<u>approved</u>

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
FEBRUARY 21, 2023

IN ATTENDANCE:

Commissioners Present:	John Eggum	Dave LoSavio	
	Janice Krinsky	William Delea	
Commissioners Absent:	Andre Arrington	Ken Kiefer	David Miller
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison		
Others Present:	Keith Moens,	Village Resident	

I. CALL TO ORDER

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

II. ROLL CALL

Present: J. Eggum, D. LoSavio, W. Delea, & J. Krinsky
Absent: A. Arrington, K. Kiefer, & D. Miller

III. APPROVAL OF MINUTES

A motion was made by Commissioner Krinsky, seconded by Commissioner Delea to approve the minutes of the January 17, 2024 with a couple of typographical corrections. The motion was approved unanimously by voice vote.

III. REPORTS

Ms. Boyer provided the following report on projects that are subject to the Inclusionary Housing Ordinance.

<u>Crescent Place</u>: Opened on November 15, 2023.
<u>Grace Terrace</u>: This project was recommended for denial by the Plan Commission. The project is expected to go to the Village Board in March or April 2024 although a date has not been set.
<u>International Plaza</u>: No update this month.
<u>116-120 W Eastman</u>: Was approved by the Village Board.
<u>Arlington Gateway</u>: Was approved by the Village Board.

5 N Douglas: Is expected to go to the Plan Commission soon.
Arlington 425: Returned to the Design Commission for some modification in November 2023.
ADRIII/Salt Creek: Was a proposal that went to the Conceptual Plan Review Committee in November 2022 but there has been no further word.

V. OLD BUSINESS

A. Single-Family Rehab Program

Ms. Boyer reviewed the open cases. She said that the homeowners for SFR Case 23-03, where electrical work is being done, have expanded their request under the program to include replacement of the home's roof. Ms. Boyer reported that there is insufficient funding in the program for this work, but there may be possibility of re-budgeting funds from the Group Home Rehab Program. One of the grantees, Glenkirk, is completing collecting bids for their projects and it is possible that the projects may have a final cost that is below the maximum of $47,035 that was approved by the Housing Commission in November 2023. The Commissioners were receptive to funding the re-roofing project noting that the Single-Family Rehab Program has been under-utilized for years. Ms. Boyer said that Glenkirk has been asked to provide their final bids no later than the March 20, 2024 Housing Commission meeting. The request for financing for the re-roofing and possibility of available funding will be reviewed again at the March 20, 2024 Housing Commission meeting.

B. CDBG 2023-2024 Group Home Rehabilitation Grant Program Applications

A status report for the 2023-2024 group home rehab projects was included in the meeting packet.

In short:

- Clearbrook ($31,560)
    - Eastman Home: Flooring replacement is underway; deck replacement is waiting on better weather.
    - Kennicott Home: Flooring replacement is underway.
- Little City Foundation ($24,221)
    - Raleigh Home: Kitchen remodeling and other work is under contract; permits are in process.
- Glenkirk (Maximum $47,035; Committed to date: $40,070)
    - Kingsbury Home: Replacement of gutters/downspouts and covering of soffits/fascia with aluminum is under contract
    - Chestnut Home: Replacement or roof & gutters/downspouts, and covering of soffits/fascia with aluminum is under contract, Bids are being collected for replacement of fence gate and window well extensions.

C. Rental Registry Recommendation

Ms. Boyer reported that the Housing Commission's recommendations concerning expanding the Multi-Family Rehab Licensure program to include non-owner-occupied duplexes and to collect certain affordability information is being included in a research report going to the Village Board concerning creation of a rental registration program that may include addressing Airbnb rentals, additional types of multi-family rentals not currently covered, and single-family rentals. This research report may also include a recommendation for a systematic inspection of Village rental units. Ms. Boyer said that she was invited to a meeting on this subject at the end of the month (February 2024) and will report back to the Housing Commission.

Chairman Eggum urged Ms. Boyer to make the point at the meeting that the implementing the Housing Commission's recommendation would facilitate the other topics that are being researched and can be implemented ahead of those other components to get a running start on them.

D. Request for Letters of Interest Report

Ms. Boyer reviewed the report that was included in the Housing Commission packet beginning with the history and background on the Affordable Housing Trust Fund. With respect to the responses to the Request for Letters of Interest (ROI), Ms. Boyer stated that responses were received from both non-profit and for-profit affordable housing developers. The for-profit developers ranged in size (small, medium, and large) based on their number of employees. All of the proposals addressed the priorities that were recommended by the Housing Commission and approved by the Village Board.

The most frequent suggestion for the use of Trust Fund monies was as local match/gap financing to leverage other financing, particularly from the Illinois Housing Development Authority (IHDA). Permanent financing was also suggested. There were a small number of respondents that mentioned using Trust Fund monies to pay pre-development costs.

