Village of Arlington Heights
Housing Commission
Virtual Meeting
Arlington Heights, IL 60005
February 2, 2021
7:00 PM

I. CALL TO ORDER

A. In response to the COVID-19 pandemic, this meeting is being held virtually, which permits the public to fully participate via their computers or using their phones.

To participate in the virtual meeting, please follow these instructions: https://bit.ly/3ppy1KK

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 3:00 p.m. on the day of the meeting.

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 11/17/21

IV. REPORTS

V. OLD BUSINESS

A. Single Family Rehab Program Report
B. Affordable Housing Trust Fund Discussion
C. Rental Registration Program

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
2/2/2021

Item: Minutes 11/17/21

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Minutes	Minutes

Draft

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOVEMBER 17, 2020

IN ATTENDANCE:

Commissioners Present:	Andrew Tripp	Ken Kiefer	John Eggum
	David Miller	Jennifer Sweis	William Delea
Commissioners Absent:	None		
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison		

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

II. Roll Call
The following Commissioners responded to roll: Tripp, Kiefer, Eggum, Miller & Sweis. Commissioner Delea joined the meeting at 7:30 pm.

III. APPROVAL OF MINUTES

A motion was made by Commissioner Keifer, seconded by Commissioner Miller to approve the minutes of the October 7, 2021 meeting.
The motion was approved
Ayes: Tripp, Kiefer, Eggum, Miller & Sweis
Nays: 0.

IV. REPORTS
None

V. OLD BUSINESS

A. Single Family Rehab Program
Ms. Boyer reported that Case 20-05 is the only active application at this time. She said that she has been to the home and the scope of work discussed was replacing the air conditioning, removing mold and making repairs (including tiling) in a bathroom where there was water seepage, and perhaps the replacement two windows. Ms. Boyer has revised her project cost estimate from $20,000 to $10,000. Bids are still being collected. The project will be brought to the Housing Commission if the project cost is over $10,000.

Commissioner Kiefer asked how the program is publicized and how much knowledge there is of the program. She said that spring is the most active time for receiving applications. Ms. Boyer said the program is regularly advertised in the Senior Center newsletter. Occasionally, there are features on the Village website. She suggested that some advertising could be done mid-winter.

B. Affordable Housing Trust Fund

Ms. Boyer had provided background information on how the Trust Fund was established. Information was also provided on how other communities use Trust Funds. She said that the plan had been to allow funds to building up until they were enough to leverage creating affordable units. The Village Board, especially since the approval of the Inclusionary Housing Ordinance was passed, is asking for recommendations from the Housing Commission about how the Village's Trust Fund monies should be used. Ms. Boyer reported that there is $436,000 in the Trust Fund now and if all of the projects proceed that were approved including fees-in-lieu of affordable units there would be a total of $946,000. The memo that was provided includes of list of uses for affordable housing trusts funds that could be narrowed.

Ms. Boyer said that the Village Board is looking for the Housing Commission to provide priorities for uses of the funds, and details on a process for allocating funds.

Commissioner Eggum commented that based on the information provided by the Center for Community Change website, the most common processed for identifying projects is are issuing competitive Request for Proposals (RFPs) or a Notices of Funding Availability (NOFAs). He suggesting compiling a list of potential respondents to make sure the Village is reaching qualified candidates. He also suggested looking at sample RFPs that could be used for the basis for an RFP or application. That concept would be presented to the Village Board as a way to go forward.

Commissioner Miller agreed with this approach and commented that an RFP or NOFA process would draw visibility to the program. Chairman Tripp also agreed to the approach commenting that this approach may help to narrow the list of possible uses of the trust fund monies, and it would be helpful to see how other municipalities are using their money.

Commissioner Eggum stated that the concept is to use the funds to create or preserve affordable units, and that some of the uses on the list provided do not do that. He commented that we are looking for longer lasting, tangible results from the use of the funds.

Commissioner Miller suggested narrowing down the list to 5 – 7 uses. Commissioner Eggum commented that a statement of objectives would be helpful in order to communicate the key principles for successful applicants and state the top 5 or so priorities.

Ms. Boyer aske if the Housing Commission would be interested in hearing from speakers from groups (ex. non-profit affordable housing developers), the Illinois Housing Development Authority (IHDA) or Cook County? Commissioner Eggum said it might be useful to hear from an affordable housing developer who has been through an RFP process a couple of times to assist the Village with developing its RFP. Commissioner Miller said that it may be useful to hear from both sides – an affordable housing developer and a group that has provided financing in the past for affordable housing.

