

**MINUTES OF A REGULAR MEETING OF  
HOUSING COMMISSION  
OF THE CITY OF HIGHLAND PARK, ILLINOIS**

*Approved May 1, 2019*

**MEETING DATE:** Wednesday, April 3, 2019

**MEETING LOCATION:** Pre-Session Conference Room, City Hall, 1707 St. Johns Avenue, Highland Park, IL

**CALL TO ORDER**

At 6:31 p.m., Chairman Ross called the regular meeting of the Highland Park Housing Commission, Peers Housing Association, Ravinia Housing Association, Walnut Housing Association, and the Sunset Woods Association to order. Each of the Commissioners also serves as Directors of each of the Housing Associations. Chairman Ross asked Staff to call the roll.

**ROLL CALL**

Commissioners Present: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Councilwoman Present: Holleman

Student Rep Present: Rosen

Student Rep Absent: Goldin

Staff declared that a quorum was present.

Staff Present: Later, Haedo-Keller

Guests Present: Elissa Herman, Audience Member  
Rob Anthony, President & Amy Kaufman, Director of Development and  
Community Relations - CPAH  
Betsy Lassar, BPI  
Janet Swartz, Resident

Also Present: Cerabona

**BUSINESS FROM THE PUBLIC**

Since audience member, Elissa Herman, is here to speak, Chairman Ross asked that, since her subject is not on the agenda, she is welcome to speak now.

Ms. Herman shared she is concerned about the payment-in-lieu method for New Inclusionary Housing Regulations. She noted it might be sending the wrong message to developers. She continued reading her document and referenced 1535 Park Avenue West, with payment-in-lieu for all units. Ms. Herman stated she is concerned that developers are reducing affordable units.

Chairman Ross thanked Ms. Herman and advised the HC has similar concerns.

At 6:35 p.m., Councilwoman Holleman arrived.

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Senior Planner Later stated the proposed changes to Article 21 are at the Plan & Design Commission for public hearing. The next meeting is April 16, 2019.

**APPROVAL OF MINUTES**

*Regular meeting of the Housing Commission – March 6, 2019*

Commissioner Saret moved to approve the March 6, 2019, meeting minutes. Commissioner Bernstein seconded the motion.

On a roll call vote:

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously.

**SCHEDULED BUSINESS**

1. Items for Omnibus Vote Consideration

- Payment of Invoices

There was none.

- Ratification of Payments

There was none.

Chairman Ross noted, per the Ravinia audit and property tax revenue received, there was a cash surplus of \$80,000. He noted if this is not taken, HUD takes possession of it. It is to the HC's benefit to place this distribution of \$80,000 into the ownership entity account.

Senior Planner Later referred to the materials in the packet and explained same.

Chairman Ross stated this is the first time this is has been able to be done since the restructuring.

Commissioner Berkun asked about the residual revenue. Chairman Ross stated it would be spent during the calendar year.

Commissioner Adler moved that the Capital Recovery Funds and Incentive Performance Fee be placed in the ownership entity account. Commissioner Arnold seconded the motion.

On a roll call vote:

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously.

2. Community Partners for Affordable Housing (CPAH) Presentation – Rob Anthony, President & Amy Kaufman, Director of Development and Community Relations

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Chairman Ross introduced Rob Anthony & Amy Kaufman from CPAH.

Mr. Anthony referred to the letter from CPAH that was included in the packet. He noted the units purchased in May and late 2018 for the tax credit project took 2 years to acquire due to outstanding circumstances.

Chairman Ross asked how these units are found. Ms. Kaufman explained same about rental units, and stated single-family rental homes are difficult to find and make work. She cited units they tried to buy but weren't successful. Mr. Anthony expounded and noted CPAH has submitted a tax credit application. IHDA could potentially issue its approval in 3-4 months.

Mr. Anthony explained the cost of doing an affordable unit. Home ownership was first highlighted. To acquire, rehab, insurance, etc. were in the \$380,000 range; units were sold for \$190,000. There is a \$190,000 subsidy. He is hopeful that future projects would be in the \$340-\$350,000 range.

Chairman Ross asked if it's hard to find a buyer. Mr. Anthony stated it is not. He asked if there have been foreclosures. Ms. Kaufman identified one in Highland Park. She noted close relationships take place with all owners including exit strategies, negotiations take place with the bank, etc. Ms. Kaufman stated the percentages are very low, between 1 and 2%.

Councilwoman Holleman clarified CPAH owns the land. Mr. Anthony explained that this model is used in all subsidies – building infrastructure for affordable properties, holding the land value. The home only can be sold to qualified buyers; appreciation is capped. Ms. Kaufman stated the depreciation is capped too. This is very low risk. Mortgages are around \$1,350 per month. Commissioner Arnold asked who pays the taxes. Ms. Kaufman stated the owner.

Commissioner Bernstein stated she didn't know there needed to be HOME money (HUD money) plus Highland Park subsidizing. Mr. Anthony advised this is not a given.

