Village of Arlington Heights
Housing Commission
Commissions Room, 2nd Floor
Arlington Heights Village Hall, 33 S. Arlington Heights Rd.
Arlington Heights, IL 60005
February 4, 2020
7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes - 1/8/20

IV. REPORTS

V. OLD BUSINESS

A. Single-Family Rehab Program
B. CDBG Funded Housing Programs
C. 2020 - 2024 Consolidated Plan
D. Final Draft Inclusionary Affordable Housing Ordinance

VI. NEW BUSINESS

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
2/4/2020

Item: Minutes - 1/8/20

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Minutes - 1/8/20	Minutes

DRAFT

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
HELD IN THE BUECHNER ROOM
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
JANUARY 8, 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, Resident		
	Peg Lane, Resident		

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 Miller, seconded by Commissioner Hageli to approve the minutes of the November 20, 2019 meeting. The motion was approved Ayes: 5 (Commissioners Hageli, Miller, Kiefer, Creer and Tripp); Nays: 0; and with one abstention (Commissioner Eggum).

IV. REPORTS

None

V. OLD BUSINESS

A. Single Family Rehab Program

Ms. Boyer generally summarized the program which funded from the Village's CDBG allocation and provides 0% interest, deferred home rehab loans to low/moderate income homeowners.

When loans are repaid, the program income is returned to the Village's available CDBG resource for budgeting the next year.

Ms. Boyer summarized the active program cases:

19-01 is a case involving a home that needs waterproofing and repair of water damage. The homeowners were having some waterproofing done at their expense and were to contact the Village when the work was completed. The homeowners did not follow through until Ms. Boyer heard from them recently.

19-02 involves the replacement of an air conditioning condenser. The homeowner is staying with family out-of-state for the winter and this project will be addressed when he returns to Arlington Heights in the spring of 2020.

19-03 is the project that involves a damaged roof that has caused the kitchen ceiling to fall. There are problems on the title search (that appear to be a foreclosure filing) that Ms. Boyer has tried to follow up on with the homeowner and the homeowner's attorney. However, neither have responded.

19-04 is an application from December 2019. The homeowner is requesting assistance through the program with waterproofing the basement and with upgrading the electrical service. The homeowner is eligible for the program, and she is collecting bids for the work.

19-05 is also a new application from December 2019. The homeowner's primary request was for funds to build a new garage and paved driveway. Ms. Boyer consulted with the HUD office and it was confirmed that CDBG funds cannot be used for a new garage under the federal regulations. The homeowner mentioned possibly being interested in having work done on the home. Ms. Boyer said that the homeowner may not have sufficient equity in the home to qualify for a loan. The program guidelines require that homeowners have a maximum of 85% loan to value ratio including the Village loan. Ms. Boyer will follow up with the homeowner. She also said that there were some notations on the title search that need clarification.

Commissioner Eggum suggested that perhaps there is a title insurance program that could be available if the Village makes loans under instances when the Village is concerned about a possible default situation.

There was also a discussion concerning the cost of appraisals needed to verity the amount a homeowner's equity. Ms. Boyer said that in most instances it is clear that the homeowner has sufficient equity. However, appraisals are done, at the cost of the program, if there is a question about whether there is sufficient equity. There was a discussion about whether the applicant should pay for the appraisal or if it should continue to be paid by the program. Commissioner Eggum suggested that perhaps it should be paid by the homeowner since it is a cost directly associated with the homeowner's loan. There was a question though about how the cost would be paid if the application did not proceed to a loan and concern about not wanting to discourage homeowners from applying. Ms. Boyer clarified that appraisals have been done recently at a rate of no more than one a year and a cost of about $350.

The number of applicants has decreased the past several years, which is also the case in nearby communities that have a similar program. Several suggestions were made concerning how to market the program including a news article highlighting a participant and advertising the program in the Senior Center newsletter. These methods of advertising the program have been used before but can be repeated. Chairman Hageli suggested asking applicants how they heard about the program. Commissioners Eggum and Tripp suggested advertising the program focusing on results and testimonials. Commissioner Miller suggested advertising through at the library. Commissioner Kiefer suggested that it may help to let people know that the Village does what it can to protect the homeowners' identity.

