

**ECONOMIC DEVELOPMENT COMMITTEE and
HEALTH AND HUMAN SERVICES COMMITTEE
JOINT MEETING
MINUTES
July 9, 2008**

The Economic Development Committee and Health & Human Services Committee of the DeKalb County Board met on Wednesday, July 9, 2008 @ 7:00p.m for a Joint Meeting in the Legislative Center's Gathertorium. Chairman Eileen Dubin called the meeting to order. Members present were Mr. Andersen, Ms. Fauci, Ms. LaVigne, Mr. Metzger, Sr., Mr. Walt, and Mr. Rosemier. Mr. Osborne, Mr. Stuckert, Ms. Vary, Ms. Fullerton and Mr. Stoddard were absent. Others present were Aaron Ruder, Diane Hammon, Mary Ramp, Diane Strand, Elena Grimm, Paul Borek, Russ Farnum, Sue Guio, Bill Nicklas, Bob Seyller, Anita Turner and Herb Rubin.

APPROVAL OF THE MINUTES

Moved by Mr. Metzger, Sr., seconded by Ms. Fauci, and it was carried to approve the minutes from May, 2008.

APPROVAL OF THE AGENDA

Moved by Mr. Metzger, Sr., seconded by Ms. LaVigne, and it was carried unanimously to approve the agenda.

Chairman Dubin said that Mr. Rosemier approached her about three months ago regarding the issue of affordable housing. She said that she has been looking at the newspapers on this topic and she thought that some of the information she found would be of interest.

She also wanted to introduce Mr. Paul Borek, Executive Director of the DeKalb County Economic Development Corporation.

Mr. Borek said that there is a local focus group that is meeting to discuss the development of a strategic plan for DeKalb County. He hopes that the plan will be finished by February of 2009.

Chairman Dubin then introduced Mr. Bob Rosemier, Chairman of the Health and Human Services Committee. Mr. Rosemier said that this is the third meeting that his committee will be discussing the affordable housing issue in DeKalb County. He has invited Mr. Bill Nicklas, City Manager for the City of Sycamore, Mr. Russ Farnum and Ms. Sue Guio with the City of DeKalb, Mr. Herb Rubin and President Robert Seyller for the Town of Cortland.

Mr. Rosemier continued by stating that he also spoke with Mr. Dan McClure, who works in real estate here in DeKalb County, who produced a summary of available housing in DeKalb County as of July 8, 2008, which is on the tables tonight. Mr. Rosemier continued by stating that as he read these three reports, a lot has happened since the first two reports were done. He further stated that when he spoke with Mr. McClure, he mentioned to Mr. Rosemier that the low cost housing is moving here in the county.

Chairman Dubin said even between the units costing \$80,000 to \$160,000 - only 17 units have moved. Those are not big numbers as we look at the total number of units available, she said.

When she read the Chicago Tribune, it stated that housing prices decreased at the fastest pace on record. *Oversight* said that the U.S. home prices fell 4.6% in April from the same month last year when the index peaked. That marked the biggest decline ever in the agency's monthly index - since January 1991. What is happening here is happening all over the country, she further explained. Since we are talking about affordable housing the "Daily Chronicle" states that we have a fair number of elderly citizens here in the County running into problems.

The U.S. Government reports the poverty level for a single person to be \$10,210 a year and a couple at \$15,690 a year. The average living expenses here in DeKalb County for a person who is single with no mortgage is \$19,410 and for a couple it amounts to \$28,305 a year.

Chairman Dubin further explained that 1 in 5 single people are at the poverty level and 1 in 9 of couples are at the poverty level. In Illinois about 9% or 130,000 people over the age of 65 are living at the poverty level, with 1.5 million people total are living at the poverty level statewide. DeKalb County has about 9,353 senior citizens older than the age of 65. Not only people are having trouble keeping up with these costs, she explains further from the article, but agencies are having trouble too.

Chairman Dubin then introduced President Bob Seyller of the Town of Cortland to begin the discussion on this topic.

Mr. Seyller said that they are continuing to see some progress on single-family housing. So far, to-date, covering the time period of January 2008 to June 2008 they have seen 15 housing starts and 0 town homes. Last year (2007) at this time they had 18 single-family homes and 14 town homes. In 1997 they had a total of 91 housing starts including single-family homes, town homes and duplexes. Cortland currently has 1 apartment complex called Cortland Estates with 96 rental units. He said that if a person made too much money or too little money they could not live at this apartment complex. The other rentals are single-family homes and some duplex units. They are pretty expensive at \$1,000 a month rate.

