AGENDA
HOUSING COMMISSION
Commissions Room, 2nd Floor
Arlington Heights Village Hall, 33 S. Arlington Heights Rd.
Arlington Heights IL 60005
September 18, 2024
7:00 PM

I. CALL TO ORDER

II. ROLL CALL OF MEMBERS

III. APPROVAL OF MINUTES

A. August 21, 2024

IV. REPORTS

A. Status Update on Inclusionary/Affordable Housing Projects

V. OLD BUSINESS

A. Single Family Rehab Program

B. Arlington Heights Affordable Housing Trust Fund

VI. NEW BUSINESS

A. Shelter Inc. CDBG Ordinance Review

B. Inclusionary Housing Ordinance Review

C. Village Owned Property

D. Illinois Affordable Housing Planning and Appeal Act

E. Discussion of Request for Joint Meeting with Senior Citizens Commission

VII. OTHER BUSINESS

A. October 16, 2024 Agenda

VIII. PUBLIC COMMENT

Anyone wishing to speak on a subject not on the Agenda may speak at this time. Please limit your comments to three minutes.

IX. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, emercado@vah.com or 847/368-5793.

DRAFT

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
August 21, 2024

IN ATTENDANCE:

Commissioners Present:	Ken Kiefer	Dave LoSavio	Gabriel Nagy
	Janice Krinsky	William Delea	David Miller
Commissioners Absent:	None		
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison		
Others Present:	Fred Vogt	Senior Citizens Commission	
	Carol Klein	Village Resident	
	Keith Moens	Village Resident	

I. CALL TO ORDER

The meeting was called to order at 7:00 pm by Chairman Kiefer.

II. ROLL CALL

Present: K. Kiefer, J. Krinsky, W. Delea, D. LoSavio, D. Miller, & G. Nagy
Absent: None

III. APPROVAL OF MINUTES

A motion was made by Commissioner Krinsky, seconded by Commissioner Nagy to approve the minutes of the July 17, 2024 meeting with corrections. The motion was approved unanimously by voice vote.

III. REPORTS

Ms. Boyer stated that there were no updates with regard to active inclusionary housing development projects except for Grace Terrace. She reported that on August 19, 2024, the Village Board approved a motion by an 8 – 2 vote directing staff to prepare an ordinance approving the project. Full Circle Development was directed to submit plans for a two-story rather than a three-story building. The plans will undergo staff review and review by the Design Commission. The ordinance will be brought back to the Village Board for a vote.

Commissioner Nagy, who attended the August 19th Village Board meeting, commented that he thought that the three-story building would be preferrable. He said that there was some confusion about the process. He was surprised by the intensity of the arguments but that the meeting was well-run. He noted that there is no evidence that the presence of affordable housing changes crime rates or property values in areas around affordable housing.

Keith Moens commented that he also thinks a three-story building would be better and commented that Full Circle needs to review their financing if it is to be a two-story building.

There was some discussion of how the building would be reduced to two stories while maintain the planned 25 units. Redesign could include the reduction of spaces for amenities.

V. OLD BUSINESS

A. Single-Family Rehab Program

Ms. Boyer reported that there has been no change with regard to the status of projects since the July meeting. Commissioner Miller asked about the $11k balance for the program and what happens to it. Ms. Boyer said that those funds, if remaining at the end of the program year, will be re-budgeted. They are not carried over into the next year's Single-Family Rehab Program budget, but the funds are not lost. Ms. Boyer was asked if she is expecting any applications, and she reported that she could be receiving an application soon, but that project may be for a request over $11k, in which case it need to be funded in the next program year.

B. Rental Registry Recommendation

Ms. Boyer said that plans are proceeding with adding the affordability questions to the Multi-Family Rehab License form prior to the notice for 2025 license renewals going out. She said that she believes that the renewal deadline for 2025 license renewals is either January 1, 2024 or January 31, 2024.

C. Arlington Heights Affordable Housing Trust Fund

Ms. Boyer said that since new construction, low-income housing tax credit projects are coming forward without providing Village supplemental funds from the Trust Fund, staff will be sending letters to respondents to the Request for Letters of Interest to see if they would be interested in using the funds for rental preservation (i.e., acquisition/rehab of currently available affordable rental units). These market rate units are those that tend to be affordable in the open market due to their age and condition.

Commissioner Nagy commented on the property tax system that reassesses properties after improvements are made with the result being the taxed increase when improvements are made. He theorized that this is a disincentive to owners to improve their properties since the landlord can readily rent the unimproved units. He suggested that property taxes should instead be reduced for some improvements to provide incentives for those improvements.

VI. NEW BUSINESS

A. 2025 Housing Commission Budget Request

The 2025 budget request was made of the Housing Commission. It is requested that the Housing Commission's total budget be a maximum of $1,200 rather than the 2024 amount of $1,300. Ms. Boyer said that she penciled in a budget for the Housing Commission of: Postage $100; Copies $100; and Other Supplies $1,000 (rather than the 2024 amount of $1,100) for a total of $1,200.

A motion was made by Commissioner Miller, seconded by Commissioner Delea to ratify the 2025 Housing Commission budget as presented by Ms. Boyer (i.e. Postage $100; Copies $100; and Other Supplies $1,000 for a total of $1,200. The motion was approved by voice vote.

