Village of Arlington Heights
Housing Commission
Virtual Meeting
Arlington Heights, IL 60005
September 8, 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/3jI6W2e 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 September 8, 2020.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 2/4/20

IV. REPORTS

V. OLD BUSINESS

A. Single Family Rehab Program Update
B. 2020-2024 Consolidated Plan
C. Inclusionary Zoning Ordinance

VI. NEW BUSINESS

A. Community Development Block Grant - COVID-19 (CDBG-CV)
B. 2021 Housing Commission Budget

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
9/8/2020

Item: Minutes 2/4/20

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes	Minutes

DRAFT

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
HELD IN THE COMMISSIONS ROOM
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
FEBRUARY 4, 2020

IN ATTENDANCE:

Commissioners
Present: Alex Hageli Ken Kiefer John Eggum
David Miller Zach Creer Andrew Tripp

Commissioners
Absent: William Delea

Staff Present: Nora Boyer, Housing Planner/Staff Liaison

Others: Keith Moens Geri Wasserman Lauri Grainawi
Peg Lane Tom Mussar

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 were present: Hageli, Miller, Creer, Kiefer, Eggum, and Tripp.

III. APPROVAL OF MINUTES

A motion was made by Commissioner Eggum, seconded by Commissioner Tripp to approve the minutes of the January 8, 2020 meeting with one minor edit. The motion was approved Ayes: 6 and Nays: 0.

IV. REPORTS

None

V. OLD BUSINESS

A. Single Family Rehab Program

Ms. Boyer generally summarized the status on the pending cases.

19-01 The homeowners have expressed that they would like to revive their application. Ms. Boyer is working with them. The work may involve repair of water damage on a lower level and window replacements.

19-02 This project involves the replacement of an air conditioning condenser. The will be addressed in the spring of 2020.

19-03 The homeowner has been determined to be ineligible for the program because requested information on an issue on the title was not provided and complete household income information has not been provided. The Health Department is working with the owner.

19-04 This project involves waterproofing the basement and an upgrading the electrical service. The owner has been collecting bids. There is a disagreement between electricians about what needs to be done, and Ms. Boyer is bringing in the Village Electrical Inspector to resolve the discussion. Ms. Boyer expects that this case may be ready for Housing Commission review in March.

19-05 Ms. Boyer clarified a comment made last month explaining that there was an item that appeared on the title search that stated that they found judgements, lines and other matters of record involving persons with names similar to the homeowner and requested a “personal information affidavit” to verify the identity of the homeowner. The homeowner provided the personal information affidavit which is being provided to the title company. It is not clear whether the homeowner has sufficient equity to qualify for a loan under the program, and Ms. Boyer will order an appraisal if there are no title issues preventing eligibility after the full title search is finalized by the title company.

B. CDBG Funded Housing Programs

Ms. Boyer said that progress on the group home renovation grant paperwork has been somewhat delayed, but she expects to have it in order soon and in time for the projects to be completed this grant year. Several of projects involved exterior work that cannot be done until the weather breaks in the spring.

C. 2024-Consolidated Plan

As stated last month, the Village is working on the 5-year *2020-2024 Consolidated Plan*. Ms. Boyer distributed information on the single family rehab loan programs that are operated in the Northwest suburbs. She said that the Village has funded its Single-Family Rehab Loan Program since 1978. The handout was provided for to the Commissioners so that they may compare the Village's program to the others. Funding for the program would need to be in the *Consolidated Plan* in order for the program to continue, but program guidelines (that are not federally required) may be changed, if desired, at the Village level. For the Commissioners' information, Ms. Boyer also provided a copy of a brochure for a first time homebuyer program that was offered by the Village of Schaumburg a couple of years ago. She said that the program was well utilized but was discontinued based on a programming change in direction by the Village of Schaumburg.

Ms. Boyer stated that programs, and the distribution of resources to programs, could continue at levels consistent with what they have been into the next 5-year *Consolidated Plan*, but any feedback the Housing Commission may have on housing program is invited. Comments on the Consolidated Plan, including the uses of resources in all areas (not just housing) is being invited from the public including the members of the Housing Commission.

In the meeting packet, Ms. Boyer provided the Community Development Block Grant (CDBG) budget for the past 5 years. Commissioner Eggum asked if the CAP program is the after-school program. Ms. Boyer confirmed that it is. CDBG funds are used to subsidize the cost for this childcare for low- and moderate-income families. The subsidy is managed through the Village's Health Department which as a sliding scale that determines the amount of subsidy available based on household income.

In response to a question from Commissioner Kiefer, it was explained that $150,000 was applied to financing on the Senior Center for the first two years of the current 2015-2019 *Consolidated Plan.* This was the last 2 years of a 20-year financing plan. After the $150,000 was no longer applied to the Senior Center (i.e. in the last 3 years of the Plan), the $150,000 was shifted to street resurfacing projects. Commissioner Creer asked if any projects have been proposed but not funded. Ms. Boyer responded that some public services proposals have not been funded due to the cap on spending on public services, but she did not recall any construction projects that were not funded.

Commissioner Kiefer asked about the $28,000 allocation Journeys|The Road Homes' construction project. He asked about the level of funding provided by the Village for Journeys' large construction project involving the construction of a new building. Ms. Boyer explained that the villages that receive CDBG funds and are served by Journeys have each allocated around $25,000 and Cook County has allocated $100,000. She said that the use of CDBG funds on the project makes the whole project a federally funded project and the village and Cook County are working with Journeys to discuss how and whether how they plan to proceed with the project complies with the federal requirements. The Housing Commission generally concurred that they favored supporting this project.