Ms. Boyer explained that some guidelines of the program are mandated by the federal CDBG regulations (such as the maximum annual incomes for eligibility), but others have been established by the Village. She said that the program benefits from periodic review of the guidelines and that the Housing Commission may wish to review the program in detail at a future meeting. Ms. Boyer said that she would get information on other communities' CDBG-funded home rehab programs.

Projects are presented to the Housing Commission for approval if the cost of the work is $10,000 or more. Staff approves projects that are under $10,000. Projects are identified to the Housing Commission using project numbers.

VI. NEW BUSINESS

A. 2020 – 2024 Consolidated Plan and 2020 Annual Action Plan

Ms. Boyer this is the year the Village needs to adopt a 5-year Consolidated Plan. She explained that in order to be eligible for HUD CDBG funds, the Village must adopt a 5-year Consolidated Plan that involves a needs assessment and strategic plan for how the Village will address housing and community development needs of its low and moderate income residents during the 5-year period. The Village must also, each year of the 5-year period, adopt a 1-year Annual Action Plan detailing, in part, how it will use its CDBG funds during that year. Since the Village is a member of the Cook County HOME Consortium, part of the Consolidated Plan is drafted by Cook County on behalf of all of the Consortium members. However, the Strategic Plan (in the Consolidated Plan) and Annual Action Plans are specific to the Village and adopted by the Arlington Heights Village Board. The calendar for the process has not been finalized but it is expected that the 2020 – 2024 Consolidated Plan and 2020 Annual Action Plan will be considered by the Village Board at a public hearing in May or June 2020 and the documents must be adopted by July 2020 in order to be submitted as a package by Cook County no later than August 15, 2020.

The Housing Commission comments on housing related needs and programs. Ms. Boyer explained that of the approximately $500,000/year budget, up to 15% is used for social services and up to 20% can be used for administrative costs. This leaves 65% of the budget for "brick and mortar projects." This includes the Single Family Rehab Program and group home renovations. For 20 years ending a few years back, $150,000 was used for the Senior Center.

Commissioner Eggum asked if the past 5 years budgets could be brought to the next meeting. He also asked if information can be provided on how other communities use their funds.
Ms. Boyer said that best practices online are often large project beyond the budget of Arlington Heights, but she will explore project possibilities. She said that the northwest suburbs receiving

CDBG are looking at how they might use CDBG funds for economic development. Another possibility that Arlington Heights could explore is a homebuyer down payment assistance program.

Commissioner Miller raised a discussion about the relationship between CDBG funds and the Affordable Housing Trust Fund. Ms. Boyer confirmed that it would be possible to combine resources from the two funds. She also said that the Trust Fund could be used for activities the Village wishes to offer but are not eligible uses of CDBG funds under the federal regulations.

Commission Creer commented that he has seen other communities focus their CDBG funds on infrastructure improvements like sidewalks and park improvements. On the other hand, Arlington Heights has had programs that provide more direct benefits to low and moderate income people.

Ms. Boyer commented that there have been only a few loans made under the Single Family Rehab Program in the past few years and the funds have gradually shifted to more group home rehabs.

Mr. Moens asked about using CDBG funds for rend and utility subsidies. Ms. Boyer responded that the CDBG regulations limit income subsidies to a maximum of 3 months.

Commissioner Tripp commented that it would be more effective to put the money into the development project with the developer. Commissioner Tripp commented that it is important that the Village look closely at pairing CDBG with what is in Trust Fund and at other tools (ex. height allowances) and bringing them to the table when talking with developers to show that the Village is willing to contribute to affordable housing being sought.

Ms. Boyer clarified that the amount of the Village's annual CDBG grant is determined by HUD according to a formula that takes into account things like age of housing stock, numbers of people in poverty, etc. Two communities (like Arlington Heights and Evanston) with similar size populations may receive very different CDBG allocations.