B. Designated Affordable Housing Units

Ms. Boyer stated that a map and listing of the designated affordable housing units was included in the meeting packet. These are units restricted to be affordable under the inclusionary housing ordinances, other Village action, or due to their financing. Information on the fee-in-lieu of affordable units was also provided.

Ms. Boyer briefly described the developments. The Goedke Apartments, Cedar Village, and Linden Place were developed in around the 1980s. The other affordable housing units listed were created more recently – before and after the adoption of the Inclusionary Affordable Housing Ordinance in 2020.

The Goedke Apartments and Cedar Village Apartments are near downtown (to the west of downtown) and prioritize senior citizens and persons with disabilities. Linden Place includes a senior building and family townhomes.

Commissioner Miller stated that it will be interesting to see the data collected concerning affordable unit when the affordability questions are added to the license application. He asked if the map has been made public or if it was provided as information just for the Housing Commission. Ken Kiefer complimented the staff on the map and suggested that it be put on the Village's website if it is public information. Ms. Boyer said that the map has been made public in that it was included online in the Housing Commission packet, and it may have also been provided in the published materials for Grace Terrace. She said that she will look into making the map more generally available on the Village's website.

Commissioner LoSavio asked about how the amounts of the fee-in-lieu of affordable units were calculated. Ms. Boyer said that prior to the adoption of the Inclusionary Affordable Housing Ordinance in 2020, the numbers of affordable units and fees were negotiated on an individual development basis. Since the adoption of the Ordinance, the policies concerning the fee-in-lieu amounts have been more consistent in their application as per the requirements of the ordinance. She said that the fee-in-lieu amounts differ depending of factors such as the location of the development and whether there is government financing for the development. Ms. Boyer said that she will put the Inclusionary Affordable Housing Ordinance on the September meeting agenda for review.

Commissioner Miller asked Ms. Boyer if she is aware if any of the arguments against the Crescent Place building (ex. detrimental increase in traffic for the neighborhood) have come to fruition. Ms. Boyer said that she is not aware of any complaints, including complaints about increased traffic. Commissioner Miller suggested that it would be beneficial to be able to follow-up on approved buildings and show that arguments that are frequently brought up do not materialized. Commissioner LoSavio commented that he provided transportation to another senior resident of Cedar Village (as a volunteer driver for Connections to Car), and the building was very quiet.

C. CDBG Program Information

Information reviewing the Community Development Block Grant (CDBG) program was included in the meeting packet. Chairman Kiefer summarized that CDBG funds come from the federal government, not local tax dollars. He said that Arlington Heights is an Entitlement Grantee and commented that the CDBG program is an effective use of resources.

Ms. Boyer stated that the Village has participated in the CDBG program since 1978. There is sometimes political debate at the federal level about whether the program should be continued, but it has been relatively stable program. Ms. Boyer explained that all activities must meet a national objective of the CDBG program and also be eligible activities under the CDBG requirements. A list of CDBG housing activities (homeowner rehab, homebuyer assistance, and rental preservation) was provided. Ms. Boyer commented that the homeowner rehab (such as the Village's CDBG-funded Single-Family Rehab Loan Program) is the most frequent use of CDBG funds. The Village's current homebuyer assistance program is not CDBG-funded. The Village funded some rental preservation projects with CDBG funding in the past.

Commissioner Miller noted that property acquisition is an eligible CDBG activity. He also commented on the couple of Village-owned properties that were identified by staff previously and have not been developed. He commented that perhaps CDBG funds could contribute to the creation of affordable house at these locations. The Village owner properties include a parcel on Jane Ave off of Rand Road and two residential lots on Hawthorne or Frederick (west of Dryden Ave). Commissioner Krinsky commented that people at the Buddy Foundation believe the large open area near there is also owned by the Village. Ms. Boyer said she would check on the ownership of that area. Commissioner Miller talked about a concept where land is purchased and ownership retained but the land is leased long-term (ex. 99 years) to developers for affordable housing. This structure reduces the land costs for the developers making affordable housing development more feasible.

VII. OTHER BUSINESS

A. September 18, 2024 Meeting Agenda

The following were discussed as topics for future meetings:

- Inclusionary Affordable Housing Ordinance Review
- Affordable Housing Trust Fund
- Village Owned Property
- Possible Joint meeting with the Senior Commission

- IHDA Illinois Affordable Housing Planning and Appeal Act

B. Missing Middle

Ms. Boyer reported that the first of the Missing Middle virtual meetings was held on August 20, 2024. She and Commissioner Nagy attended. Ms. Boyer said that the meeting was introductory. The concept of missing middle housing was discussed and the communities explained why they are interested in this topic.

Commissioner Nagy said that the information provided was valuable but that there is a long way to go in finding solutions. He said that without land nothing can be done. He said that we need to ask first what we want such as more rental housing versus more homeownership opportunities. He said that the issue is the cost of land and that the cost of construction has also increased. The Glen (in Glenview) was mentioned during the meeting as a large-scale development with a range of housing types. However, The Glen under-addressed housing affordability. Commissioner Nagy said there are examples of developments that include a range of housing and also prioritize affordable housing.

