AGENDA
Committee of the Whole
Board Room
33 S. Arlington Heights Rd
January 12, 2026
7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. APPROVAL OF MINUTES

   A. COW Meeting Minutes 11/12/25

   B. COW Meeting Minutes 12/8/25

V. NEW BUSINESS

   A. Short-Term Rental Regulation Discussion

   B. Affordable Housing Trust Fund Guidelines

VI. OTHER BUSINESS

VII. 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.

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 the Health & Human Services Department, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, healthmail@vah.com or 847/368-5760.

MINUTES
Committee of the Whole
Village of Arlington Heights

Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
November 12, 2025
7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Tinaglia and the following Trustees responded to roll: Wendy Dunnington, Colin Gilbert, Robin LaBedz, Bill Manganaro, Carina Santa Maria, Jim Tinaglia, Greg Zyck.
Trustee James Bertucci, Tom Schwingbeck were absent.
Also present were: Randy Recklaus, Melissa Gallagher, Emily Rodman, Charles Perkins, Deputy Chief Lance Harris and Maggie Mattio.
Others Present: Tiffany Gates, Johanna McKenzie Miller and various Metropolis Theater staff and Board Members

IV. APPROVAL OF MINUTES

A. COW Meeting Minutes 10/15/25

Trustee Zyck moved to Approve. Trustee LaBedz Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, President Tinaglia, Trustee Zyck
Nays: None
Absent: Trustee Bertucci, Trustee Schwingbeck

V. NEW BUSINESS

A. Staff Follow-up from Previous Meeting

Trustee Zyck had a question regarding pensions that staff will continue to research and provide an answer prior to the December 1st Village Board Meeting.

B. Metropolis Performing Arts Centre

Mr. Recklaus provided a brief background about the relationship between the Village and the Metropolis Theater. He mentioned that the Village provided the Theater with a yearly operational contribution of $290,000.

Ms. Tiffany Gates, Executive Director, and Ms. Johanna McKenzie Miller, Artistic Director, presented the budget for the Metropolis Theater of Performing Arts. Ms. Gates said the theater kicked off its 26th year with a blockbuster season wherein all performances were movie titles. The season launched with Grease, which became the highest-grossing production in the Theater's history. In terms of the budget, she reported a $271,000 increase in total income compared to 2024, an 8% increase in ticket sales driven by strong attendance and higher service fees, and an increase in development income from $419,000 to $506,000 due to a high-netting gala, special event, and an increase in grant funding and donations. Revenues from the School of Performing Arts had a slight decrease due to District 25's summer schedule shifting from 12 weeks to 10 weeks. Overall, the Theater saw a gross profit of $1.59M, up from $1.39M in 2024.

In 2026, the Theater will strategically invest in production quality, artists and technical staff, and specialized marketing outreach to continue to grow while keeping a conservative budget. Ms. Gates' projections for 2026 included an increase in income growth, ticket sales, education revenues, and development revenues.

C. Review of Department Budgets
To view proposed budget click here:

- Boards and Commissions
- Planning & Community Development
- Public Works
- Fire

Boards and Commissions
Mr. Recklaus said there were no significant changes to the Boards and Commissions budget other than an increase in dues to Meet Chicago Northwest, which are based on hotel tax receipts.

Planning & Community Development
Ms. Rodman said a key focus over the past year and into 2026, has been the strategic restructuring of the department to meet increasing workloads and prepare for major upcoming projects. The restructuring included reclassification and promotion of two planners, redistribution of duties based on staff strengths and expertise, and the addition of a CDBG consultant and an on-call planning consultant to expand capacity during peak periods. The proposed budget also included a permit technician to help manage the more than 3,000 annual building permits and allow for higher-level staff to focus on advanced responsibilities. In 2026, the department will begin a comprehensive update to the nearly 20-year-old Downtown Master Plan, evaluate existing housing programs, provide development review of various large projects, and continued redevelopment efforts within the four TIF districts. Lastly, Ms. Rodman said the budget allocated $125,000 from the Affordable Housing Trust Fund to begin a housing study assessing housing supply, demand, affordability, and future needs.

Trustee LaBedz asked for an explanation on the use of TIF funds for a grant program. Ms. Rodman said TIF V was set to expire within the next few years and had outstanding monies. Staff recommended that the Economic Development Manager explore the creation of a facade grant program that would allow shopping centers within the district to make facade or exterior improvements before the TIF expired.

Trustee Zyck inquired about the use of the $1.34M in the Affordable Housing Fund. Ms. Rodman said staff has been working with the Housing Commission to develop guidelines that will set the criteria for how organizations can apply for and be evaluated for funding. Staff was also reviewing whether some existing housing programs would be more efficiently run by nonprofit agencies. Partnership with other organizations could expand services and may be another appropriate use of the fund monies.

Public Works

Mr. Papierniak provided an overview of the Public Works Department and their 2025 achievements. He mentioned that Public Works has experienced significant staff turnover within the last 5 years and anticipated additional turnover in the coming years. Therefore, in 2026, the department will continue to focus on staff development, succession planning, and employee engagement. An increase in project costs due to inflation has led staff to combine contracts to increase scale and value. Work has also shifted in-house to reduce contractual expenses. He reported that an estimated 40% of known lead service lines are expected to be replaced by early 2027.

