a variance to be requested or City right-of-way to be vacated and added to the lot, as there is extra right-of-way on the inside of the sidewalk. This would require City Council approval.

7. Additional Business

a. 2024 Inclusionary Housing Fee

Commissioners discussed the fee and provided commentary to provide to the Planning & Development Committee regarding setting the fee for 2024. The current fee calculation is based on the affordable home price from IHDA's 2018 AHPAA Update. Commissioners commented that it would be preferable to continue with the current methodology for calculating the fee, which has been in place for several years, by updating the calculation based on the new affordable home price per the 2023 AHPAA Update. This would result in higher fees: approx. \$52,000 per required affordable unit for multi-family; \$36,000 for townhomes; \$20,000 for single-family.

Commissioners discussed inviting market-rate housing developers to future Housing Commission meetings to discuss the incentives available for building affordable housing and to gain an understanding of why developers prefer paying the fee in-lieu instead of building affordable units. They can also inform developers about the

opportunity to apply for Housing Trust Fund dollars to contribute towards building the affordable units. Commissioners discussed motivations of developers and affordable housing challenges, opportunities, and constructed projects.

8. Future Meeting Dates

- a. Thursday, February 8, 2024 at 7:00 Dens A & B – To be rescheduled to 2/22/24
- b. Thursday, March 14, 2024 at 7:00pm Dens A & B
- c. Thursday, April 11, 2024 at 7:00pm Dens A & B

9. Public Comment- None

10. Adjournment at 8:23pm.