Ms. Ramp, Director of the DeKalb County Community Services Department, said that the waiting list is now closed for the Housing Authority's Section 8 housing because the waiting list is very long. There are about 500 vouchers available in the County and about 1,500 people are on the list.

Mr. Rosemier said that the data in the DeKalb analysis states that in the year 2000 that Cortland had about 2% of the population of the County, but they also had about 2% of the rentals. Sycamore had about 14% of the population of the County and 11% of the rentals. DeKalb had about 44% of the population of the County and 59% of the rentals. The rest of the County had 40% of the population, but only 20% of the rentals.

Mr. Seyller said that year-to-date from January to June of 2008, they have had 15 new starts, in 2007 they had 32 new starts and in 2006 they had 39 new starts. In 2006 they had a total of 99 units, in 2007 they had a total of 91 units and their projection for this year they estimate to be about 60 units starts and we only have 15 starts so far, he said.

Mr. Seyller further stated that they have no services to offer in Cortland. They have no shopping to walk to, no busing or bike trails. They are working on interconnecting walking trails and bike trails in the near future. It's hard to offer rentals when you have nothing else to offer, Mr. Seyller said.

The Town of Cortland's Comprehensive Plan has noted high-density housing, Mr. Seyller stated. He has been pursuing subsidized senior housing to attract people to move to Cortland, too.

Ms. Fullerton arrived at 7:20p.m.

Mr. Metzger, Sr. asked Mr. Seyller if they have identified the business area?

Mr. Seyller said that they have identified the downtown revitalization plan and adopted it as part of their Comprehensive Plan. It will be a piece meal situation that may take 100 years to totally optimize the plan that was set forth. Certain properties have been identified to change zoning in the downtown area and they have set architectural guideline standards. They based the plan similarly to Wasco, Illinois. The Town of Wasco built new buildings closer to the roads and placed the parking behind the businesses. The buildings look like they are 100 years old but they are energy efficient, he further explained. They would like to have the downtown area of Cortland to look like it's been there forever.

Mr. Seyller then informed the committee members that a new elementary school will be built soon and will attract more people to his town. It will be built east of town.

Homes for sale are ranging from \$140,000 to \$160,000 but still under \$200,000. Those homes priced under \$200,000 are moving.

The Tollway Exchange and train study showed that they want a train station near Airport Road. He feels that their town will see a rail station before a tollway exchange. Mr. Seyller further stated that when the County did their Comprehensive Planning exercise for the entire county, every single municipality in the county said that they wanted a rail station.

Mr. Seyller then stated that as far as foreclosures are concerned, they have 46 filings for foreclosures and of those 18 of them have gone to the Sheriff and there is 1 abandoned home. The realtor that he spoke with said that the large percentage of the foreclosures is in the Hispanic market. This person further stated that the lack of being able to communicate and cultural differences may be the reason for these foreclosures.

His suggestion would be to have Hispanic/bilingual classes taught to the Hispanic population to give them the knowledge that they need and to help them fix their situation.

Mr. Metzger, Sr., said that maybe we could put these people together with the lower income people that are in a foreclosure situation.

Ms. Fullerton said that there is some non-for-profit organizations that will help people stay in their homes.

Ms. LaVigne said that Kishwaukee College has some classes that may help.

The committee then heard from Mr. Bill Nicklas, the City Manager for the City of Sycamore.

Mr. Nicklas said that there are some local lenders that are providing this type of service for the Hispanic population. He said that the information that people receive could be quite intimidating.

The City of Sycamore will be holding a public hearing next week regarding their Comprehensive Plan. In that plan there are land use proposals, which weigh on what the community can do to further affordability. He invites the committee to review the data that he provided for them and if they have any comments to contact him.

Mr. Nicklas said that if we look at affordability as something that can be applied to the notion of a financial way for owner occupancy, rental occupied housing and homelessness, we may begin to pick out for the City of Sycamore some trends that may be making more or less affordable housing here.

He further stated that under owner occupancy the numbers are high in Sycamore. He said that just under 74% of the households in Sycamore are owner occupied. The average sale price of all homes sold in 2007, based on census projections and regional economic research, was \$223,397.00. In March of 2008 there were 136 homes in distress in Sycamore and now it is around 100 homes in distress. He said that those homes in distress are concentrated around the Mt. Hunger area.