Commissioner Adler asked if their experience is shared. Ms. Kaufman stated they frequently talk to other communities. Other communities need a dedicated funding source. She hopes more communities follow Highland Park's model. Mr. Anthony reminded that Highland Park has the only land trust in the state.

Commissioner Arnold asked how much homeowners are required to put down. Ms. Kaufman stated 3 ½%.

Commissioner Saret asked if the feedback is positive. Ms. Kaufman and Mr. Anthony stated it has been from past clients. CPAH client owners are 30% less likely to go into foreclosure.

Chairman Ross asked what the income is for a family of four. Ms. Kaufman stated just under \$68,000.

Mr. Anthony continued about the recent rentals purchased for the tax credit project. It is difficult to find rental units that will work. The subsidy is money from the Trust Fund, etc. The rent to be charged is \$900 which is affordable to 60% AMI households. This does not cover costs such as property management fee, vacancy loss, etc.

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Mr. Anthony stated he understands questions came up due to alternative compliance for providing affordable units.

Commissioner Abreu asked if smaller or larger units could be found. Mr. Anthony stated for single-family homes but not for rentals. He advised location is another challenge. They like affordable units to be dispersed throughout the City. He reviewed other options. Various income ranges are served with inclusionary units. Mr. Anthony stated it is preferable to have the affordable units on-site.

Councilwoman Holleman asked how long renters stay in a unit. Ms. Kaufman stated it is not a high turnover, maybe 1-2 per year. Councilwoman Holleman asked how long homeowners stay. Ms. Kaufman stated the national average is 7 years, but Highland Park has a higher number.

Councilwoman Holleman asked how rents are getting to \$1,300. Senior Planner Later stated there are three income tiers served, up to 120% AMI. She stated the ordinance was developed for work-force development, not low-income housing.

Councilwoman Holleman asked how those on the waitlist could view their status. Ms. Kaufman stated the waitlist is not on-line. Giving someone a waitlist number is meaningless since it changes due to various circumstances.

Commissioner Bernstein asked if there is a screening to get on the waiting list. Ms. Kaufman stated there is a pre-application to complete with self-reported information. When a unit is available more detailed information is provided. She suggests waitlist applicants contact CPAH directly.

Commissioner Arnold noted 20% of new units have to meet the new Accessibility Code. She asked if there is any protocol in place for this. Mr. Anthony stated those with disabilities are bumped up on the list if an accessible unit becomes available. Subsidies are available to make a unit accessible. Chairman Ross stated these affordable units should be provided. He advised an able bodied person could move into a handicapped unit and then move to another non-accessible unit when one becomes available. Ms. Kaufman reiterated the need to get on the waiting list.

Commissioner Bernstein asked if most want a 2-bedroom unit. Ms. Kaufman concurred, and stated two-thirds of the waitlist are not singles. New construction is desirable.

Councilwoman Holleman referenced the Albion development – stating 3-bedrooms will be \$1,600-1,700 per month and potentially unaffordable. Chairman Ross stated there is a maximum rent per AMI tier. The client's income level dictates the rent. Mr. Anthony stated there is a huge shortage of 3-bedroom units. Ms. Kaufman stated the demand for affordable is the same as it is for non-affordable units. Ms. Kaufman cited an example in Evanston where developer lowered the rent in order to obtain a renter.

Chairman Ross asked about the staffing and structure of the new CPAH. Mr. Anthony referred to the second CPAH letter in the packet. He stated staff would be in the Peers office from 9 a.m. to 5 p.m. Ms. Kaufman stated the management staff at Peers is great. Mr. Anthony mentioned there would be housing counseling classes, etc held at the Peers office. Ms. Kaufman noted these have started to pick-up.

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Chairman Ross advised he appreciates Mr. Anthony's and Ms. Kaufman's time; the information is very helpful.

Chairman Ross moved up the next item.

**STAFF REPORT**

Chairman Ross stated Senior Planner Later was asked to brief the HC on the new inclusionary changes. He asked if Ms. Lassar had any questions. Ms. Lassar referred to her letter.

Ms. Swartz commented on Ms. Herman's notes. She stated there is a concern that there is a preference to make a cash payment. Conversations with developers were highlighted.

Senior Planner Later reviewed the draft ordinance prepared by Holland & Knight staff. She stated this is not the final version. The public hearing was on March 19, 2019 and the next one is on April 16, 2019. She advised Holland & Knight staff is preparing a red-line document which has not yet been received. Ms. Later referred to the chart in the PDC staff report included in the packet noting the recommended policy change and where it is located in the current and proposed new ordinance.

Councilwoman Holleman stated, since the final document has not yet been received, this might not be the document to review.

Chairman Ross asked questions about:

- density bonus units
- 20% and 15% effective rates

Councilwoman Holleman reiterated this document does not have all of the changes.

Senior Planner Later explained the points mentioned above. She noted language is still being developed. Discussion took place on these points.

