Village of Arlington Heights
Housing Commission
Commissions Room 2nd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
May 12, 2015
7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes - 4/14/15

IV. REPORTS

V. OLD BUSINESS

A. Single Family Rehabilitation Loan Program Update

B. Plan Commission Calendar

C. Group Home and Transitional Housing Program - Grant/Loan Terms

D. Rental Inspection Discussion

E. Housing Trust Fund

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.

Item: Minutes - 4/14/15

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Minutes	Minutes

DRAFT

MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
HELD AT ARLINGTON HEIGHTS VILLAGE HALL
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
APRIL 14, 2015

IN ATTENDANCE:

Commissioners Present:	Mark Hellner	Siobhan White
	Alex Hageli	Karen Conway
Commissioners Absent:	Anisa Jordan	Namrita Nelson
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison	

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:00 p.m. and the Pledge of Allegiance was recited.

II. ROLL CALL

Commissioners Hellner, White, Conway, and Hageli were present.

III. APPROVAL OF MINUTES

A motion was made by Commissioner Hageli, seconded by Commissioner White, to approve the minutes of the February 18, 2015 meeting. The motion was carried unanimously.

IV. REPORTS

None

V. OLD BUSINESS

A. Group Home and Transitional Housing Program

Ms. Boyer reported that both Little City Foundation projects are expected to be complete by April 30, 2015 and will be paid for from the 2014-2015 program budget. The Glenkirk project is underway. It was delayed because only one contractor attended the walk-through and submitted a bid. Therefore, Glenkirk re-bid the project.

There was a discussion concerning the 2015/2016 program year for the Group Home and Transitional Housing Program. Ms. Boyer stated that she can send out a request for applications to the owners of all of the registered group homes in Arlington Heights.

For the 2014-2015 program year, funds were as recommended by the Housing Commission and approved by the Village Board as 1/3 grants and 2/3 loans secured against the property. This policy will be reviewed at the next Housing Commission meeting. Some non-profit agencies have been reluctant or have declined to accept these terms. Carrying loans on the properties may be burdensome to some of the non-profit agencies' accounting systems. The minutes of the relevant Housing Commission and Village Board meetings with respect to the policy will be sent out in the next meeting packet for review.

B. Single Family Rehabilitation Loan Program

The progress made on open files was described.

A motion was made by Commissioner Hellner, seconded by Commissioner Hageli to authorize the Planning Department flexibility with respect to project 14-02 including extra costs exceeding the $25,000 maximum loan amount for items to be completed such as replacement of the shutter, new door, front exterior light, stoop posts and other minor change order items as needed to complete the project. The motion passed unanimously.

Ms. Boyer stated that she has recently received approximately 5 telephone calls from homeowners requesting program applications. These requests were received after an announcement about the program was posted on the Village's website and went out as an e-blast. Ms. Boyer included putting together a program for advertising the program on the list of project for the Planning Department's summer intern. It was suggested that the publicity program include putting together packets of information for local banks and contractors.

C. Plan Commission – Nothing to report on the calendar relative to the Housing Commission's activities.

D. Rental Inspection Discussion – Ms. Boyer distributed a list of question concerning rental inspections for surveying other communities. Ms. Boyer will send out an electronic copy of the questions before the next Housing Commission meeting. Housing Commission members were asked to forward any comments to Ms. Boyer.

Commissioner White said that some people are interested in instituting an inspection program for commercial properties and commented that perhaps recommendations concerning rental inspections and commercial inspections could proceed to the Village Board together.

Chairman Hellner emphasized that the inspections could be outsourced with the property owners paying for the inspections. This would significantly limit the Village staff time that would be involved. Commissioner Conway expressed that consideration should be given to ensuring that any changes would not be unduly burdensome on the property and business owners. Ms.

Boyer will speak to Mr. McCalister (Director of Building and Health Services) about attending a future meeting of the Housing Commission to discuss this topic.

VI. NEW BUSINESS

A. Housing Trust Fund – Goals and Development of Application Process
Ms. Boyer reported that the Trust Fund received its first deposit of approximately $75,000 from a transfer fee with respect to the Village's 2015 tax exempt bond cap. Although the Trust Fund Ordinance contains general goals, more specific goals and processes need to be developed for utilizing Trust Fund resources. Chairman Hellner asked the members to review the Trust Fund Ordinance and think about the highest and best uses for the Trust Fund. He also suggested that the Housing Commission may want to advertise how much money is available and see if it enough money to draw interest.

Chairman Hellner said that he spoke with someone who had an idea for a program through which senior and disabled homeowners would receive assistance with accessibility or home energy improvements. The homeowner would pay $1,000 toward the repairs and receive up to $7,000 in assistance. Ms. Boyer said that Northwest Suburban Housing Collaborative's Handyman Program has been expanded to include some accessibility improvements but lacks the resources to provide $7,000 per participant. Ms. Boyer said the she will follow up with the caller.

VII. OTHER

None.

