Village of Arlington Heights
Housing Commission
Commissions Room, 2nd Floor
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
April 17, 2018
7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes 2-6-18

IV. REPORTS

V. OLD BUSINESS

A. Single Family Rehab (SFR) Program Update
B. Combination SFR & Sewer Rebate Program Update
C. Group Home and Transitional Housing Program Update
D. 2018-2019 Community Development Block Grant Requests

VI. NEW BUSINESS

A. Hickory & Kensington Mixed Use Development Response to Village's Affordable Housing Policy - Affordable Housing Assessment

VII. OTHER BUSINESS

VIII. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Housing Commission
4/17/2018

Item: Minutes 2-6-18

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
FEBRUARY 6, 2018

IN ATTENDANCE:

Commissioners Present:	Alex Hageli	Mark Hellner	Andrew Tripp
	Will Delea	Andrea Johnson	Zach Creer
Commissioners Absent:	Namrita Nelson		
Staff Present:	Nora Boyer, Housing Planner/Staff Liaison		
Others Present:	Robyn Sandys, Executive Director, North West Housing Partnership		

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 Hageli, Hellner, Tripp, Delea, Johnson and Creer were in attendance.

III. APPROVAL OF MINUTES
A motion was made by Commissioner Hellner, seconded by Commissioner Delea, to approve the minutes of the December 5, 2017 meeting. The motion carried unanimously.

IV. REPORTS - None

V. NEW BUSINESS

A. Guest - Robyn Sandys, Executive Director, North West Housing Partnership (NWHP)
Ms. Sandys stated that the North West Housing Partnership has been working on affordable housing in the northwest suburbs for 27 years. Their office is located in Schaumburg, IL. The organization has develop several affordable housing buildings that provide senior and workforce housing, including three Low Income Housing Tax Credit developments – in Sugar Grove, Forest Park and Bartlett.

The organization has several HUD-certified housing counselors and provides home ownership education including home ownership classes. The NWHP is administering a down payment assistance program funded by Wintrust for home buyers who are at or below 80% of area median income. Participants in the down payment assistance program do not need to obtain their mortgage loans from Wintrust to receive the assistance.

The NWHP also administers several home rehab program for low and moderate income homeowners, including the Community Development Block Grant (CDBG)-funded home rehab program for the Village of Des Plaines and Hoffman Estates.

Five years ago, the NWHP was hired by IFF to administer a federal grant program through which the NWHP purchases foreclosed single family detached and small (2 – 3 unit) multi-family residences, rehabs them, and sells them to low/moderate income home buyers. Purchasers of individual homes may have income up to 80% of the area median income. Purchasers of multi-family buildings may have incomes up to 110% of the area median income. They have completed about 60 homes through this program. The program is ending soon.

Four years ago, the NWHP began working with the National Community Stabilization Trust that permits the NWHP to identify and purchase foreclosed homes before they are available for sale on the open market. The NWHP has purchased 6 – 7 homes (mainly in Berwyn and Maywood) that are rehabbed and sold for typically $150,000 - $180,000. The NWHP uses a line of credit and reserve funds for these projects. Ms. Sandys said that projects are selected that are projected to provide some return to the organization (approximately $10,000) to cover organizational costs.

The NWHP also administers a Handyman Program that was originally funded through the Northwest Suburban Housing Collaborative but is now funded from other sources. The program is offered to residents of the five Collaborative communities (Arlington Heights, Palatine, Mt. Prospect, Rolling Meadows and Buffalo Grove). Additional funds have been received from Age Options to cover residents in Wheeling and Palatine Townships. The work done is work that does not require a permit, typically takes 1 – 2 hours. The handyman is paid $35/hour and the homeowner participants pay $10, $20 or $30 an hour for the service on a sliding scale based on their incomes. About 1,200 jobs have been completed in 4 years, with some duplication with respect to participants.

The NWHP is working with the Collaborative to expand the Handyman Program through the CAPABLE model developed by Johns Hopkin’s School of Nursing. Through this model, someone would go through the home to assess modest rehab that could be done to improve the safety and usability of the home given the homeowner’s specific needs and circumstances.