Ms. Fauci stated that she hears both of the speakers talk about the relation between the mortgage and other expenses and also the relationship with transportation. She is part of a group out of Chicago who has come up with an affordability index, which is housing costs plus your transportation costs as being a true cost. You would think that living out here is cheaper but it is not because you need to have a car. However, if you lived in Chicago and worked there you would not need a car because of public transportation and you could afford a bigger home or spend the extra money on other things.

Mr. Nicklas said that public transportation is key. He continued by stating that VAC has said that people now are taking the VAC bus to work and leaving an hour earlier to save on gas money. He would like to work with developers to make points of connection on the bike paths.

Mr. Seyller said that the Town of Cortland is trying to get on that VAC bus route for people who do not have cars and need to get to work in the area.

Ms. Fauci said that when she was on the economic development commission for the City of DeKalb they would listen to companies that would want to build their companies' way out in the rural area and pay minimum wage. She would ask, how do those employees get to work? Those companies really made the wrong decision in these cases because they needed to be closer to the houses, closer to where people work, and public transportation.

Mr. Seyller said that there are some people that are driving to Elburn for the train. However, he feels that the first thing that they will see in Cortland is a Park and Ride parking lot. That will show Metra, once we get the ridership and busloads of people going there, that we are getting some riders. Their thing is, he said, that "you build a station, and they will stop."

The City of DeKalb now spoke briefly on the affordable housing subject.

Mr. Russ Farnum of the City of DeKalb said that their affordability study showed that they are 58% renter occupied, 42% owner occupied and that 90% of the rental housing stock is affordable. Their housing sales show that about 1/3 of the sales are from \$150,000 or less, the next 1/3 is between \$150,000 to \$200,000 in sales, which shows that 2/3rds of their existing home sales are around the affordability range. Eighty percent (80%) of the County's subsidized housing is located in the City of DeKalb and represents 13% of their housing stock. They have quite a few foreclosures with 150 homes being the last count. They are not receiving any phone calls for help that he knows of.

Ms. Ramp, Director of the DeKalb County Community Services Department, said that her office is receiving some phone calls with foreclosure questions. They have received about a dozen phone calls so far this year.

Mr. Rosemier pointed out that the City of DeKalb has a few programs, which assist people to stay in their homes whether it's for revitalization of neighborhoods or remodeling homes. Could you please run through some of the programs that you do have?

Mr. Farnum said that there is one program (Community Development Block Grant) that helps with bare minimum type of repairs that goes up to \$5,000 in repair costs. There is a T.I.F. program that helps with repairs of the exterior of their homes. They have a couple of other programs with Sherwin Williams for paint for low-income people to purchase paint at a discount and a volunteer painting program with some churches in the area.

Ms. Guio said that they also have a Senior Abatement Program. They also have a 1st Time Homebuyers Program that is open to anyone that qualifies. The program helps with 2% of the down payment costs for first time homebuyers. No one is using this program right now.

Ms. Fauci asked if there were any rooming houses in the Cities?

Ms. Ramp said that there are some single occupancy places in Sycamore.

Mr. Nicklas said that people are very generous here. No one is coming into their offices and saying that they need help. That's where we are now.

Mr. Rosemier mentioned the LIHEAP program, which supplies winterization money for older existing homes.

Chairman Dubin thanked everyone that participated this evening in the discussion on affordable housing. She stated that maybe after reviewing all of the information that the committee has now, possibly an ad hoc committee could be formed including members of both of these committees to work with the cities and towns in the County on this issue.

Ms. Diane Hammon, a local realtor, stated that many realtors are gone now. She has sold only \$1.7 million in housing sales so far this year. But last year she was at \$2.7 million to \$3 million in housing sales. She stated that home prices between \$220,000 to \$500,000 are moving very slowly now in the sales market. Ms. Hammon also mentioned that the market is adjusting itself currently.

Mr. Herb Rubin mentioned that in a 2002 study there were preliminary warnings about all of these problems that are being mentioned here tonight. He suggested setting up a countywide discussion group to discuss this issue. They could look at ways to fix up the older homes in the area, as a suggestion.

Ms. Turner suggested that we need to get back to the basics and educate younger people about buying a home. Explain to them that they can buy a fixer upper and work a little bit to improve it.

Once again, Chairman Dubin and Mr. Rosemier thanked everyone present this evening for a very informative meeting.

ADJOURNMENT

Moved by Mr. Andersen, seconded by Mr. Walt, and it was carried to adjourn the meeting.

Respectively submitted,

Eileen Dubin, Chairman

ED:mcs