VII. OTHER BUSINESS

A. Discussion of 2020 Regular Monthly Meeting Dates

Commissioner commented that he has conflicts on Wednesday evening through spring. The Housing Commission will continue to have its regular monthly meetings on the first Tuesday of the month at 7:00 pm.

B. Announcement

Ms. Boyer stated that the Trustee's Committee of the Whole will discuss the draft Inclusionary Housing Ordinance on Monday, January 13, 2020. An email was sent to the Housing Commissioners this afternoon. It had not been decided that the matter would go to the Committee of the Whole meeting on January 13th until earlier in the week which is why it was not on the Housing Commission agenda for this evening. The email to the Housing Commissioners explained that since the draft ordinance is not on the Housing Commission's agenda for this evening, the draft cannot be discussed by the Housing Commission at this evening's meeting. However, Ms. Boyer said that the Housing Commissioners are welcome to attend the Committee of the Whole meeting. There was a brief discussion of who may be able to attend.

Commissioner Eggum commented that the inclusionary zoning matter is within the core scope of matters to be discussed by the Housing Commission, and therefore is an appropriate subject for the meeting. Ms. Boyer commented that the concern about not discussing the draft ordinance at tonight's Housing Commission meeting is due to it not having been on the agenda, and therefore, the public did not have notice that it would be discussed.

Ms. Boyer said that due to the interest in this topic, the Village is being as transparent as possible. The announcement and information about the topic were posted today (Wednesday, January 8, 2020). The posting for the Committee of the Whole meeting will go up by Friday.

There was a discussion of the process with regard to the Housing Commission's motions and the Housing Commission not having received the draft ordinance for comment before it will go to the Committee of the Whole. Commissioner Eggum said that more time and consideration should have been taken at the Housing Commission level before making recommendations that then went to the Village Board. He said that he would have liked to have more information on staff's reasoning for their recommendations. He said that he learned from this process that the Housing Commission should not make its recommendations until it has an opportunity to more fully discuss and ask questions about materials, such as contained in Staff Reports, and the Housing Commission is ready to transmit a written document with its recommendations explaining the reasoning behind its recommendations. He said some opinions of the Housing Commission, for example with respect to senior housing communities, are not reflected in the draft ordinance. He suggested that perhaps, in the future, the Housing Commission could create a memorandum explaining their position that could be appended to the minutes.

Other Commissioners commented that they thought it was appropriate for both the Housing Commission and staff recommendations to be communicated to the Village Board since the Commissioners and staff have different perspectives, and the Trustees can evaluate both.

Peg Lane commented that there is insufficient time in the process for public input, and there is no interest in public input.

Ms. Boyer commented that the next step, the Committee of the Whole, is a forum for the Village Board to discuss the topic. Votes are not taken at Committee of the Whole meetings. The Village has made arrangements to televise the Committee of the Whole meeting. The last meeting on this subject was also televised. The video recordings are made available online.

Mr. Moens stated that once an item goes to the Committee of the Whole that it's over. Ms. Boyer said that is not the case and that the Committee of the Whole could forward the matter to the next Village Board meeting if the Village Board is finished discussing the matter and is ready to take action, or the Committee of the Whole could refer the matter for more research by staff, refer it back to an appropriate commission, etc.

It was pointed out that the draft ordinance contains options (Housing Commission and staff recommendations) that need to be resolved.

Commissioner Eggum commented that the Housing Commission discussed the Village's inclusionary housing policy at length with reasons given for its recommendations. He expressed concern that none of the staff recommendations changed. He commented that staff's reasoning for their recommendations were not fully explained, and if more information had been shared between staff and the Housing Commission, there would have been a greater opportunity to build some consensus between the two.

Commissioner Tripp said that he did not see it as irregular that staff and the Housing Commission would have different recommendations based on their different perspectives. Commissioner Eggum said it would have been better to have a longer discussion so that the Housing Commission and staff would have better understandings of the others' opinions. Chairman Hageli said that he would rather the Trustees see the two opinions side by side rather than a blending.