Grant applications for the 2020-2021 CDBG program are expected to be released in mid-March and will be due in mid-April. Therefore, depending on meeting dates, the Housing Commission can discuss this topic further at its March and April meetings.

D. Final Draft Inclusionary Affordable Housing Ordinance

Ms. Boyer reviewed that the Committee of the Whole discussed the draft Inclusionary Housing Ordinance at a meeting last month. The meeting packet included a memorandum that review the major changes made to the draft ordinance by the Committee of the Whole. Ms. Boyer reviewed the memorandum and changes. She pointed out that the Committee of the Whole had asked staff to develop a formula, as also recommended by the Housing Commission that would arrive at fees-inlieu of affordable housing units for for-sale developments at levels proportional to the values of the units in the development. The formula developed by staff, which is the fee be 12.5% of the unit value with a cap of $75,000 per unit, was developed by staff after the Committee of the Whole meeting and this is a “new” recommendation by staff in response to the Committee of the Whole’s direction.

Ms. Boyer was asked by Commissioner Tripp about how staff arrived at the proposed formula and fee in lieu cap of $75,000 on for-sale units. She responded that the formula was based on the current flat fee in lieu and that this amount was agreed to by the developer at Sigwalt 16 for units at about the $600,000/unit value. In that agreement, the fee is 12.5% of the expected value. Staff’s proposal then is to apply12.5% to unit values in future developments.

Commission Eggum stated that he did not think that the cap was warranted since it only applies on luxury high end units. He was concerned that the cap might encourage more expensive units, and thought that there would be sufficient equity in the very high end units to cover the fee at 12.5% of value without a cap. Commissioner Hageli said that he was fine with the cap since applying affordability requirements at the highest end is not practical. Commissioner Miller said that he thinks the cap is appropriate because there are multiple factors that influence whether a developer builds high end units and the cap is consistent with precedent.

> **Commissioner Eggum made a motion to recommend to the Village Board that Section 7-1708 of the ordinance be amended to remove the fee in lieu cap. The motion failed for lack of a second.**

The Housing Commission decided to go through the proposed Ordinance one section at a time from the beginning.

<u>Section 7-1701 Purpose</u>.
There were no issues or proposed changes.

<u>Section 7–1702 Definitions</u>.

The removal of the definition of Senior Residential Community prompted a discussion concerning the Committee of the Whole's removal of senior housing independent living from the requirements of the Ordinance. Ms. Boyer explained that, as she recalled, the discussion had to do with not wanting other senior residents to have to absorb the cost of the affordable units. With regard to removing the requirement for senior housing, Commissioner Kiefer said that the Trustees commented that they did not want to discourage the development of senior housing since it is a community need.

Commissioner Eggum stated that senior communities are unique in that residents move from one level of care to another. Several Commissioners stated that it does not make sense to them that senior housing developments should be excused entirely without at least paying a fee into the Affordable Housing Trust Fund. It was suggested that if affordable units are not going to be included in senior developments that they should be treated like for-sale developments and be excused from including affordable units but be required to pay a fee into the Affordable Housing Trust Fund. Excusing senior housing developments completely from making an affordable housing contribution was viewed as inequitable.

A motion was made by Commissioner Creer, seconded by Commissioner Eggum to treat senior housing developments the same as for-sale housing under Section 71708, exempting them from mandated affordable units and requiring the same fee structure. The motion was approved Ayes: 6 and Nays: 0.

Ms. Boyer asked for clarification as to whether the motion applies to stand alone senior independent living and/or senior residential communities. The response was that it applies to all senior housing, not just independent living.

Section 7–1703 Affordable Housing Plan.

There were no issues or proposed changes.

Section 7–1704 Covered Developments.

There was a discussion of the removal by the Committee of the Whole with regard to applying the Ordinance to expansions/additions to existing single family homes where the floor area of the dwelling unit is increasing by more than 50%. Commissioner Kiefer stated that the Trustees were concerned for residents who were expanding their own homes. Commissioner Miller recused himself from discussion of this topic since he is currently putting an addition on his own home that would fall under the 50% plus expansion had the requirement not been removed.

Commissioner Eggum said that he wanted to bring to the attention of staff situations in which homeowners leave a small feature an existing home standing (ex. the chimney), rebuild the rest, and it is classified as a home renovation rather than a new home. The Housing Commission wants to avoid this loophole and apply the fee in these cases. It may be necessary to define what is meant by a new home to avoid the loophole. It was agreed that this loophole should not exist with regard to the application of this Ordinance.

Section 7–1705 Annual Reporting.
There were no issues or proposed changes.

Section 7–1706 Single Family Dwelling Units (one and Two Family Detached Dwellings).
There was a discussion of the 3,500 per dwelling unit fee amount. The Housing Commission had not advocated for addressing single family homes through the Ordinance. This was added at the last Committee of the Whole stage. There were comments from the audience that $3,500 seems low and should be higher to deter teardowns. Commissioner Creer commented that the purpose of the fee is not to deter teardowns, but the fee would generate contributions to the Affordable Housing Trust Fund to support affordable housing. The audience commented that teardowns remove housing units that are more affordable with ones that are less affordable which affect seniors and also removes family starter homes. Commissioner Kiefer commented that there may be other avenues to abate the impact of teardowns on the supply side or through a homebuyer program.

