

ITEM NO. \_\_\_\_\_

**CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,  
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom  
was Referred a POLICY/WORKSHOP SESSION Requesting  
Direction Regarding Various POLICY ISSUES RELATED to  
AFFORDABLE HOUSING.**

A Policy/Workshop Session was held on Tuesday, January 11, 2005, in the Council Chambers, Room 400, City Hall, 419 Fulton Street, Peoria, Illinois at 6:25 P.M., with Mayor David Ransburg presiding.

**ROLL CALL**

Roll Call showed the following Council Members Present: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11; Absent: None.

Others present: City Manager Randy Oliver, Corporation Counsel Randy Ray, Planning & Growth Management Director Pat Landes, Planning & Growth Management Assistant Director Ross Black, Fire Chief Roy Modglin, Assistant Fire Chief Kent Tomblin, Public Information Officer Alma Brown, City Clerk Mary Haynes, Nancy Schmitt from the City Clerk's Office, interested citizens and members of the media.

**POLICY ISSUES RELATED TO AFFORDABLE HOUSING**

Director of Planning & Growth Management Pat Landes gave an overview of the four items Council requested from a previous Policy Session on Affordable Housing. She said those issues were Employer Assisted Housing Programs, Information on Historical Census Data, the progress of the Affordable Housing Plan, and the analysis of previous policy issues from the October 14, 2004 Policy Session.

Director Landes explained that the State of Illinois had created several programs that created incentives for employers to create an Employer Assisted Housing Program (EAH). She said the State match dollar for dollar, up to \$3,000, assistance to first time homebuyers with income levels at or below 80% of area median. She said in addition to the financial match, the State would provide a \$.50 on the dollar State tax credit, which would provide an income stream for the program.

Director Landes explained that the Historical Census Data charts from 1950 to 2000, and she said the trends showed a large increase in low income families and high income families, but the trends showed a loss of families in the middle income level.

Director Landes reviewed the Affordable Housing Plan of a strong network of neighborhood organizations that covered target areas. She said the umbrella group would identify key neighborhood projects, advocate for capital spending, support community policing efforts, conduct housing code reporting and community building activities.

City Manager Randy Oliver stated the goal was to obtain direction from the City Council on the policy questions in order to bring this back on February 15<sup>th</sup> for a formal Council action. He said the three issues that needed specific direction was as follows: Question #1: Whether Council wanted to get back into the Rental Housing Rehabilitation business, which would dilute money that would be available for home ownership type programs. Question #12: Inclusionary Zoning; and Question #16: Targeted Investment Areas.

Director Landes suggested a fourth issue, Question #4: Employer Assisted Housing, since funds had already been set aside for this program.



Council Member Teplitz stated she would not support a Rental Rehab Program, since the last rental program was a failure. She said she would rather place the focus on increased home ownership. She stated she agreed with the recommendation in Question 16, with the City providing first access to housing programs in Special Assessment Areas, which she stated would show improvement and stabilize the area.

Mayor Ransburg suggested going down the list of the sixteen policy questions that Staff had requested direction:

Clerk's Note: The following were Advisory Votes taken by the Council on the sixteen policy questions.

## **1. RENTAL HOUSING PROGRAMS**

**QUESTION: Should the City provide funds for the rehabilitation and/or new construction of rental units?**

**RECOMMENDATION: The City introduce a pilot rental rehabilitation program to provide matching funds for code compliance rehabilitation.**

Council Member Thetford moved that the City not introduce a pilot rental rehabilitation program to provide matching funds for code compliance rehabilitation; seconded by Council Member Teplitz.

Council Member Sandberg said he could not support the motion because the issue was affordable housing not neighborhood stabilization. He said the efforts of neighborhood stabilization to bring back marketability in the older neighborhoods was a totally different purpose and goal from providing affordable housing. He said the City should be providing safe affordable housing.

Council Member Gulley pointed out the rental program would also include new construction rental units. He said he would like Council to consider not just fixing up older structures, but a program for new construction.