Commissioner Tripp said although he does not have a problem with the Trustees seeing both sets of recommendations, he would have preferred that the Housing Commission saw draft ordinance before it goes to the Committee of the Whole. Commissioner Eggum said would have preferred that the Trustees had the benefit of more information, beyond Housing Commission minutes, explaining the two sets of recommendations.

Commissioner Hageli commented that going forward the Housing Commission use this experience to talk about how to handle this type situation in the future. Commissioner Eggum commented that in the future, if the Housing Commission is making recommendations on something that is to become an ordinance, the Housing Commission should append the minutes with communication regarding the Housing Commission's intent behind its recommendations –communication that he does not think occurred in this case.

VIII. ADJOURNMENT

A motion was made by Commissioner Hageli, seconded by Commissioner Tripp, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 8:15 pm.

NEXT MEETING: Tuesday, February 4, 2020 7:00 pm.

Housing Commission
2/4/2020

Item: 2020 - 2024 Consolidated Plan

Department: Planning & Community Development

At their meeting of January 8, 2020, the members of the Housing Commission generally discussed the topic of the 2020-2024 Consolidated Plan and 2020 Annual Action Plan. The Consolidated Planning process is a requirement of the Department of Housing and Urban Development in order for the Village to receive Community Development Block Grant (CDBG) funds. The Housing Commission requested information on how the Village has used its CDBG funds over the past 5 years as background for further discussion at its February 4, 2020 meeting.

ATTACHMENTS:

Description	**Type**
Consolidated Plan with Attachments	Report

Staff Report to the Housing Commission

To:	The Chairman and Members of the Housing Commission
From:	Nora Boyer, Housing Planner
Re:	Final Draft Inclusionary Housing Ordinance
Report Prepared:	January 30, 2020
Meeting Date:	February 4, 2020

Background

As discussed at the January 8, 2020 Housing Commission meeting, the Village is working on preparing the *2020-2024 Consolidated Plan* and *2020 Annual Action Plan* which are required in order for the Village to be eligible to receive federal Community Development Block Grant (CDBG) funds from HUD.

The *2020-2024 Consolidated Plan* will describe the Village's housing and community development needs, particularly the needs of the Village's low and moderate income residents. The strategic plan portion of the *2020-2024 Consolidated Plan* will explain the actions the Village intends to take over the 5-year period of the *Plan* to address the identified needs. The *2020 Annual Action Plan* will specifically describe the actions the Village intends to take during the October 1, 2020 – September 30, 2021 program year including how the Village plans to use its CDBG funds during that year.

During the January 8, 2020 meeting, there was a general discussion concerning the types of programs that are eligible for CDBG funding. The Housing Commission requested budget and expenditure information for the Village's CDBG program over the past 5 years. Attached are the CDBG budgets for the past 5 years including the current year. Actual expenditures are shown for the years that have ended (i.e. all but the current year).

Additionally, projects have been grouped into the categories of: 1) public services (otherwise known as social services); 2) housing programs, 3) public facilities; 4) infrastructure; and 5) administration. The attached shows the percentages of each year's expenditures (for the first 4 years) and allocations (for the current year) under each category.

Recommendation

It is recommended that the Housing Commission review the materials provided concerning the Village's CDBG program for the purpose of providing input or recommendations with regard to the *2020-2014 Consolidated Plan* and *2020 Annual Action Plan*.##

