Village of Arlington Heights
Housing Commission
Virtual Meeting
Arlington Heights, IL 60005
October 7, 2020
7:00 PM

I. CALL TO ORDER

A. **In response to the COVID-19 pandemic, this Village Board meeting is closed to in-person, public attendance. The meeting is being held virtually, which permits the public to fully participate via their computers or using their phones.**

To participate in the virtual meetings, please follow these instructions: https://bit.ly/33fJT9z

Individuals who wish to comment or ask a question on an item on the Agenda may either participate virtually or send an email to the Village at nboyer@vah.com. Please limit emails to 200 words or less. To be shared at the meeting, the email must be received by 3 p.m. on October 6, 2020.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 9/8/20

IV. REPORTS

V. OLD BUSINESS

A. Single Family Rehab Program Update

VI. NEW BUSINESS

A. Inclusionary Zoning Ordinance Guidelines
B. Village Owned Property
C. Affordable Housing Trust Fund Discussion
D. Affordable Rental Housing Assessment

VII. OTHER BUSINESS

VIII. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Housing Commission
10/7/2020

Item: Minutes 9/8/20

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
SEPTEMBER 8, 2020

IN ATTENDANCE:

Commissioners Present:	Andrew Tripp	Ken Kiefer	John Eggum	William Delea
	David Miller	Alex Hageli	Jennifer Sweis	

Commissioners Absent: None

Staff Present: Nora Boyer, Housing Planner/Staff Liaison

I. CALL TO ORDER
The meeting was called to order at 7:00 p.m. The Pledge of Allegiance was recited.

II. Roll Call
The following Commissioners responded to roll: Tripp, Hageli, Kiefer, Eggum, Miller, Delea & Sweis.

III. APPROVAL OF MINUTES

A motion was made by Commissioner Hageli, seconded by Commissioner Miller to approve the minutes of the February 4, 2020 meeting.
The motion was approved
Ayes: Tripp, Kiefer, Eggum, Delea, Miller & Hageli
Nays: 0.
Abstentions: Sweis

IV. REPORTS
None

V. OLD BUSINESS

A. Single Family Rehab Program
Ms. Boyer generally summarized the status on the pending cases.
19-01 KA: The homeowners have not been proceeding with the project and were informed that they will need to reapply to the program if/when they wish to move forward.

19-02 LE: An air conditioning unit has been approved for this homeowner, but he is reluctant to have work done at the home during the Covid 19 pandemic. The cost of the work will be $3,500.

19-03 GR: The applicant was determined to be ineligible because the house is in foreclosure. The Health Department is working with the owner.

19-04 MA: This project involved waterproofing the basement and an upgrading the electrical service and has been completed.

19-05 MA: The homeowner has not submitted the household income information needed to determine eligibility for the program. Staff most recently contacted the owner in mid-July.

20-01 UL: The homeowner was determined eligible but project has been put on hold by the homeowner. The owner needed to temporary leave the home due to health concerns while some construction work it being done in the common areas..

20-02 PR: This project involved replacement of an air conditioning system. The project was completed in July.

20-03 SE: The owners were determined ineligible because they do not occupy the home. The homeowners are working with the Health Department.

20-04 GA: The homeowner was determined to be ineligible due to insufficient equity. The homeowner is also on a mortgage forbearance program with her lender. She was invited to reapply at a later date.

20-05 GA: Applicant eligibility is being determined. The job may involve waterproofing, repairs from water damage, and possibly

Commissioner Keifer asked if there is sufficient funding for the active projects. Ms. Boyer explained that some of the project discussed were paid from the current year CDBG budget. The total from program year 2020-2021 budget is estimated at 43,500 while the budget allocation is $39,000. Ms. Boyer said that her estimates may be high for the 2020-2021 project, or if there are unbudgeted CDBG funds available, it would be possible to request and increase in the budget.