Ms. Boyer said that the 18 municipalities that are involved with the Missing Middle discussions were invited to submit locations that could be used for visioning and design exercise. Many sites were submitted and the consultants are reviewing them now. Three sites will be selected for the design exercise. Ms. Boyer said that Arlington Heights submitted three sites for consideration including the Village-owned site on Jane Ave. off of Rand Rd. and the vacant area behind the Buddy Foundation mentioned by Commissioner Krinsky. Ms. Boyer said that if an Arlington Heights location is selected, it will be important to stress that this is a visioning exercise only. When concepts like this are developed, the public sometimes thinks they are actual development plans and a "done deal." This happened with regard to the visioning exercise for Arlington Height Rd. just south of downtown in the Homes for a Changing Region report in 2013.

C. Public Comment

Mr. Fred Vogt introduced himself as representing the Village's Senior Citizens Commission. He said that the Senior Citizens Commission has been advocating for affordable senior housing. They recently sent a letter in favor of the Grace Terrace development to the Village Board. He said that the Senior Citizens Commission is requesting to have a joint meeting with the Housing Commission saying that the Senior Citizens Commission and Housing Commission's interests overlap. The Senior Citizens Commission wants to develop an understanding and communication with the Housing Commission so they are helpful without overstepping their bounds. Chairman Kiefer suggested that the possibility of a joint meeting be put on the Housing Commission agenda for the September meeting for discussion of what an agenda might include. Several of the Housing Commissioners stated that they are open to having a joint meeting of the Senior Citizens Commission and the Housing Commission.

Mr. Keith Moens asked about the 20% affordable housing figure that is thrown around at some meetings such as the Grace Terrace meeting. Ms. Boyer explained that the source of that figure is the Illinois Housing Development Authority's (IHDA) affordability calculation for municipalities with populations over 1,000 under the authority of the Illinois Affordable Housing Planning and Appeals Act. Ms. Boyer confirmed that the percentage of affordable housing most recently calculated (in 2023) by IHDA for Arlington Heights is 19.8%. Ms. Boyer commented that there are problems with the formula that is used such as over-counting condominiums because association dues are not included in the formula for housing costs. She commented that IHDA is having to apply one formula to the communities state-wide when there are many different housing markets in the State.

Ms. Boyer further explained that the Act does not establish 10% affordable housing as a goal. Rather, communities with less than 10% affordable housing are "non-exempt" from the other provisions of the Act. Non-exempt communities must provide an "affordable housing plan" to IHDA in which they explain how they intent to increase their level of affordable housing. Non-exempt communities are also subject to the State Appeals Board which can overturn local zoning denials or conditions of approval (based on criteria in the Act) if the local decisions are appealed to the State Appeals Board. Ms. Boyer said that she will provide additional information on this Act to the Housing Commission.

Ms. Carol Klein asked how well Housing Choice Vouchers are being used in Arlington Heights. Ms. Boyer stated that she obtains that information from the Cook County Housing Authority from time-to-time but does not have current information. Ms. Boyer said that she will reach out to the Cook County Housing Authority and ask for the current number of vouchers being used in Arlington Heights.

Ms. Klein asked if investors in rental properties in Cook County pay more or less property taxes than homeowners. Chairman Kiefer said that there is a homeowner's exemption that lowers property tax obligations for homeowners. Commissioner LoSavio said that his experience has been that investors do not have an advantage over homeowners in purchasing homes.

VIII. ADJOURNMENT

A motion was made by Commissioner Miller, seconded by Commissioner Krinsky to adjourn the meeting at 8:26 pm. The motion was approved by voice vote.

Next Meeting: Wednesday, September 18, 2024 7:00 pm in the Commissions Room
Village Hall 2nd Floor

September 18, 2024 Housing Commission Report

SINGLE-FAMILY REHAB PROGRAM STATUS REPORT – October 1, 2023 to September 30, 2024

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
23-03 JU-631	8/22/2023	By Owner	Priorities: Upgrade electric Roof	$5,000 Revised: $30,000	Electric: $5,375 Roof: $19,441 Total: $24,816	$0 Roof decking: $315	$5,375 (electric) $19,756 (roof)	$25,131	Completed
23-04 CR810	9/8/2023	By Owner	Roof & gutters	$8,000	$9,775	$912.50	$10,687.50	$10,687.50	Completed.
24-01 CO1535	2/26/2024	By Owner	HVAC – emergency furnace replacement	$10,000	$9,876	$0	$9,876	$9,876	Completed.
24-02 HE408	3/26/2024	By Owner	Replace pipes						Owner is collecting bids

SFR LOAN PROGRAM - FINANCIAL SUMMARY

2023/2024 CDBG allocation:		$32,419.00
SFR Case 23-03	-	5,375.00
SFR Case 23-04		10,687.50
SFR Case 24-01	-	9,876.00
Title Searches/Appraisals/ Lead based paint tests/Permits:	-	650.00
		5,830.50
Budget transfer	+	25,000.00
Total available 3/2024		30,830.50
SFR Case 23-03 cont.	-	19,756.00
Estimated balance		11,074.50

Loans Repaid CDBG Fiscal Year To Date: 10/1/23 – 9/30/24

Case #	Date Paid	Yrs to Repayment	Amount	Reason sold (if known)
14-03	11/1/2023	9	8,815.00	Refinanced to reverse mortgage (see also 23-02)
23-02	11/1/2023	0	5,723.96	Refinanced to reverse mortgage (see also 14-03)
80-12	5/8/24	42	9,098.00	Selling home
90-05	6/12/24	34	22,102.00	Selling home
94-07	7/8/2024	30	32,224.09	Selling home
TOTAL			$77,963.05	