Council Member Spears questioned if construction would be like Riverwest, Sterling Towers, Senior Living, and rental rehab around the City. He said he didn't want to rule anything out, because of Federal Funding. He said the question was where could this program go, and would it be to rehab old houses, rebuild different areas, or could this be used to get money back from HUD.

Director Landes said it could take any form, multi-family, single family, elderly; she said the Council needed to decide what needs they would want to address. She said the base question would Council have an interest in this type of program. She said they needed program design guidelines.

Council Member Ardis said he didn't really know if the City wanted to get back in the rental business.

Council Member Nichting inquired about the funds that were available for these programs.

Director Landes stated there would be about \$1.1 million that would be available in 2005, and she said there was an additional \$1 million in the Housing Development Fund unused from last year.

Mayor Ransburg said the \$1.1 million was an on-going fund and the other million was a capital availability fund.



Council Member Thetford reminded the Council that the motion was not to introduce a pilot rental rehabilitation program to provide matching funds for code compliance rehabilitation. She stated it had nothing to do with new construction. She said there would be a reduction in funds allocated for home ownership and assistance programs, if they got back into the rental rehab program.

Motion that the City not introduce a pilot rental rehabilitation program to provide matching funds for code compliance rehabilitation was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None

## **2. OWNER OCCUPIED WHOLE HOUSE REHABILITATION PROGRAM**

**QUESTION: Should the City re-introduce a whole house rehabilitation program for owner occupied properties?**

**RECOMMENDATION: The City re-introduce the HILP program in 2004, available only in the focus areas, with a maximum cap of \$15,000 for general rehab and an additional \$5,000 for lead-based paint rehab. The total investment could not exceed 50% of the assessed value of the property.**

Council Member Thetford stated this program had been successful. She said the program was important to the neighborhoods, and she appreciated the parameters that had been established. She said the program was suspended due to Federal Regulations on lead-based paint.

Council Member Thetford moved that the City re-introduce the HILP program, available only in the focus areas, with a maximum cap of \$15,000 for general rehab and an additional \$5,000 for lead-based paint rehab; the total investment could not exceed 50% of the assessed value of the property; seconded by Council Member Teplitz.

Council Member Nichting stated his concern regarded the 50% of assessed value, and he questioned how much money would be invested if there were no return.

Assistant Director Ross Black stated the test to determine assessed value was to judge whether the property was beyond investment limits.

Council Member Sandberg said he could not support the motion because it did not deal with affordable housing issues.

Council Member Thetford stated the thread throughout a number of the recommendations was 50% of the total assessed value of the property test. She said the City limited its investment regardless of the type of programs to 50%. She said this was an effort to establish parameters for the use of these funds. She said the homeowner could access other funds from another sources, but the City's investment was not to exceed 50%.

Council Member Nichting concurred with Council Member Sandberg about policies providing neighborhood stabilization instead of affordable housing. He said neighborhood stabilization was contrary to affordable housing.



Director Landes stated when saying affordable housing people think of subsidized housing. She said there was a misunderstanding of the term affordable housing and maybe it should be changed to workforce housing. She said these programs were for people who had income streams and were employed or retired and/or had a pension or social security. She said none of these issues dealt with subsidized housing.

Motion to approve the recommendation that the City re-introduce the HILP program, available only in the focus areas, with a maximum cap of \$15,000 for general rehab and an additional \$5,000 for lead-based paint rehab; the total investment could not exceed 50% of the assessed value of the property was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.

### **3. HOMEBUYER PROGRAMS**

**QUESTION: The City increase funding for downpayment assistance?**

**RECOMMENDATION: The City allocate \$50,000 in HUD HOME funds for downpayment programming during 2005.**

Council Member Teplitz moved to approve the recommendation that the City allocate \$50,000 in HUD HOME funds for downpayment programming during 2005; seconded by Council Member Thetford.

Council Member Nichting inquired if there was a million dollars set aside to leverage funds, and if \$50,000 was an appropriate allocation for trading additional assistance for first time home ownership or should it be a larger amount.

Assistant Director Black said the \$50,000 was the dollar amount received in ADDI Funds during 2004. He said they could probably use more than \$50,000 because of the market for home ownership. He said the \$50,000 was part of the \$1.1 million of Home Funds that was received on an annual business.