In terms of the budget, Mr. Papierniak said Public Works was responsible for 7 funds, 165 accounts and roughly $65M in the 2026 budget. Due to the nature of the work, some items fluctuate by more than 5% and variances could be explained by encumbrances, rebalancing, scope changes, or redistribution of funds to improve efficiency or levels of services.

President Tinaglia asked for an update on the Euclid project. Mr. Papierniak said the project timeline was originally two-years, but staff condensed it to a one-year project to reduce long-term disruption. There have been delays due to permitting, but he anticipated the project to be completed by the end of the year and street resurfacing to occur in 2026.

Fire

Chief Harris thanked the Board and staff for their support, which has been instrumental in strengthening the Fire Department, improving services, and ensuring the safety of the community. He highlighted that 2025 was the final year of implementation of the fifth ambulance and shared that as of September it had responded to 645 calls, reducing mutual aid by 46%, and has shown a net positive income of over $400,000. The Department hired eleven new personnel, including the paramedics to staff the fifth ambulance full-time. He added that hiring certified candidates has resulted in significant training cost savings for the Village.

The Department remains focused on operational readiness, fiscal responsibility, and maintaining a high standard of emergency services.

D. Final Recommendation of the Committee-of-the-Whole to the Board of Trustees for the 2025 Property Tax Levy payable in 2026

Trustee Zyck inquired about the 2% loss in cost factor and asked if it was included in the budget. Ms. Gallagher said the 2% percent loss in cost factor was standard as the Village does not receive 100% of the tax levy. She clarified that the actual increase in the levy was 2.29% and not 2.29% plus the 2% loss in cost factor.

Discussion ensued regarding how the Village could budget in future years as it pertained to staffing levels, reserve fund balance, and application of surpluses. It was decided that those discussions would be had during the budget-ceiling process.

Trustee LaBedz moved to Approve. Trustee Gilbert Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Santa Maria, President Tinaglia, Trustee Zyck
Nays: Trustee Manganaro
Absent: Trustee Bertucci, Trustee Schwingbeck

E. Final Recommendation of the Committee-of-the-Whole to the Board of Trustees for the 2026 Budget

Trustee Manganaro moved to Approve. Trustee Santa Maria Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, President Tinaglia, Trustee Zyck
Nays: None
Absent: Trustee Bertucci, Trustee Schwingbeck

VI. OTHER BUSINESS

VII. 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.

Residents Martin Bauer and Arlen Gould were in support of the proposed increase in the tax levy as there are many uncertainties in the future.

VIII. ADJOURNMENT

Trustee LaBedz moved to Adjourn at 9:11PM. Trustee Zyck Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, President Tinaglia, Trustee Zyck
Nays: None
Absent: Trustee Bertucci, Trustee Schwingbeck

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact the Health & Human Services Department, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, healthmail@vah.com or 847/368-5760.

MINUTES
COMMITTEE-OF-THE-WHOLE
PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
MONDAY, December 8, 2025 7:00P.M.

BOARD MEMBERS PRESENT:	President Tinaglia; Trustees: Bertucci, Dunnington, Gilbert, Manganaro, Santa Maria, Schwingbeck, and Zyck
BOARD MEMBERS ABSENT:	Trustee LaBedz
STAFF MEMBERS PRESENT:	Randy Recklaus, Village Manager; Diana Mikula, Deputy Village Manager; Nicholas Pecora, Chief of Police and Kim Peterson, Recording Secretary

President Tinaglia called the meeting to order at 7:00 PM. The Pledge of Allegiance was recited.

Approval of Minutes

A. Committee of the Whole 11/10/25

Trustee Schwingbeck moved, seconded by Trustee Zyck, to approve the November 10, 2025 Committee of the Whole Meeting Minutes. The Motion: Passed

Ayes: Dunnington, Gilbert, Manganaro, Santa Maria, Schwingbeck, Zyck, Tinaglia

Nays: None

Passed: Bertucci

New Business

A. Presentation of Chamber of Commerce Financials for Harmony Fest Featuring the Taste of Arlington Heights

Mr. Recklaus advised that Harmony Fest featuring the Taste of Arlington Heights is a joint venture between the Village of Arlington Heights and the Arlington Heights Chamber of Commerce. Mr. Recklaus explained how the Village incurred about

$90,000 in hard costs, which includes payments to bands, the stage, all of the overtime, in addition to other expenses. This amount does not include the cost of straight time for staff. The Village receives revenues of about $12,000, which is reimbursement from the Chamber for some of the expenses and sharing of the revenues, with the overall cost being about $77,000 for the Village. The Chamber incurred about $37,000 in hard costs and generated about $100,000 in revenues, with a gross profit of about $62,000. They do incur staff time, which is about $30,000 in straight time.

Trustee Bertucci stated that the Village is not necessarily looking for a gross profit, as this is an investment in the community, which Mr. Recklaus agreed with. Mr. Recklaus explained how the Village has a net loss for all of the different events they hold, however this event has a great net loss than other events.