Section 7-1707 Multi-Family Rental Developments.
Commissioner Creer asked about the origin of the staff-proposed $7,500 fee. Ms. Boyer said that some years ago, the Housing Commission presented tear down fee at higher amount (around $7,500) which was not accepted by the Village Board. Therefore, a lower fee was included in this draft ordinance. Commissioner Eggum added that the $7,500 was also a proportional adaptation of the $75,000 fee.

Commissioner Creer stated that he is somewhat concerned about the impact of the difference in the fee amount between developments of 9 and fewer units ($3,500 per unit) and 10 or more units (12.5% of the values of the units for 10% of the total number of units) and that he would not want to see a lot of 9 unit developments. However, he did not propose a change since developments this small have not been occurring. Members of the audience said that they would have preferred that the level at which the $3,500 fee applies be at staff's recommended 5 units rather than 9 units.

Commissioner Kiefer said that Arlington Heights is ahead of other communities in developing this ordinance. He said that it is an important step, and by adopting the policy as an ordinance, it puts teeth in the requirements. He said that Arlington Heights being unique in our area for implementing inclusionary housing is part of what explains why the proposed requirements are what they are, and that this was noted by the Trustees. He said this is a good step but that it is also important to not to disincentivize development within our town.

Commissioner Tripp said that his sense is that there is little development going on in the 5 – 9 unit range, especially for rental, so the number is not that impactful.

Members of the audience commented that the Ordinance's requirement for on-site affordable units at 5% is too low and should be 10% or even a compromise at 7.5%. They also thought the $25,000 fee in lieu amount in the downtown is too low. They said that they want to see more units, especially given the number of Arlington Heights residents that are paying more than 30% of their incomes for housing costs.

Commissioner Eggum said that the Housing Commission looked at information from a national study of requirements across the country including some articles. The Housing Commission also looked in detail at the ordinances of the other 5 suburbs in the Chicago area that have inclusionary housing requirements. He said the requirements are based on all of that information. A member of the audience said that she appreciated that the Housing Commission did this research and explained their reasoning. She said that she is less comfortable with responses to questions from the Village Board wherein they cite only local experience based on a few buildings.

Commissioner Tripp said that the Housing Commission has looked at how many units and the fees Arlington Heights has been able to negotiate under its policy since that is the precedents we have. He said that a reasonable solution is being sought taking into consideration how Arlington Heights fits into the region and how the policies could influence development in Arlington Heights. He further stated that the Ordinance will be incredible progress toward certainty of the requirements for everyone. Commissioner Eggum commented that Arlington Heights has to take realistic, achievable steps particularly since it is surrounded by communities that do not have inclusionary, and the other suburbs with inclusionary zoning are in different situations including their housing market comparability with their neighboring communities. The hope is that the Ordinance will result in more affordable units that then can be a baseline for revisiting the Ordinance.

The audience commented that the $25,000 fee in lieu is low compared to other communities. Commissioner Creer noted that this is the fee amount the Village has been able to get, and the Village never came close to getting the $75,000 fee in lieu for rental. He noted the other requirements of the Village, such as parking, that are costly to developers. Commissioner Creer said that he thinks Arlington Heights is heading in the right direct, and he wants to see Arlington 425 built to be assured that the requirement applied there was not too much.

A member of the audience asked how the Village will maintain the State required 10% affordable housing without requiring that 10% of units in new project be affordable. Commissioner Eggum said that Arlington Heights is currently at 19%. The audience member said that he questions that number and that requiring 5% affordability is going to erode the availability of affordable housing, that the 10% level should be established as the standard. The Commissioners responded that this Ordinance is not a cure-all for affordable housing needs. The Ordinance most addresses multi-family, rental housing. Not all building need to have 10% affordable housing. Commissioner Eggum pointed out that developments outside of the downtown area have been limited, especially in the south part of town. Commissioner Creer pointed out that Heart's Place, on the north side, is 100% affordable. Different developments, funded by different sources, will have different levels of affordability.

There was a brief discussion of applying affordability requirements to other situations such as existing buildings. It was stated by the Housing Commission that other situations can be looked at later. New developments are being addressed first and the complexities of applying inclusionary requirements in other instances can be looked at in future.

Section 7–1708 Multi-Family For-Sale Development.
There was no additional discussion on this Section. The discussion took place under Section 7-1702. (See the Section 7-1702 discussion above.)

Section 7-1709 Senior Residential Community.
There was no additional discussion beyond the discussion under Section 7-1702.

Section 7-1710 Development Cost Offsets.
Commissioner Creer asked if there is a difference between the "Village Board" having discretion over density bonuses (in subparagraph a) and the "Village" imposition of fees (subparagraph b) and "Village" discretion regarding downtown parking (subparagraph c). Ms. Boyer said that she would check on that language.

Commissioner Creer stated that his concern is that the discussion of a density bonus for affordable housing not wait until a project gets all the way to the Village Board level. The possibility of a density bonus for affordable housing should be incorporated from the beginning of the discussion at the staff level and as the project goes through review by commissions as it proceeds forward to the Village Board level.

Section 7-1711 Integration of Affordable Housing Units.
There were no issues or proposed changes.

Section 7-1712 Alternative Contributions.
Chairman Hageli commented that he was disappointed that the Committee of the Whole removed this section, and that he thought it was creative on the part of the Housing Commission. Commissioner Kiefer said that he thinks it was a perception problem that he thinks was unfortunate. He said that Committee of the Whole was concerned that this section would lead to concentrations of affordable units rather than the units being disbursed in certain buildings or areas. He said that he does not think that is the intent of the Housing Commission or the provision in the Ordinance. He said that the provision would have injected a little more flexibility, and he does not see any harm in leaving it in the Ordinance.