Councilwoman Holleman stated a form that developers can calculate could be developed and available. Senior Planner Later advised staff has a chart used to calculate market rate, affordable units, PUD bonus, etc. Constraints regarding density were discussed. Councilwoman Holleman stated an outside consultant could provide a computerized program that developers could utilize to calculate unit counts and this could be on the City's web site. Senior Planner Later advised it's still a work in progress. Holland & Knight staff is working to write the proposed changes in an ordinance format.

Commissioner Saret asked if a guide could be assembled. Senior Planner Later stated this is what being worked on.

Chairman Ross identified the Housing Trust Fund and how it's doing. Senior Planner Later referred to the handout in the packet that showed a history of the Housing Trust Fund balance. Chairman Ross stated expenditures are for staff and CPAH. Councilwoman Holleman asked what the fund balance is. Senior Planner Later stated 150% of essential program expenses. The document was discussed.

Ms. Swartz asked about the Ravinia fund. Senior Planner Later replied the funds stay with the project.

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Chairman Ross noted fees-in-lieu are deposited into the Housing Trust Fund. Councilwoman Holleman expounded and identified rationale. Ms. Swartz stated money was transferred out of the Peers fund and placed into the Housing Trust Fund. Councilwoman Holleman stated that's how the Housing Trust Fund was started. Chairman Ross stated the association sources could donate to the Housing Trust Fund but the properties need it for expenses. Ms. Lassar stated there could be a different funding source for the Housing Trust Fund.

Commissioner Arnold asked if there is a mechanism to negotiate the 50%. Senior Planner said there is no minimum percentage of affordable housing units that have to be provided. Senior Planner Later stated the developer has to prove that what they are proposing is equal to or better than developing units on site.

Mr. Anthony, Ms. Kaufman, Ms. Lassar, and Ms. Swartz departed the meeting at 8:21 p.m.

**SCHEDULED BUSINESS**

3. ERES Response to Walnut REAC

Senior Planner Later referred to the Evergreen response in the packet. Chairman Ross noted their contract could be terminated in 30 days. Contract is up in summer of 2020. It was noted HODC manages Sunset Woods.

Councilwoman Holleman stated an RFP could be prepared. Commissioner Arnold stated Evergreen could respond to the RFP.

Senior Planner Later noted Mary Mauney and Harold Eich are new in these positions. Councilwoman Holleman stated the flow chart is not adequate. Commissioner Berkun noted there are not procedural or systemic changes – just adding another layer of supervision.

Commissioner Saret asked if the HC is a small percentage of their business. Chairman Ross stated they need a third-party management company. He expressed concern ERES is doing more development.

Commissioner Berkun moved to initiate an RFP. Commissioner Arnold seconded the motion.

Discussion took place. Chairman Ross noted the staff at HODC was the IHDA Manager of the Year. Councilwoman Holleman stated there are companies that would be viable.

On a roll call vote:

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously. Councilwoman Holleman suggested a reasonable timetable is July. More discussion took place. Commissioner Arnold suggested a draft could be provided to the HC in June, an RFP could be sent out in July, with a response received in August, and a

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company in place by October 1, 2019. Commissioner Adler asked if it makes sense to have just one management company instead of two. Discussion took place.

4. Peers, Walnut, Ravinia, and Sunset Woods Associations

- Consideration of Management Reports for Peers, Walnut, and Ravinia
  - Peers

Chairman Ross asked about a current accounts payable of \$170,000. Senior Planner Later stated it was in invoice from Softer Lite Company.

- Housing Trust Fund Financials

Senior Planner Later advised nothing is outstanding.

- Sunset Woods' Financials

Senior Planner Later advised nothing is outstanding.

- Other Association Business

There was no Other Association Business.

Chairman Ross suggested the HC go into Closed Session.

**EXECUTIVE SESSION**

Commissioner Abreu moved that the HC go into Closed Session due to land acquisitions or legal action. Commissioner Berkun seconded the motion.

On a roll call vote

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously.

Following Executive Session, the Regular Meeting resumed at 8:55 p.m.

**ROLL CALL**

Commissioners Present: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Councilwoman Present: Holleman

Student Rep Present: Rosen

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Student Rep Absent: Goldin

Staff declared that a quorum was present.

Staff Present: Later, Haedo-Keller

Also Present: Cerabona

**OTHER BUSINESS**

Commissioner Saret moved that the HC ask City Council to investigate acquiring an affordable property. Commissioner Adler seconded the motion. Commissioner Saret suggested that Senior Planner Later provide historical context to City Council.

On a roll call vote

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously.

**ADJOURNMENT**

Commissioner Arnold moved to adjourn the meeting at 9:04 p.m. Commissioner Abreu seconded the motion.

On a roll call vote

Voting Yea: Chairman Ross, Commissioners Abreu, Adler, Arnold, Berkun, Bernstein, & Saret

Voting Nay: None

Chairman Ross declared that the motion passed unanimously.