Jon Ridler, Executive Director of the Arlington Heights Chamber of Commerce, advised that the Chamber views these events as a core component of its mission, connecting local businesses with residents to foster community, promote economic development and create a family-friendly environment. Mr. Ridler advised that this event is considered a true P3 Public-Private opportunity, meaning there is public money put into it, as well as a lot of private money that the Chamber raises through businesses, registration fees and sponsorships to cover the expenses. The Chamber doesn't receive any of the dollars that are budgeted for this event. They have to make sure they raise that $70,000 or $80,000 each year to cover the expenses.

Mr. Ridler advised that this past year's event had increased sponsorship and explained how the Village continues to support the kid's activities, the stage and the bands, and the Chamber organizes all of the vendors, the restaurants and businesses, supplying the tent and water barrel rentals, as well the games. Mr. Ridler advised that over two decades this event has grown in size and business and food sponsorship has become the sole source of revenue that the Chamber gets outside of paying the expense that they have. The vendor fees that they collect pay the direct operational costs and the sponsorships that they assume pay for the operational budget and Chamber staff time as well.

Mr. Ridler advised that the staffing investment is critical, as this becomes a portion of their budget for this fundraising event. If the Chamber doesn't assume sponsorships for this event, they don't have the money in their budget to pay for their staff, which is why these sponsorship relationships are so important. If there are opportunities for the Chamber to look at cost saving measures for this, they welcome that discussion, as long as it doesn't take away from the event itself.

Mr. Ridler advised that this is the first time since he has been with the Chamber that they hit over $100,000 in revenues, which is mainly due to having two $10,000 sponsors which they haven't had in the past and may not be guaranteed in the future. If the staff time expense is removed from the total revenue amount, the net profit for the Chamber is about $32,000, with $20,000 of this being two businesses that may not be there next year. The Chamber works very hard to make sure that they are doing all they can so that these businesses get that community investment exposure that they are paying for.

The Chamber is thankful for the partnership and collaboration with the Village and looks forward to delivering another successful year of increased programming, experiences and a great community event.

Trustee Bertucci asked Mr. Ridler if this event is a fundraiser in their budget, which Mr. Ridler advised it is and explained how everything they do is mission focused and staff spends a great deal of time working with the businesses and restaurants to make sure everyone has what they need to be successful. Trustee Bertucci stated that he wanted to be sure that this is still the idea of the Chamber being involved. Mr. Ridler advised that it absolutely is and every restaurant that is at the event is a brick-and-mortar restaurant in Arlington Heights, as the food and beverage tax money is being used, as well as money from the A & E fund. In addition, any business can participate, they don't have to be a member of the Chamber. Businesses also have the option to just participate on Saturday, as some don't have the staffing for both days.

President Tinaglia asked Mr. Ridler when the Chamber starts preparing for next year's event, which Mr. Ridler advised during the current event. It's a 12-month process and they start selling sponsorships for the following year at the event. Mr. Recklaus advised that Village staff is already preparing for next year's event as well.

Trustee Schwingbeck asked Mr. Ridler if the Chamber has ever done any surveys or talked to some of the non-restaurant businesses to see if this event is generating business for them. Mr. Ridler advised that they have done surveys and have had one-on-one conversations with them and explained how the Chamber believes if this was not beneficial to these businesses, they wouldn't have the retention rate of the local businesses that they do. The Chamber calls these businesses community investors, as they go beyond wanting to just get customers in the door so that they make money, but want to be known for giving back to their community. Trustee Schwingbeck asked how many of the restaurants that set up booths are located outside of the downtown area, which Mr. Ridler advised about 40%. Trustee Schwingbeck stated that he would like to see restaurants from all over Arlington Heights participate. Mr. Ridler advised that more and more patrons are coming from outside of Arlington Heights to experience this event, which is even more valuable for the participating businesses.

Trustee Gilbert thanked Mr. Ridler and the Chamber for all of the work they do to make this event fantastic, including organizing all of the volunteers. Trustee Gilbert also thanked Mr. Recklaus and Village staff for their efforts. He advised that the partnership with the Village and the way this event has evolved is fantastic and he is very proud to be a part of it.

Trustee Zyck advised that this is a great event and he too does see the expense for both the Village and Chamber as an investment in the community and money well spent. Trustee Zyck asked what the plans for the future with this event and if there is any talk about moving the event and making it bigger. Mr. Ridler explained how they have never had to say no to any businesses and still have room for more vendors, but they do have to be careful with the number of restaurants they have so that everyone still makes a profit. Trustee Zyck advised that he agrees with Trustee Schwingbeck in terms of making sure restaurants from outside the downtown area are included.

Mr. Ridler thanked Chief Pecora and the entire Police Department, and acknowledged all that the Public Works Department does to help with this event.

Trustee Gilbert advised that it is a lot of work for some of the restaurants located outside the downtown area to participate, as they have to transport equipment, and some may not have the resources to do this. President Tinaglia acknowledged the difficulty with restaurant owners transporting equipment and how this is not an inexpensive venture for any of them.