Commissioner Hageli said that he would like the message to get to the Trustees that it is not the intention of the Housing Commission to promote the concentration of affordable units. Rather, the intent is to be open to alternatives that may result in more affordable units. The Housing Commission pointed out at an earlier meeting that safeguards would need to be put in place to insure that off-site units were well maintained. Commissioner Creer pointed out that the language says that an alternative contribution would have to further the Village's affordable housing goals "to an equal or greater extent" than the applicable requirements of the Ordinance and that the Village Board has the authority to accept or reject proposed alternatives. The members of the Housing Commission like the possibilities of creative solution that might be developed under this provision.

> **A motion was made by Commissioner Kiefer, seconded by Commissioner Hageli to recommend to the Village Board that Section 7-1712 be reinstated into the Inclusionary Housing Ordinance with the clarification that this provision is not intended to permit the concentration of affordable units but rather to provide an opportunity for the Village to consider creative, alternative contributions that the developer would need to demonstrate to the satisfaction of the Village Board are of equal or greater in addressing the Village's affordable housing goals than complying with the other applicable requirements of the Ordinance. The motion was approved Ayes: 6 and Nays: 0.**

Commissioner Hageli offered that a representative(s) of the Housing Commission could come before the Village Board to explain the reasoning behind this recommendation.

<u>Section 7-1713 Relief from Requirements</u>.
A member of the audience thought that Mr. Recklaus (Village Manger) said that this provision means that the Trustees can throw out the whole Ordinance. Ms. Boyer clarified that she thought that what was meant was that the Village Board can grant some relief from the strict application of the provisions but this was not meant to imply a lack of commitment to the policies. Commissioner Eggum agreed that the Section requires justification from the developer for relief and that the Village Board is obligated to apply requirements consistently, not in an arbitrary or capricious way.

<u>Other Inclusionary Housing Ordinance Topics</u>
<u>Preferences</u> - Commissioner Eggum asked about the discussion of preferences in the leasing of affordable rental units, which was previously discussed by the Housing Commission, and which is not addressed in the draft Ordinance. Commissioner Kiefer commented that the Trustee, as the Committee of the Whole, asked for more information on this subject. Ms. Boyer responded that the intention is to include the preferences in the program guidelines.

Commissioner Eggum advocated for the Village to establish the preference categories by Ordinance. Implementation of those preferences could be handled in the guidelines. He offered a definition of long term residents. There was a discussion of the pros and cons of including the preferences in the Ordinance versus in the guidelines, and a consensus was reached to recommend including the preference categories in the Ordinance.

There was also a discussion concerning the preferences previously discussed by the Housing Commission. A member of the audience was concerned that including a preference for long time Arlington Heights residents worked against more diversity in the community. He asked if underrepresented minorities could be included as a group that receives preference. Commissioner Eggum said that may be equal protection concerns and he is not comfortable with something that is not certainly within Illinois law. Some other communities' inclusionary housing programs include preferences.

A motion was made by Commissioner Eggum, seconded by Commissioner Miller to recommend to the Village Board that it add a Section 7-1714 to the Inclusionary Housing Ordinance stating that preference shall be extended for affordable units for rental to persons who meet one of more of the following criteria:

1. **Veterans**
2. **Persons with disabilities**
3. **Long term Arlington Heights residents defined as residents who lived in Arlington Heights for a minimum of 15 of the past 25 years**
4. **People who are employees of Arlington Heights business or organizations. The motion was approved Ayes: 6 and Nays: 0.**

It was clarified that the classifications are equal, not ranked.

Administration – The Housing Commission had previously discussed including a provision stating that staff be given appropriate authority to develop administrative policies and procedures as necessary to implement the ordinance. Ms. Boyer responded that the Village's In-Housing Counsel stated that a provision is not needed in the Ordinance since this general authority regarding administration is authorize elsewhere in the Code.

VI. NEW BUSINESS

None

VII. OTHER BUSINESS

There was a discussion of the day on which the Housing Commission meetings should be held. Commissioner Delea has a conflict on Tuesday nights and Commission Tripp has a conflict on Wednesday nights through May. Ms. Boyer said she will ask Mr. Delea how long he will have his Tuesday evening commitment.

A member of the audience asked if approved Housing Commission minutes can be posted on the Village's website as certain other commissions "legal minutes" are posted. Ms. Boyer said that she would forward this request to the Village Administration.

VIII. ADJOURNMENT

A motion was made by Commissioner Eggum, seconded by Commissioner Tripp, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 8:30 pm.

NEXT MEETING: <u>Wednesday</u>, March 18, 2020 7:00 pm.

Housing Commission
9/8/2020

Item: Single Family Rehab Program Update

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Memo	Memorandum

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner/Planner II

RE: Single Family Rehabilitation Loan Program Update

Memo Prepared: September 2, 2020

Meeting Date: September 8, 2020

Below is a status update on the applications to the Single-Family Rehabilitation that were active prior to or received during the current CDBG program year of October 1, 2019 – September 30, 2020.

19-01 KA
This is a hold-over project from 2018. Due to the length of time since the eligibility determination was done, the homeowners were informed that they would need to reapply to the program if/when they wish to proceed.

19-02 LE
This project involves the installation of an air conditioning unit in a condominium. The elderly owner reported that he prefers to continue postponement of the work until he feels safer about having people in his home during the pandemic. The owner assured the Village that he has not been suffering ill effects during the summer.

