CITY OF Bloomington ILLINOIS

MINUTES
COMMITTEE OF THE WHOLE - REGULAR SESSION
TUESDAY, JANUARY 21, 2024, 6:00 P.M.

The Committee of the Whole convened in regular session in the Government Center Boardroom at 6:00 P.M. Mayor Mboka Mwilambwe called the meeting to order.

Roll Call

Attendee Name	Title	Status
Mboka Mwilambwe	Mayor	Present
Jenna Kearns	Council Member, Ward 1	Present
Vacant	Council Member, Ward 2	*Vacant*
Sheila Montney	Council Member, Ward 3	Present
John Danenberger	Council Member, Ward 4	Present
Nick Becker	Council Member, Ward 5	Present
Cody Hendricks	Council Member, Ward 6	Present
Mollie Ward	Council Member, Ward 7	Present
Kent Lee	Council Member, Ward 8	Present
Tom Crumpler	Council Member, Ward 9	Remote, 6:02 P.M.

Remote Participation

Council Member Montney made a motion, seconded by Council Member Danenberger, to allow Council Member Crumpler to attend the meeting remotely due to illness.

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Kearns, Montney, Danenberger, Becker, Hendricks, Ward, Lee

Motion carried.

Council Member Crumpler joined the meeting at 6:02 P.M.

Public Comment

No public comment was received.

Consent Agenda

Items listed on the Consent Agenda are approved with one motion; Items pulled by Council from the Consent Agenda for discussion are listed and voted on separately.

Council Member Ward made a motion, seconded by Council Member Hendricks, to approve the Consent Agenda as presented.

Item 4.A. Consideration and Action to Approve the Minutes of the September 16, 2024, Regular Committee of the Whole Meeting, as requested by the City Clerk Department. *(Recommended Motion: That the minutes be approved.)*

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Kearns, Montney, Danenberger, Becker, Hendricks, Ward, Lee, Crumpler

Motion carried.

Regular Agenda

The following item was presented:

Item 5.A. Presentation and Update on Recent Community Housing Data, as requested by the Administration Department.

Senior Deputy City Manager Billy Tyus introduced the Item.

Tracy Patkunas, President of the Mid-Illinois Realtors Association ("MIRA"), provided an update on Bloomington-Normal's current housing market. She reported that home sales had only increased 0.5% in the past year with the average sale price for homes increasing by 7.7% and the average price for new construction increasing by 9.3%. Ms. Patkunas noted local housing inventory being extremely low with only 99 active listings. She emphasized the need for more housing options in the community.

Patrick Hoban, Bloomington-Normal Economic Development Council Representative, presented an analysis of economic development and employment trends in the Bloomington-Normal area. He highlighted recent major business investments and job creation noting that a significant portion of the new jobs were filled by workers commuting to the community. Mr. Hoban expressed concern about not being able to keep jobs with individuals in the community. He stressed the need for more affordable housing options to attract and allow workers to live local.

Council Member Ward asked that the presentations given be provided to Council.

Council Member Montney confirmed with Sr. Manager Tyus that the City had approved at least 1,500 new housing units in recent years. She mentioned that construction had been primarily held up due to high construction costs. She then asked Mr. Hoban about other challenges or bottlenecks for developers he might be aware of. Mr. Hoban shared that he'd heard most about return on investment. He attributed the higher return to more attractive incentives or financing options available in neighboring communities that offset the construction costs.

Council Member Becker asked Mr. Hoban to provide more detail about the return on investment that was making neighboring communities more attractive for developers. Mr. Hoban explained that other communities often used tools like TIF (Tax Increment Financing) funding or Cities acted as banks themselves enabling higher guaranteed returns, around 9%, compared to the 6-7% achievable in Bloomington-Normal. He offered to provide incentive packages examples used in other communities when interested.

Council Member Montney asked Mr. Hoban about his observations on higher-priced homes staying on the market longer in Bloomington-Normal. Mr. Hoban agreed it was a problem.

Council Member Ward asked what was needed more, single-family houses or rentals. Ms. Patkunas shared that Bloomington needed both. Mr. Hoban recommended developers focus on rentals for manufacturing job and also mentioned empty nesters who may want to downsize. The two then discussed the need for market rate and affordable housing across the board.

Council Member Montney asked about ideal monthly expenses for housing. Mr. Hoban stated that $1,200-$1,500/month should be the target. They then discussed the need for affordable starter homes and how multi-family housing would be the best option.

Council Member Crumpler expressed concerns about recent graduates and talent being able to remain in Bloomington.

Mayor Mwilambwe asked Mr. Hoban about the process for determining the appropriate level of financial incentives, and Mr. Hoban explained that the incentives would be vetted and monitored by experienced professionals to ensure they were not exceeding what was necessary to make the projects more financially viable. Mr. Hoban also noted that providing incentives would not represent a loss of revenue for the City, as the development projects were not currently happening without the incentives.

The following item was presented:

Item 5.B. Presentation on the Bloomington-Normal Community Land Trust, as requested by the Administration Department.

Mark Adams, Bloomington Normal Community Land Trust ("BNCLT") President, a new non-profit organization serving the community, introduced Georgene Chissel, Vice President, and Noah Tang, Board Member.

Ms. Chissel presented on BNCLT's mission, vision, and values.