Council Member Nichting suggested discussing what programs were available and how much to allocate each. He said \$50,000 was good but, if it was being utilized and was a successful program, maybe the amount should be increased.

Council Member Sandberg was concerned about the impact of rehabilitation for owner occupied properties and the funds being reduced to assist them.

It was determined in discussion that the amount would not be locked in at \$50,000 and a funding plan would come back.

Director Landes explained that of the money received on an annual basis, the \$50,000 would come out of the \$380,000 for owner rehab, if that was the Council's decision. She said the million dollars sitting in the housing investment fund did not have to go to one entity. She said, if it was taken out of the capital budget for this year's allocation, it would take it away from conducting owner occupied rehab.

Council Member Gulley suggested a variety of funding programs for both rehab and new construction projects.



Motion to approve the recommendation that the City allocate \$50,000 in HUD HOME funds for downpayment programming during 2005 was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

#### **4. EMPLOYER ASSISTED HOUSING (EAH)**

**QUESTION: What should the guidelines be for a City Employer Assisted Housing Program?**

**RECOMMENDATIONS:**

- **Employee must be a first time homebuyer.**
- **Employee must complete a homebuyer training course.**
- **Employee must have completed their probationary period.**
- **Employee households income must be less than 120% of area median.**
- **Property must meet minimum City housing code prior to closing.**
- **Property must be the principle residence of the employee.**
- **Employees can receive up to \$3,000 in assistance for a home purchased anywhere in Peoria.**
- **Employees can receive up to \$5,000 in assistance for a home purchased within a low-moderate income Census Block Group.**
- **Assistance will be structured as a forgivable loan, forgiven at \$1,000 per year. Any repayment will be calculated on a prorated monthly basis.**
- **The employee must remain employed with the City throughout the repayment period.**
- **The employee must maintain the property as their principle residential housing throughout the repayment period.**
- **The property must be kept at minimum City code throughout the repayment period.**
- **The employee must bring at least 2% of their own funds to downpayment.**
- **The City and the employee will take advantage of any funds that are available through the State Employer Assisted Housing Program.**

Council Member Teplitz moved to concur with the recommendations for the Employer Assisted Housing Program as put forth by the Administration; seconded by Council Member Thetford.

Council Member Sandberg disagreed with some of the recommendations. He said he didn't think the employee should have to be a first time homebuyer or complete a homebuyer training course. He said he disagreed with the probationary period and said he thought the City should offer incentives for people to move into older neighborhoods that had a higher percentage of homes that didn't meet City code and to encourage rehabilitation for a good investment.

Director Landes stated that some of the requirements were required by the State of Illinois in order to get the matching money and tax credits for a first time homebuyer. She said the first time homebuyer training course were required. She stated this program would be for any employee, not just new employees. She said some of the recommendations could be changed, but it might prevent the City from getting State money. She said the funds that the Council allocated for this program were corporate funds, so it would not be subject to Federal regulations.

Council Member Sandberg said the State was looking at the 50% median income, and he did not want to limit people from coming into the older parts of Peoria by the 50% of the median income. He said programs should be offered that gave assistance and incentives for people over the 50% median income.



Director Landes stated there could be a City employee whose family income was approximately \$70,000 for a family of four, and still be eligible for the program. She said the income limits were increased to \$120,000, and she said Council Member Sandberg had a good point about repopulating with working families.

Council Member Thetford stated it was important to leverage the State matching funds and tax credits. She stated since there were some requirements by the State, she thought they should be part of the parameters. She said training courses were encouraged to eliminate some of the problems in the older neighborhoods. She said she agreed with Council Member Sandberg on the one requirement that an employee must complete the probationary period. She said she felt it would be unfair to the person just getting a job with the City and being new to the area, and would not be able to purchase a home right away through this program. She stated since probationary periods differed by positions, it placed some employees at a disadvantage.

Director Landes stated the program could be redesigned since employees had different probationary periods.

Council Member Thetford said she agreed with the program and the overall recommendations, but she requested the maker of the motion to delete the requirement that employees must complete their probationary period.