IV. ADJOURNMENT

A motion was made by Commissioner White, seconded by Commissioner Hageli to adjourn the meeting. The motion carried and the meeting adjourned at 8:15 PM.

NEXT MEETING: TUESDAY, MAY 12, 2015, 7 PM IN THE COMMISSIONS CONFERENCE ROOM

Item: Group Home and Transitional Housing Program - Grant/Loan Terms

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Group Home & Transitional Housing Program	Memorandum

Housing Commission Meeting
May 12, 2015
Item V. C.

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner

Re: Group Home and Transitional Housing Program

Date: May 5, 2015

At the April 14, 2015 meeting of the Housing Commission, staff was asked to provide the minutes from the Housing Commission meeting (March 12, 2014) at which the terms for financing provided under the Group Home and Transitional Housing Program were discussed (attached).

Staff is also providing copies of the staff memo (dated February 14, 2014) prepared with respect to this topic and the portion of the minutes of the Village Board meeting (May 5, 2014) at which the financing policy was approved.

APPROVED

**MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
HELD AT ARLINGTON HEIGHTS VILLAGE HALL
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MARCH 12, 2014**

IN ATTENDANCE:

Commissioners Present:	Siobhan White Anisa Jordan	Namrita Nelson Mark Hellner	Greg Zyck
Commissioners Absent:	None		
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison		
Guests:	Alex Hageli, Arlington Heights Resident Kori Larson, Glenkirk Linda Berkowitz, Glenkirk Beverly Saiz, Little City Foundation Ron Jordan, CEDA Northwest		

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF MINUTES – JANUARY 7, 2014

A motion was made by Commissioner Nelson, seconded by Commissioner Jordan, to approve the minutes of the January 7, 2014 monthly meeting. The motion was approved unanimously.

IV. PLAN COMMISSION PROJECT UPDATE

No report.

V. HOUSING PROGRAM UPDATES

A. 2014/2015 Annual Action Plan/CDBG Budget Update

The 2014/2015 Annual Action Plan, including the CDBG budget, was approved by the Village Board on March 3, 2014. The Housing Commission requested $75,000 for a Group Home/Transitional Housing Rehabilitation Program. The program received a draft allocation of $63,726. This allocation may be adjusted when the Village's final CDBG allocation amount is known.

During the discussion at the Village Board meeting concerning the Group Home/Transitional Housing Rehabilitation Program, one of the Trustees asked about the inclusion of a repayment provision to ensure that the public receives sufficient benefit from the investment of funds into the group homes or transitional housing units. The concern was that the housing could be sold soon after the investments are made. A repayment provision, similar to the repayment provision of the Single Family Rehab Program, could also return the funds to the Village for investment in future projects. The members of the Housing Commission received a memorandum from the Planning Department that explained HUD's asset reversion clause (which requires repayment if the funds invested are $25,000 or more) and several options for more restrictive requirements for the Housing Commission to consider.

Three non-profit organizations (Little City Foundation, Glenkirk and CEDA Northwest) submitted separate applications for CDBG funds for improvements to housing units they own in the Village. These applications were not independently funded. Rather, they are to be considered for funding under the Group Home/Transitional Housing Rehabilitation Program. The responses of the agencies to the possibility of a repayment provision were included in the Planning Department's memo and the agencies had representatives in attendance at the meeting.

The representatives of both Little City Foundation and CEDA Northwest indicated that a repayment element upon sale of the property would be acceptable, and that they would still be interested in receiving the funding with that type of condition. The representative from Glenkirk said that she would need to go back to the agency to discuss whether a repayment provision would affect whether they would continue to request the funds.

After some discussion, the following motion was made:

- **One-third of the funded amount for each project would be provided as a grant.**
- **Two-thirds of the funded amount for each project would be provided as a 0% interest loan, with repayment deferred and due in full when the improved property is sold or ceases to be used primarily for a CDBG-eligible purpose.**
- **Upon the occurrence of a condition that makes the loan due, the agency would have the option to request that the lien be transferred to another property in Arlington Heights that is being used for a CDBG-eligible purpose.**

For assistance in the amount of $25,000 or more, the HUD reversion of assets regulation shall apply for the required 5 year period after which the terms above shall apply.

Motion approved with a vote of 4 in favor and 1 opposed.

Voting in favor: Commissioner Jordan, Commissioner Hellner, Commissioner White, and Commission Zyck.

Dissenting: Commissioner Nelson whose opinion was that 100% of the funds for the projects should be provided as a 0% inertest, deferred loan rather than two thirds of the funded amounts.

B. Single Family Rehab Program

Ms. Boyer reported that a new application was received in late February. The home is occupied by the owner and her adult cousin. Ms. Boyer explained that the incomes of all adults living in the house must be totaled and compared to the maximum household income for the household size under the HUD income eligibility guidelines. Ms. Boyer has requested the income information for the cousin, but has not heard back yet.