B. Discussion of Possible Change to Video Gaming Regulations

Ms. Mikula stated that she will be discussing the Video Gaming Task Force tonight. She began by advising that in 2009 the Village passed an Ordinance that prohibited Video Gaming in Arlington Heights, which is still in effect. In the fall of 2025, the Video Gaming Task Force was established after several Board members heard from some of the businesses that they were interested in the Village revisiting this ban on video gaming. The Task Force consists of members of the Village Board, Village Staff and business owners, including some present at tonight's meeting. Two meetings were held, one in September and one in November, with the goal of issuing a report on the pros and cons and factors for the Board to consider regarding the Village permitting local establishments to engage in video gaming. Ms. Mikula discussed the Illinois Video Gaming Act, which was enacted in 2009 and it legalized and regulates Video Gaming Terminals (VGT). Ms. Mikula presented a chart that showed some community data, including which municipalities allow video gambling, which are most that surround Arlington Heights, and what the municipal shares of revenue were for 2024 for those municipalities. The chart also shows the average number of establishments in any one community that offer video gambling, which is 19. Ms. Mikula advised that Trustee Bertucci will be going over the pros and cons that were generated during some of the Video Gaming Task Force meetings.

Trustee Bertucci began by first introducing the Task Force members, including Deputy Village Manager, Diana Mikula, who serves as the Village liaison, co-chair Trustee Tom Schwingbeck, Planning Commissioner Terry Ennes, business owners Brian Roginski and Peter Demarakis, and Bill Cooney, resident of Arlington Heights and retired Mount Prospect Director of Community Development, who was integral in bringing video gambling to Mount Prospect. Trustee Bertucci advised that they were tasked by the Mayor to come up with not a recommendation but the pros and cons of video gaming. Trustee Bertucci advised that all of the municipalities that touch Arlington Heights' border allow video gaming.

Trustee Schwingbeck discussed some of the pros, including the Village's ability to control licensing, locations and signage, increased revenue for businesses, attract new customers, level the playing field with surrounding communities, additional entertainment source, job creation, no additional Village staff time needed, video gaming is optional, increased value for the business and no additional crime related to video gaming. Trustee Schwingbeck also discussed some of the cons, including social and public health issues, law enforcement regulation and enforcement checks, the Village's family friendly image would suffer, gambling addiction, especially for those who cannot afford to lose money, although gambling is available everywhere in our society, permitting and processing may take some time, video gaming is not a stable source of revenue, targets lower income people and gaming cafes. These items were not discussed in detail by the Task Force, as they were just tasked with bringing this information to the Board for discussion.

President Tinaglia advised that this is something that was brought to his attention a while back and heavily discussed during the campaign. There are restaurants in town that feel like it is difficult to compete with neighboring communities that have video gaming and they don't, which is why President Tinaglia promised to bring this up for discussion so that all voices are heard. President Tinaglia advised that the Board is hoping to provide staff some direction after tonight's discussion about the next steps.

Trustee Dunnington advised that she has some concerns with signage outside of an establishment and the positioning of the video gaming section inside an establishment and asked those business owners wishing to comment on this topic, to address her concerns.

President Tinaglia advised that his position on signage outside an establishment is that there will be none. He stated that he doesn't think this is a look that is beneficial to any community.

Ms. Mikula advised that the video gaming terminals have to be in an area that is restricted to those that are 21 years and older, and the area has to be visible by an employee that is at least 21 years of age. Fully enclosed areas are not permitted.

Henry Beardsley, Arlington Heights resident, advised that he is generally opposed to Video Gaming Terminals (VGT) in Arlington Heights, and specifically in the downtown area. He is staunchly opposed to VGT's in family-friendly establishments entirely. Mr. Beardsley stated that he opposes VGT's because of their bad image for the community and the negative impact to low-income neighbors. If VGT's are allowed in Arlington Heights, he strongly recommends they're only permitted in establishments that are ages 21 and up, 24/7. He also recommends that VGT's only be permitted in areas with access to major traffic corridors. Mr. Beardsley is very concerned that video gaming in the downtown will hurt property values and asked for a study to be performed to address this.

Larry Rebodos, owner of Big Shots Piano Lounge & Restaurant, advised that he owns another restaurant in Schaumburg, McCullough's Pub & Billiards, and was the second licensee in 2021 for video gaming. Mr. Rebodos advised that Schaumburg's video gaming ordinance that was created in 2019 is geared towards restaurants and establishments that are 2,000 square feet or larger and already doing business in Schaumburg, and not towards cafes. Mr. Rebodos stated that their average Net Terminal Income (NTI) is $407,000 per year, with the Village of Schaumburg receiving about $20,354 in revenues, plus the additional $5,000 licensing fee, from their establishment per year. The cost for the establishment is minimal, as is the cost for the Village. Mr. Rebodos advised that in the five years he has had video gaming in Schaumburg there have been zero criminal incidents. His main demographic is 30+ year old women who see this as entertainment. When it comes to revenues and costs, the establishments and Village have a lot to gain, as you generate revenue at a very low cost.

Rob Weber, Arlington Heights resident, advised that he enjoys modest gambling but thinks that allowing video gaming in the downtown is not a good look. It will degrade the image of the Village which has been so carefully crafted over many years.

