

**VILLAGE OF CHANNAHON BOARD OF TRUSTEES
AND CHANNAHON PLANNING AND ZONING COMMISSION BOARD
SPECIAL JOINT MEETING AGENDA
September 30, 2013**

Village President Joe Cook called the meeting to order at 6:00 p.m. with Trustees Slocum, Militello, McMillin, Schumacher, Scaggs and Greco present.

Also present were Village Administrator Joe Pena, Director of Public Works Ed Dolezal and Director of Community Development Mike McMahan.

Present from the Planning and Zoning Commission Board were Karen Ciarlette, Jeff Simon, Casey McCollom, James Proffitt, Phil Loizon and Chantal Host.

PRESENTATION – NEW SINGLE FAMILY CONSTRUCTION

Chris Hueksteadt with Metrostudy was present to talk about the current regional housing aspects and how it ties in with Channahon. Jobs create housing demand. When new jobs are created it creates housing demand. Job formations have been lacking in the past few months. There has been a very healthy resale market. Demand is up and inventories are low. Resale activity in Channahon has doubled in the past two years/up one hundred percent. This had driven up the prices of homes. Home prices are up twelve percent compared to last month and thirteen percent compared to last year. Currently there are fifteen hundred subdivisions in the Chicagoland area with vacant lot development inventory. New home inventories are at a very low level. Under construction inventory is up from a few years ago which is a good sign that the market is beginning to expand.

Ninety percent of the housing market evaporated in about 2 or 3 years starting back around 5 to 6 years ago. Will County's housing market is starting to expand. The biggest challenge facing the home building community and city and village municipalities is the abundance of lot inventory in the areas. If we keep building homes at the current pace it would take 10 to 15 years to absorb the entire lot inventory.

Channahon has the same number of lot inventory today as it did at the peak of the market. Lot inventory is not the issue. It is the lack of housing demand. Majority of the lot inventory is for single family detached housing both regionally and in this particular area. New lot development activity is practically nonexistent.

Will County and Kendall County are two of the top counties with large numbers of lot inventory. Will County and Kane County account for 40 percent of construction activity in the market place. When we look at Channahon proper, it has 1032 vacant lots on the ground. Within a 10 mile radius there are 5082 lots. Within a 15 miles radius there are 10,000 vacant developed lots. This will be the biggest challenge moving forward with a very competitive environment in developed lot inventory. Builders have been somewhat optimistic. As the market has picked up, builders are out there looking for lot inventory in the market place.

The challenge in Channahon is that there are a large number of lots in subdivisions. Builders seeing a concentration of lots within a community can view it as an opportunity to build in the market place. It would be up to Channahon to decide what kind of builders you want building in your community.

Concentration of building activity is taking place with big production in national home builders who are able to build at a lower cost and make housing more affordable. This generates more housing activity. Bigger numbers are in lower cost housing. A lot of these builders are starting to spread out a little bit, compared to where it was more concentrated to specific areas.

When we look at Demographics, people who are ages 18 to 37 today are going to be needing housing over the next several years in the housing market nationally. Illinois has the highest unemployment, most mortgages under water per capita, with big concern of the economy in the state. If everything continues to grow at the current percentage, in 2015 to 2016 they are forecasting 10, 000 to 15,000 housing starts which could eventually have a percentage reach down to Channahon.

Below is a summary of the questions, concerns, and topics discussed following the presentation: Concerns were raised about what type of housing is needed because the two largest purchasing groups are 18-37 year olds and baby-boomers. These two groups are on different spectrums in regards to needs and wants. The type of housing demand for these two groups is different.

A question was raised as to what other communities have done to get over the belief that to make a community nice you must have large, expensive homes on big lots. Huecksteadt stated he has not found communities to make a change in housing restrictions with exception of taking future sections of town home developments and changing them into small lot single family homes.

A possibility would be to provide information as to what is the median income and what individuals can afford and what we are currently able to offer. Seeing the difference may enlighten individuals to the problem. Incentives may not be the answer. You don't need to give things away. You need to be in the price point to attract buyers. Marketing is the place to go and active building programs in the market place. There is not construction activity; to the home builder there is no place to buy a home. Without a model home, many do not even consider the empty lots because they do not have a builder or a plan.

A comment was made about the individuals who have purchased or built a large, expensive home and their concern that we allow a builder to come in and sell smaller, more affordable housing in the same neighborhood. It is difficult when the existing homes are sprinkled over a vast area of empty lots. These lots are difficult to sell to builders because of the arguments from existing homeowners. Some areas were able to settle their differences by making compromises with the builders and homeowners as to what homes would be built.

What would you suggest for marketing? Need to market to the public that Channahon is open for business in terms of the new home community. We have a fantastic community with parks and recreation, outstanding schools, smaller community, etc. How do you get people excited to come to Channahon? Marketing focusing advertising to the builders and the public. You need

to get the builders there so if the public comes there is something for them. You need to get the community involved as well. Retail and commercial, in general need to be on board and attracted to the area. All aspects need to buy into the group.

We do not have production builders in our community. Do they come into areas and build within an area like Channahon? It is believed they will go anywhere where they can build and sell homes. Having a larger production builder with a marketing campaign can help all the builders in the area. They like to see growth in the market place when they are considering moving into an area.

Channahon needs to agree on what they are trying to market. What we currently have is not marketable. Before putting together a marketing campaign, we need make changes to meet the demand and then market it.

An Ordinance Granting a Variance from certain Provisions of the 2006 International Fire Code and the 2006 International Building Code with Respect to a Special Amusement Building

Trustee Greco made a motion to approve An Ordinance Granting a Variance from certain Provisions of the 2006 International Fire Code and the 2006 International Building Code with Respect to a Special Amusement Building and waiving second read. Seconded by Trustee Militello.

ROLL CALL AYES: Militello, McMillin, Schumacher, Scaggs, Greco, Slocum.

NAYS: NONE

MOTION CARRIED

Trustee Scaggs made a motion to adjourn at 7:37 p.m. Seconded by Trustee Greco.

ROLL CALL AYES: Slocum, Militello, McMillin, Schumacher, Scaggs, Greco.

NAYES: NONE

MOTION CARRIED

**Submitted by
Patricia Perinar
Village Clerk**