It is unlikely that any additional projects will be completed before the end of the fiscal year on April 30th. Unspent funds are retained in the CDBG program and reallocated in the next budget cycle. Since the budget has already been approved for 2014-2015, the unspent funds will be re-budgeted in 2015-2016 unless the 2014-2015 budget is amended.

It was suggested that Ms. Boyer revisit application 13-05 which was denied due to insufficient equity.

C. Northwest Suburban Housing Collaborative

Ms. Boyer reported that in the NWSHC is pursuing the Handyman Program with the North West Housing Partnership as the possible administrator for the Collaborative area. Commissioner White suggested that staff consult with the Senior Citizens Commission with respect to this project and the senior services directory. The home modification program and senior "Village" concept may be appropriate for discussion by the Housing Commission in the future.

VI. GROUP HOME/TRANSITIONAL HOUSING REHAB GUIDELINES

Discussed above under agenda item V.A.

VII. COOK COUNTY HOME CONSORTIUM

Ms. Boyer stated that staff is discussing the merits of joining the Cook County HOME Consortium. Joining was considered a year ago, but there were concerns about whether the Village would more likely to be successful in obtaining HOME funds for projects through the Cook County Consortium or through the State. As a non-member of the Cook County Consortium, the Village is eligible to apply for HOME funding through the State (the Illinois Housing Development Authority (IHDA)), and the Village was successful in securing HOME funds from IHDA for a first time homebuyer program in the past. The requirement that the Village would be required to change its fiscal year for its CDBG program from the Village's general funds fiscal year (May 1 – April 30) to the federal fiscal year (October 1 – September 30) is also a consideration. It was noted that Cook County is following through on its promise to plan for community development needs in the County on a regional basis and held one of its recent Planning for Progress workshops in Arlington Heights Village Hall.

VIII. INCLUSIONARY ZONING GUILDELINES

A. Multi-Family Affordable Housing Toolkit for For-Sale Housing

The members reviewed the guidelines in the *Multi-Family Affordable Housing Toolkit for For-Sale Housing* and the *Affordable Rental Housing Guidelines* and staff recommendations for changes.

A motion was made by Commissioner White, seconded by Commissioner Zyck, to recommend the following modifications to the *Multi-Family Affordable Housing Toolkit for For-Sale Housing*:

- **Include a statement in the guidelines that the construction of units under the guidelines is preferable to the payment of the fee-in-lieu of constructing the units.**

- **Modify the guidelines in the *Multi-Family Affordable Housing Toolkit* to decrease the threshold number of units to which the guidelines apply but also reduce the percentages of affordable units at each level resulting in the following guidelines:**

Number of Units in the Project	**Percentage of Units to be Affordable**
5 or fewer	**0%**
6 – 25	**10%**
26 or more	**15%**

- **Partial units shall be rounded to the nearest whole number.**

- **Change the fee-in-lieu amount in the *Multi-Family Affordable Housing Toolkit* from $100,000 to $75,000**

The motion was approved unanimously.

The matter of whether the guidelines should be codified and made mandatory will be discussed at a later date.

B. Affordable Rental Program Guidelines

The members reviewed the guidelines under the *Affordable Rental Program Guidelines* and the staff recommendations for charges.

A motion was made by Commissioner Zyck, seconded by Commissioner Nelson, to recommend the following modifications to the *Affordable Rental Program Guidelines*:

- **Include a statement in the guidelines that the construction of units under the guidelines is preferable to the payment of the fee-in-lieu of constructing the units.**

- **Modify the *Affordable Rental Program Guidelines* to increase the minimum threshold level under which the guidelines apply and reducing the percentages of affordable units at each level resulting in the following guidelines:**

Number of Units in the Project	**Percentage of Units to be Affordable**
5 or fewer	**0%**
6 – 25	**10%**
26 or more	**15%**

- **Partial units shall be rounded to the nearest whole number.**

- **Change the income eligibility standards under the guidelines from 50% to 60% of the**

Chicago Area Median Income, adjusted for household size.

- **Change the definition of affordable rents under the guidelines from the Low HOME Rent Limits to the Illinois Housing Development Authority (IHDA) Affodable Rent Levels for households at 60% of Chicago Area Median Income, adjusted for households size.**

- **Add a fee-in-lieu amount to the *Affordable Rental Program Guidelines* and set the amount at $75,000 per unit.**

The motion was approved unanimously.

The matter of whether the guidelines should be codified and made mandatory will be discussed at a later date.

XI. ADJOURNMENT

A motion was made by Commissioner Hellner, seconded by Commissioner Jordan, to adjourn the meeting at 9:00 PM. The motion was approved unanimously.

NEXT MEETING:

WEDNESDAY, APRIL 2, 2014 7:00 P.M.
IN THE BUECHNER CONFERENCE ROOM
FIRST FLOOR OF VILLAGE HALL

Postponed to March 12, 2014

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner

Re: Group Home/Transitional Housing Rehab Program – Reversion of Assets

Date: February 14, 2014

Meeting Date: February 17, 2014

Background

At the January 6, 2014 public hearing concerning the Village's proposed Community Development Block Grant (CDBG) budget for the 2014-2015 program year (May 1, 2014 – April 30, 2015), staff was directed to discuss with the Housing Commission whether there should be a repayment element to the Group Home/Transitional Housing Rehab Program should a participating agency owning the improved property sell that property. In the draft 2014/2015 CDBG budget, this program is allocated $63,726.