B. 2020 – 2024 Consolidated Plan

The Village's Consolidate Plan including the 2020-2021 Annual Action Plan (and CDBG budget) were approved by the Village Board in July 2020 after a public review and input process. The 2020-2021 budget was provided to the Commissioners. For housing, funds were allocated for the Single-Family Rehab Program ($39,000) and for a group home ($25,000). The documents have been submitted to HUD for their 45-day review period. The final version will be posted on the Village's website.

C. Inclusionary Zoning Ordinance

The ordinance was approved on August 3, 2020. Related to this is the Affordable Housing Trust Fund. The current balance in the Trust Fund is $314,500.

Commissioner Eggum asked about the program guidelines that were being developed by staff. Ms. Boyer reported that the draft guidelines are nearly complete. Commissioner Eggum if the guidelines can be brought to the Housing Commission for review. Ms. Boyer said that she will provide them for review by the Housing Commission.

Caller Keith Moens asked about a couple of single-family home teardown cases that were reviewed recently by the Design Commission and whether they will be paying the affordable housing fee under the ordinance. He also asked about a senior development proposed for within a TIF district stating that he would think that 10% of the units need to be affordable because of TIF assistance.

Ms. Boyer responded that the ordinance became effective on August 13 and that fees are being collected as part of the permit approval process. She said that she will look into the question regarding the development in a TIF district.

VI. NEW BUSINESS

A. CDBG-CV Ms. Boyer explained that the Village received a CARES Act allocation of $164,062 to address community needs related to the Covid-19 virus. The allocation approved by the Village Board are: $110,000 for rent and mortgage assistance, $15,000 for counseling subsidies and the balance is yet to be allocated. The rent/mortgage assistance and counseling subsidies are being administered by the Village's social worker in the Health Department. The funds may be used for eligible costs retroactively to January 21, 2020.

Commissioner Sweis asked about the counseling subsidy program. Ms. Boyer explained that this is a program already administered by the Health Department and that the funds supplement the existing program. Residents apply through an online application that is a common application for all of the assistance programs provided by the Village. Ms. Boyer said that she believes the amount of assistance is provided on a sliding scale based on household income.

Commissioner Tripp asked about the allocation process for the "other" Covid needs. Ms. Boyer said that the funds not yet allocated could be added to the rent/mortgage assistance program or the counseling program. She said that the Village will be reaching out to area non-profit agencies to ask about their Covid-19 program costs. Ms. Boyer pointed out that the Village has also allocated $25,000 in regular CDBG funds for Covid-19 needs.

Commissioner Kiefer asked if the Village could be at risk for losing the un-allocated funds. Ms. Boyer responded that the CDBG-CV funds are available for the next 6 years with the requirement that 80% of the funds be used in the first 3 years. Therefore, the Village still has a couple of years to allocate and spend the majority of the funds. Ms. Boyer said that the Housing Commissioners are welcome to suggest uses for the CDBG-CV funds.

B. 2021 Housing Commission Budget

A motion was made by Commissioner Hageli, seconded by Commissioner Eggum to request the same budget for the Housing Commission for 2021 that was approved for 2020.
The motion was approved.
Ayes: Tripp, Kiefer, Eggum, Delea, Miller, Sweis. & Hageli**.**

Nays: 0.

VII. OTHER BUSINESS

Ms. Boyer asked about topics of discussion for the future. The following were listed:

- The guidelines for implementing the Inclusionary Zoning Ordinance.
- Details on the timing, proposed uses for and process for grants and loans under the Affordable Housing Trust Fund.
- A discussion about how the Village may obtain more robust data on the affordability of rental housing in the Village from landlords and other sources.

VIII. ADJOURNMENT

A motion was made by Commissioner Hageli, seconded by Commissioner Delea, to adjourn the meeting.
The motion was approved.
Ayes: Tripp, Kiefer, Eggum, Delea, Miller, Sweis. & Hageli**.**
Nays: 0.