A rehab program related to flooding in 2013 has also been administered by the NWHP. This program will end son.

With respect to areas of affordable housing needs, Ms. Sandys said that the NWHP is working with Faith Community Homes (FCH) with respect to the shortage of rental housing. FCH works with near-homeless families for 2 years in order to help them become more financially stable. Housing assistant is provided with the goal of securing stable housing by the end of the 2 year period. FCH reports that finding affordable rental units for their clients is becoming more and more difficult. They say that people must now earn $20/hour to afford rent in Arlington Heights when a few years ago the wage needed was $12 - $15/hour.

FCH approached the NWHP about whether the NWHP would be willing to purchase and manage small apartment buildings and make a couple of units available to FCH's clients. The NWHP has been looking into buildings for sale around $600,000 but would probably need a 20% down payment. The organization are discussing fundraising for this project goal.

Ms. Sandys said that if more funding were available to the NWHP the agency might be able to purchase the multi-family building as proposed by FCH and purchase more low-cost/riskier homes for rehab and sale which might be affordable to households at even lower incomes than are currently participating in the NWHP's programs. She said that there is particularly a need for housing for low-income senior citizens who currently live in the community and want to stay in the community. She commented that the waiting lists for the senior rent-subsidized housing buildings are commonly 5 – 7 years and some waiting lists are closed.

Commissioner Hellner asked how many homes the NWHP typically has in its inventory. Ms. Sandys responded that they typically carry 10 – 12 houses at any one time. Commissioner Creer asked Ms. Sandys what she thought that a partnership between the NWHP and the Village of Arlington Heights might look like. Ms. Sandys responded that the NWHP could offer home ownership workshops in Arlington Heights (in English or Spanish) and there could be the potential for working together to purchase, rehab and turn over homes for the benefit of low/moderate income home buyers.

Ms. Sandys was thanks for the information and for attending the meeting at which point she left the meeting.

The Housing Commission discussed how CDBG funds and Trust Fund money might be used in the future to address some of the needs and ideas offered by Ms. Sandys. There was support for providing funds for the down payment on a multi-family building to be purchased and managed by the NWHP and that would provide a couple of units for FCH clients. The Commissioners were not opposed to it being a mixed income building. The building would need to have long-term restrictions to keep an agreed upon number of units affordable for a determined period of time.

Commissioner Hellner reported on the progress being made by the Alliance to End Homelessness and Northwest Coalition for Housing that are involved with the developments in Arlington Heights, Palatine and Mt. Prospect that provide affordable housing for persons with disabilities. A building is also going through the approval process in Elgin.

Ms. Boyer offered an idea to create a menu list of most common (and affordable) accessibility improvements that can be made in homes at established prices to create a suggested menu of improvements with costs that could be used under the Village's rehab program. It was suggested that Ms. Boyer speak with David Robb, the Village's Disabilities Services Coordinator about the universal design presentation that was held at the Village. Commissioner Hellner cautioned that the improvements should be judged to make sure that they meet the objective for the improvement for the program participant.

VI. OLD BUSINESS

A. Single Family Rehab Program

Ms. Boyer provided an update on the cases. Case 18-01 involved a furnace replacement which was approved by staff since it was under $10,000 and did not required Housing Commission approval.

There was a discussion of the two levels of financing provided under the Single Family Rehab Program. Home owner with income at or below 50% of area median income have been eligible for 100% financing of their home improvements. Households with income between 50% and 80% are to provide financing for 30% of their project costs and the Village is to provide financing for 70% of the project costs. Ms. Boyer said that since 1998, all requests for waivers of the requirement that the homeowner pay 30% the project costs have been approved by the Housing Commission, and no homeowners since 1998 have been required to pay the 30%. She said that she is concern that the stated policy, which is not put into practice, discourages some potential applicants from applying to the program.

A motion was made by Commissioner Hellner, seconded by Commissioner Delea to remove the policy that Single Family Rehab Loan Program participants with income between 50% of 80% of the area median income pay 30% of the rehab project costs from their resources and which limits Village financing to 70% of the project costs. All homeowners in the program will be eligible for 100% financing from the Village. The motion was approved unanimously.