The CDBG grant requests that have been received by the Village for the 2014-2015 program year that would fall under the Group Home/Transitional Housing Rehab program are:

- CEDA Northwest – Request of $5,000 for roof repair at the Wright House transitional housing facility apartment building.
- Little City Foundation – Request of $15,630 for the replacement of a furnace/air conditioning system and roof at a group home in Arlington Heights.
- Glenkirk – Request of $25,000 to remodel the kitchen of a group home in Arlington Heights.

CDBG regulations already require that the "Reversion of assets" clause (attached) be included in all subrecipient CDBG grant agreements. This clause requires that when $25,000 or more in CDBG funds are used to acquire or improve a property, the property must be used for a CDBG-eligible purpose for a period of 5 years (or a longer period as determined by the recipient) or the subrecipient must repay the equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property is to be repaid to the grantee (i.e. the Village).

In the past, HUD has indicated that the Village of Arlington Heights may impose program requirements that are more restrictive than required by the CDBG regulations but not that are less restrictive. For example, the clause may be amended by a grantee to apply to a lower CDBG grant amount and/or the time period during which the clause applied may be extended beyond 5 years.

Previous Multi-Family and Group Home/Transitional Housing Rehab Loans

In the early 1990s, a multi-family rehab loan was provided for improvements to a privately owner apartment building. The loan was secured by a lien on the property and was paid back at a 2% interest rate.

In 2000 and 2001, the Village provided two loans from its CDBG program for improvements to a private apartment building. Those loans were in the amounts of $18,500 and $50,000 and were forgiven after 10 years of continued compliance with the requirement that at least 51% of the units be rented to low/moderate income tenants are affordable monthly rents.

With respect to group homes and transitional housing owned by non-profit organizations, the Village has provided grants for the rehabilitation of these facilities. The only repayment provisions applied has been the HUD-required CDBG Reversion of assets provision. A table showing the grants made to non-profit organizations over the past 10 years is attached.

Lastly, under the Single-Family Rehab Program, low and moderate income homeowners receive 0% interest loans that are repaid when the owner ceases to be the full-time owner-occupant of the home (usually when the home is sold) or under some circumstances when the home is refinanced. This policy of requiring repayments of the loans has enabled the Village to issue more loans from the repaid funds.

<u>Analysis</u>

Staff contacted representatives of Little City Foundation, CEDA Northwest, and Glenkirk for their reactions to the possibility that funds could be provided as something other than grants.

- Little City Foundation responded that they have continued interest in the funds whether they are offered as grants, secured loans, etc.
- CEDA Northwest was also open to repayment element but commented that it would seem reasonable that "capital investments that extend the life of the asset (such as replacing the roof) could be treated as a loan, whereas a much smaller amount of dollars used to make shorter-term repairs might still be treated as a grant."
- Glenkirk stated that they were looking for a grant not a loan when they applied for funding due to the financial demands of the other aspects of their programs. The representative of Glenkirk pointed out that the agency has owned the group home for which funds are being requested for 18 years, but in the event that the home was sold, Glenkirk is requesting a repayment provision of the grant to be within a reasonable time frame (10-15 years).

<u>Options</u>

With respect to funds made available under the 2014-2015 CDBG-funded Group Home/Transitional Housing Rehab Program, the following terms could be established:

1. Provide rehabilitation funds as grants with no reversion of asset or repayment clause except for the clause required for grants in the amount of $25,000 or more.

2. Provide rehabilitation funds but apply the following reversion of assets requirements:

    a. The reversion of assets clause could be applied to loans that are or below $10,000 (rather than $25,000) for a period of 5 years with no repayment after 5 years.

b. The reversion of assets clause could be applied to loans of more than $10,000 or more (rather than $25,000) for a period of 10 years (rather than 5 years) with no repayment after 10 years.

3. Provide rehabilitation funds as 0% interest loans, secured via a lien on the property, with the loans only repaid upon the sale of the property.

4. Provide rehabilitation funds with 1/3 provided as a grant and 2/3 provided as a loan at 0% interest to be repaid over a specified term period to be determined.

Staff Recommendation: Staff has provided the above options for discussion and feedback by the Housing Commission. Staff is leaning toward option 3 or 4, and will make a recommendation at a future date after further considering the options.

HUD CDBG Reversion of Asset Clause:

b. 7. *Reversion of assets*. The agreement shall specify that upon its expiration the subrecipient shall transfer to the recipient any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. It shall also include provisions designed to ensure that any real property under the subrecipient's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the subrecipient in the form of a loan) in excess of $25,000 is either:

(i) Used to meet one of the national objectives in § 570.208 (formerly § 570.901) until five years after expiration of the agreement, or for such longer period of time as determined to be appropriate by the recipient; or

(ii) Not used in accordance with paragraph (b)(7)(i) of this section, in which event the subrecipient shall pay to the recipient an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. The payment is program income to the recipient. (No payment is required after the period of time specified in paragraph (b)(7)(i) of this section.)