Jon Ridler, Executive Director of the Arlington Heights Chamber of Commerce, advised that the Chamber resources are available as the Village starts looking at getting more data from the downtown businesses, but it's very important to look at uptown, downtown and south town. Mr. Ridler advised that the Chamber is in support of what helps businesses and they look at this as a choice tax. If a business sees this as something beneficial for their business, and if it's allowed, they can put it in place. As a consumer, if video gaming is offered in an establishment, you have the choice whether to play it or not, and also have the choice of visiting that establishment. Businesses, if given a choice, should have the right to decide if this is right for their businesses or not.

Chip Brooks, Arlington Heights resident and owner of Hey Nonny, referenced the chart Ms. Mikula presented that listed the surrounding towns who allow video gaming and explained how Arlington Heights is not like the other towns in our area and those that live and work here are very proud of what makes this town so special. Mr. Brooks advised that the two pros for video gaming that are really significant are the increased revenue for the businesses and the increased revenue for the Village, especially when it comes to the businesses outside of the downtown area who may need some help. Some of the other pros listed don't have anything to do with video gaming and are just speculation. Mr. Brooks stated that he doesn't think that video gaming will provide an additional entertainment source, especially in the downtown area, and does not think that the additional revenue is reason enough to go down this path.

Keith Moens, Arlington Heights resident, advised that the Village has a process to put special committees together and the Video Gaming Task Force was not formed in a transparent manner or in compliance with Village code, and as a result, that questions its legitimacy to begin with. Mr. Moens read some excerpts from the Village code and stated that the Board must insist on using the transparent method to set up any special committees in the future for a fair and objective analysis of the topic that is being considered.

Trustee Bertucci advised that the Village attorney felt that everything was being done properly and encouraged the Task Force to move forward.

Ernie Rose, Arlington Heights resident, advised that as much as he would like to support opening another revenue stream for fellow business owners, he wants to urge the Board to continue prohibiting video gaming in Arlington Heights. Arlington Heights is a destination and needs to remain one for residents, visitors, families and future partners. Successful destination towns do not permit video gaming. Mr. Rose explained how he hasn't heard any residents who have said they want this and wants to keep Arlington Heights the place that people want to visit, invest and raise their families. It may work for others, but is not right for Arlington Heights.

Peter Demarakis, owner of Jimmy D's District, advised that he is present to represent the some of the businesses outside of the downtown area. Mr. Demarakis stated that over the last few years, operating costs have risen to an astronomical level and it is getting tougher and tougher to run a small business like his, which is why video gaming is important at this time. He has personally experienced losing customers to establishments in other communities who offer video gaming and is asking for the opportunity to compete on a level playing field.

Janice Phares, Arlington Heights resident, stated that she is unsure why the Village is using the word gaming, as they should just say what it is which is gambling. Ms. Phares asked if this is considered adult entertainment, because if it is and it is zoned for that, couldn't a strip club be included in this zoning. Ms. Phares stated that she doesn't think video gaming will lead to job creation and believes that there will be an increase in low-key crime. Gambling looks like a very sad, lonely experience.

Timothy Bauer, Arlington Heights resident, stated that he doesn't believe the Village's businesses are at a disadvantage because they don't offer video gaming. These video gaming machines are not built to engage people socially and offer a good time. Mr. Bauer stated that the Village has a good image and doesn't need to get a cheap tax through gambling.

Trustee Manganaro stated that there is no reason for haste in this matter, and he doesn't understand why this was the first of the Board generated projects being discussed. Trustee Manganaro advised that during his campaign he did not hear one person say that Arlington Heights needs gambling. Trustee Manganaro referenced Ms. Mikula's chart that listed the surrounding communities that allow video gaming and what their revenues were in 2024. and stated that about $400,000 on average is the revenue to the municipalities and people in those municipalities lost on average $8 million in 2024 gambling. He asked what is the opportunity costs to the local economy of those dollars wasted on gambling. Trustee Manganaro agrees with Mr. Moens and his concerns about the formation of the Task Force, as it seemed to have a task of forcing gambling on to the people of Arlington Heights. The Village Board needs to see a significantly more detailed study and take a lot of input from residents before they proceed with this kind of expansion. Trustee Manganaro advised that the Village already has a pilot going on at the VFW post, although 100% of their proceeds go to charity, and the establishment has received less than half of the revenue that the video gaming providers said that they would. Trustee Manganaro stated that not all of the restaurants in town will succeed and once you open the door to this activity, there's really no stopping it. Trustee Manganaro advised that the biggest factor for him not wanting to do this is because of the social impacts to the community, as there is a strong correlation between the expansion of legal gambling and development of gambling problems. Voting for this, is voting for more people with gambling problems and more criminal activity in Arlington Heights.