VII. OTHER NEW BUSINESS

None

VIII. ADJOURNMENT

A motion was made by Commissioner Hellner, seconded by Commissioner Johnson, to adjourn the meeting. The meeting adjourned at 8:30 pm.

NEXT MEETING: Tuesday, March 6, 2018 7:00 pm

Housing Commission
4/17/2018

Item:	Hickory & Kensington Mixed Use Development Response to Village's Affordable Housing Policy - Affordable Housing Assessment
Department:	Planning & Community Development

Neri Architects, PC has proposed a 76-unit apartment building for the Hickory & Kensington Development area. In response to the Village's affordable housing policy and the Arlington Heights Affordable Rental Program guidelines, the developer if proposing to pay a fee in lieu of including affordable rental units at the rate of $25,000 per each of the 11 affordable rental units not included in the development, or a total of $275,000.

ATTACHMENTS:

Description	**Type**
Staff Report	Report
Developer Letter	Exhibits
Affordable Housing Unit Table	Exhibits

Staff Report to the Housing Commission

To:	The Chairman and Members of the Housing Commission
From:	Nora Boyer, Housing Planner
Re:	Hickory & Kensington Mixed Use Development Affordable Housing Assessment
Report Prepared:	April 9, 2018
Meeting Date:	April 17, 2018

Neri Architects, PC has proposed a mixed use development including 76-units of rental housing in the Hickory & Kensington area.

Under the *Arlington Heights Affordable Housing Rental Program Guidelines*, when a multi-family development is composed of 15 or more units, the developer is to set 15% of the units aside as affordable housing. Under the Village guidelines, the developer has the option to pay a fee-in-lieu or providing the affordable units at a rate of $75,000 per affordable unit not provided.

The number of affordable units called for at the proposed Hickory & Kensington development is 11 (75 units x .15 = 11 (rounded). At the fee-in-lieu amount of $75,000 per unit, the total fee-in-lieu due if the 11 affordable units are not provided in the development is $825,000 (11 units x $75,000/unit = $825,000).

Background

The Village began formulating its policies regarding the inclusion of affordable units in multi-family developments in 2006. Since then, the Housing Commission has discussed the appropriate amount to assess when a developer chooses not to include the affordable units called for by the Village's policy. Originally, the fee-in-lieu of providing affordable units was $100,000 per affordable unit not provided, but in 2014, the amount was reduced to $75,000 per affordable unit not provided.

Since the adoption of the Village's affordable multi-family policies, the policies have resulted in the following recommendations:

1) A for-sale multi-family developments included 21 deed-restricted affordable units (20%) of the total number of units that was approved by the Village Board;
2) A rental project where 5% of the units will be affordable if more than 300 units are constructed that was approved by the Village Board;

3) Two rental projects in which a minimum of 15% of the units will be affordable (a total of 8 affordable units that was approved by the Village Board;
4) Two for-sale, townhome developments resulting in fees-in-lieu payments to be deposited into the Affordable Housing Trust Fund that was approved by the Village Board;
5) A fee-in-lieu of affordable units for 13 rental units not provided at $25,000 per affordable unit not provided (agreed to by the developer but the development was ultimately not approved by the Village board).

Fee-in-Lieu of Affordable Units – Hickory & Kensington

With respect to the Hickory and Kensington development, rather than including the 11 affordable units in the development, the developer has offered a fee-in-lieu amount of $25,000 for each of the 11 affordable units not provided for a total of $275,000 (11 units x $25,000 = $275,000).

Fee-in-Lieu of Providing Affordable Housing Units

	Number of affordable units called for as per the Village policy	Amount of fee-in-lieu as per the Village policy	Total fee-in-lieu agreed to by the developer	Total fee-in-lieu per affordable unit not provided	Amount of the fee-in-lieu when spread across all of the units in the development
Hickory & Kensigton 76 apartments	11	11 x $75,000 = $825,000	$275,000 (proposed)	$25,000 (proposed)	$3,3620 (proposed)

Recommendation

Staff recommends that the Housing Commission recommend to the Village Board approval of the following:

1. Approval of the proposed fee-in-lieu of providing affordable units at the Hickory & Kensington development of $25,000 per affordable unit not provided at the time of issuance of a building permit. As currently proposed, 11 required affordable units x $25,000 = $275,000.