History
Past 10 years
Grants to Non-Profit Agencies for Improvements to Group Homes and Transitional Housing
February 17, 2014

Year	Agency	Project Location	Work Description	Funding Source	Amount
2014/2015 Applications	CEDA Northwest	Wright House - 11 unit building	Roof repair (temporary fix to prolong the life the roof to be replaced in a few years)	CDBG	$5,000 or estimated $6,000
	Little City	1314 E. Euclid	Re-roof ($10,880); Furnace and a/c ($4,750)	CDBG	$15,630
	Glenkirk	1008 S. Haddow	Remodel kitchen	CDBG	$25,000 of estimated $30,000
2013/2014.	None	None	None	None	None
2012/2013	CEDA Northwest	Wright House - 11 unit building	Doors, basement windows, air sealing	EECBG	$16,274.94
			12 furnaces & 11 air conditioning units	EECBG	$59,600.00
				Total	$75,874.94
	Little City	2634 N. Raleigh	Windows, sliding door	EECBG	$7,812.06
			Furnace & air conditioning units	EECBG	$7,650.00
			Water heating	EECBG	$2,393.00
				Total	$17,855.06
2011/2012	Clearbrook	618 W. Eastman	Insulation, air sealing, exterior doors	CDBG-Recovery	$8,800
		214 N. Dwyer	Insulation, air sealing, exterior doors	CDBG-Recovery	$8,880
		235 S. Kennicott	Insulation, air sealing, exterior doors	CDBG-Recovery	$12,320
				Total	$30,000
	Glenkirk	729 W. Kingsbury	Windows, insulation, air sealing, hot water tank	CDBG-Recovery	$9,595
		2634 N. Chestnut	Windows, insulation, air sealing, hot water tank	CDBG-Recovery	$10,025

				Total	$19,620
2010/2011	None	None	None	None	None
2009/2010	None	None	None	None	None
2008/2009	CEDA Northwest	Wright House - 11 unit building	Foundation Repair	CDBG	$31,623
2007/2008	Wings Program, Inc.	Safe House	Furnace & Air Conditioning work (cost split among multiple municipalities)	CDBG	$4,024.50
2006/2007	Little City	2634 N. Raleigh	Kitchen remodel including accessibility improvements	CDBG	$20,000
2005/2006	Alexian Brothers	1208 E. NW Highway - 6 unit building	Replace gutter, plumbing work, floor replacement and refinishing	CDBG	$43,500
	CEDA Northwest	Wright House - 11 unit building	Windows	CDBG	$18,000
2004/2005	None	None	None	None	None

CLOSE

May 5 2014
8:00 PM

MINUTES
President and Board of Trustees
Village of Arlington Heights

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

A. Presentation of the Colors by Cub Scout Pack #268 Wolf Den from Greenbrier School

III. ROLL CALL OF MEMBERS

The Village Clerk called the roll with President Hayes and the following Trustees responding: Blackwood, Sidor, Tinaglia, LaBedz, Farwell, Rosenberg, Glasgow and Scaletta.
Also present were Village Manager Bill Dixon, Assistant to the Village Manager Diana Mikula, Assistant Village Attorney Robin Ward, Director of Planning & Community Development Charles Witherington-Perkins, Public Works Director Scott Shirley and Village Clerk Becky Hume.

IV. APPROVAL OF MINUTES

A. Village Board 04/21/2014 Approved

Trustee Joe Farwell moved to approve. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

V. APPROVAL OF ACCOUNTS PAYABLE

A. Warrant Register of 4/30/2014 Approved

Trustee Joe Farwell moved to approve the Warrant Register dated 4/30/14 in the amount of $1,903,052.82. Trustee Thomas Glasgow Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

VI. RECOGNITIONS AND PRESENTATIONS

VIIPUBLIC HEARINGS

VIIICITIZENS TO BE HEARD

Vincent Variano of 1520 N. Chicago Ave. said that after a large sewer project in the Lynnwood subdivision a deep drainage ditch was developed in front of his home. He said it is un-maintainable and unsafe. He said that several staff members from the Village have been to his home, but he has not had any help in alleviating this unsafe situation. Last year, he slipped mowing the ditch and almost cut off his foot. He said he would like some resolution to the problem. He has been told that there isn't any money and the project was closed. Mr. Variano gave diagram of the area to the Board. He cited appropriate drainage slopes for residential communities and said that this ditch was not the appropriate grade. He said that pushing lawnmower up is unsafe for him and for children. He said that overall the Village did a great job with subdivision, but this was just an oversight and he would like remediation.
President Hayes thanked Mr. Variano for bringing this to the Board's attention.