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

9/18/2024

Item: Shelter Inc. CDBG Ordinance Review
Department: Planning & Community Development

Item Description:
Shelter Inc. CDBG Ordinance Review

ATTACHMENTS:
1. Shelter Inc. CDBG Funding Request

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

Date: September 10, 2024

To: Housing Commission

From: Nora Boyer, Housing Planner

Subject: Shelter Inc. CDBG Funding Request

Background

At its April 2023 meeting, the Housing Commission approved a grant to Shelter Inc. for improvements to its shelter care home at 207/209 E Valley Lane. The priority for work under the grant was to install the Code-required fire safety system. The approved maximum grant amount based on one bid that had been secured at that time was $38,340.

Since that time, the Village's Building Department provided additional information with regard to requirements of the fire safety system at this residence. Both a fire alarm system and a fire sprinkler system are required at the residence.

The work was put out for bid by Shelter, Inc. and the minimum of three bids were received for both the fire alarm system and the fire sprinkler system. The resulting total cost exceeds the approved grant amount by $4,992 and would bring the total cost of the project to $43,332.

Shelter, Inc. is requesting that its grant for this project be increased by $4,992 to cover the total revised cost of the fire safety systems.

Budget Impact

The original grant amount of $38,340 was carried over from the 2023 CDBG Group Home Rehabilitation Grant Program into the 2024 CDBG Group Home Rehabilitation Grant Program for this project.

The Village budget for new 2024 projects under the CDBG Group Home Rehabilitation Grant Program is $115,000. The total amount committed to other 2024 projects is $102,816 leaving a balance of $12,184. Therefore, there are sufficient funds in the 2024 program to cover the request for an additional $4,992 to complete this life-safety project.

Recommendation

Staff recommends approval of the increase in the grant to Shelter Inc. for fire safety systems at 207/209 E Valley Lane by $4,992 to bring the total grant amount to $43,332.

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

9/18/2024

Item: Inclusionary Housing Ordinance Review
Department: Planning & Community Development

Item Description:

ATTACHMENTS:

1. Inclusionary Housing Ordinance Review

VILLAGE OF
ARLINGTON HEIGHTS
INC. 1887

Date:	September 10, 2024
To:	Housing Commission
From:	Nora Boyer, Housing Planner
Subject:	Arlington Heights Inclusionary Housing Ordinance Review
Attachments:	Inclusionary Housing Ordinance (Ord. 2020-025) and Inclusionary Housing Guidelines (May 2024)

Background
At the August 2024 Housing Commission meeting, review of the Arlington Heights affordable housing Inclusionary Housing Ordinance was selected as a topic for the September Housing Commission meeting.

Copies of the Inclusionary Housing Ordinance (2020-025) and the current Inclusionary Housing Guidelines are attached for this review and discussion.

Additional information may also be found at:
https://www.vah.com/government/departments/planning___community_development/housing/inclusionary_housing_.php

Inclusionary Housing Ordinance

Ordinance 2020-025, as amended by Ordinance 2023-075
Village Code Chapter 7, Sections 7-1701-1711

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.

k. 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 7-1704 (a) and (b) 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. (Amended by Ordinance 2023-075)

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 onsite 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.

Inclusionary Housing Guidelines

May 2024

The Village of
Arlington Heights
Illinois
Planning & Community Development

Inclusionary Housing Guidelines

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

I. Affordable Housing Plan Application

II. Annually adjusted linkage fees, fee in lieu amounts, and calculations

III. Maximum income eligibility by household sizes

IV. Maximum rents by unit sizes & Maximum rents for parking spaces

V. Income determination and asset limits

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

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

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

IX. Annual reporting to the Village of Arlington Heights

Attachments

A. Inclusionary Housing Ordinance (Chapter 7, Article XVII)

I. Affordable Housing Plan Application

The applicant shall submit an Inclusionary Housing Plan Application for development projects of 10 units or more at the same time as their first submittal to the Village for any reason related to the Covered Development Project (Village Code Chapter 7, Section 7-1703). The Inclusionary Housing Plan Application shall specifically contain, at a minimum, the following information regarding the Covered Development:

1. A general description of the covered development.
2. The total number of market rate dwelling units in the development and the number of affordable dwelling units to be included in the development.
3. If applicable, the justification for proposals to make a cash fee-in-lieu payment for affordable units as per Village Code Chapter 7, Section 7-1706, 7-1707 or 7-1708.
4. The number of bedrooms in each market rate dwelling unit and each affordable dwelling unit.
5. The square footage of each market rate dwelling unit and each affordable dwelling unit.
6. The general location of each affordable dwelling unit within the covered development if specific units are designated as the affordable units.
7. The pricing schedule for each affordable dwelling unit and each market rate dwelling unit for rental projects if the units were leased at the present time. The pricing for the market rate units may be shown as an estimated range.
8. The pricing for parking spaces if parking spaces are leased rather than included in the rental cost of the housing unit for rental projects (See Section IV).
9. The phasing and construction schedule for the market rate dwelling units and affordable dwelling units.
10. If units designated as affordable units are proposed to have exterior and interior appearances, materials, or finishes different from the market rate units, provide documentation and plans showing the differences in exterior and interior appearances, materials and finishes between the affordable and market rate units. If the finishes will not be different, state that the finishes will not be different in the Affordable Housing Plan.
11. A copy of the development's Tenant Selection Plan for rental projects. The Tenant Selection Plan should address at a minimum: 1) the marketing plan for the affordable units; 2) how the preferences in these Inclusionary Housing Guidelines (Section VI) will be applied; 3) how the wait list will be managed; and 4) the procedure for verifying income-eligibility and income re-certification.
12. Verification that that data will be collected and applicant's agreement to comply with the reporting requirements as per the Inclusionary Housing Ordinance as Guidelines.