#

	2015-2016 FINAL BUDGET		
		Estimated	
		Revenue	
	REVENUE	**2015-2016**	
	CDBG Grant (final award amount)	$ 240,332	
	Estimated carry over from unexpended funds	$ 213,588	
	Program income	$ 50,000	
	Total Revenue	$ 503,920	
	EXPENDITURES	**2015-2016**	
	PROGRAMS	**Appoved**	**2015-216**
	Public Services (2015/2016 maximum: $52,960)	**Allocations**	**Expended**
1	Faith Community Homes	$ 1,960	$ 1,960
2	Township High School Dist 214 Community Ed.	$ 1,500	$ 1,500
3	NW CASA	$ 1,960	$ 1,960
4	Children's Advocacy Center	$ 1,960	$ 2,960
5	WINGS	$ 2,935	$ 2,935
6	Resources for Community Living	$ 2,935	$ 2,935
7	Escorted Transporation Service	$ 2,935	$ 2,935
8	Suburban Primary Health Care Center	$ 9,500	$ 9,500
9	Northwest Compass (Day Care Assistance)	$ 18,500	$ 18,500
10	Journeys The Road Home	$ 3,900	$ 3,900
11	Arlington Hts. Park District (CAP)	$ 4,875	$ 4,875
	Total	$ 52,960	$ 53,960
	Construction/Econ. Development (2015/2016: $392,960)		
12	WINGS	$ 1,410	$ 1,410
13	Housing Authority of the County of Cook	$ 73,000	$ 73,000
14	Little City Foundation - Group Home (round 1)	Incl in 20 below	$ -
15	Clearbrook - Group Home (round 2)	Incl in 20 below	$ -
16	Glenkirk - Group Home (round 2)	Incl in 20 below	$ -
17	Senior Center Debt Service	$ 150,000	$ 150,000
18	Single Family Rehab Loan Program	$ 121,735	$ 43,628
19	Group Home / Transitional Housing Rehab Program	$ 46,815	$ 36,900
	Total	$ 392,960	$ 304,938
	Administration (2015/2016 maximum: $58,000)		
20	CDBG Administration/SalariesAudit/Legal Notice	$ 58,000	$ 58,000
	Total Budgeted Expenditures	$ 503,920	$ 416,898

	2016-2017 FINAL BUDGET		
		Estimated	
		Revenue	
	REVENUE	**2016-2017**	
	CDBG Grant	$ 249,746	
	Cook County	na	
	Carry Over from unexpended funds	$ 106,927	
	Program income	$ 50,000	
	Total Revenue	$ 406,673	
		2016-2017	
	EXPENDITURES	**Approved**	**2016-2017**
	Public Services (2016-2017 Cap $50,550)	**Allocations**	**Expended**
1	Faith Community Homes	$ 2,500	$ 2,500
2	District 214 Education Foundation	$ 1,500	$ 1,500
3	NW CASA	$ 2,500	$ 2,500
4	Children's Advocacy Center	$ 2,500	$ 2,500
5	WINGS	$ 6,000	$ 6,000
6	Resources for Community Living	$ 5,000	$ 5,000
7	Escorted Transporation Service/NW	$ 3,500	$ 3,500
8	Suburban Primary Health Care Center	$ 10,000	$ 10,000
9	Journeys The Road Home	$ 4,500	$ 4,500
10	Arlington Hts. Park District (CAP)	$ 9,550	$ 9,500
11	Lifespan	$ 3,000	$ 3,000
		$ 50,550	$ 50,500
	Construction/Econ. Development 2016 - 2017 Cap $296,123)		
12	Clearbrook - Group Home	include in #20	$ -
13	Little City Foundation - Group Home	include in #20	$ -
14	Glenkirk - Group Home	include in #20	$ -
15	Senior Center Debt Service	$ 150,000	$ 150,000
16	Single Family Rehab Loan Program	$ 66,123	$ 14,406
17	Group Residence/Transitional Housing Rehab	$ 80,000	$ 79,105
		$ 296,123	$ 243,511
	Administration (2016 - 2017 Cap $60,000)		
18	CDBG Administration/SalariesAudit/Legal Notice	$ 60,000	$ 60,000
	Total Budgeted Expenditures	$ 406,673	$ 354,011