IX. OLD BUSINESS

A. Report of the Committee-of-the-Whole Meeting of May 5, 2014 Approved

Interview of Christopher Guerra for Appointment to the Youth Commission

President Hayes administered the Oath of Office to Mr. Guerra.

Trustee Jim Tinaglia moved to approve. Trustee Robin LaBedz Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

B. Report of the Committee-of-the-Whole Meeting of May 5, 2014 — Approved

Interview of Jonathan Kubow for Appointment to the Design Commission

President Hayes administered the Oath of Office to Mr. Kubow.

Trustee Joe Farwell moved to approve. Trustee Mike Sidor Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

C. Report of the Housing Commission - CDBG - Funded Group Home / Transitional Housing Rehabilitation Loan Program — Approved

Mr. Dixon said that three agencies Little City Foundation, Glenkirk and CEDA Northwest have applied for funding request for CDBG funds for rehabilitation group homes and transitional housing units. Upon direction, the Housing Commission discussed whether there should be a repayment requirement to the Group Home/Transitional Housing Rehab Program. The program has $63,000 in its budget. At its March 12, 2014 meeting the Housing Commission recommended repayment to the group home program with the following terms:

1. One-third of the funded amount for each project would be provided as a grant.
2. Two-thirds of the funded amount for each project would be provided as a 0% interest loan, with repayment deferred and due in full when the improved property is sold or ceases to be used primarily for a CDBG-eligible purpose.
3. Upon the occurrence of a condition that makes the loan due, the agency would have the option to request that the lien be transferred to another property in Arlington Heights that is being used for a CDBG-eligible purpose.

Mr. Mark Hellner, Chair of the Housing Commission, said this seemed the most balanced approach as it allowed each agency to get money and replenish funds for other future projects. **Trustee Farwell** said it was a fantastic plan and asked how the 2/3 repayment was decided upon. **Mr. Hellner** said it seemed like a reasonable compromise. The Commission liked the idea of grants but recognized that there are limited funds. He said it was similar to the Single Family Housing program which has lent $4.75 million and has had only one default in the entire program. He noted that it is repayable if there is a change in use and it can be transferred to another not for profit agency if the property is used similarly. **Trustee Farwell** said he was in favor of 100% repayment but recognized that these are not for profit agencies. **Mr. Hellner** noted that these agencies often operate at a loss to provide the services they do.

Trustee Scaletta questioned condition number three. **Mr. Hellner** explained it was included because the purpose of the property would be the same and this condition anticipated that the organization might need more space. **Trustee Scaletta** asked what would happen if there were two properties and one was sold. **Mr. Hellner** said that was not addressed. The agency could come to the Board to ask if it is rolled over to the second property. **Trustee Scaletta** said he did not like this condition as he believes it is not a good practice to role an agreement into another property. **Mr. Heller** said this was an option, not a mandate. **Trustee Scaletta** said he would prefer to strike condition number three.

Trustee Sidor said that he thought condition three was okay because it would come back for review. He asked who would be the reviewing body. **Mr. Dixon** said that the Housing Planner would prepare a formal request for review by the Housing Commission. He said as it stands now it would not come before the Village Board because it is largely an administrative determination. However, if the Board wanted to weigh in, then it could so state. **Trustee Rosenberg** said if the property is sold, the loan should be paid off. If the agency wanted to take out another loan for a different property they should apply and it should not automatically role over. **Mr. Hellner** said it is not automatic at all. If there is no wisdom to rolling the loan over, then it is presumed it would be rejected by staff and the Housing Commission. The Commission was trying to keep program flexible but protect the Village at the same time.

Trustee Scaletta moved approval with condition three being revised to read: upon the occurrence of a condition that makes the loan due, the agency would have the option to request from the Village Board that the lien be transferred to another property in Arlington Heights that is being used for a CDBG purpose. **Trustee Glasgow** seconded the motion. He agreed that the Village Board should have oversight. **President Hayes** thanked Ms. Boyer, Mr. Hellner and the Housing Commission for their hard work.

Trustee John Scaletta moved to approve. Trustee Thomas Glasgow Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

X. CONSENT AGENDA

This Agenda consists of proposals and recommendations that, in the opinion of the Village Manager, will be acceptable to all members of the Board of Trustees. The purpose of this Agenda is to save time by taking only one roll call vote instead of separate votes on each item. Consideration of this Consent Agenda will be governed by the following rules and procedures prior to roll call vote:

1. Any Trustee who wishes to vote "no" or "pass" on any Consent Agenda items should so indicate.
2. Upon the request of any one Trustee, any item will be removed from the Consent Agenda and considered separately after adoption of the Consent Agenda.
3. Citizens in the audience may ask to remove any item on this Consent Agenda.
4. One roll call vote will be taken and will cover all remaining Consent Agenda items.

CONSENT OLD BUSINESS

CONSENT APPROVAL OF BIDS

A. Recruitment Firm - Village Manager Approved

Trustee Robin LaBedz moved to approve hiring GovHR USA to assist in the search for a new Village Manager at a cost of $17,000. Also, approve a transfer of $22,000 from the General Fund "Contingency" account to the Board of Trustees "Other Services" account. Trustee Bert Rosenberg Seconded the Motion.
The Motion: Passed
Ayes: LaBedz.