19-03 GR
The applicant was determined to be ineligible for a rehabilitation loan due to foreclosure proceedings on the home. The owner is working with an attorney and with the Department of Health and Human Services.

19-04 MA
This project involved an upgrade to the electrical service and waterproofing of the basement. The project has been completed. The project cost was $20,263.80.

19-05 MA
The applicant has been asked to provide income verification several times so that eligibility determination can be completed. The last request was via email on July 16, 2020.

20-01 UL
The applicant has been determined eligible. This is a condominium project involving new patio doors and sever remodeling projects. The owner requested that the project be put on hold temporarily for personal reasons.

20-02 PR
This project involved an emergency central air conditioning system replacement. The project was completed in mid-July 2020. The cost was $5,295.

20-03 SE
The applicants were determined to be ineligible for the program because they have not lived in the home for at least 1 year. The Department of Health and Human Services is working with the owners.

20-04 GA
The applicant was determined ineligible for the program at this time due to insufficient equity and the mortgage is currently in forbearance. Rehab needs listed by the owner are: furnace, electric, windows, siding and basement foundation repairs. There is a possibility that this home will be classified by the Illinois Historic Preservation Agency as having some historic value. The applicant was invited to stay in touch and to reapply to the program at a later date.

20-05 GA
Application received in August 2020 and being reviewed for eligibility. Possible work includes waterproofing of basement, replacement of damages/removed drywall and other water damage, and possibly window replacements.

SFR LOAN PROGRAM - FINANCIAL SUMMARY
2019/2020 CDBG ALLOCATION: $50,000.00

19-02	$3,500.00	(reserved)
19-04	$20,263.80	(completed)
20-01	$20,000.00	(estimate)
20-02	$5,395.00	(completed)
20-05	$20,000.00	(estimate)
Title searches, appraisals, etc.	tbd	
Total:	$69,158.80.80*	

*Some projects may need to be carried over to the 2020/2021 program year depending on the accuracy of project estimates. The 2020/2021 allocation for the Single Family Rehab Program is $ 39,310.00.

Housing Commission
9/8/2020

Item: 2020-2024 Consolidated Plan

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Memo	Memorandum

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner/Planner II

RE: 2020-2024 Consolidated Plan and 2020 Annual Action Plan

Memo Prepared: September 2, 2020

Meeting Date: September 8, 2020

On July 20, 2020 the Village Board approved the Village's 2020-2024 Consolidated Plan and 2020 Annual Action Plan. The full text can be found on the Village website as an attachment to that Village Board meeting. The document has been submitted to HUD for review.

The 2020 Annual Action Plan program year begins on October 1, 2020. The CDBG budget as presented and approved is attached.

2020-2021 CDBG BUDGET	**2020-2021**
	Estimated revenue
CDBG Grant	$ 278,890
Carry Over of Unexpended CDBG funds	$ 31,870
Program income	$ 50,000
Total Revenue	$ 360,760
	2020-2021
EXPENDITURES	**Approved**
Public Services	**Allocations**
Faith Community Homes	$ 2,500
District 214 Education Foundation	$ 1,500
NW CASA - Sexual Assault Program	$ 2,500
Children's Advocacy Center	$ 2,500
WINGS	$ 6,000
Resources for Community Living	$ 5,000
Escorted Transporation Service/NW	$ 3,500
Suburban Primary Health Care Council	$ 4,337
Journeys The Road Home	$ 4,500
Arlington Hts. Park District	$ 9,113
Life Span	$ 3,000
Catholic Charities	$ 4,000
Little City Foundation for services to AH residents at day center	$ 4,000
Northwest Compass	$ 4,000
Covid 19 Public Services provided by 2020 subrecipients	$ 25,000
	$ 81,450
Construction/Econ. Development	
Little City Foundation	$ -
Clearbrook - rehab of 2 bathrooms to make them ADA compliant	$ 25,000
Shelter, Inc.	$ -
Alexian Brothers Center for Mental Health	$ -
Journeys The Road Home - Capital Project or Public Facility*	$ -
Children's Advocacy Center (project carried over from prior year)	$ -
Single Family Rehab Loan Program	$ 39,310
Group Residence/Transitional Housing Program (see 14-16 above)	$ -
Public Infrastructure	$ 150,000
Public Facilities	$ -
	$ 214,310
Administration	$ 65,000
CDBG Administration/SalariesAudit/Legal Notice	$ 65,000
	$ 360,760

Housing Commission
9/8/2020

Item: Inclusionary Zoning Ordinance

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Memo	Memorandum

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner/Planner II

RE: Inclusionary Housing Ordinance

Memo Prepared: September 2, 2020

Meeting Date: September 8, 2020

On August 3, 2020, the Village Board adopted Ordinance 20-025 Inclusionary Housing. The ordinance has been codified as Village Code Chapter XVII, Chapter 7, Section 7-1701 through 7-1711 (attached). Staff is completing the Inclusionary Housing Guidelines.

Procedures have been put into place to begin collecting the fees required by the ordinance for permit applications submitted on and after the effective date of the ordinance (i.e. August 13, 2020).