Trustee Gilbert stated that this is a good thing for our town and he is generally for it. Trustee Gilbert advised that he thinks that the concern for the Village's image is all subjective, as some like the look and some don't. Trustee Gilbert stated that times are changing and operating costs are up, and if we want the places that make our town vibrant and a destination place to survive and to continue to exist, we need to throw them a lifeline. He would like to see an expedited way for some of the existing businesses to get this done and cut through some of the red tape so that they can start taking advantage of this. There are people in town who enjoy these games and it's not because they're addicted, it's because they have fun playing them. Trustee Gilbert advised that he is not ashamed of this being in any business, therefore is not too concerned about the signage. He stated that choice is important and a business owner should have the choice as to whether or not they want to put this in their business and people have the choice to play these games if they want to. It's not the Board's job to say that nobody can have this opportunity because they don't think it's right. Trustee Gilbert advised that if a stadium is built in Arlington Heights, there may be a Sportsbook where people will go to gamble socially, which may detract people further away from the existing bars and restaurants, which is another reason he feels this could be a major benefit for everyone involved.

Trustee Zyck asked Mr. Rebodos from Big Shot Piano Lounge how many years he has had video gaming at his establishment in Schaumburg and if he is past his break-even point. Mr. Rebodos advised that he has had video gaming for five years and has recouped his initial investment. Trustee Zyck advised that when he first learned that this was going to be discussed, his initial reaction was against it, as gambling is not his thing. However, he is trying to figure out if this is a winning proposition for businesses. Trustee Zyck stated that he understands that businesses are trying to figure out additional revenue streams, but wants to be sure the expenses for this are not more than what the projected revenue is. He is also concerned with the societal issues and what this could do to the community. Trustee Zyck advised that he does think there needs to be more open discussion about this and allow more people to come in, as this can change the scope of our community. Trustee Zyck stated that he does not want to base this on what the other communities around us are doing. If the Village is going to do this, it has to be because they really understand what the people in the community want to do and they have to understand the financial impact and what it means for the businesses. Trustee Zyck stated that he is leaning more towards that this is not the right fit for our community, but more discussion is needed.

Trustee Dunnington thanked the Video Gaming Task Force for their work on this and for those business owners that came out tonight. Trustee Dunnington stated that she thinks there are a couple of things that the Village Board really needs to consider, including how many establishments would they want to allow to have these video gaming machines, as there are 114 businesses that have liquor licenses, and what will the criteria be when deciding which establishments get the video gaming license and which ones don't. In addition, what about a brand-new business that is coming into town and they need to compete with the existing businesses that do have gaming, they're also going to want gaming. Trustee Dunnington advised that the Board has spent a good amount of time discussing the homeless issue in Arlington Heights and even formed a task force to address it and some of the studies that she has read about the effects of gambling on homelessness found a disproportionate rate of harmful gambling in persons experiencing homelessness and a disproportionate rate of homelessness in persons experiencing harmful gambling. Trustee Dunnington stated that she doesn't want to bring in gambling that goes against the work that the Board is asking of the Task Force to combat homelessness in Arlington Heights. Trustee Dunnington advised that she has also been talking to residents about what they want and what she is hearing is that they more events, similar to Harmony Fest, not video gaming. Trustee Dunnington stated that she doesn't think the revenue the Village may receive is going to have a significant impact on the Village budget and doesn't see the value that it is adding to our town and in fact would have a big impact on the downtown area.

Trustee Bertucci advised that the purpose of the chart shown by Ms. Mikula was to show to show the possible revenue, as well as the competitive advantage they need to give back to the restaurants and those who might need the video gaming to boost business. Trustee Bertucci stated that they are not just talking about the restaurants in downtown Arlington Heights, but more so places like Jimmy D's who are located on the edge of town and subjected to competition from surrounding communities. Trustee Bertucci stated that Trustee Dunnington brought up some good questions that they can use to direct staff. Trustee Bertucci advised that there are addictions in our society but does not believe that our Village will suddenly be in the position where people will be walking the streets of downtown Arlington Heights committing crimes. Trustee Bertucci stated that from his experience talking with people, the typical person playing these machines are 40 – 70-year-old women who enjoy doing this as a form of entertainment, and what right does the Board have in telling these people that it's not okay. Trustee Bertucci stated that this is something that is very doable and does not see the younger people participating much, as they can just use their phones to engage in this type of activity. He thinks people who live downtown would appreciate this, as well as the people on the north and south sides of town and the businesses could really benefit from it.

Trustee Santa Maria stated that the Board needs a lot more data to give them some more information before they make any type of decision. Trustee Santa Maria advised that some of things that she has been thinking about include, has the Village analyzed whether the projected revenues truly outweigh the downstream public health costs over time, how as a Board and as a Village do they reconcile evidence that video gaming disproportionately impacts lower income and minority communities especially when they have strong equity and inclusion goals, and if this is something that they do, they need to look at a cap on the number of licenses Village-wide or per geographic area or the density. Trustee Santa Maria stated that what stuck out to her the most after hearing public comments, is the fact that this is a strategic choice and the real question is whether it aligns with the Village's long-term identity and values as a town and what problem are they actually solving and is this the best tool to solve it. Are there other ways that are more sustainable and more helpful in helping the businesses, and getting more of this information would be really helpful before she makes any decision.

