

AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
SEPTEMBER 6, 2016
5:00 PM PUBLIC HEARING ON HOUSING REHAB GRANT APPLICATION
6:00 PM REGULAR SESSION

5:00 PM Public Hearing

I. Presentation by SCIRPDC on Grant Application

6:00 PM Regular Meeting

I. Call to Order – 6:00 PM

II. Prayer and Pledge of Allegiance

III. Presentation of Petitions/Public Comments

IV. Mayor's Report and Presentations

V. City Council Action

1. Consent Agenda
 - a. Approval of Minutes – August 18, 2016
 - b. Use of Bryan Park by St. Theresa for Cross Country Events
2. Presentation by Rita Black on behalf of Keep Salem Beautiful
3. Approval of Franchise Agreement with US Sonet
4. Approval of Concept for Boat Dock Replacement at Reservoir
5. Approval of Purchase for Water Meters & Materials for Automated Read Program
6. Approval of Purchase for Water Line Replacement at Pine Tree
7. Adoption of Resolution Supporting Grant Application for Housing Rehab Program
8. Adoption of Resolution Approving Housing Rehab Plan

VI. City Manager Report

VII. City Attorney Report

VIII. Finance Director Report

IX. City Council Report

X. Executive Session

1. **5 ILCS 120/2(c)(5)** – Real Estate (the City Council may move to a different location for this portion of the meeting, no action to be taken.)

XI. Adjournment

Bill Gruen
City Manager

MINUTES
PUBLIC HEARING ON HOUSING REHAB GRANT APPLICATION
SEPTEMBER 6, 2016 – 5:00 PM

PY-2016 Project Application Hearing

After providing due notice in the August 24, 2016 edition of the Salem Times Commoner newspaper, the City of Salem's Mayor, Rex Barbee, called the Project Application Public Hearing to order at approximately 5:00 P.M. on Monday, September 6, 2016. The public hearing was held in the fully accessible City Council Chambers of the Salem City Hall located at 101 South Broadway in Salem, Illinois with several interested individuals, including resident of the proposed project target area, in attendance. Mayor Barbee opened the public hearing and then recognized Mike Shaw of the South Central Illinois Regional Planning and Development Commission that spearheaded the city's preparation of its PY-2016 CDBG Competitive Housing Rehabilitation Grant Application.

Mr. Shaw noted that the purpose of the public hearing was to provide all interested parties (especially those from the proposed project target area) with general information regarding: (1) the amount of CDBG grant funds available to non-metropolitan Illinois local governments; (2) the range of eligible housing rehabilitation program activities which can be undertaken with CDBG resources along with any other non-CDBG resources; (3) the estimated amount of \$360,141.98 in CDBG grant resources targeted as such they will benefit poverty level, very low and low-to-moderate income local residents located within the recently selected East of IL-37 project target area of the city; (4) the city's plans for minimizing and in fact, totally avoiding the involuntary displacement of individuals as a result of the implementation of the proposed PY-2016 CDBG Fund project; and (5) the discussion of the city's community development and housing needs and how the proposed housing rehabilitation assistance program in question will address a portion of such problems. Mr. Shaw also indicated that the public hearing would be used to discuss the city's pending plans to submit a PY-2016 Competitive Housing Rehabilitation Grant Application for consideration by the Illinois Department of Commerce and Economic Opportunity (DCEO).

Mr. Shaw noted that, for the program year 2016 funding period, the State of Illinois, through DCEO, expects to receive some \$26,552,917 in Federal Community Development Block Grant funds, which in part will be

made available in the form of grants to qualifying non-metropolitan general purpose units of government (villages, cities, townships and counties) throughout rural Illinois. Mr. Shaw noted that the state's sizable allocation of such federal funds under the CDBG program was further subdivided into several components.

Each program component has a maximum funding level or grant ceiling. While grant ceilings establish the upper limits that may be requested, individual grants are invited only in amounts commensurate with the requirements of the proposed project. Fund availability is established upon receiving the federal allotment for the program year. This year's Housing Rehabilitation component will be allotted \$6,750,000.