Council Member Teplitz said she accepted the friendly amendment to delete the requirement that employees must complete their probationary period.

Council Member Nichting stated he felt the probationary period was important, he said home loans were not usually given out to someone who had just been employed for a short period of time.

Council Member Gulley requested the recommendation list be divided to show State regulations versus City regulations.

Assistant Director Black stated when this program was brought back to the Council for approval, the list could show State requirements in order to get the matching funds and tax credits, and which requirements were local requirements.

Council Member Spears questioned the recommendation that the property must be kept at minimum City code throughout the repayment period. He asked if an employee wanted to buy a home to fix up, would this enable them to purchase this type of home. He asked what was meant by the minimum standard.

Assistant Director Black stated it meant the City's Property Maintenance Code, which included peeling paint. He said the concern was using City funds to purchase property that would not meet City code but would be a real fixer-upper and using the assistance to bring the property up to code.

Council Member Spears said he wished these issues could be revisited in the future, because he would like to see a person buy a fixer-upper and revitalize these older neighborhoods.

Director Landes stated this would be explored and brought back with alternatives.

Motion to concur with the recommendations for the Employer Assisted Housing Program as put forth by the Administration, as amended to delete the requirement that employees must complete their probationary period was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.



## 5. HOME OWNERSHIP TRAINING

**QUESTION:** Should the City offer home ownership training?

**RECOMMENDATION:** The City function as a partner with the various organizations that are already offering home ownership counseling in Peoria.

Director Landes stated this policy was not a budget issue, but felt it was important to partner with other organizations for home ownership counseling.

Council Member Thetford moved to accept the recommendation that the City function as a partner with various organizations that were already offering home ownership counseling in Peoria; seconded by Council Member Gulley.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.

## 6. TERMS OF CITY HOUSING PROGRAMS

**QUESTION:** Should the City change the current repayment terms associated with housing programs?

**RECOMMENDATION:** The City introduce the following repayment terms for all City programs with the exception of homebuyer programs:

- Elderly (65+) or permanently disabled – 100% grant
- Household incomes <50% area median – 50/50 loan/grant
- Household incomes >50% - 80% area median – 100% loan
- Loan terms would be set at 5 or 10 years depending upon the total loan amount. All loans would be set at 0% interest.

Council Member Thetford inquired if a person over 65, regardless of income, could receive a 100% grant or were there income guidelines.

Assistant Director Black stated they would have to meet HUD's income qualifications and they would have to fall below the 80% of area median, if it was a program using Federal funds.

Council Member Thetford inquired if the homes were sold, would there be any repayment requirements.

Assistant Director Black stated, during the affordability period, there would be a mortgage placed on the property and total amount loaned would be prorated over that time period, but if the person sold the house, they would have to repay the prorated amount remaining on the loan or grant. He said there were different guidelines for different programs but whether a grant or loan, they all had repayment provisions.

Council Member Thetford moved to accept the recommendation of Staff to make uniform the terms of City housing programs along the line as outlined; seconded by Council Member Turner.

Council Member Sandberg stated he was concerned about the elderly on fixed incomes who had to move because they couldn't afford their house. He questioned if the City would pursue repayment of a loan or grant from the estate of an elderly person who had passed away. He said he could not support the recommendation because this was not discussion about what the City of Peoria should be doing with regards to affordable housing.



Motion to accept the recommendation of Staff to make uniform the terms of City housing programs along the line as outlined was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.

## **7. TERMS OF NON-CITY MANAGED HOUSING PROGRAMS**

**QUESTION:** Should the City standardize the terms of non-City managed housing programs?

**RECOMMENDATION:** City administration enter into discussions with subrecipients in order to standardize programming for the 2006 program year.

Council Member Teplitz moved to accept the recommendation that the City administration enter into discussions with subrecipients in order to standardize programming in the 2006 program year; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.

## **8. ASSESSED VALUE BASED INVESTMENT TEST**

**QUESTION:** Should the City restrict the total investment based upon the assess value of the property?

**RECOMMENDATION:** The total City investment in a property should not exceed 50% of the total assessed value of the property.

Mayor Ransburg clarified that the market value was determined by the assessed valuation.