NEXT MEETING: **<u>Wednesday</u>, October 7, 2020 7:00 pm via Zoom Call**

Housing Commission
10/7/2020

Item: Single Family Rehab Program Update

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Single Family Rehab Report	Report

10/01/20
SINGLE-FAMILY
REHABILITATION LOAN PROGRAM - 2020-2021 Report

FILE # SUFFIX	APPLICATION SUBMITTED	OUT TO BID	SCOPE OF WORK SUMMARY	STAFF COST ESIMATE	PROJ COST	CHANGE ORDERS	TOTAL PROJECT COST	PAID TO DATE	STATUS
19-02 LE3300	9/16/2019		Air conditioning	$3,500					Postponed to spring 2020; postpone further due to Covid 19
19-05 MA 830	12/9/2019		Initially requested garage and driveway. Revised request; central air conditioning, general carpentry, bathroom vanity, kitchen remodel						Application not yet complete. Lacking income verification. Requested in March 2020 and again 7/16/2020.
20-01 UL1415 (condo)	6/10/20		Requesting plumbing, furnace, electrical and 2 patio doors	$20,000					Determined ligible for the program. Ordered appraisal in order to determine maximum loan amount. Homeowner put application on hold 9/2020.
20-05 GA938	8/3/2020		Basement waterproofing, repair water damage, possible window replacements	$20,000					Determined eligible. Following up on scope of work.

SFR LOAN PROGRAM - FINANCIAL SUMMARY

2020/2021 CDBG ALLOCATION:	$	39,310.00
19-02 Estimate		3,500.00 (reserved)
20-01 Estimate		20,000.00
20-05 Estimate		20,000.00
TITLE SEARCHES/APPRAISALS/LEAD PAINT COSTS/PERMITS:	-	0.00
LESS PROGRAM INCOME NOT YET RECEIVED:	-	0.00
Total:	$	43,500.00

10/01/20

Loans Repaid CDBG Fiscal Year To Date: 10/1/20 – 9/30/21

Case #	Date Paid	Yrs to Repayment	Amount	Reason for payback/home sold (if known)
14-05	10/1/2020	6 years	$14,114	Moved to be closer to their adult children and grandchildren

Housing Commission
10/7/2020

Item: Inclusionary Zoning Ordinance Guidelines

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Guidelines	Exhibits

Inclusionary Zoning Guidelines

August 2020

The Village of
Arlington Heights
Illinois
Planning & Community Development

Inclusionary Housing Guidelines

Purpose: Administrative guidelines to implement the proposed Inclusionary Housing Ordinance.

I. Affordable Housing Plan

II. Annually adjusted linkage fee and fee in lieu amounts

III. Table and explanation of maximum income eligibility by household sizes, updated annually

IV. Table and explanation of maximum rents by unit sizes, updated annually

V. Calculations
   a. Affordable housing units
   b. Fees in lieu

VI. Income determination and Asset Limits

VII. Preferences
   a. Categories of households to receive preference in the rental of affordable units

VIII. Income re-certification
   a. Frequency and timing
   b. Continuing/Non-continuing eligibility if tenant household size or income changes

IX. Other policy administration determination
   a. Single family tear down definition

X. Annual reporting to the Village of Arlington Heights

Attachments

A. Inclusionary Housing Ordinance (Chapter 7, Article XVII)
B. IHDA Owner-Occupied and Rental Unit Affordability Charts

I. Affordable Housing Plan

The applicant shall submit an Inclusionary Housing Plan at the same time as their first submittal to the Village for any reason related to the Covered Development Project (Village Code Chapter 7, Section 7-1703). The Inclusionary Housing Plan shall specifically contain, at a minimum, the following information regarding the Covered Development:

1. A general description of the covered development.
2. The total number of market rate dwelling units and affordable dwelling units in the covered development.
3. The number of bedrooms in each market rate dwelling unit and each affordable dwelling unit.
4. The square footage of each market rate dwelling unit and each affordable dwelling unit.
5. The general location of each affordable dwelling unit within the covered development if specific units are designated as the affordable units.
6. The pricing schedule for each affordable dwelling unit and each market rate dwelling unit.
7. The phasing and construction schedule for each market rate dwelling unit and each affordable dwelling unit.
8. Documentation and plans regarding the exterior and interior appearances, materials, and finishes of the covered development and each of its dwelling units.
9. Any proposal to make a cash payment of a linkage fee or fee in lieu of affordable units, per Village Code Chapter 7, Section 7-1706, 7-1707 or 7-1708.