Item: Rental Inspection Discussion

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Rental Inspection Program Questions	Memorandum

Housing Commission Meeting
May 12, 2015
Item V. D.

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner

Re: Rental Inspection Program Questions

Date: May 5, 2015

A list of questions being developed for the purpose of surveying other communities regarding their rental inspection programs appears below. These questions will be reviewed at the May 12, 2015 Housing Commission meeting.

Single Family Homes
-Does your community require rental licenses for rented single family detached homes?
-Are any inspections (interior or exterior) required for license approval?
-When or how often are the inspections required?
-What is the license fee and how much is the license fee?
-Is there a separate inspection fee and how much is that fee?
-What department or other entity conducts the inspections?
-Roughly, how many single family home rental licenses are issued per year?
-What is the purpose, and what are the benefits, of the licensing requirements?
-What is the purpose, and what are the benefits, of the inspection requirements?

Multi-Family Homes
-Does your community require rental licenses for rented multi-family homes?
-Are any inspections (interior or exterior) required for license approval?
-Do the same requirements apply to rented condominiums and townhomes? If not, how do the requirements differ for rented condominiums and townhomes?
-When or how often are the inspections required?
-What is the license fee and how much is the license fee?
-Is there a separate inspection fee and how much is that fee?
-What department or other entity conducts the inspections?
-Roughly, how many single multi-family home rental licenses are issued per year?
-What is the purpose, and what are the benefits, of the licensing requirements?
-What is the purpose, and what are the benefits, of the inspection requirements?

Item: Housing Trust Fund

Department: Planning & Community Development

ATTACHMENTS:

Description	**Type**
Information on CDBG Eligible Activities	Memorandum

Housing Commission Meeting
May 12, 2015
Item V. E.

Memorandum

To: Chairman and Members of the Housing Commission

From: Nora Boyer, Housing Planner

Re: Information on CDBG Eligible Activities

Date: May 5, 2015

At the April Housing Commission meeting, discussions were begun with respect to priorities, programs, and projects for funding under the Affordable Housing Trust Fund. A copy of the Trust Fund Ordinance is attached.

Staff was asked to provide information concerning projects that are eligible under the Community Development Block Grant (CDBG) program for reference.

The link below is to a HUD-prepared document that lists and explains eligible activities under the CDBG program:

https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17133.pdf

AN ORDINANCE AMENDING CHAPTERS 6 AND 7 OF THE MUNICIPAL CODE OF THE VILLAGE OF ARLINGTON HEIGHTS

WHEREAS, one of the Village Board's goals is to explore and encourage affordable private housing; and

WHEREAS, in furtherance of that goal, the Board created an Affordable Housing Trust Fund Task Force; and

WHEREAS, the Task Force has recommended and the Board has agreed that creation of an Affordable Housing Trust Fund will further the aforementioned goal; and

WHEREAS, creation of an Affordable Housing Trust Fund requires amendments to the Arlington Heights Municipal Code,

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

SECTION ONE: That Section 504 of Chapter 6 of the Municipal Code of the Village of Arlington Heights, pertaining to the Housing Commission, is amended by adding the language as set forth below to Section 6-504 e:

4. Affordable Housing Trust Fund

a) The Housing Commission shall make recommendations to the Village Board regarding the following:

   1) Goals for the use of Housing Trust Fund resources;
   2) Annual Budget for the Housing Trust Fund;
   3) Procedures for reviewing applications and awarding Housing Trust Fund resources to applicants;
   4) Criteria to be used in reviewing applications and programs that utilize Housing Trust Fund resources;
   5) Procedures to be used for disbursing Housing Trust Fund resources;
   6) Review of applications and programs for Housing Trust Fund awards;
   7) Procedures to be used to monitor Eligible Activities funded by the Housing Trust Fund to ensure that Housing Trust fund resources are used in conformance with all applicable requirements; and
   8) Evaluation of Housing Trust Fund activities.

SECTION TWO: That Chapter 7 of the Municipal Code of the Village of Arlington Heights is amended by adding the following new Article XII, pertaining to an Affordable Housing Trust Fund:

Article XII Affordable Housing Trust Fund

Section 7-1201 Creation. There is hereby established a Housing Trust Fund, to be held as a separate fund within the Village, for the sole purpose of providing and preserving Attainable Housing opportunities within the Village The Village, by and through its Director of Finance, shall be responsible for the day-to-day investment and fiscal maintenance and management of the Housing Trust Fund. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by the Village for other similarly held funds. Except for disbursements and other actions taken as part of the day-to-day fiscal maintenance and management of the Housing Trust Fund, the Director of Finance shall not disburse funds held by the Housing Trust Fund except upon the written direction of the Village Board or otherwise pursuant to the provision of an approved program. The Arlington Heights Housing Commission shall assist the Village with the organization, operation, and implementation of the Housing Trust Fund as directed by the Village Board.