Commissioner Tripp commented that the most efficient way to use the funds would be to contribute to a developer's project. Some ways of using funds from the list that have possibilities are: providing below market interest rate loans; capital subsidies for affordable housing development; providing publicly owned land; shared appreciation mortgages; and subsidized mortgages. Commissioner Eggum said that it will be important to identify candidates who have track records and are likely to be able to complete the project. Commissioner Kiefer suggested seeing what Highland Park has done with its Trust Fund monies. Ms. Boyer said that she will seek updates from the Chicago suburbs have been using their funds.

With respect to priorities, Ms. Boyer said that she hears from agencies in the area that it is hard to find affordable rental units especially for larger households (2 – 3+ bedrooms). Commissioner Sweis commented that agency input was helpful. Commissioner Kiefer suggested looking at the CDBG program and agencies that apply for CDBG funds to identify needs that are not being addressed.

Ms. Boyer asked if the Housing Commission would be interested in exploring creating and preserving affordable rental units in existing buildings (acquisition and rehab) in addition to considering supporting new construction. The acquisition and rehab would be done by a developer, likely not the Village. There was openness to this concept.

Ms. Boyer said that she will look into how the other suburbs are currently using their trust funds and will look for sample RFPs.

C. Rental Registration

At the last meeting, Commissioner Eggum had introduced expanding the Village's rental registration program in ways that would gather more data on the amount of affordable rental units in the Village and/or expanding the Village's rental inspection program which currently involves the inspection of only common areas. Expanding rental registration would be useful for measuring the impacts and benefits of programs to tenants over time and also may reveal fair housing issues in the community. Commissioner Miller said that he had some experience with this type of registration/inspection in another community. He thought that inspection piece was more likely to be effective than the data gathering piece. Commissioner Kiefer said this could be a way to get needed information and suggested asking for staff feedback.

Registration fees were discussed and Commissioner Sweis asked about how much Highland Park's registration fee is, and then she found on the internet that Highland Park's 2020 fee is $30/unit and Evanston's is $20/unit. She commented that fees should not be so high that it discourages compliance with registering. Commissioner Delea asked about fees for non-compliance. Commissioner Eggum commented that the amount of the fee would need to be evaluated along side of the cost of the registration/inspection program.

Ms. Boyer was asked to inquire with staff as to whether there would be in interest in pursuing either of these ideas – expanding rental registration and/or rental inspections.

VI. NEW BUSINESS - None

VII. OTHER BUSINESS

Ms. Boyer provided information on the two senior housing projects currently going through the approval process – the Ryan Properties and Trammel-Crow proposals. Both have submitted Plan Commission applications. Both include independent living, assisted living and memory care. Neither has skilled care. Both will be offered at monthly rental rates plus services. The Ryan properties proposal is for a total of 188 units. The Trammel Crow proposal is for a total of 175 units and is scheduled to go to the Plan Commission on December 2, 2020.

The meeting was opened to the public.

Commissioner Eggum commented that the developments sound like what he became familiar with as a member of the Senior Citizens Commission where residents may start out in independent living and slide over to other types of more service intensive units as needed. He commented that affordable units though inclusionary housing does not fit what is going on at these types of communities because the concept is to be able to slide people back and forth between levels of care. He said it is good for the Housing Commission to be aware that these developments are occurring but he thought that these types of communities are outside the Housing Commission's purview. He would want the Housing Commission to review proposals where senior housing is proposed in order to avoid providing inclusionary units – such as a regular apartment building (without different levels of housing+services) that is age restricted as a way to avoid providing affordable units.

Mr. Keith Moens joined the meeting and commented that the independent living component starts at some rent before service costs are added and it would be nice to have affordable base rents on some units. He commented that the units are being advertised as upscale units and there should be affordable units before the service component is added. Commissioner Eggum said that he understand the concern, but the complication would be that people in the affordable units could be stranded in those affordable units and unable to pay for the services they need. The service costs might then need to be passed on to other residents.

VIII. ADJOURNMENT

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

NEXT MEETING: The next meeting be held on January 13, 2021 at 7 pm.