	2017-2018 FINAL BUDGET		
		Estimated Revenue 2017-2018	
	REVENUE		
	CDBG Grant	$ 246,901	
	Carry Over from unexpended funds	$ 118,748	
	Program income	$ 75,000	
	Total Revenue	$ 440,649	
	EXPENDITURES	**2017-2018 Approved Allocations**	**2018-2019 Expended**
	Public Services		
1	Faith Community Homes	$ 2,500	$ 2,500
2	District 214 Education Foundation	$ 1,500	$ 1,500
3	NW CASA	$ 2,500	$ 2,500
4	Children's Advocacy Center	$ 2,500	$ 2,500
5	WINGS	$ 6,000	$ 6,000
6	Resources for Community Living	$ 5,000	$ 5,000
7	Escorted Transporation Service/NW	$ 3,500	$ 3,500
8	Suburban Primary Health Care Center	$ 10,000	$ 3,961
9	Journeys The Road Home	$ 4,500	$ 4,500
10	Arlington Hts. Park District (CAP)	$ 5,250	$ 5,250
11	Lifespan	$ 3,000	$ 3,000
		$ 46,250	$ 40,211
	Construction/Econ. Development		
12	Little City Foundation - Group Home	Incl. in #18 below	$ -
13	Clearbrook - Group Home	Incl. in #18 below	$ -
14	Children's Advocacy Center - service center remodeling	$ 20,000	$ 15,502
15	Single Family Rehab Loan Program	$ 82,399	$ 24,367
16	Group Residence/Transitional Housing Rehab	$ 54,700	$ 48,814
17	Senior Center electronic doors and surveillance cameras	$ 22,300	$ 14,607
18	VAH Infrastructure - Street Resurfacing	$ 150,000	$ 150,000
		$ 329,399	$ 253,290
	Administration		
19	CDBG Administration/SalariesAudit/Legal Notice	$ 65,000	$ 65,000
	Total Budgeted Expenditures	$ 440,649	$ 358,501

	2018-2019 FINAL Budget	Estimated	
		Revenue	
	REVENUE	**2018-2019**	
	CDBG Grant	$ 273,974	
	Carry Over from unexpended funds	$ 126,054	
	Program income (expected May 15th)	$ 50,000	
	Total Revenue	$ 450,028	
		2018-2019	
	EXPENDITURES	**Approved**	**2018-2019**
	Public Services (2018-2019 Cap $45,200)	**Allocations**	**Expended**
1	Faith Community Homes	$ 2,500	$ 2,500
2	District 214 Education Foundation	$ 1,500	$ 1,500
3	NW CASA - Sexual Assault Program	$ 2,500	$ 2,500
4	Children's Advocacy Center	$ 2,500	$ 2,500
5	WINGS	$ 6,000	$ 6,000
6	Resources for Community Living	$ 5,000	$ 5,000
7	Escorted Transporation Service/NW	$ 3,500	$ 3,500
8	Suburban Primary Health Care Center	$ 7,253	$ 5,079
9	Journeys The Road Home	$ 4,500	$ 4,500
10	Arlington Hts. Park District	$ 6,947	$ 6,947
11	Lifespan	$ 3,000	$ 3,000
		$ 45,200	$ 43,026
	Construction/Econ. Development (2018-2019 Cap $339,828)		
12	Little City Foundation	Incl in 19 below	$ -
13	Clearbrook	Incl in 19 below	$ -
14	Alexian Brothers Center for Mental Health	$ 4,037	$ 2,999
15	Children's Advocacy Center	$ 4,498	$ 2,735
16	Single Family Rehab Loan Program	$ 75,000	$ -
17	Group Residence/Transitional Housing Rehab Program	$ 68,000	$ 62,356
18	Senior Center	Incl in 21 below	
19	Public Infrastructure and Facilities - Street Resurfacing;	$ 192,791	$ 209,091
	completion of Senior Center video system and panic buttons	$ 344,326	$ 277,181
	Administration (2018-2019 Cap $65,000)		
20	CDBG Administration/SalariesAudit/Legal Notice	$ 65,000	$ 57,275
	Total Budgeted Expenditures	$ 454,526	$ 377,482