II. Annually adjusted linkage fee and fee in lieu amounts

Effective January 1, 2021, the fee in lieu amounts and linkage fees specified in the Inclusionary Housing Ordinance shall be adjusted each year by the annual percentage change in the Consumer Price Index (CPI-U) for the Chicago-Elgin-Naperville area.

Schedule of Linkage Fees and Fee in Lieu Amounts		
Single Family Dwelling Units	2020 Linkage Fees and Fee in Lieu Amounts	2021
New Single Family Dwelling Unit (One and Two Family Detached Dwellings) Linkage Fee including Teardown/Rebuilds	$3,500/per market rate unit	
Multi-Family Rental Developments		
Developments of 9 or fewer units (Village-wide) pay a linkage fee	$3,500/per market rate unit	
Downtown (B-5) developments of 10 or more total units • Up to 2.5% of required units may be provided in the form of a fee in lieu	$25,000 per affordable unit	
All Zoning Districts other than B-5 developments of 10 or more total units, if affordable units are not provided, pay a fee in lieu for 10% of the total units for the affordable units not provided	$75,000 per affordable unit	
Publicly Assisted Developments of 10 or more units, there is no fee in lieu option	Not applicable	
Multi-Family For-Sale Developments		
Developments of 9 or fewer units pay a linkage fee	$3,500/per market rate unit	
Developments of 10 or more pay a fee in lieu of providing affordable units for 10% of the total units	Up to $75,000 per affordable unit (cap)	

III. Table and explanation of maximum income eligibility by household sizes, updated annually

The maximum income eligibility limit for affordable rental units shall be the maximum income limits for households at 60% of Area Median Income in the Chicago-Joliet-Naperville MSA, adjusted for household size, as determined released annually by the U.S. Department of Housing and Urban Development (HUD).

2020 Maximum Income Levels 60% AMI for the Chicago-Joliet-Naperville MSA Effective July 1, 2020								
Household Size	1	2	3	4	5	6	7	8
Maximum income (Based on 60% AMI)	$38,220	$43,680	$49,140	$54,600	$58,980	$63,360	$67,740	$72,120

IV. Table and explanation of maximum rents by unit sizes, updated annually

The maximum gross rent, including a utility allowance for utilities not provided with the rent, shall be the gross rent affordable to households with annual incomes at 60% of area median income as devoting no more than 30 percent of their gross income to monthly housing expenses as calculated annually by the Illinois Housing
Development Authority based on number of bedrooms in the unit.

2019 Maximum Monthly Rents						
Household Size	0 Bedroom or Studio	1	2	3	4	5
Maximum Monthly Rent	$936	$1,002	$1,203	$1,390	$1,551	$1,711

V. Calculations

a. Required Affordable Housing Units

To calculate the number of required affordable housing units required in a covered development, the total number of proposed housing units in the development shall be multiplied by the percentage of affordable housing units required by the Inclusionary Housing Ordinance. When the requirement results in a fractional unit, the following rules apply:

1. Fractions of one-half (½) and more are counted as a whole.
2. Fractions less than one-half (½) are disregarded.

b. Fractional for fees in lieu

To calculate the amount of the fee in lieu of affordable units, the number of required affordable units shall be multiplied by the applicable fee in lieu amount as defined in the Inclusionary Housing Ordinance. When the requirement results in a fractional amount of the fee amount assess for a whole unit, the fractional amount shall not be rounded up or down.