Council Member Thetford moved that the City investment in a property should not exceed 50% of the total market value assumed by assessed value as calculated by the Tax Assessor; seconded by Council Member Turner.

Council Member Spears questioned, if a house or property had a significant value to the rest of a neighborhood, but had deteriorated to a point where the assessed valuation had gone down, would there be any exceptions to exceed the 50%.

Direction Landes said the test would be applied to all properties and there wouldn't be an exception. She said this point had been discussed by neighborhood groups, and occasionally there was a property that was key to turning a block or neighborhood around. She said there had been some rules through the NDC addressing the issues of what percentage would go into home rehabilitation. She said, if the Council wished to address this further, it could be brought back.

Council Member Thetford stated that there were other sources of funds besides the City and they both could be used.

Motion that the City investment in a property should not exceed 50% of the total market value assumed by assessed value as calculated by the Tax Assessor was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 10;

Nays: Sandberg – 1.



## **9. MAXIMUM INVESTMENT PER PROPERTY**

**QUESTION:** Should the City cap the maximum investment in each assisted property?

**RECOMMENDATION:**

- The City retain the program based maximum investments based upon an average cost for the type of work being completed.
- If the City begins to offer a whole house rehabilitation program, a down payment assistance program, or a rental rehabilitation program, an assessed value investment based test should be applied.

Council Member Teplitz moved to accept the recommendation of the Administration that the City retain the program based maximum investments based upon an average cost for the type of work being completed; and if the City begins to offer a whole house rehabilitation program, a down payment assistance program or a rental rehabilitation program, an assessed value investment based test should be applied; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

Council Member Nichting questioned if the recommendation included the rental rehab program.

Council Member Teplitz thanked Council Member Nichting for bringing that to her attention, and she said she intended to delete the rental rehabilitation program portion of the recommendation.

Following a brief discussion, Council Member Teplitz moved to reconsider the motion to accept the recommendation of the Administration as outlined; seconded by Council Member Turner.

Motion to reconsider was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

Council Member Teplitz moved to accept the recommendation of the Administration that the City retain the program based maximum investments based upon an average cost for the type of work being completed; and if the City begins to offer a whole house rehabilitation program, a down payment assistance program or a rental rehabilitation program, an assessed value investment based test should be applied, but delete the phrase “or a rental rehabilitation program;” seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

## **10. MAXIMUM VALUE OF PROPERTY ASSISTED**

**QUESTION:** Should the City restrict the maximum unit value of assisted property?

**RECOMMENDATION:**

- The City should further restrict the maximum after assistance value of properties only if it is necessary to accomplish the specific program goals (targeting certain properties)



- **The City should apply an assessed value investment based test to the use of City funds on any whole house rehabilitation and rental rehabilitation programs.**

Council Member Teplitz moved that the City should further restrict the maximum after assistance value of properties only if it is necessary to accomplish the specific program goals (targeting certain properties) and the City should apply an assessed value investment based test to the use of City funds on any whole house rehabilitation and rental rehabilitation programs be approved with the exception of the phrase “and rental rehabilitation programs”; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

## **11. CITY AS JUNIOR OR SENIOR LENDER**

**QUESTION:** Should the City provide the majority of funds for individual housing projects?

### **RECOMMENDATION:**

- **The City provide majority funding for only owner occupied rehabilitation.**
- **Rental programming, new construction, and homebuyer programming should be designed to leverage more than 50% of the total cost from non-City sources.**

Council Member Thetford moved that the City provide majority funding for only owner occupied rehabilitation and new construction, and homebuyer programming should be designed to leverage more than 50% of the total cost from non-City sources; seconded by Council Member Turner.

After discussion on funding sources, City Manager Randy Oliver explained that no more than 50% of City money would be used so that the City money could be leveraged to the fullest extent. He said the funds could be private or other Federal dollars coming from other agencies.

Council Member Nichting stated he felt there should be some private dollars to show a commitment of ownership. He said if someone were getting a mortgage there, would be equity from day one, but with a City or Federal grant there would not be any equity.