Housing Commission
2/2/2021

Item: Single Family Rehab Program Report

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
SFR Report	Report

01/27/21

SINGLE-FAMILY REHABILITATION LOAN PROGRAM - 2020-2021 Report

FILE # SUFFIX	APPLICATION SUBMITTED	OUT TO BID	SCOPE OF WORK SUMMARY	STAFF COST ESIMATE	PROJ COST	CHANGE ORDERS	TOTAL PROJECT COST	PAID TO DATE	STATUS
19-02 LE3300	9/16/2019		Air conditioning	$3,500					Postponed to spring 2021
19-05 MA 830	12/9/2019		Initially requested garage and driveway. Revised request; central air conditioning, general carpentry, bathroom vanity, kitchen remodel						Application not yet complete. Lacking income verification. Requested in March 2020 and again 7/16/2020. To be sent a letter stating that he will need to reapply if he wishes to participate in the program.
20-01 UL1415 (condo)	6/10/20		Requesting plumbing, furnace, electrical and 2 patio doors						Income-eligible for program. Ordered appraisal in order to determine maximum loan amount. Homeowner put application on-hold 9/2020.
20-05 GA938	8/3/2020		Basement waterproofing, repair of water damage, a/c replacement, possibly replace 2 windows.						Active File. Determined eligible. Collecting bids. Likely to be under $10,000 total and therefore administratively approved.
20-06 MC536	12/15/20								Determining eligibility

<u>SFR LOAN PROGRAM - FINANCIAL SUMMARY</u>

2020/2021 CDBG ALLOCATION:	$ 39,310.00	
19-02	3,500.00	(reserved)
20-05 Estimate	10,000.00	
20-06 Estimate	15,000.00	
TITLE SEARCHES/APPRAISALS/LEAD PAINT COSTS/PERMITS: -	0.00	
LESS PROGRAM INCOME NOT YET RECEIVED:	- 0.00	
Total:	$ 28,500.00	

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

Case #	Date Paid	Yrs to Repayment	Amount	Reason sold (if known)
14-05	October 1, 2020	6 years	$14,114	Moved to be closer to their adult children and grandchildren
08-02	December 22, 2020	12 years	$29,525	Unknown

Housing Commission
2/2/2021

Item: Affordable Housing Trust Fund Discussion

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Memo	Memorandum

MEMORANDUM

To:	**Chairman and Members of the Housing Commission**
From:	**Nora Boyer, Housing Planner**
RE:	**Affordable Housing Trust Fund – Priority Activities and Process**
Date of Meeting:	**February 2, 2021**
Prepared:	**January 28, 2021 (v. 3)**

Background

In 2013, the Village Board approved the creation of the Arlington Heights Affordable Housing Trust Fund. The purpose of the Arlington Heights Affordable Housing Trust Fund (Village Code Chapter 7, Sections 1201-1208) "is to address the attainable housing goals, policies and programs of the Village Board by….providing sustainable financial resources to address the Attainable Housing needs of Eligible Households in Arlington Heights; and preserving and producing dedicated Attainable Housing."

Revenue into the Trust Fund may come from several sources specified in the Trust Fund Ordinance. To date, the revenue into the Trust Fund has come from the sale of the Village's tax-exempt bond cap and fees in lieu of affordable housing units paid by multi-family housing developers.

In 2020, the Village Board approved and Inclusionary Housing Ordinance that formalized the Village's affordable housing unit and fee-in-lieu requirements.

Previously, the Housing Commission recommended that funds be built-up in the Trust Fund to around $500,000 before making any allocations for eligible activities. The current balance in the Trust Fund January 26, 2021 was $453,814.85.

The Affordable Trust Fund ordinance provides general statements (see next section) concerning activities that are eligible for Trust Fund allocations and an abbreviated process for activity approval. Now that funds have accumulated into the Trust Fund, the Village Board has asked staff the Housing Commission to make recommendations regarding uses and process for the Trust Fund. These recommendations are due to the Village Board by late summer 2021.

Trust Fund – Activity Types:

According to Village Code, the use of Housing Trust Fund resources shall be limited to supporting, in whole or in part, one or more of the following Eligible Activities:

1. Creation and preservation of Attainable Housing including, without limitations, new construction, rehabilitation, and adaptive reuse;

2. Acquisition and disposition, including without limitation, vacant land, single family homes, multi-unit buildings, and other existing structures that may be used in whole or part to provide Attainable Housing;

3. Payments for costs incurred in connection with administering the Housing Trust Fund. No costs shall be reimbursed except pursuant to a written agreement between the Village and any third-party approved by the Village to administer a program or a funded program.

In order to facilitate the Housing Commission's discussion of specific uses of the Affordable Housing Trust Fund, staff is presenting options that may be ranked by the Commissioners as High, Medium, or Low.