For example, Mr. Shaw noted that under the CDBG Competitive Housing Rehabilitation Grant Component, state funds are awarded annually with the application submission deadline for the PY-2016 funding cycle being September 30, 2016. Local governments are permitted to receive DCEO funding for only one (1) housing rehabilitation project every two years. Any local government that received CDBG Housing Rehabilitation funds in PY-2015 cannot apply for PY-2016. Shaw added that 100% of any CDBG grant funds requested must be targeted to the local jurisdiction's poverty level poverty level, very low and/or low-to-moderate income persons.

Shaw further noted that the state's decided preference for housing rehabilitation projects that have systematically surveyed the entire local political jurisdiction as a prelude to the logical identification of a much more narrowly defined "project target area" within which all rehabilitation activities would be undertaken. Shaw added that, in order for an applicant's proposal to achieve a higher state ranking, the project target area should be compact in size and reflect a high concentration of income eligible home owners currently residing in dwelling units which reflect one or more structural deficiencies (such as sagging porches, wobbly steps, significant roofing, framing, chimney or heating and ventilation, plumbing or electric system deficiencies).

Furthermore, the scale and specific characteristics of the locally selected project target area should be consistent with, and permit the local community to make significant progress in, accomplishing its stated housing rehabilitation program goals and objectives relative to various categories of households (i.e., by income status, age composition, race, physical or developmental disabilities, family size, etc.) and dwelling unit categories (single-family owner-occupied units, conventional construction vs. mobile homes, etc.) to receive financial assistance and subsidized home improvements designed to bring the unit into "full compliance" with minimal local, state (IHDA) and federal (HUD Section 8) housing standards.

Such state funds are then most commonly used by the recipient local government to: (1) provide financial assistance (i.e., through five-year potentially forgivable loans) to income eligible home owners (poverty level, very low income and/or low and moderate-income families) to fully rehabilitate their substandard, single-family, owner occupied structures (including needed energy efficiency and essential housing rehabilitation improvements such that the structure complies with all applicable municipal and federal HUD Section 8 housing rehabilitation standards after the completion of such publicly-supported home improvements; and (2) offset the essential application intake, data verification, housing inspection, project review and approval and construction monitoring costs along with general project management and administration costs to comply with all applicable state and federal regulations governing the use of such public funds.

DCEO's project ranking criteria for housing rehabilitation proposals generally consider: (1) the community's overall housing needs documented by current survey data depicting that housing deficiencies (especially within the proposed East of IL-37 project target area) are widespread and serious, particularly for very low, low and low-to-moderate income households; (2) how the proposed housing rehabilitation assistance efforts will directly address the range of local housing needs identified by a current family income and structural conditions survey of the proposed project target area – such that a clear and easily measured impact can be documented upon project completion; (3) how local resources (from the applicant local government and other agencies involved in housing rehabilitation) will be effectively coordinated with the use of CDBG funds to successfully bring about the actual stabilization and subsequent revitalization of the proposed project target area; (4) the degree to which the local government has prepared for the project's successful and timely (i.e., within no more than 24 months) implementation by: developing a list of genuinely-interested income eligible home owners residing in substandard single-family housing units located within the project target area; securing a pre-qualified list of reputable housing rehabilitation contractors that are actually willing to perform the needed home improvements under contract with the city, developing suitable written and formally-adopted program operating procedures and an administrative structure for the program's equitable implementation including an objective, non-biased application ranking system, and ensuring the services of a qualified housing inspector with a thorough knowledge of the minimal local, state and federal housing standards which must be accommodated and the qualifications to assess lead-based paint risk levels, energy codes, etc.

Mr. Shaw further noted that DCEO has established a \$450,000 grant award ceiling to any one project submitted for consideration by a general purpose local unit of government under the Competitive Housing Rehabilitation Grant program component. Mr. Shaw explained as an outgrowth of a community-wide survey conducted in April of 2016, a follow-up more in-depth and recent (May 2016) household and structural unit survey, and subsequent meetings with the membership of the Salem Housing Rehabilitation Advisory Committee, the Salem City Council has been asked to consider the official designation of the multi-block East of IL-37 PY-2016 Project Target Area comprised of some 47 residential units principally situated from South Washington to the east until reaching the middle of the block, just beyond South Hamilton Street, and from the middle of the block just north of East Elm Street to the south until reaching the middle of the block just beyond East Locust Street. The Salem City Council is also being asked to authorize the submission of a \$360,141.98 grant request under the Competitive Housing Rehabilitation Grant component of the broader CDBG program, administered by the DCEO.