II. Annually adjusted linkage fee and fee in lieu amounts

The Inclusionary Housing Ordinance contains the affordable unit requirements for developments. In specified instances, linkage fees are required and there are fee in lieu options. Effective January 1, 2021, the linkage fee and fee in lieu amounts (below) shall be adjusted each year by the annual percentage change in the Consumer Price Index (CPI-U) for the Chicago-Elgin-Naperville area.

Schedule of Linkage Fees and Fee in Lieu Amounts	
Single Family Dwelling Units	**2024 Linkage Fees and Fee in Lieu Amounts**
New Single Family Dwelling Unit (One and Two Family Detached Dwellings) Linkage Fee including Teardown/ Rebuilds. Due as part of building permit fees.	$4,100/per market rate unit
Multi-Family Rental Developments	
Developments of 9 or fewer units (Village-wide) pay a linkage fee. Due as part of building permit fees.	$4,100/per market rate unit
Downtown (B-5) developments of 10 or more total units • Up to 2.5% of required units may be provided in the form of a fee in lieu. Fees are payable prior to issuance of a building permit.	$29,300 per affordable unit
All Zoning Districts other than B-5 developments of 10 or more units, if affordable units are not provided, pay a fee in lieu for 10% of the total units for the affordable units not provided. Fees are payable prior to issuance of a building permit.	$87,900 per affordable unit
Publicly Assisted Developments of 10 or more units, there is no fee in lieu option.	Not applicable
Multi-Family For-Sale Developments	
Developments of 9 or fewer units pay a linkage fee.*	$4,100/per market rate unit
Developments of 10 or more pay a fee in lieu of providing affordable units for 10% of the total units.**	Up to $87,900 per affordable unit (cap)

*Due as part of building permit fees. **Due at time of occupancy permit for first unit.

Calculations

a. Required Affordable Housing Units

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

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

b. Fractional for fees in lieu

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

III. Maximum income eligibility by household sizes (Updated Annually)

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

Maximum Income Levels 60% AMI for the Chicago-Joliet-Naperville MSA Effective May 1, 2024								
Household Size	1	2	3	4	5	6	7	8
Maximum income (Based on 60% AMI)	$47,100	$53,820	$60,540	$67,260	$72,660	$78,060	$83,460	$88,800

IV. Maximum rents by unit sizes (Updated Annually) & Maximum rents for parking spaces

Maximum Rents by Unit Sizes

The maximum gross 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. The maximum monthly rents shall be reduced a utility allowance. The monthly utility allowance in most instances will not exceed $100/month but is determined on a case by case basis depending on the number and type of utilities not in the rent.

Maximum Monthly Rents Effective May 1, 2024						
Bedroom Size	0 Bedroom or Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Maximum Monthly Rent	$1,177 less utility allowance	$1,261 less utility allowance	$1,513 less utility allowance	$1,749 less utility allowance	$1,951 less utility allowance	$2,153 less utility allowance

The maximum monthly rents above were calculated using the llinois Housing Development Authority (IHDA)'s formula applied to the 2023 HUD calculated 60% of area median income levels for 2023.

Maximum Charges for Parking Spaces

For rental projects where a fee is charged for parking (i.e., parking space are leased) separately from the monthly rent for the housing unit, the monthly parking fee shall be reduced by the same proportion as the tenant's monthly rent reduced compated to the monthly rent for an equivalent market rate unit.

V. IncomeDetermination

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

The third party documentation used to verify income may include paycheck stubs, bank statements, social security statements, etc. for each member of the household. Misrepresenting household income or household information will be grounds for program ineligibility. A household found to have misrepresented household income and is occupying an affordable unit may be required to pay market rent. Such a unit will be disqualified as and affordable unit and another qualified affordable unit must be provided.

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

VI. PreferencesinRentalHousing

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

- Veterans
- Persons with disabilities
- Arlington Heights residents who have resided in Arlington Heights for at least the past two years
- People who are employees of Arlington Heights businesses or organizations

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

VII. Income re-certification

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

a. Frequency and timing

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

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

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

1. When household income remains at or below 60% of area median income, adjusted for household size, then the household maintains income-eligibility for the affordable unit.
2. When household income increases above 60% of area median income, but stays below 80% of area median income for the household size, then the household maintains its income- eligibiblity for the affordable unit.
3. When the household income increases to above 80% of area median income, then the tenant will be notified by the management office that the lease may be renewed for up to 12 additional months at the affordable rent after which the tenant may remain in the unit but may be required to pay market rent. If the tenant remain and pays market rent, the unit no longer qualifies as an affordable unit and the owner must identify another unit as an affordable unit. If household income decreases during the one-time 12-month renewal period, the tenant will notify the management office no later than 60 days before the end of the lease term, that it wishes to have its income re-evaluated for the purpose of possible lease renewal. If the examination of the household size and income are found to have decreased enough that the household's income is 80% of area median income or below for the household size, the lease may be renewed beyond the 12-month renewal that was issued the previous year.