ACTIVITY TYPE 1: Creation and preservation of Attainable Housing including, without limitation, new construction, rehabilitation and adaptive reuse			
FOR-PROFIT Developer Activities			
High	Medium	Low	**HOMEOWNERSHIP** Activities:
			New construction of single-family homes
			New construction of multi-family units
			Preservation/Rehabilitation of existing single-family homes
			Preservation/Rehabilitation of existing multi-family units
			Adaptive Reuse of existing structures
			RENTAL Activities
			New construction of single-family homes
			New construction of multi-family units
			Preservation/Rehabilitation of existing single-family homes
			Preservation/Rehabilitation of existing multi-family units
			Adaptive Reuse of existing structures
NOT-FOR-PROFIT Developer Activities			
High	Medium	Low	**HOMEOWNERSHIP** Activities:
			New construction of single-family homes
			New construction of multi-family units
			Preservation/Rehabilitation of existing single-family homes
			Preservation/Rehabilitation of existing multi-family units
			Adaptive Reuse of existing structures
			RENTAL Activities
			New construction of single-family homes
			New construction of multi-family units
			Preservation/Rehabilitation of existing single-family homes
			Preservation/Rehabilitation of existing multi-family units
			Adaptive Reuse of existing structures
			New construction of group homes or supportive housing
			New construction of transitional housing

ACTIVITY TYPE 2: Acquisition and disposition, including without limitation, vacant land, single family homes, multi-family buildings, and other existing structure that may be used in whole or in part to provide Attainable Housing			
High	Medium	Low	
			Land acquisition for affordable housing development (ex. Community Land Bank or Community Land Trust)
			Land acquisition for mixed income housing development
			Acquisition/disposition of single-family homes
			Acquisition/disposition of multi-family buildings
			Acquisition/disposition of housing to be used as group homes or supportive housing
			Acquisition/disposition of housing to be used as transitional housing
			Homebuyer assistance (ex. down payment assistance program)
			Tenant based rental assistance (rent subsidies to landlords for low/mod income households)
			Project based rental assistance (monthly rent subsidies to make units affordable)
			Other

ACTIVITY TYPE 3: Payments for costs incurred in connection with administering the Housing Trust Fund			
High	Medium	Low	
			Costs incurred in connection with administering the Housing Trust Fund (5 – 15% is typical)
			Payment for costs of consultant services for concepts, architectural services, or other pre-construction services
			Costs associated with working with a non-profit partner to develop concepts or other pre-construction work.

Other considerations for uses of the Trust Fund:

PRIORITY POPULATIONS: For Trust Fund Activities			
High	Medium	Low	
			Senior/Elderly: Households with at least one household member ___ years of age or older
			Veterans: Households in which one or more persons is a military veteran
			Disabled: Households in which one or more persons 18 years of age or older is severely disabled
			Small Households: Unit sizes appropriate for 1 – 3 persons
			Large Households: Unit sizes appropriate for 4+ person
			Current Arlington Heights Residents
			Employees of Arlington Heights Businesses
			Other

FORMS OF ASSISTANCE: To be provided through the Trust Fund			
FOR-PROFIT DEVELOPER assistance to create more affordable units or make units affordable to lower income levels			
High	Medium	Low	
			Predevelopment costs (ex. feasibility studies, design)
			Grants
			Zero or low interest loans
			Deferred zero or low interest loans
			Forgivable loans
			Long term (ex. 99 year) lease of Village owned property
			Grants to non-profit developers to make units more affordable
			Zero or low interest loans to private, for-profit developers to make units more affordable
			Long term lease (ex. 99 years) of property purchased by the Village
NOT-F**OR-PROFIT** DEVELOPER assistance to create more affordable units or make units affordable to lower income levels			
High	Medium	Low	
			Predevelopment costs (ex. feasibility studies, design)
			Grants
			Zero or low interest loans
			Deferred zero or low interest loans
			Forgivable loans
			Long term (ex. 99 year) lease of Village owned property
			Grants to non-profit developers to make units more affordable
			Zero or low interest loans to private, for-profit developers to make units more affordable
			Long term lease (ex. 99 years) of property purchased by the Village

OTHER CONSIDERATIONS			
High	Medium	Low	
			Leveraging of other funds
			Sustainability (Green/LEED)
			Proposals to provide units lower than maximum income eligibility (ex. affordable to 30% or 50% AMI rather than 60% AMI for rental)

It is recommended that the Housing Commission rank the above activities, priorities, and other considerations individually and bring those rankings to the February 2, 2021 Housing Commission for discussion. Staff will also bring its rankings to the Housing Commission meeting. After completion of this consensus-building process, the Housing Commission will be asked to move forward to refine the process for the Trust Fund.