VI. Income Determination

a. Income: Rental unit applicant annual income shall be gross annual income. Income derived from assets is included in this calculation. Income shall be based on third party verification of income for the past 3 months and projected forward 12 months. Income eligibility determinations shall be valid for 90 days. If the income documentation on file is over 90 days old, the applicant will be required to submit new pay check stubs or other income verification materials to demonstrate that household income still meets requirements and will continue to at the time of the lease.

The third party documentation used to verify income may include paycheck stubs, bank statements, social security statements, etc. for each member of the household. Misrepresenting household income or household information will be grounds for program ineligibility.

b. Assets: Non-retirement household assets of the applicant(s) must be equal to or less than 100% of area median income for the household size. Retirement assets are not subject to this limit.

VII. Preferences in Rental Housing

An eligible, qualified applicant for rental affordable housing who is determined to have a preference will receive housing in an affordable unit before any other eligible, qualified person who does not have a preference. Preference for affordable dwelling units will be given by the developer owner to qualified households who meet one or more of the following unranked qualifications:

1. Veterans
2. Persons with disabilities
3. Arlington Heights residents who have resided in Arlington Heights for at least the past two years
4. People who are employees of Arlington Heights business or organizations

Supporting documentation shall be required to verify eligibility for a preference.

VIII. Income re-certification

Increases in household income may affect eligibility. Decreases in household income will not affect eligibility, but development owners may choose not to renew a lease for any reason allowed by law.

a. Frequency and timing

Annual income re-verification for Arlington Heights inclusionary housing units will take place 90 days before the tenant’s lease is set to expire. Tenants will be provided with a short form asking for basic information about household members and notified of the documentation required. Tenants will be expected to respond to the request for information and documentation within 15 days of receiving the request thereby giving the property manager sufficient time to conduct lease renewal.

Household and income information will be used to determine household size and to calculate the combined gross household income.

b. Continuing/Non-continuing eligibility if tenant household size or income changes

1. When household income remains at or below 60% of area median income, adjusted for household size, then the household maintains income eligibility for the affordable unit.
2. When household income increases above 60% of area median income, but stays below 80% of area median income for the household size, then the household maintains its income qualification for the affordable unit.
3. When the household income increases to above 80% of area median income, then the tenant will be notified by the management office that the lease may be renewed for up to 12 months at the affordable rent after which the tenant may remain in the unit but may be required to pay market rent.

   If household income decreases during the one time 12-month renewal, the tenant will notify the management office no later than 60 days before the end of the lease term, that it wishes to have its income re-evaluated for the purpose of possible lease renewal. If the examination of the household size and income are found to have decreased enough that the household's income is 80% of area median income or below for the household size, the lease may be renewed beyond the 12-month renewal that was issued the previous year.

Being income re-verified is not a guarantee that a lease will be renewed. That decision is made by the property management company.

IX. Other policy administration determination

Single Family Tear Down: The Department of Planning & Community Development shall make the final determination if tear down or addition constitutes a new single-family tear down and the linkage fee is owed. As a general rule, if the size, design or other characteristics renders the existing home unrecognizable it shall be determined to be a tear down. For example, if just a wall, chimney, room or foundation of the existing home remains it is a tear down.

X. Annual reporting to the Village of Arlington Heights

For all Covered Development Projects as defined in Chapter 7, Section 1704b, the developer or its successors, assignee, or designee shall submit an annual compliance report to the Village no later than March 1 of each year for the prior year. This report shall describe the status of each affordable unit in detail including, but not limited to, changes in tenancy, turnovers, and income certifications or recertifications for all tenants.

The Department of Planning and Community Development is the administrator and interpreter of the Inclusionary Housing Guidelines and shall be the determiner of compliance with these Guidelines. The Village reserves the right to update and modify the Inclusionary Housing Guidelines at any time.