AN ORDINANCE AMENDING CHAPTER 7
OF THE ARLINGTON HEIGHTS MUNICIPAL CODE

WHEREAS, at a public meeting on September 9, 2019, the President and Board of Trustees, meeting as a Committee-of-the-Whole, discussed a series of recommendations regarding refining Arlington Heights Affordable Guidelines; and

WHEREAS, at the conclusion of the Committee-of-the-Whole meeting, the Village Board directed the preparation of an Inclusionary Housing Ordinance which was subsequently researched and a draft provided for further discussion and revision by the Housing Commission and Committee-of-the-Whole; and

WHEREAS, at the Village Board meeting on July 20, 2020, the Village Board voted in favor of the recommendation of the Committee-of-the-Whole to approve an Inclusionary Housing Ordinance,

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: That Chapter 7, Other Village Government Provisions, of the Arlington Heights Municipal Code, is hereby amended by adding Article XVII, Inclusionary Housing Ordinance, which shall read as follows:

Article XVII Inclusionary Housing Ordinance

Section 7-1701 Purpose. The purpose of this Article is to promote the public health, safety, and welfare by encouraging high quality housing throughout the Village sufficient to meet the needs of all Arlington Heights residents. The Village may adopt administrative guidelines to assist in the effective implementation of this Article.

While this Article provides alternatives to the production of on-site affordable units, the preference of this Article is to provide permanent affordable dwelling units that are constructed on the site of all Covered Development Projects. Affordable dwelling units created pursuant to this Article shall remain affordable in perpetuity. All cash payments received pursuant to this Article shall be deposited into the Village's Affordable Housing Trust Fund. Effective January 1, 2021, the fee-in-lieu amounts and linkage fees shall be adjusted in January of each year by the annual percentage change in the Consumer Price Index (CPI-U) for the Chicago-Elgin-Naperville area.

Section 7-1702 Definitions. For purposes of this Article, the following definitions shall apply:

a. Affordable Dwelling Unit or Attainable Housing. Decent, safe, sanitary, and appropriate housing that households below median income can own or rent without having to devote more than 30 percent of their gross income to monthly housing expenses.

b. Affordable Housing Trust Fund. A trust fund providing sustainable financial resources to address the attainable housing needs of eligible households in Arlington Heights; and preserving and producing affordable dedicated attainable housing.

c. Affordability Period. The time during which the affordability restrictions imposed by this Article shall apply to affordable dwelling units.

d. Applicant. Any developer, individual, non-profit, housing owner/operator who applied to the Village for processing for approval of a covered development pursuant to this Article.

e. Area Median Income. The median income level for the Chicago-Joliet-Naperville Metro Area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development, and adjusted for household size.

f. Base Density. The number of dwelling units permitted to be constructed on a parcel in conformation with the requirements of the zoning district in which it is located, prior to applying any applicable density bonus.

g. Consumer Price Index. Consumer price index for all urban consumers as published annually by the U.S. Department of Labor, Bureau of Labor Statistics.

h. Covered Development Project. Any development project in the Village that is required to provide affordable dwelling units, fees in lieu of affordable housing, or linkage fees under provisions of this Article. Projects at one location undertaken in phases, stages, or otherwise developed in distinct parts shall be considered a single Covered Development Project.

i. Developer. Any person, firm, corporation, partnership,
imited liability company, association, joint venture, or any entity or combination of entities that develops dwelling units, including any successors or assigns, but does not include any governmental entity.

j. Housing Expenses for Rental Housing. Rent and utilities.

l. Market Rate Dwelling Units. Residential dwelling units that are not required to be affordable dwelling units under this Article.

l. Primarily Affordable Dwelling Development. A residential multi-family development that may have the physical characteristics of a covered development, but will have affordability restrictions that exceed the requirements of this Article. This may include a development in which all of the units are restricted to households earning at or below the median income.

m. Publicly Assisted Development. A residential multi-family development that received some form of public financial assistance, which may include TIF funding or funding from the Village's Affordable Housing Trust Fund.

Section 7-1703 Affordable Housing Plan. All developers of Covered Development Projects as defined in Section 1704c and d shall provide an Affordable Housing Plan at the same time as their first submittal to the Village for any reason related to the Covered Development Project.

Section 7-1704 Covered Development Projects. The provisions of this Article shall apply to the following developments:

a. all developments that result in new single family (one and two family detached) dwelling units, and

b. new multi-family dwelling units.

Section 7-1705 Annual Reporting. For all Covered Development Projects as defined in Section 1704c and d, 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 for all new tenants. The reports shall also include annual recertification of all tenants renting affordable units.

Section 7-1706 Single Family Dwelling Units (One and Two Family Detached Dwellings) The requirement for new single family dwelling units built in place of an existing single-family dwelling unit that was torn down is payment of a linkage fee of $3,500 per dwelling unit. This fee is due as part of the building permit fees. No actual affordable units are required.

Section 7-1707 Multi-Family Rental Developments. The following are the requirements for affordable units and/or cash in lieu of units for multi-family rental developments.

a. For multi-family rental developments containing nine or fewer dwelling units, no actual affordable units are required to be provided. A linkage fee of $3,500 per market rate unit is due as part of the building permit fees. The developer may voluntarily provide actual on-site affordable units, in which case no fee is required.

b. For multi-family rental developments containing ten or more dwelling units, the following are the requirements for affordable units:

    1. Downtown (B-5 District) – Market Rate Privately Funded Developments. The affordability requirement is 7.5% of the total number of units. This requirement may be met in one of two ways:

        a) The developer may voluntarily provide 7.5% of the total number of units as actual on-site affordable units, in which case no fee is required.

        b) A minimum of 5% of the total units must be actual affordable on-site units. The remaining percentage to meet the total unit requirement, up to 2.5%, can be met by payment of a fee-in-lieu in the amount of $25,000 per required affordable unit; or

If the developer can provide information to show that affordable units are not reasonably feasible, in lieu of providing any units, the Village may accept a fee of $75,000 per unit for 10% of the total number of units.