Mr. Adams explained that the BNCLT was not looking to acquire a significant portion of the area, but rather aimed to maintain a modest portfolio of around 50-75 properties. He stated that even having one community land trust ("CLT") home ready and available for a qualifying homebuyer per year would be considered a significant accomplishment for the organization. He emphasized that the CLT model focused on removing homes from the speculative market and providing 99-year ground leases to maintain long-term affordability. He went on to state that the BNCLT was prioritizing environmental solutions (solar panels, flood mitigation systems, etc.), as well as establishing a volunteer "Community Home Improvement Project Squad" to assist CLT homeowners and elderly/disabled residents with home maintenance and repairs.

Ms. Chissel shared two examples of how their Project Squad had already helped two elderly/disabled residents in the community.

Mr. Adams presented BNCLT's budget, with a goal of raising funding by the end of the year to cover the renovation costs of their first CLT home. He explained BNCLT was taking a conservative approach aiming to raise $54,000 before acquiring the first property.

Council Member Becker expressed concern about the financial sustainability of CLTs, noting research indicated they typically required a portfolio of 150-200 homes to be self-sustaining. Mr. Adams acknowledged the challenge and explained BNCLT had consulted with experts to develop a plan for gradually growing its portfolio to achieve long-term financial stability. Mr. Tang noted that more successful and financial independent CLTs also have rentals.

Council Member Ward inquired about BNCLT's plans for utilizing donated vacant land. Mr. Adams explained that they were partnering with organizations like Habitat for Humanity to develop affordable housing on donated land while retaining ownership of the land itself through the CLT model. Mr. Adams stated that BNCLT was open to partnerships, including faith-based organizations, to further its mission of providing affordable housing options.

Council Member Montney inquired about BNCLT's research into the potential impact on property tax revenues. Mr. Adams agreed it was a challenge as CLT homes were typically assessed below-market values to maintain affordability. He then explained that BNCLT was working to ensure a consistent interpretation of the state property tax code to mitigate the impact, and recognized there would likely be a reduction in tax revenue compared to market-rate housing. Mr. Tang noted BNCLT would focus on homes that were already tax delinquent.

The following item was presented:

Item 5.C. Presentation and Discussion on Potential Housing Incentive and Initiatives, as requested by the Administration Department.

Sr. Deputy City Manager Tyus acknowledged the housing shortage and affordability challenges facing the community. He stressed it as a priority issue for the City. He explained that the City had contracted with a consulting firm to review the Zoning Code and identify areas that could be modified to enable more "missing middle" housing types, such as duplexes and accessory dwelling units. Sr. Manager Tyus also discussed the City's efforts to streamline review processes and create more developer confidence through measures like self-certification of architects and engineers. He then discussed a standardized City incentive program staff were proposing that would offer developers various benefits, including 75% of the City’s TIF increment for eligible costs, 50-100% fee waivers, sales tax abatement on construction materials, and a density bonus for affordable housing projects. He noted the goal of the program would be to provide developers with more certainty and reduce financial barriers for housing development without the City directly financing projects. He shared the proposed incentives were similar to other communities.

Kelly Pfeifer, Development Services Director, provided discussed fees associated with new construction in detail. She presented two scenarios for each development type - one with a 100% discount on the City's fees, and another with a 50% discount, showing the potential savings for the developer if the City had developer incentives available.

Council Member Ward and Sr. Manager Tyus discussed how a developer could receive a one-time tax waiver up to a certain dollar amount to assist in bringing down construction costs.

Mayor Mwilambwe noted the City did something similar for the restaurant Egg Republic.

Council Member Ward expressed support for a standardized incentive program.

Council Member Montney expressed concern about the potential impact sales tax rebates could have on existing businesses. Sr. Manager Tyus clarified that the rebates would only be tied to housing developments that included affordable units, not retail or restaurants. He explained that the intent was to incentivize new affordable housing, not to unfairly disadvantage existing businesses. He noted there being both business closures and openings in the Downtown area recently and emphasized the importance of balancing support for new development while maintaining the viability of existing businesses.

Council Member Hendricks expressed support for a standardized incentive package and asked if it would still allow for further discussions between the City and developers. Sr. Manager Tyus confirmed that standardized incentives would be the starting point and that additional discussions between the City and developers would still occur.

Mayor Mwilambwe and Sr. Manager Tyus discussed how staff had developed the proposed incentives, as well as the vetting process.

Sr. Manager Tyus asked Council about proposed fee reductions of either 50% or 100%, and whether they would support the standardized incentive program as presented. Council requested more detailed financial information on the potential impacts of the fee reductions before providing a definitive response. Sr. Manager Tyus stated that staff would provide Council with more detailed information before the next Committee of the Whole meeting.

City Manager's Report

Sr. Manager Tyus highlighted the significant attendance and increased ticket sales at recent Bloomington Bison Hockey games. He then recognized Lieutenant James Clesson, Lieutenant Rick Balletto, Lieutenant Robert Kosack, and Sergeant James Smith for graduating from Northwestern University's Center for Public Safety Program.

Executive Session

No Executive Session was held.

Adjournment

Council Member Hendricks made a motion, seconded by Council Member Montney, to adjourn the meeting.

Mayor Mwilambwe directed the Clerk to call roll:

AYES: Kearns, Montney, Danenberger, Becker, Hendricks, Ward, Lee, Crumpler

Motion carried (viva voce).

The meeting adjourned at 8:09 P.M.

CITY OF BLOOMINGTON

Mboka Mwilambwe

Mboka Mwilambwe, Mayor

ATTEST

Amanda Stutsman

Amanda Stutsman, Deputy City Clerk

CITY OF BLOOMINGTON ESTABLISHED 1850