Ms. Boyer said that one respondent wrote about using Trust Fund monies to preserve existing multi-affordable housing units, but mentioned that financing is not as available at this time for the preservation of existing units as it is for new construction. The respondent also pointed out that preservation of existing units can be complicated in that there may be existing tenants who may have to be relocated during rehab.

Members of the Housing Commission discussed rental unit preservation as a need that is not being addressed; whereas, affordable housing developers are utilizing IHDA and other financing for new construction. Lack of investment in existing affordable units is a reason to consider using Trust Fund monies for this purpose despite the complexities mentioned.

Commissioner Delea asked whether the Village-owned vacant land off of Rand Road is still owned by the Village and available for development. Ms. Boyer responded that it is.

Commissioner Krinsky said that she is concerned about people doubling-up and living in inadequate housing due to the lack of affordable units. She said that people are living on the edge.

Ms. Boyer said that the next steps will be that staff will:

- Further review the responses to develop deeper understandings/matches with the priorities;
- Research criteria for evaluating the need for gap financing;
- Hold conversations with several non-profit and for-profit respondents to refine beneficial uses for the Trust Fund; and
- Staff will return to the Housing Commission with a more detailed report.

E. Inclusionary Housing Preferences

Ms. Boyer reviewed this topic which was also discussed at the February Housing Commission meeting. She reported that the Village's legal counsel reviewed the preferences in the Inclusionary Housing Guidelines. They responded to staff that the biggest concern is with respect to local preferences (local residents and employees), but preferences for veterans and persons with disabilities are okay. There appears to be trend moving away from local preferences due to fair housing concerns although there are no court case rulings on this. Two options were presented: 1) to delete the local preferences; or 2) soften the language to state that developers/management companies are encouraged to off the local preferences "to the extent permitted by law."

Chairman Eggum stated that there have not been court cases because people thinking about bringing a claim would not have a strong argument. He said that the cost of litigation on such a claim would be moderate, and the Village should not forego legally permissible preferences. One of the reasons argued when the Inclusionary Housing Ordinance was approved was that more affordable units are needed in order to enable current Village residents (including senior citizens) to remain as residents of the Village and also to enable people who work in the Village to live near where they work. He said that enabling residents to remain/live in the community has a rational basis and addresses a legitimate concern of the Village, and these preferences should not be abandoned due to fear of litigation. He pointed out that the preference for local residents and employees do not have time periods that must be met in order for people to qualify for the preferences.

It was stated that a problem with local preferences is that they are sometimes disguises for racial discrimination and this impression may be made even if it is not the Village's intent. It was commented that it may appear that the Village is not interested in diversity if access to the units is limited when it comes to people from outside the Village. It was commented that the local preferences may not be necessary since developments in the Village will naturally be of most interest to local people.

Ms. Boyer said that with respect to IHDA-financed projects, IHDA permits the option of offering preferences for veterans and persons with disabilities, and she believes that IHDA generally does not allow local preferences. However, she stated that some developers have indicated that under some IHDA programs the developer may go through IHDA to seek an exception from HUD for limited numbers of local preference units in developments. She said that she has heard of exceptions for local preference being granted for a portion of the affordable units in a new development but not for all of the affordable units in a development. Chairman Eggum made the point that in light of HUD's action permitting local preferences, the implementation of local preference is not a discriminatory action. Ms. Krinsky stated that they still have the potential to be misused.

Ms. Boyer said that she would take the Housing Commissioners' comments back to staff.

VI. NEW BUSINESS

A. 2024 Annual Action Plan and CDBG Budget

Ms. Boyer reviewed the report in the meeting packet concerning the start of the development of the 2024-2025 Annual Action Plan including the 2024-2025 CDBG budget. She pointed out that the dates of the two public hearings are June 10, 2024 and July 15, 2024. The date in the report for the second public hearing of July 25, 2024 was an error. The Housing Commission typically makes CDBG requests for the Single-Family Rehab Program and the Group Home Rehab Program. Housing Commission recommendations will need to be made at the March or April Housing Commission meeting since the CDBG application deadline will be at the end of April 2024.

VII. OTHER BUSINESS

A. March 20, 2024 Meeting and Agenda
No recommendations for new agenda items.

B. Public Comment
Mr. Moens asked Chairman Eggum for his take on the Memorandum of Understanding (MOU) that was approved by the Village Board on November 20, 2023 with respect to the Urban Street Group proposal for the International Plaza/TIF district area. Mr. Moens asked if the Housing Commission will be hamstrung in its evaluation the project give that the MOU was approved. Mr. Moens said that the MOU appears to be the Village Board making an end-run around the commissions and that the proposed affordable building and market-rate buildings are separate projects. Chairman Eggum said that he has not reviewed the MOU, but he would make recommendations independent of the MOU.

VIII. ADJOURNMENT
A motion was made by Commissioner Delea, seconded by Commissioner Krinsky to adjourn the meeting at 8:04 pm. The motion was approved unanimously by voice vote.

Next Meeting: Wednesday, March 20, 2024 7:00 pm in the Commissions Room – Village Hall 2nd Floor