Council Member Teplitz said she felt the way the motion was phased was sufficient and would instruct the Administration to explore the question and bring recommendations on funding. She said she did not feel private funding was being excluded.

Director Landes said this was an issue they would like to explore if Council so desired. She said, for example, if someone was providing downpayment assistance and they were getting an FHA insured mortgage or the first time homebuyer program through a private lender, it would have an impact on that.

Council Member Thetford restated the motion to approve that the City provide majority funding for only owner occupied rehabilitation, but amend the motion to send the portion regarding new construction, homebuyer programming designed to leverage more than 50% of the total cost from non-City sources back to Staff for review; seconded by Council Member Turner.

Approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.



## 12. INCLUSIONARY ZONING

**QUESTION:** Should the City institute an inclusionary zoning requirement for all new residential development?

**RECOMMENDATION:** The City Council direct the Planning Commission to study and bring back a recommendation on inclusionary zoning.

City Manager Oliver said the recommendation was to direct the Planning Commission to study and bring back a recommendation, and this would be only valid if the Council wanted this considered. He said, if the policy decision was not to consider this, he suggested eliminating this now because this would take a considerable amount of Staff time and Legal time to determine what was legally available and what should be done legally.

Assistant Director Black explained that inclusionary zoning was the requirement that would be placed upon new residential construction and the number of units in the new development and the average cost of new development. He said the requirement would be to set aside a certain number of units as affordable. He said in exchange for the inclusionary zoning, the developer would receive some type of incentive.

Council Member Nichting moved that the City Council direct the Planning Commission to study and bring back a recommendation on inclusionary zoning be eliminated; seconded by Council Member Grayeb.

Council Member Gulley moved to grant Privilege of the Floor to Mr. Joe Richey who wanted to speak about this part of the Affordable Housing Plan.

Hearing no objections, Mayor Ransburg granted Privilege of the Floor to Mr. Joe Richey.

Mr. Joe Richey, 1506 S.W. Washington Street, said as a business owner he was concerned that the concentration of the Affordable Housing Plan could have a negative impact on the quality of life and housing values. He said where his business was located there were many vacate houses which showed great opportunity to develop a mixed income neighborhood.

Council Member Gulley stated that in some cities Affordable Housing could not be identified. He said the City of Peoria had areas that were noted for Affordable Housing. He said he would like to see it spread out through the communities.

Council Member Sandberg stated he would not support the motion. He said it was stated that healthy cities and healthy neighborhoods should have a broad spectrum of housing. He said the broader based housing opportunities throughout the community should be available for all social economic areas.

Council Member Teplitz stated she would not be supporting the motion. She said she felt this was moving in the right direction with mixed income housing all over the City. She said she felt the concept of inclusionary zoning should be explored.

Council Member Grayeb stated he could not imagine what the reaction of the private developer would be if government put mandates on construction. He said to say there would be a certain percentage of all new construction in the City of Peoria set aside as affordable, and developers would be provided an incentive, went beyond what was an appropriate function of City government. He said he did not think this was a wise thing to do and would pass on inclusionary zoning.



Council Member Sandberg explained that the City offered incentives to the developer such as a density bonus or reduction in fees in exchange for the affordable units.

Council Member Grayeb responded that the issue before the Council stated that inclusionary zoning required that a percentage of all new construction be set aside as affordable.

Council Member Morris moved for a substitute motion to direct Staff to work with the Planning Commission to bring back recommendations for incentives on inclusionary zoning; seconded by Council Member Gulley.

After a discussion was held regarding whether the issues were incentives or requirements, Council Member Morris amended his motion to direct Staff to work with the Planning Commission to bring back recommendations for incentives on inclusionary zoning, but not as a requirement; seconded by Council Member Gulley.

Motion, as amended, was approved by roll call vote.

Yeas: Gulley, Morris, Sandberg, Spears, Teplitz, Thetford, Mayor Ransburg – 7;

Nays: Ardis, Grayeb, Nichting, Turner – 4.