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

VIII. Other policy administration determination

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

IX. Annual reporting to the Village of Arlington Heights

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

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

9/18/2024

Item: Village Owned Property
Department: Planning & Community Development

Item Description:

ATTACHMENTS:
1. Village Owned Property

Date: September 10, 2024

To: Housing Commission

From: Nora Boyer, Housing Planner

Subject: Village Owned Property

Attachments: Maps of 712/716 E Frederick and 1617 N Clarence/1623 N Jane

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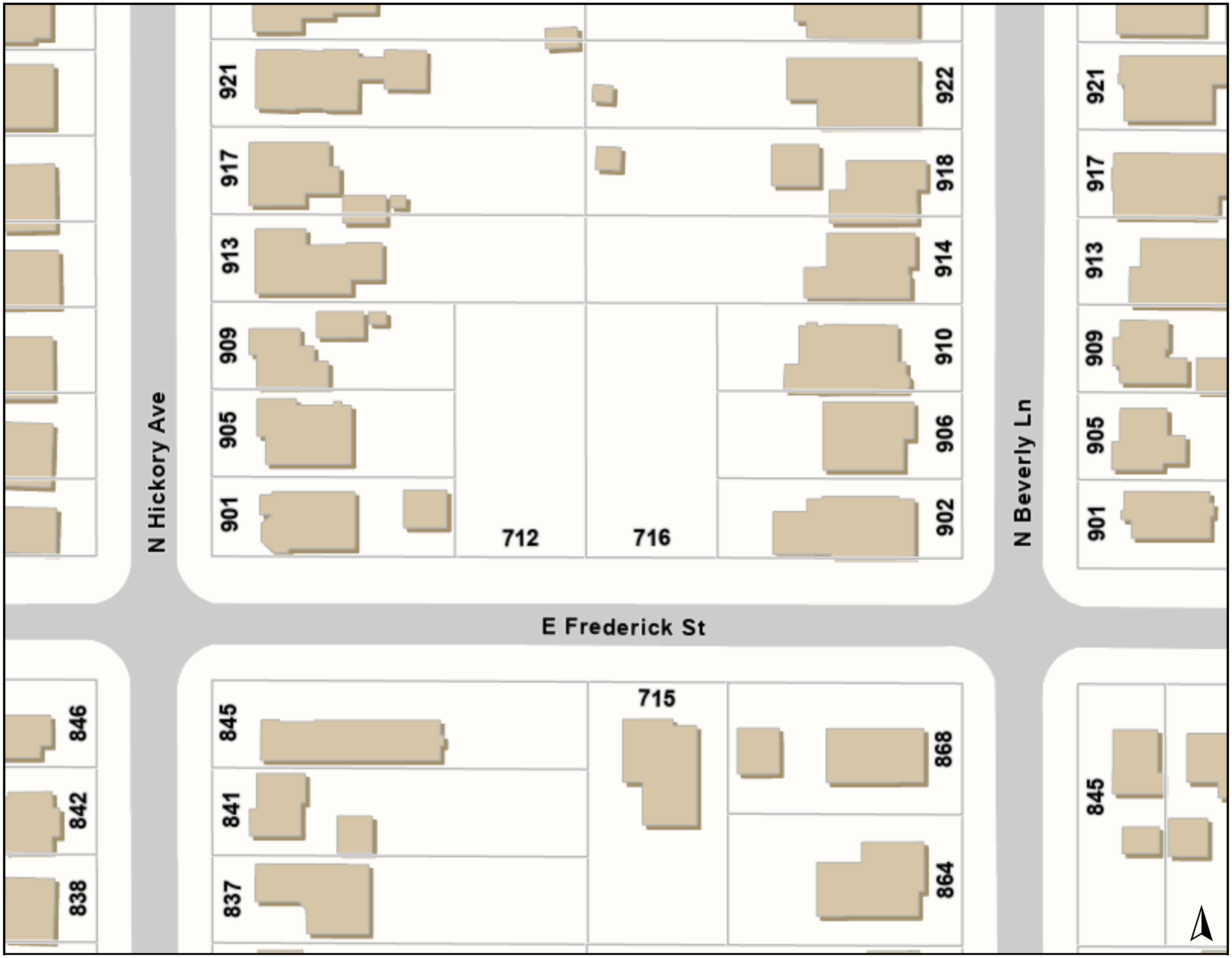
At the August 21, 2024 Housing Commission meeting, the locations of two Village-owned properties were generally discussed. These parcels were discussed at a prior Housing Commission meeting. For clarification, the addresses, zoning, and sizes of the parcels are provided on the attached maps.