CDBG grant resources would be utilized by the city to support: (1) the provision of five-year forgivable loans to an estimated seven (7) or more of the twenty-two (22) income eligible, home owners residing within substandard residential structures located within the East of IL-37 Project Target Area to facilitate the complete and successful rehabilitation of their single-family, fair, deteriorating and seriously-deteriorated dwelling units (to comply with all applicable housing codes); (2) a 24 month contract which has been properly procured through the Request For Qualifications process (RFQ) with Ron Markus of Moon Dawg, Inc. for the provisions of staff expertise to perform housing inspection and subsequent construction monitoring services to other substandard dwelling units to be rehabilitated; and (3) a 24 month contract with the South Central Illinois Regional Planning and Development Commission (Salem, Illinois) for the provision of staff expertise to perform a large range of state-required project administration and activity delivery services, as the primary grant administrator.

It was also noted that, in addition to the above referenced CDBG-supported activities, the total proposed scope of work would also include an estimated \$10,000 from BCMW Community Services, Inc. to complement the requested CDBG grant funds to support home weatherization improvements for an estimated two (2) income eligible home owners residing within the East of IL-37 Project Target Area.

In total, city officials project that approximately seven (7) income eligible, owner-occupied households residing in deteriorating and/or seriously deteriorated single-family structures within the selected East of IL-37 Project Target Area, should find it possible to fully rehabilitate their homes so as to fully comply with applicable local, state and federal minimal housing standards within 24 months of a CDBG grant award announcements and grant agreements by DCEO officials.

Only very low, low income and/or low-to-moderate income single-family home owners will be eligible to benefit from the city's proposed issuance of five-year CDBG supported forgivable loans of up to as much as \$45,000 per structure.

Finally, Mr. Shaw noted that, during working sessions to prepare the city's PY-2016 CDBG Competitive Housing Rehabilitation Application consideration was given to the need to establish a statement of "Community Development and Housing Needs". Such needs were reconsidered at the public hearing in order to ensure that they remain "responsive" to the overall challenges now faced by the rural community and were presented in priority order during the public hearing. The proposed use of CDBG grant funds to foster the stabilization and subsequent restoration of the declining neighborhood is considered to be consistent with the most current priorities established by the city in the aforementioned "statement of needs". Such Community Development and Housing discussed were:

- Explore all reasonable opportunities for the retention and expansion of existing business and the location of new firms as a means of creating (or retaining) employment opportunities and building the city's local taxation base.
- Undertake municipal infrastructure improvements to eliminate serious, persistent threats to the health and safety of local residents and their property and replace aged deteriorated public infrastructure (e.g., water, sewer and gas facilities), streets and other public facilities as needed.
- Undertake municipal infrastructure improvements to serve viable commercial areas of the city (e.g. along Main Street) which have the greatest innate potential for future commercial or industrial development and related local job creation and retention.
- Emphasize the importance of future small scale commercial development within the city by promoting the effective use of available business loan and modernization assistance programs (e.g., the use of conventional bank loans in concert with RBI loans, Title IX loans, 504 loans, etc. from SCIRP&DC)
- In cooperation with surrounding communities, focus the city's future business recruitment efforts upon small and medium-sized, regionally-oriented, firms which can help elevate the present family income levels for economically distressed local and area residents.

- Promote the effective use of local, state and federal employee-training programs and SCIGA programs in an effort to continue to improve the vocational skills of the area's labor force participants.
- Foster continued joint public/private sector actions to stimulate the continued redevelopment of the city's older commercial areas.
- Encourage future business, commercial and industrial developments within strategically located areas of the City which are adjacent to compatible land uses, served by adequate existing public utilities and situated along major state and local roadways.
- Encourage the development of an adequate variety of affordable housing to accommodate both the existing and projected residential needs and desires of local residents of varying income capacities.
- Encourage the stabilization and eventual revitalization of declining older neighborhoods through the effective utilization of publicly-assisted housing programs such as the CDBG housing rehabilitation grant program along with other appropriate housing-oriented programs (including sponsorship of a targeted housing rehabilitation assistance program) to accommodate the growing financial needs of the city's economically disadvantaged, elderly and disabled single-family, home owners currently residing within substandard dwelling units.
- Work toward the coordinated elimination of the blighting influences particularly within older declining residential neighborhoods of the city and specifically within designated project target areas through effective and systematic code enforcement and targeted demolition efforts to prevent the further structural deterioration of the community's older housing stock.
- Continue to coordinate the city's targeted housing rehabilitation assistance efforts with those of BCMW Community Services (e.g., its Home Weatherization Program) and other public and private sector efforts in order to maximize the overall effectiveness and positive implication derived from the prudent expenditure of such limited public sector funds.
- Continue to oppose any influences within the City which restrict any individual's free choice and housing opportunities imposed by discriminatory practices.