Trustee Schwingbeck advised that when he was asked to sit it on this group, he didn't have any pre-conceived ideas of where he wanted to go with this, as their main focus was to just come up with the pros and cons and everyone that sat on this group, came up with things on both sides. Trustee Schwingbeck stated that people can choose how they want to spend their money and what they find fun to do and knows there are residents and business owners that would like this form of entertainment. If the Board decides to move forward with this, all of those questions, including signage, number of licenses, location, are up for discussion. Trustee Schwingbeck stated that he looks at this as an additional entertainment source that a lot of people like and an additional revenue source for businesses, which would help them immensely, as their costs to run their businesses has gone up. If the Board chooses to do this, businesses can choose if they want it or not, and as Board members they are tasked with looking at ways to help the town and residents, and try and help the businesses, which are the backbone of our community. Trustee Schwingbeck advised that he is in favor of this, however he still does have some questions, as he wants to make sure things are set up properly so that they can help the businesses bring in some needed revenue.

President Tinaglia stated that's a perfect explanation, as there may be people on the Board or in the audience that are worried that they are being hasty and not careful enough to even have this dialogue. President Tinaglia advised that this Task Force did exactly what he had hoped they would do by providing some initial information and then setting up this dialogue tonight. This is a big responsibility and far from a done deal, as there is a lot to do and think about. Nothing is being voted on tonight. President Tinaglia advised that Arlington Heights is a wonderful town and the role model for any other community around and he would never jeopardize this. However, things change and he does not want to make a rash or hasty decision about something that might not be a horrible thing and there might actually be some good from it. There may be a restaurant owner that is struggling to pay their property taxes and gets an extra $25,000-$30,000 that might just be enough to cover the property taxes, that everyone benefits from, is something to think about. President Tinaglia advised that he came into this completely open and continues to contemplate which way they should go on this. The goal for tonight was to get this part done so that they can ask Staff, or decide if they want to ask Staff, to dig deeper on this. There is an Ordinance in place right now that says no. The question is does the Board want to keep it this way or do they want to think about an alternative approach. President Tinaglia stated that he would like to know the will of the Board and if it's going to be to ask for further research from Staff or are they good with the Ordinance as is.

Trustee Manganaro advised that the Board generated projects from the Strategic Planning sessions were never prioritized and he is concerned with Staff not being able to support all of these projects, in addition to researching video gaming. Mr. Recklaus advised they can accomplish anything and everything if given enough time, and if the majority of the Board is not interested in this topic, he asks that they not be given homework on it. If the majority of the Board is sincerely interested in this, they are very happy to do what the Board wants them to do in coming up with a variety of different pivot points on this, with the goal of bringing this back to another Committee of the Whole meeting for discussion with Staff leaving with marching orders for a potential ordinance. Mr. Recklaus advised that this is something that they will not be able to report back on at next week's meeting, but they can come up with a reasonable timeframe. Trustee Manganaro stated that in his opinion they don't have enough consensus and enough information to move forward and they have a lot of other things that they need to address that are more important. President Tinaglia stated that the Board will be discussing everything on their list of priorities, including Airbnb's and historical preservation, and some of it will be cumbersome for Staff to do, and just because this topic was started a few months ago, it has nothing to do with the others happening. It is his commitment as the Mayor of this town.

Trustee Gilbert advised that he sees this issue and the Airbnb issue rolled into their number one strategic priority, which has to do with the redevelopment of Arlington Park and the Chicago Bears potentially coming. There will be things like this that come up that will have a direct impact on the development.

Trustee Zyck stated that this is something that they do need to take a look at, but they need to address the questions posed by Trustees Santa Maria and Dunnington and determine what the costs are and if this will be a good thing for the businesses.

Trustee Dunnington advised that this is a low priority item for her and she would rather see Staff working on other things like the Airbnb issue and historical preservation. She stated that she is happy to listen to more information about this but thinks there are a lot of better ways to improve the economic environment for the businesses and would rather work on those than gaming. She stated she doesn't think this is right for Arlington Heights.

Trustee Santa Maria stated that there are a group of business owners present who are asking the Board for something and it is their job to listen, get more information and respond to that.

Trustee Bertucci advised that he agrees that there is enough interest to move forward and thinks that it does fit into their strategic planning.

Trustee Schwingbeck advised that one of the things they are tasked with doing is being fiscally responsible, and he looks at this like some of the other things that they have done, which involve finding new revenue streams for the Village. This is potentially a fairly good-sized revenue stream for the Village and the Board should be looking at it to generate income for the Village and more importantly help the businesses and would like to move forward with it.

Trustee Dunnington asked if this is an issue that they have ever done a referendum to ask the residents for their input, which Mr. Recklaus stated no.

Trustee Manganaro stated that he really thinks they need to provide some space to socialize this to the residents and get their input, as they work for the residents of Arlington Heights and they are the ones that make the businesses strong.

Mr. Recklaus advised that they do have the capability thru the Village's survey provider to do an online survey for the residents and businesses.

Trustee Gilbert stated that getting more information on this is a great thing, but doesn't necessarily think that they need to go the survey route, as that creates a lot more work for the Village. Residents have the opportunity to email the Board and attend meetings and speak.

President Tinaglia stated that they are elected to be the voice of the residents and business owners and are listening. President Tinaglia advised that six of the eight Board members present feel that it would be worthwhile to go further and get some additional information from Staff about how this might be regulated, beneficial and what the financial implications might be.

Trustee Gilbert stated that he would be interested in knowing if any municipality who put this into place has backed out of it.