2. All Zoning Districts other than B-5 - Market Rate Privately Funded Developments. The affordability requirement is 5% of the total number of units in the development must be on-site affordable dwelling units. If the developer can provide information to show that affordable units are not reasonably feasible, in lieu of providing affordable units, the Village may accept a fee of $75,000 per unit for 10% of the total number of units.

3. All Zoning Districts - Publicly Assisted Developments. The affordability requirement is that 10% of the total number of units in the development must be affordable on-site units. There is no fee-in-lieu option for publicly assisted developments.

c. Maximum Price For-Rent Affordable Units. 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.

Section 7-1708 Multi-Family For-Sale Developments. There is no requirement for actual affordable units for multi-family for sale developments. There is a fee-in-lieu requirements as follows:

a. For multi-family for sale developments containing nine or fewer dwelling units, there is a linkage fee of $3,500 per market rate unit due as part of the building permit fees.

b. For multi-family for sale developments containing ten or more dwelling units, there is a fee-in-lieu of affordable units in the amount of 12.5% of the unit value (projected, list, or sale price) or other calculation method approved by the Village per market rate unit for 10% of the total number of units in the development. The fee-in-lieu shall be capped at $75,000 per required unit (subject to annual CPI adjustment) and shall be paid at the time of occupancy permit for the first unit.

c. If affordable units are voluntarily provided, the units must be affordable to households at 80% of area median income for the applicable unit size as calculated annually by the Illinois Housing Development Authority.

Section 7-1709 Development Cost Offsets. The following development cost offsets may apply as set forth below for Covered Development Projects:

a. Density Bonuses. At the discretion of the Village Board, a density bonus may be provided equal to no more than one market rate dwelling unit for each required affordable dwelling unit constructed on the site of the Covered Development Project. No density bonus shall be provided for any affordable units for which a fee-in-lieu is paid instead of construction of an affordable unit.

b. Fee Waivers. An applicant that fully complies with providing actual affordable units in accordance with the requirements of this Article shall, upon written request, receive from the Village a waiver of all of the otherwise applicable application fees and building permit fees imposed by the Village, but only with regard to the affordable units in the Covered Development Project. The fees charged for the total development shall be adjusted proportionally to reflect this waiver of fees for the affordable dwelling units, but in no instance will more than 50% of the permit fees be waived. Under no circumstances will any out-of-pocket fees or impact fees be waived.

c. Parking Requirements in the Downtown Only. Subject to availability, at the discretion of the Village, parking requirements for affordable on-site units may be partially satisfied using parking permits in downtown Village parking garages at a rate not-to-exceed one parking permit per affordable on-site affordable unit at a monthly parking fee to be determined by the Village.

Section 7-1710 Integration of Affordable Housing Units. The following are the requirements for affordable dwelling units in Covered Development Projects:

a. Affordable units shall be dispersed among the market rate units.

b. The exterior appearance of the affordable units shall be visually compatible with the market rate dwelling units.

c. Affordable units may differ from market rate units with regard to interior finishes provided that:

   1. Interior features, amenities, and structural elements of affordable units shall be contractor grade or higher. For purposes of this section, “amenities” shall include, without limitation, storage and parking.

   2. The affordable units shall have the same improvements related to energy efficiency, including mechanical equipment and plumbing, insulation, windows, and heating and cooling systems, as the market rate units.

   3. The interior gross area for the affordable shall be no less than the lesser of 75% of the gross floor area (exclusive of utility rooms and garages) of market rate units with comparable number of bedrooms or the minimum size requirements required by the Zoning Code.

   4. The bedroom mix of affordable units shall be in equal proportion to the bedroom mix of the market rate units within the covered development project unless otherwise approved by the Village.

5. Affordable units shall be constructed concurrent with the development of market rate units. Construction phasing of affordable units shall not be delayed unless authorized by the Village and only after it has been demonstrated by the developer to the satisfaction of the Village that a delay is necessary in order to account for the different financing and funding requirements, economies of scale and/or infrastructure needs applicable to development of the market rate units and affordable units.

Section 7-1711 Relief from Requirements. The Village Board may grant relief from the strict application of the standards set forth in this Article upon finding that due to specific and unique circumstances which are set forth in writing, undue hardship would be caused by the strict application of the standards and requirements set forth in this Article.

SECTION TWO: The various provisions of this Ordinance are to be considered severable, and if any part or portion of this Ordinance shall be held invalid by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION THREE: This Ordinance repeals all ordinances or parts of ordinances in conflict with the provisions hereof and, except as set forth in this Section, shall be in full force and affect from and after its passage, approval and publication in the manner provided by law.

AYES:

NAYS:

PASSED AND APPROVED this 3rd day of August, 2020.

____
Village President

ATTEST:

____
Village Clerk

CodeAmendments:7 Article XVII Inclusionary Housing Ordinance

Housing Commission
9/8/2020

Item: Community Development Block Grant - COVID-19 (CDBG-CV)

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Memo	Memorandum

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner/Planner II

RE: Community Development Block Grant-COVID 19 (CDBG-CV)

Memo Prepared: September 2, 2020

Meeting Date: September 8, 2020

The Village has amended its 2019 Annual Action Plan to facilitate the distribution of $164,062 in CDBG-CV funds made available to the Village through the Coronavirus Aid, Relief, and Economic Security Act (also known as the CARES Act) to help low/moderate-income Arlington Heights residents with needs related to the COVID-19 pandemic.