	2019-2020 FINAL BUDGET	
		Estimated
		Revenue
	REVENUE	**2019-2020**
	CDBG Grant	$ 269,344.00
	Carry Over of Unexpended CDBG funds	$ 139,443.00
	Transfer from Capital Fund for Disposition of Teen Center	$ 42,800.00
	Program income (expected May 15th)	$ 50,000.00
	Total Revenue	$ 501,587.00
		2019-2020
	EXPENDITURES	**Final**
	Public Services (2019-2020 Cap $44,450)	**Allocations**
1	Faith Community Homes	$ 2,500.00
2	District 214 Education Foundation	$ 1,500.00
3	NW CASA - Sexual Assault Program	$ 2,500.00
4	Children's Advocacy Center	$ 2,500.00
5	WINGS	$ 6,000.00
6	Resources for Community Living	$ 5,000.00
7	Escorted Transporation Service/NW	$ 3,500.00
8	Suburban Primary Health Care Council	$ 4,337.00
9	Journeys The Road Home	$ 4,500.00
10	Arlington Hts. Park District	$ 9,113.00
11	Life Span	$ 3,000.00
		$ 44,450.00
	Construction/Econ. Development (2019-2020 Cap $394,137)	
12	Little City Foundation	Incl in 20 below
13	Clearbrook	Incl in 20 below
14	Shelter, Inc.	Incl in 20 below
15	Alexian Brothers Center for Mental Health	$ 13,960.00
16	Journeys The Road Home - Capital Project or Public Facility*	$ 28,000.00
17	Single Family Rehab Loan Program	$ 50,000.00
18	Group Residence/Transitional Housing Program	$ 76,900.00
19	Public Infrastructure and Facilities	$ 225,277.00
na	Children's Advocacy Center ($1,763 from prior year)	$ -
		$ 394,137.00
	Administration (2019-2020 Cap $63,000)	
20	CDBG Administration/SalariesAudit/Legal Notice	$ 63,000.00
	Total Budgeted Expenditures	$ 501,587.00

* The CDBG Northwest Suburban Network is discussing this project with Cook County, HUD and Journeys to determine whether it is feasible as a jointly-funded CDBG project. $28,000 is recommended as a placeholder. If the joint funding does not move forward, the $28,000 would be moved to public infrastructure/facilities.

Percentages of Expenditures/Allocations for Each Program Category

	2015-2016 Percentage of Expenditures	2016-2017 Percentage of Expenditures	2017-2018 Percentage of Expenditures	2018-2019 Percentage of Expenditures	2019-2020 Percentage of Allocations
Public Service (subject to a cap)	12.9	14.3	11.2	11.4	8.9
Housing Programs					
Multi- Family Rehab	17.5	0.0	0	.8	2.8
Group Homes	8.8	22.3	13.6	16.5	15.3
Single-Family Rehab	10.4	4.0	6.8	0	10.0
Total	36.7	26.3	20.4	17.3	28.1
Public Facilities					
Senior Center	36.0	42.4	4.0	15.6	0.0
Other	0.3	0.0	4.3	.7	12.0
Total	36.3	42.4	8.3	16.3	12.0
Infrastructure – Streets	0.0	0.0	41.8	39.7	38.4
Administration (subject to a cap)	13.9	16.9	18.1	15.1	12.6

Prepared: January 30, 2020#

Housing Commission
2/4/2020

Item: Final Draft Inclusionary Affordable Housing Ordinance

Department: Planning & Community Development

The Village of Arlington Heights has been evaluating its inclusionary affordable housing program through which residential developers are required to include affordable units in their developments. Arlington Heights is one of 7 Chicago suburbs with a voluntary or mandatory inclusionary affordable housing program.

At a Committee of the Whole meeting on January 13, 2020, proposed revisions to the Village's inclusionary affordable housing program and a draft inclusionary affordable housing ordinance were reviewed. The Committee of the Whole directed that staff make certain changes to the draft ordinance and further directed that the final draft ordinance be referred to the Housing Commission for its review. This review by the Housing Commission will take place at their meeting on February 4, 2020.