GISConsortium

712/716 E Frederick Street



Legend

Village-Owned Lots

712 & 716 E Frederick

Zoned: R-3 One-Family Dwelling District

Approx. 21,830 sf (1/2 acre)

0 150 300 ft

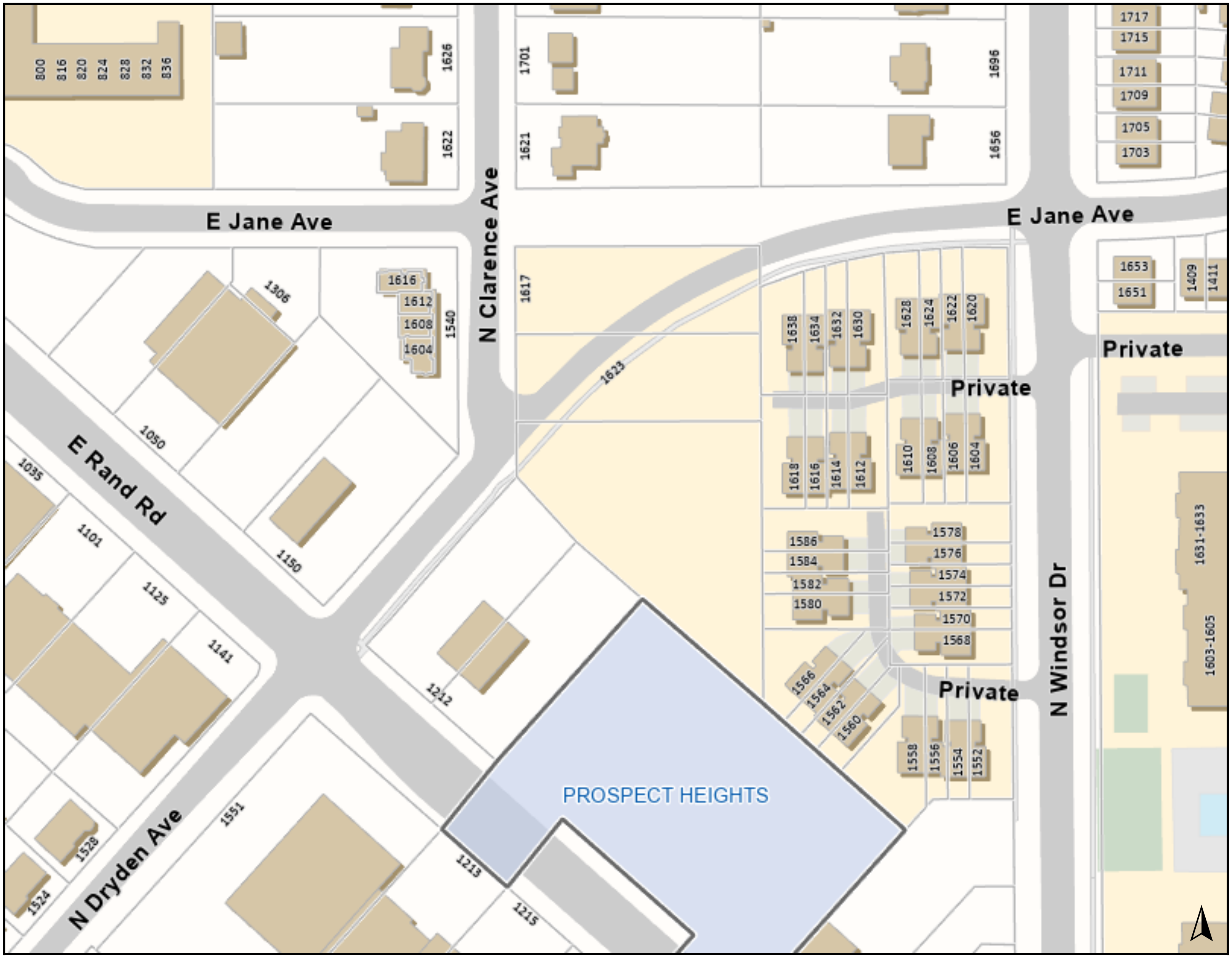
Print Date: 9/9/2024

Notes

Disclaimer: The GIS Consortium and MGP Inc. are not liable for any use, misuse, modification or disclosure of any map provided under applicable law. This map is for general information purposes only. Although the information is believed to be generally accurate, errors may exist and the user should independently confirm for accuracy. The map does not constitute a regulatory determination and is not a base for engineering design. A Registered Land Surveyor should be consulted to determine precise location boundaries on the ground.

GISConsortium

1617 N Clarence Ave & 1623 E Jane Ave



Legend

Village-Owned Lots

1617 N Clarence & 1623 E Jane Ave

Zoning: R-1 One-Family Dwelling District

Approx. 10,700 sf (2.5 acres) including roadway ROW

0 300 600 ft

Print Date: 9/9/2024

Notes

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

9/18/2024

Item: Illinois Affordable Housing Planning and Appeal Act
Department: Planning & Community Development

Item Description:

ATTACHMENTS:

1. Revised IL Affordable Housing Planning & Appeal Act

Date: September 18, 2024

To: Housing Commission

From: Nora Boyer, Housing Planner

Subject: IAHPAA

Attachments: Illinois Affordable Housing Planning and Appeal Act Summary

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Background
At the August 2024 Housing Commission meeting, there was a discussion concerning the affordable housing calculations done by the Illinois Housing Development Authority (IHDA) for the purpose of determining whether a municipality is or is not exempt from the Illinois Affordable Housing Planning and Appeal Act.

Illinois municipalities with populations of 1,000 and above where IHDA calculates their proportion of affordable housing to be below 10% are subject to the other provision of the Act including, but not limited to, the requirement to adopt an affordable housing plan and be subject to appeals of certain local decisions to the State Appeals Board.