The Village CDBG-CV funds have been allocated as follows:

Public Services.

Rent and Mortgage Assistance:	$110,000
Counseling Subsidies:	$ 15,000
Other Covid Needs:	$ 39,062
Total:	$164,062

The Village will undergo a process for determining the priorities for the $39,062 that is not yet specifically allocation. Also, funds may be reallocated among the public service activities listed above in response to need.

Additionally, $25,000 in regular CDBG funds was allocated to address COVID-19 public service needs in the 2020 Annual Action Plan for program year October 1, 2020 – September 30, 2021.

Housing Commission
9/8/2020

Item: 2021 Housing Commission Budget

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Memo	Memorandum

Village of Arlington Heights

33 South Arlington Heights Road
Arlington Heights, Illinois 60005-1499
(847) 368-5000
Website: www.vah.com

July 15, 2020

Mr. Andrew Tripp, Chair
Housing Commission
400 S. Lincoln Ln.
Arlington Heights, IL 60005

Dear Mr. Tripp:

The Village has begun preparation for the **2021 Budget (January 1, 2021 – December 31, 2021)**, and we request your Board or Commission's participation.

Budgeting is an important public policy process. The demand for services competes for limited resources available. The prioritization and allocation of funds is the overall responsibility of the Village Board assisted by the recommendations of the Village Manager and the input received from the Village's Boards and Commissions, as well as the citizens of Arlington Heights.

Your General Fund budget ceiling for 2021 is $1,300. This means that you should make every effort to submit a budget at or below this amount.

The following are enclosed for your use in preparing your budget submissions:

- Form for summarizing your budget request, including your 2020 budget for reference;
- Budget Calendar outlining the process for preparing, reviewing and adopting the 2021 budget.

Your budget submission is due no later than Monday, August 10, 2020. As always, staff liaisons stand ready to assist you. If you have any questions or should circumstances be such that your Board or Commission needs additional time, please call Budget Coordinator Kevin Baumgartner at 847-368-5514 or email him at kbaumgartner@vah.com. Your participation in this important process is appreciated.

Sincerely,

Randall R. Recklaus

Randall R. Recklaus
Village Manager

c: Nora Boyer, Administrative Contact
c: Kevin Baumgartner, Budget Coordinator

VILLAGE OF ARLINGTON HEIGHTS
BOARDS & COMMISSIONS 2021 BUDGET REQUESTS

Name of Board or Commission: HOUSING COMMISSION

Chair: ANDREW TRIPP

	2018 Actual	2019 Actual	2020 Adopted Budget	2020 Estimated Actual	2021 Proposed Budget	Accounts
CONTRACTUAL SERVICES:						
Postage	$ -	$ 943	$ 100			101-1011-502.22-05
Photocopying	-	-	100			101-1011-502.22-15
COMMODITIES:						
Publications (subscription to on-line foreclosure data service)	-	-	-			101-1011-502.30-01
Other Supplies (marketing of programs)	-	-	1,100			101-1011-502.33-05
OTHER CHARGES:						
Rental Housing Assistance Program Grant	-	-	-			101-1011-502.40-05
TOTAL EXPENDITURES	**$ -**	**$ 943**	**$ 1,300**	**$ -**	**$ -**	

BUDGET CALENDAR
For Preparation of 2021 Budget
(January 1, 2020 – December 31, 2020)

DATE	DAY	ACTIVITY
March - June, 2020	–	Capital Improvement Project Recap prepared.
June 24, 2020	Wednesday	Operating Fund Overview/Recommended 2021 Budget Ceilings and Proposed 2020 Property Tax Levy released to Village Board for discussion at June 29th Committee-of-the-Whole meeting.
June 29, 2020	**Monday**	Committee-of-the-Whole reviews Capital Improvement Plan, and discusses the Operating Fund Overview, Recommended 2021 Budget Ceilings, and proposed 2021 tax levy.
July 6, 2020	Monday	Board considers any motions stemming from June 29th Committee-of-the-Whole meeting regarding the recommended 2021 Budget Ceilings.
July 10, 2020	Friday	Budget worksheets are forwarded to departments. Departments prepare detailed budgets.
August 10, 2020	Monday	Department budget requests and projections due.
Aug 10 – Sep 4, 2020	–	Finance Department compiles departmental budget submissions.
September 4, 2020	Friday	First draft of 2021 Budget forwarded to Village Manager, Budget Team and all departments for review.
Sep 9 – Sep 11, 2020	–	Departments meet with Village Manager and Budget Team.
Sep 11 – Oct 23, 2020	–	Final draft of 2021 budget prepared.
October 23, 2020	Friday	Release final draft of 2021 Budget to Village Board.
November 9, 2020	**Monday**	**1st Budget Meeting –** AH Memorial Library, Budget Overview, Budgets for Board of Trustees, Integrated Services, Health & Human Services, HR, Finance, Building Services, and Police
November 10, 2020	**Tuesday**	**2nd Budget Meeting –** Budgets for Metropolis Theater, Boards & Commissions, Legal, Planning & Community Development, Engineering, Public Works, Water & Sewer, Parking Operations, Fleet Services, and Fire
November 12, 2020	**Thursday**	**3rd Budget Meeting –** If needed
November 18, 2020	Wednesday	Notice of Public Hearing on 2021 Budget published in newspaper.
December 7, 2020	**Monday**	Board approves 2020 Tax Levy and Abatement Ordinances. Public Hearing on 2021 Budget. Approval of 2021 Budget at formal meeting.