Prior to concluding the public hearing, Mayor Rex Barbee invited any interested individuals to express their personal observations or comments regarding the PY-2016 CDBG Competitive Housing Rehabilitation grant proposal under consideration by the Salem City Council at this time. A number of home owners from the proposed multi-block East of IL-37 Project Target Area expressed vocal support for the city's intent to seek state grant assistance to compliment BCMW Community Services, Inc. home weatherization funds to combat the current physical decline of the neighborhood in question.

There being no further comments or observations, Mr. Shaw returned control of the public hearing to Mayor Rex Barbee who, in turn, formally closed the public hearing at approximately 6:00 P.M. in order to prepare for the regularly scheduled September 6, 2016 Salem City Council meeting.

(Public Hearing minutes were provided by Mike Shaw, SCIRPDC.)

**MINUTES
REGULAR CITY COUNCIL MEETING
SEPTEMBER 6, 2016 – 6:00 PM**

I. CALL TO ORDER

The regular September 6, 2016 meeting of the City Council was convened at 6:00 p.m. and called to order by Mayor Rex Barbee.

Council members present:

Councilwoman Sue Morgan
Councilman Craig Morton
Councilman Tim Hudspeth
Mayor Rex Barbee

Council members absent:

Councilman Nic Farley

Others Present:

City Manager Bill Gruen	City Clerk Bev Quinn
Finance Director Ben Stratemeyer	Chief of Police Sean Reynolds
Public Works Director John Pruden	Code Enforcement Officer Brian Hunt
Deputy Chief Susan Miller	Animal Control Officer Paul Wimberly
Asst. Public Works Dir. Annette Brushwitz	Library Director Kim Keller
Mike Shaw, SCIRPDC	Mark Decker, Historical Commission
Rita Black, Keep Salem Beautiful	Members of the Media and Public

II. PRAYER AND PLEDGE OF ALLEGIANCE

Opening prayer was given by Sue Morgan, followed by the Pledge of Allegiance to the Flag.

III. **PRESENTATION OF PETITIONS/PUBLIC COMMENTS** – None.

IV. **MAYOR'S REPORT AND PRESENTATIONS**

Mayor Barbee asked for a moment of silence in recognition of the loss of former Councilman Jim Baity, and indicated he had served the community well in a number of ways.

Mayor Barbee indicated there is a lot going on in Salem this weekend, and encouraged citizens to attend the Salem Super Cruise and Antique Power Days. Mayor Barbee added that he appreciates all the volunteers who make those things happen and bring visitors to our community.

Mayor Barbee mentioned that prior to the regular meeting, there was a Public Hearing regarding the Housing Rehab Grant Application presented by Mike Shaw of SCIRPDC, and he thanked Mr. Shaw for his presentation.

V. **CITY COUNCIL ACTION**

1. **Consent Agenda**

a. Approval of Minutes – August 15, 2016

b. Use of Bryan Park by St. Theresa for Cross Country Events

Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth to approve the consent agenda as presented. Roll call vote: AYES: Councilman Hudspeth, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.

2. **Presentation by Rita Black on behalf of Keep Salem Beautiful**

Ms. Rita Black was present to provide an update regarding the recycling bins that are located in the 200 block of North Broadway. Ms. Black indicated that the recycling bins were originally emptied on Mondays, Wednesdays and Fridays at the Centralia Recycling Center. Recently, Centralia reduced the number of times KSB can bring loads to their facility to two times per week. Ms. Black added that as KSB is under the umbrella of the City, she is hoping to work with the City on both short and long-term plans. Ms. Black indicated Modern Woodmen and Americana Building Product recently donated a trash receptacle to the sight, which the City of Salem will empty each week.

City Manager Gruen asked if Keep Salem Beautiful would be open to an alternate location. Ms. Black indicated they would. The problem is not having a place to take recyclable items to.