A more detailed summary of the Illinois Affordable Housing Planning and Appeal Act is attached.

2023 IHDA Statewide Report which includes the affordable housing calculations for Illinois municipalities with population over 1,000 may be found at:
https://www.ihda.org/wp-content/uploads/2023/12/2023-AHPAA-Statewide-Affordability-List.pdf

Additional information, including the formulas used by IHDA with respect to their calculations (see pages 7 – 12), may be found at:
https://www.ihda.org/wp-content/uploads/2024/04/2023-AHPAA-NELG-Handbook.pdf

ILLINOIS AFFORDABLE HOUSING PLANNING AND APPEAL ACT

In 2003, the Illinois General Assembly passed the Affordable Housing Planning and Appeal Act (AHPAA) (310 ILCS 67/) to address the shortage of affordable, accessible, safe, and sanitary housing in communities across Illinois. Since its initial passage, the AHPAA has been amended on several occasions, most recently in 2023 through Public Act 103-0487.

Every 5 years, the Illinois Housing Development Authority (IHDA) determines the percentages of year-round occupied housing units that are considered affordable for incorporated communities (county, town, village, city, etc.) with populations of 1,000 persons or more. An "exempt" community is one that has a portion of its total year-round occupied housing stock considered affordable that is equal to or greater than 10%. An "non-exempt" community is one that has a portion of its total year-round occupied housing stock considered affordable that is below 10%.

IHDA's process for determining affordability measures the proportions of housing affordable to:

- Homebuyers at 80% of the median household income in the applicable county or Metropolitan Statistical Area (MSA); and

- Renters at 60% of the median household income in the applicable county or MSA.

The 10% affordable housing threshold is not a statewide goal for affordable housing. Rather, it is the threshold at which <u>non-exempt communities are subject to the other provisions of the Affordable Housing Planning and Appeal Act</u>.

Affordable Housing Plan

Non-Exempt Communities (with affordable housing level below 10%)are required to create, adopt and submit to IHDA an Affordable Housing Plan that includes:

1) A statement of the total number of affordable housing units that are necessary to exempt the local government from the operation of the AHPAA.

2) An identification of lands within the jurisdiction that are most appropriate for the construction of affordable housing and of existing structures most appropriate for conversion to, or rehabilitation for, affordable housing, including a consideration of affordable housing for both owner-occupied dwelling units and dwelling units for rent, lands and structures of developers who have expressed a commitment to provide affordable housing, and lands and structures that are publicly or semipublicly owned.

3) Incentives that local governments may provide for the purpose of attracting affordable housing to their jurisdictions.

4) A description of any housing market conditions, infrastructure limitations, local government ordinances, including zoning and land use ordinances, local government policies or practices that do not affirmatively further fair housing as defined in the federal Fair Housing Act, and other factors that may constrain the local government's ability to create and preserve affordable housing.

5) A plan or potential strategies to eliminate or mitigate the constraints identified in item 4.

6) One or more of the following goals:
   a. A minimum of 15% of all new development or redevelopment within the local government that would be defined as affordable housing in the Act;
   b. A minimum of a 5% increase in the overall percentage of affordable housing within the jurisdiction; or
   c. A minimum of a total of 10% affordable housing within the jurisdiction.

(The above requirements apply to communities designated as Non-Exempt after the effective date of 2023 changes. Requirements for communities designated as Non-Exempt prior to the effective date of the 2023 changes differ on a few of the points above)

State Housing Appeals Board
The AHPAA creates a State Housing Appeals Board that reviews evidence, facts, and circumstances surrounding a local government's decision to deny or approve with conditions, an application for affordable housing development. Appeals provide Appellants an opportunity to state their objections to the local government's decision, and to put forth a clear and concise statement of the relief being sought.

The following may make an appeal to the State Housing Appeals Board:

- The affordable housing developer of the proposed affordable housing development.
- A person who would be eligible to apply for residency in the proposed affordable housing development.
- A housing organization whose geographic focus area includes the municipality, or county if in an unincorporated area, where the proposed affordable housing development is located.

In the case of denied applications, if the Board finds the Appellant has met the burden of proof, the Board will vacate the decision by the local government to deny the application for affordable housing development and will direct the local government to issue the appropriate permits to the affordable housing developer.

In the case of conditions imposed by the local government, if the Board finds the Appellant has met the burden of proof, the Board will direct the local government to remove the conditions. If the Board finds the conditions are unreasonable but can be modified to reasonably protect the health, safety, environmental design, open space, and other local concerns, the Board shall direct the local government to modify the conditions.

2023 IHDA Calculated Percentage of Affordable Housing for Arlington Heights: 19.8% (Exempt)

See:
Title 47: Housing and Community Development
Chapter II: Illinois Housing Development Authority
Part 395 State Housing Appeals Board
https://www.ilga.gov/commission/jcar/admincode/047/04700395sections.html

Illinois Housing Development Authority
https://www.ihda.org/about-ihda/state-housing-planning-reports/#toggle-id-6

VILLAGE OF
ARLINGTON HEIGHTS
INC. 1887

9/18/2024

Item: Discussion of Request for Joint Meeting with Senior Citizens Commission

Department: Planning & Community Development

Item Description:

ATTACHMENTS:

None