Section 7-1202 Purpose. The purpose of the Housing Trust Fund is to address the attainable housing goals, policies and programs of the Village Board as stated in the Village Board's annual goals, the Village Code, and other Village policies by providing sustainable financial resources to address the Attainable Housing needs of Eligible Households in Arlington Heights~~;~~ and preserving and producing dedicated Attainable Housing.

Section 7-1203 Definitions. The following words and phrases, when used in this Chapter, shall have the following meaning:

a. Attainable Housing: Housing that has a sales price or rental amount that is within the means of an "Eligible Household" as defined herein. In the case of dwelling units for sale, housing that is attainable means housing in which the annual mortgage, amortization, taxes, insurance, and condominium or association fees (if any), constitute not more than 30% of the gross annual household income of a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is attainable means housing for which the annual rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.

b. Applicant. Any individual or entity, including but not limited to developers, not-for-profit organizations, housing owner/operators, and units of government, that apply for a grant, loan, or other resources from the Housing Trust Fund.

c. Eligible Activities. Those activities that are eligible to receive funding or other resources from the Housing Trust Fund, as set forth in this Article.

d. Eligible Household. A household with an annual income at or below 80% of the Area Median Income (AMI) for for-sale units and at or below 60% of AMI for rental units as determined annually by HUD for the Chicago area.

e. Gaming Revenue. Those monies received by the Village from slot machines or video gaming machines.

Section 7-1204 Distribution of Funds. Distribution of funds from the Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Housing Trust Fund.

Section 7-1205 Eligibility Requirements. Each Applicant shall be required to demonstrate that the requested Eligible Activity will advance and support the purpose of the Housing Trust Fund, as set forth in this Article.

a. 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 limitation, 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.

b. All Housing Trust Fund resources shall be applied exclusively to Eligible Activities within the corporate limits of the Village. Criteria shall be developed by the Village, in consultation with the Housing Commission, for the award of grants and loans prior to accepting any applications.

Section 7-1206 Review and Approval of Applications and Programs. The Village Board shall be solely responsible for the approval of all programs and applications that utilize the expenditure of Housing Trust Funds. Applications for Housing Trust Fund awards shall be submitted to the Planning and Community Development Department. Applications/programs that comply with the applicable requirements shall be forwarded to the Housing Commission. Any applications/programs that do not comply shall be returned to the applicant with a written explanation of why the application will not be considered. With respect to housing construction or rehabilitation projects, applications may be submitted but funds will not be disbursed until factors such as zoning compliance, site control, other funding sources in place, etc. have been established to the satisfaction of the Village. The Housing Commission shall review and make recommendations to the Village Board as to which applications/programs are awarded Housing Trust Funds.

The Village Board may, at its discretion, approve a program that delegates the approval of applications and the dispersal of Housing Trust Fund moneys to the Housing Commission or the Planning and Community Development Department, provided that provision for the disbursement of Housing Trust Fund moneys are specifically set forth within the scope of that program, and the program complies with the provisions of this Article.

Section 7-1207 As a condition of any Housing Trust Fund award for any Eligible Activity, the Applicant shall execute and record such agreements, conditions, restrictive covenants, and other similar instruments as may be required by the Village to ensure that Housing Trust Fund resources will be used efficiently and for the intended purposes.

Among other requirements, these conditions shall require the applicant and the property to comply with the requirements of this Article and provide that all awards shall be used in strict compliance with the requirements of the Village Code and any added conditions.

Additionally, for any property or development that ceases to be used for Attainable Housing pursuant to the requirements of the specific award, the Applicant or successor owner of the property or development shall be required to reimburse the Housing Trust Fund in accordance with the development, grant, or loan agreement executed with respect to the specific award involving funds from the Housing Trust Fund.

Section 7-1208 Sources of Funds. The Village Manager, for the benefit of the Housing Trust Fund, is authorized to accept funds, property, and other resources from all proper and lawful public and private resources including, without limitation: 1) cash payments in lieu of constructing Affordable or Attainable Units as per the Village's inclusionary housing policies; 2) income from fees collected from the transfer of Village annual tax exempt bond cap; and 3) 1% of all gaming revenue received annually by the Village after the first full fiscal year the Village receives any gaming revenue, as well as 10% of any gaming revenue from slot machines received by the Village in the first full fiscal year that any gaming revenue from slot machines is received by the Village. The Village Board, at its sole discretion, may make funds available as it deems necessary and appropriate.

SECTION THREE: This ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, in the manner provided by law.

AYES: SCALETTA, LABEDZ, BLACKWOOD, FARWELL, GLASGOW, TINAGLIA, ROSENBER HAYES

NAYS: NONE

PASSED AND APPROVED this 15th day of July, 2013.

Thomas W. Hayes
Village President

ATTEST:

Rebecca Hume
Village Clerk

rward.Ordinances and Resolutions.Affordable Housing Trust Fund