3. **Approval of Franchise Agreement with US Sonet**

City Manager Gruen indicated the franchise agreement with US Sonet has expired, and they have submitted a new one for approval. US Sonet is being acquired by Wabash Communications, and Wabash has requested that US Sonet enter into a franchise agreement with the City of Salem that would transfer seamlessly to Wabash. Mr. Gruen indicated the franchise agreement is being provided for first reading, and will be brought back to the next meeting.

4. **Approval of Concept for Boat Dock Replacement at Reservoir**

City Manager Gruen indicated a boat dock replacement concept was displayed on the City's Facebook page on August 16th and provided to the media. No specific comments were received. Mr. Gruen indicated HMG worked with Tiger Docks to come up with a plan and estimated budget. ***Motion was made by Councilman Hudspeth and seconded by Councilwoman Morgan to approve a floating "L" shaped boat dock with a Trex composite decking surface, with a 40' x 8' length connected to shore, with a 20' x 8' extension from the main dock; iron cleats, rub rail and corner bumpers to be installed along the lake side of the dock, not the shore side; railing to be installed along the 20' x 8' extension as determined by engineer to meet safety standards for use by the public for fishing and other uses. Dock to be installed by a contractor. City Manager is authorized to move forward. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, and Mayor Barbee. NAYS: None. Motion carried.***

5. **Approval of Purchase for Water Meters & Materials for Automated Read Program**

City Manager Gruen indicated he is requesting approval of noted water meters and materials from Midwest Meter, a continuation of the City's automated gas and water meter replacement program. \$31,328.50 is the total of materials to be purchased, to come from 16-5121-622-00 in which the City budgeted \$100,000. ***Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth to approve the purchase of Water Meters and Materials from Midwest Meter in the***

amount of \$31,328.50. Roll call vote: AYES: Councilwoman Morgan, Councilman Hudspeth, Councilman Morton, Mayor Barbee. NAYS: None. Motion carried.

6. Approval of Purchase of Water Line Replacement at Pine Tree

City Manager Gruen indicated bids were received for waterline replacement at Pine Tree Drive. The low bid was received from Haier Plumbing in the amount of \$70,620. The City had received a capital grant from the State of Illinois with about \$62,000 remaining that budget stalemates have prevented the City from spending. The City has now received written authority to spend down this grant. Mr. Gruen indicated \$44,600 was budgeted in Fund 18 for this project, which we thought might be needed for this project in addition to the \$62,000 remaining. Curry & Associates reports there is about \$4,800 to be billed for engineering, if needed. Instead of the \$44,600 in new dollars budgeted, we may only need \$22,200. **Motion was made by Councilman Morton and seconded by Councilman Hudspeth to approve award of the Pine Tree Waterline Replacement to Haier Plumbing in the amount of \$70,620. Roll call vote: AYES: Councilman Hudspeth, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.**

7. Approval of Resolution Supporting Grant Application for Housing Rehab Program

(see motion after item #8.)

8. Adoption of Resolution Approving Housing Rehab Plan

Motion was made by Councilman Hudspeth and seconded by Councilwoman Morgan to approve Resolution 2016-09 Supporting Grant Application for Housing Rehab Program and Resolution 2016-10 Approving Housing Rehab Plan, as presented. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. Motion carried.

VI. CITY MANAGER REPORT – No report.

VII. CITY ATTORNEY REPORT – No report.

VIII. FINANCE DIRECTOR REPORT – No report.

IX. CITY COUNCIL REPORT – No report.

X. EXECUTIVE SESSION

1. 5 ILCS 120/2(c)(5) – Real Estate (the City Council may move to a different location for this portion of the meeting, no action to be taken.)

Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth to enter into executive session for the purpose of discussing real estate at 6:25 pm. Roll call vote: AYES: Councilman Hudspeth, Councilman Morton, Councilwoman Morgan, Mayor Barbee. NAYS: None. Motion carried.

Returned to open session at 7:10 pm.

XI. ADJOURNMENT

Motion was made by Councilwoman Morgan and seconded by Councilman Hudspeth that the meeting be adjourned at 7:10 p.m. Roll call vote: AYES: Councilman Morton, Councilwoman Morgan, Councilman Hudspeth, Mayor Barbee. NAYS: None. Motion carried.

Bev Quinn, CMC
City Clerk

Minutes approved: _____