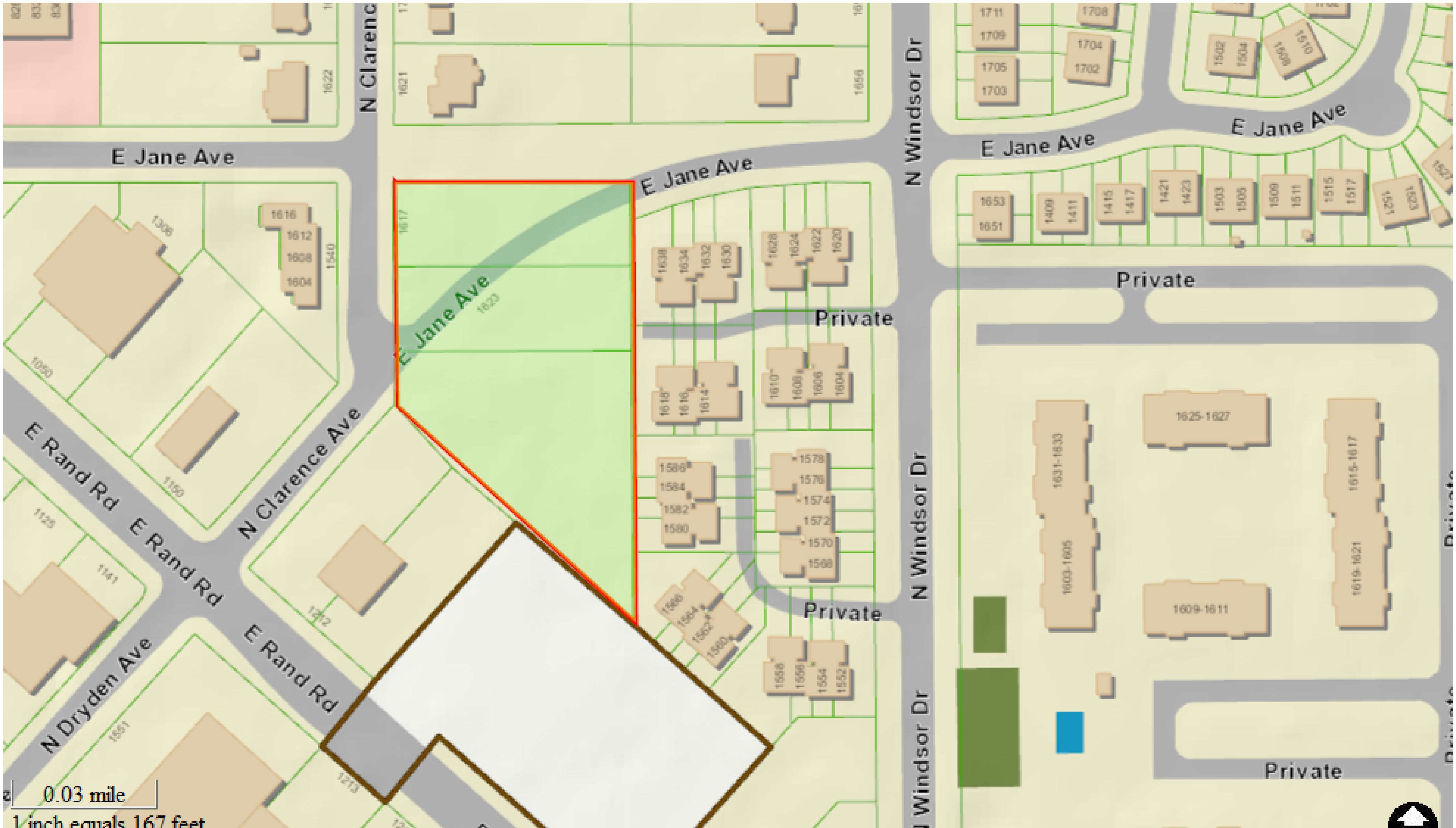
Housing Commission
10/7/2020

Item: Village Owned Property

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Village Owned Property	Exhibits



Map created on September 29, 2020.

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