ATTACHMENTS:

Description	**Type**
Final Draft Inclusionary Affordable Housing Ordinance	Report

Staff Report to the Housing Commission

To:	The Chairman and Members of the Housing Commission
From:	Nora Boyer, Housing Planner
Re:	Final Draft Inclusionary Housing Ordinance
Report Prepared:	January 29, 2020
Meeting Date:	February 4, 2020

<u>Background</u>
On January 13, 2020, the Village of Arlington Heights' Committee of the Whole reviewed and discussed a draft Inclusionary Housing Ordinance. This draft was prepared by Staff and included recommendations of the Housing Commission and Staff and some additional Staff considered important based on its review of other communities' inclusionary housing ordinances. Housing Commission members, developers, and non-profit developers were notified of and welcomed to attend to the Committee of the Whole meeting.

The Committee of the Whole reviewed the draft ordinance and directed staff to make changes as described in the attached Memorandum (dated January 16, 2020) and as reflected in the revised, draft ordinance that is attached to the Memorandum.

<u>Housing Commission Discussion</u>
At the Committee of the Whole meeting, Staff was directed by the Trustees to take this revised, draft ordinance back to the Housing Commission so that the Commission could see it in its final form before it goes back to the Village Board because the Housing Commission has been an integral part of its development. Sending the draft ordinance back to the Housing Commission provides another opportunity for input from the Housing Commissioners and also another opportunity for public comment.

<u>Recommendation</u>
It is recommended that the Housing Commission review the final draft Inclusionary Affordable Housing Ordinance and provide any input and recommendations to the Village Board.

MEMORANDUM

TO: Randy Recklaus, Village Manager

FROM: Charles Witherington-Perkins
Director of Planning and Community Development

DATE: January 16, 2020

SUBJECT: *Revised Inclusionary Housing Ordinance*

Attached, please find a revised inclusionary Housing Ordinance reflecting the consensus recommendations made by the Committee of the Whole on January 13, 2020.

In summary the changes include the following key elements.

1. Removal of Senior Residential Community definition and requirements.
2. Removal of linkage fee requirements for single family additions of 50% or more.
3. Modification of the multi-family linkage fee for developments containing 9 or fewer units from $7,500 to $3,500 with the added language for rental developments that a developer may voluntarily provide onsite affordable units and no fee.
4. Modification of the linkage fee for multi-family for sale developments containing 9 or fewer units from $7,500 to $3,500.
5. For section 7-1708 there was a consensus of the Board to develop a tiered approach based upon proposed or potential sale price of the units. However, a tiered approach with different percentages for various tiers, could result in significant fee changes between each particular tier. After further review, it is proposed that a percentage based on the value of the unit be included for 10% of units with a cap of $75,000 as discussed. This approach we believe addresses the Committee of the Whole's desire to have a proportional fee as illustrated in the example below.

   The chart below will be included in administrative guidelines as an example, not the ordinance:

Value of Unit	Percent	In Lieu fee/per required affordable unit
$300,000	12.5%	$37,500
$500,000	12.5%	$62,500
$600,000	12.5%	$75,000
$700,000	12.5%	$87,500 (pays cap of $75,000)

   e.g. 10 unit development / average sale price $600,000
   10% affordable = 1 unit x 12.5% / $600,000 = $75,000

   16 unit development / average sale price $300,000
   10% affordable = 1.6 unit x 12.5% / $300,000 = $60,000

6. It was requested that a fee waiver repayment provision be included within section 7-1709. After consultation with In–House Counsel, general penalty provisions and enforcement are already covered in the Municipal Code. If a developer received a permit fee waiver and is later found non-compliant with the Inclusionary Housing Ordinance, the Village would likely pursue enforcement of the affordable housing requirements and, if appropriate, penalties pursuant to the general penalty provisions. Requiring repayment of the fees waived will only serve to accept the failure to comply with the ordinance requirements.

It is anticipated that this draft of the proposed Inclusionary Housing Ordinance would be presented to the Housing Commission in February as directed by Committee of the Whole.

C: Robin Ward, In-House Counsel
Nora Boyer: Housing Planner

Attachment

CHAPTER 7 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, limited 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 and 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.