### **13. CORPORATE FUNDS OF HOUSING PROGRAMS**

**QUESTION: Should the City provide non-federal funds for housing programs?**

**RECOMMENDATION: The City Council direct the administration to explore and bring back recommendations on the possibility of corporate funds and/or tax abatement/reduction of permit costs, etc. as non-federal investments in housing programming.**

Council Member Teplitz moved to support the recommendation that the City Council direct the administration to explore and bring back recommendations on the possibility of corporate funds and/or tax abatement/reduction of permit costs, etc. as non-federal investments in housing programming; seconded Council Member Ardis.

Approved by roll call vote.

Yeas: Ardis, Gulley, Morris, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 9;

Nays: Grayeb, Nichting – 2.

### **14. SATURATION TEST FOR NEIGHBORHOODS**

**QUESTION: Should the City develop a saturation test for the investment of City housing funds in order to establish a “healthy balance” of housing values, housing types, and income levels within any one neighborhood?**

**RECOMMENDATION: The City Council direct the Legal Department to study the legal standing on a Saturation Test and bring back a report to the City Council.**

Council Member Thetford said she had serious concerns regarding this issue. She said the Saturation Test maybe in violation of the Fair Housing Act.

Council Member Thetford moved not to accept the recommendation of Staff; seconded by Council Member Teplitz.

Motion not to accept recommendations was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.



## **15. HOUSING QUALITY ISSUES**

**QUESTION:** Should the City continue to develop more aggressive property maintenance codes?

**RECOMMENDATION:** The City Council direct the Housing Commission to examine more aggressive property maintenance codes and bring back a recommendation to the City Council.

Council Member Grayeb moved to accept the recommendation that the City Council direct the Housing commission to examine more aggressive property maintenance codes and bring back a recommendation to the City Council; seconded by Council Member Gulley.

Council Member Sandberg stated his confusion was not over aggressive property maintenance codes, but the relationship to affordable housing.

Council Member Grayeb stated he did not feel it was a cross purpose, because if affordable housing was being promoted in the City, and he said as one Councilperson said earlier, there needed to be an understanding of how to maintain property. He said this would allow for a correction to be made for what had been promoted in terms of affordable housing and to make sure it is not damaging to the neighborhoods. He said he saw this as a corollary of affordable housing discussion.

Motion to accept the recommendation was approved by roll call vote.

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Teplitz, Thetford, Turner, Mayor  
Ransburg – 9;

Nays: Sandberg, Spears – 2.

## **16. TARGETED INVESTMENT AREA**

**QUESTION:** Should the City target housing assistance programs in small focus areas?

**RECOMMENDATION:** The City provide first access to its housing programs to residents, in the Special Assessment Areas each year. (With the exception of the Emergency Program and any downpayment program.)

Council Member Teplitz moved to accept the recommendation that the City provide first access to its housing programs to residents, in the Special Assessment Areas each year. (With the exception of the Emergency Program and any downpayment program.); seconded by Council Member Gulley.

Council Member Sandberg stated he had a concern about the Special Assessment Areas.

Assistant Director Black said the Special Assessment Areas had at least a 51% resident participation level and infrastructure work would proceed at the same time as housing work and the areas were usually limited in size.

Council Member Thetford stated she was concerned about a fairness issue and said she could not support the motion.

Council Member Thetford moved for a substitute motion to direct Staff to identify some other ways to identify areas to mass these program funds, rather than Special Assessment; seconded by Council Member Sandberg.



Council Member Teplitz said the change was dramatic and a good way to maximize the investment in areas where a Special Assessment project had been done.

The substitute motion to direct Staff to identify some other ways to identify areas to mass these program funds rather than Special Assessment was approved by roll call vote.

Yeas: Ardis, Gulley, Morris, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 9;

Nays: Grayeb, Nichting – 2.

### **ADJOURNMENT**

Council Member Nichting moved to close the Policy/Workshop Session regarding policy issues related to Affordable Housing; seconded by Council Member Morris.

Approved by roll call vote

Yeas: Ardis, Grayeb, Gulley, Morris, Nichting, Sandberg, Spears, Teplitz, Thetford, Turner, Mayor Ransburg – 11;

Nays: None.

The Policy/Workshop Session adjourned at 9:45 P.M.

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Mary L. Haynes, MMC  
City Clerk, Peoria, Illinois

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