2. If the Village Board approves the $25,000 fee-in-lieu amount for the Hickory & Kensington development, it is also recommended that the Housing Commission

recommend that the fee-in-lieu of providing affordable housing units as stated in the *Arlington Heights Affordable Housing Rental Guidelines* be changed from $75,000 to $25,000.

N E R I
ARCHITECTS, pc
444 N. NORTHWEST HWY. STE 355
PARK RIDGE IL 60068
TEL 847.825.9400

March 5, 2018

Sam Hubbard
Development Planner
Department of Planning and Community Development
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60005

RE: Hickory &Kensington Mixed Use Development, affordable housing assessment.

Dear Mr. Hubbard,

This letter is to notify that the affordable housing component for the above referenced development has been negotiated and is detailed in the redevelopment agreement. It is my understanding that the redevelopment agreement is currently in the approval process. We hope this will be enough to meet your requirements.

As part of the redevelopment agreement, here is what we are proposing for the Affordable Housing requirement. We are proposing a total of 76 rental apartment units. Our affordable housing requirement is 15% of the total number of units, therefore 11.4 units or 11. We are proposing a fee in lieu of $25,000 per unit, for a total affordable housing contribution of $275,000.

Please let me know if you will need anything else regarding the above.

Sincerely,

Guido C. Neri, AIA
President

<u>APPLICATION OF INCLUSIONARY HOUSING GUIDELINES</u>

The Village's inclusionary housing guidelines have been applied to 6 development projects.

Development	**Total Number of Units**	**Requested Number of Affordable Units as per the Village guidelines**	**Number of Affordable Units included in the Approved Projects**	**Cost Offsets**	**Fee-in-Lieu Contributions**
Timber Court for-sale condominiums	108 units for-sale condominiums approved 72 units have been constructed	21 units (20% of the total number of units)	21 units 14 units have been constructed	Density Bonus $100,000 in Village paid road improvements	$0
Arlington Downs rental apartments	Up to 475 rental units in Phase II	95 units (20% of up to 475 units)	First 300 units: 0%. If more than 300 units are built, 5% of all units in Phase II will be affordable. Maximum number of units expected in Phase II is 475 units. 475 x .05= 24 units	None	$0
Arbor Lane for sale townhomes	16 town-homes	2 townhomes (12% of 16 units)	0	None	Fee-in-lieu payment : $30,378 5% of the average sale price when half of the units (8 units) are sold or the average sale price of the units sold one year from the date of the first occupancy permit (which was issued on November 19, 2014), whichever comes first.
Parkview Apartments rental apartments	45 rental apartments	7 units (15% of all units)	7 units shall be maintained as affordable in perpetuity. An additional 12 units may be provided subject to the recommendations in the Housing Commission motion dated August 5, 2014.	None	$0
Lexington Homes – for-sale townhomes	48 for-sale townhomes	8 affordable units	0	None	The Petitioner shall comply with the September 6, 2016 motion of the Housing Commission by paying a fee in lieu of providing 8 affordable units of $122,500 ($15,312.50 for each of the 8 affordable units not provided or $2,500 per unit spread across all 48 units in the development).
CA Ventures Sigwalt Apartments	86 rental apartments	13 units	None	Density increase from approximately 60 units to 86 units.	Proposal: $325,000 or $25,000 per affordable unit not provided. $25,000 x 13 = $325,000. This equates to approximately $3,780 spread across all 86 units. The proposal was revised to 80 units which would

					have required 12 affordable units x $25,000 = $300,000. The project was not approved by the Village Board for reasons other than the affordable housing aspect of the project
Neri Architects, PC Hickory and Kensington Apartments	75 rental units	11 units	None	Various variations requested.	The petitioner is offering to pay a fee in lieu of affordable units of $25,000 per affordable unit not provided in the development: 11 x $25,000 = $275,000