Trustee Zyck asked if this is an area where they get a couple of the commissions involved to gather some more information. President Tinaglia stated that this would be reasonable, as they have asked commissions to get involved in the past. Mr. Recklaus advised that very often when you go to a commission, they ask Staff to do similar research, although it can be good to get their perspective. Mr. Recklaus also explained that when he suggested doing a survey, he was thinking it could be used as a tool with businesses to help identify how many businesses might be interested if it were offered.

Trustee Schwingbeck advised that the Board initially voted against allowing cannabis companies in town because of what it would do to the Village's image, but after much discussion and a lot of input from the residents, they voted to allow it. Trustee Schwingbeck stated that there will be plenty of opportunities for the residents and businesses to come and talk at the meetings.

Mr. Recklaus advised that the will of the Board is clear and Staff will get to work and report out along the way.

Other Business

None.

Public Comment

None.

Adjournment

Trustee Bertucci moved, seconded by Trustee Gilbert, to adjourn the meeting at 9:30 p.m. Upon a voice vote, the motion passed unanimously.

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

Committee of the Whole
1/12/2026

Item: Short-Term Rental Regulation Discussion
Department: Integrated Services

Item Description:
The Village Board of Trustees expressed interest in researching regulations for short-term rental properties, and in laying the foundation of how these regulations may evolve as the Village continues to grow. Staff prepared the attached memo outlining options for the Village Board's discussion and consideration. Staff assumes the total number of short-term rental properties could grow significantly as the former Arlington Park site is redeveloped. However, it’s important to note, that this discussion focuses on potential regulations of short-term rentals in the Village prior to any Arlington Park redevelopment activity. This topic may need to be reconsidered in the future as the former Arlington Park site is redeveloped.

The memo contains no staff recommendation, but rather frames options for Village Board consideration.

Staff is seeking discussion and direction from the Village Board during the Committee of the Whole meeting.

ATTACHMENTS:
1. Short-Term Rental Regulations Memo

VILLAGE OF ARLINGTON HEIGHTS
INC. 1887

Date:	November 21, 2025
To:	Mayor Tinaglia and Village Board of Trustees
From:	Jack Cascone, Assistant to the Village Manager
Subject:	Short-Term Rental Regulations

Background
The Village Board of Trustees expressed interest in researching regulations for short-term rental properties, and in laying the foundation of how these regulations may evolve as the Village continues to grow. Staff assumes the total number of short-term rental properties could grow significantly as the former-Arlington Park site is redeveloped; however, it's important to note, that this memo focuses on the current state of short-term rentals in the Village. This topic may need to be reconsidered in the future as the former-Arlington Park site is redeveloped.

At a glance on rental reservation sites like AirBnB and Vrbo, there are approximately 10 – 20 properties in Arlington Heights available as short-term rentals. Village staff receives a few complaints each year from neighbors about short-term rental properties affecting their quality of life. Oftentimes, the complaints include concerns about how short-term rental properties are altering neighborhood character; noise nuisances due to parties; and life-safety concerns due to the quantity of individuals staying at the short-term rentals and/or cleanliness of the property.

Research
Staff conducted research into short-term rental programs among several municipalities, including: Schaumburg, Hoffman Estates, Palatine, Naperville, and others. Besides the communities that do not regulate short-term rental properties, the most common regulations include one or more of the following aspects:

<u>Municipal License</u>
Some municipalities require short-term rental property owners to apply for and maintain an annual municipal license in order to operate the property. Additionally, property owners may be required to attend periodic training with the Police Department and/or Building & Life Safety Department, and allow periodic inspections to be conducted.

<u>Length of Rental</u>
Some municipalities regulate the minimum length of stay at short-term rental properties. The most common minimum length is 30 days in order to prohibit weekend and week-long rentals. By requiring a 30-day minimum stay, municipalities are addressing many of the complaints from neighbors who have safety and quality of life concerns due to new individuals living next to them for such a short period of time.

Municipalities that impose a minimum length of stay of 30 days may categorize this type of use as a long-term rental, similar to a standard apartment complex or single-family home rental. Some municipalities have long-term rental programs that include licensing and inspections; however, the Village does not currently require long-term, single-family rentals to undergo any additional requirements, and the Village Board recently tabled discussion about creating a rental inspection program due to the significant cost to the Village and property owners.

Hotel Tax

Certain municipalities, like Naperville, amended their Hotel Tax in order to collect taxes from short-term rental properties at the same rate as a hotel. The tax is collected by the rental reservation site when a user submits payment for a reservation and then remitted to the municipality.

Level of Service and Budget Impact

Any regulatory action involving short-term rentals will incur a service and budget impact. Based on the common regulations above, some examples of impact could include the following:

Municipal License

Additional staff time and resources will be needed if the Village requires short-term rental property owners to obtain a license, attend trainings in the Police and Building & Life Safety departments, or conduct periodic inspections. Since there are so few short-term rental properties operating in the Village, these aspects may be able to be managed with current staffing levels; however, the Village may need to hire additional personnel if there is a significant increase in short-term rental properties due to the redevelopment of the former-Arlington Park site, or an increase due to other factors.

Length of Rental

Imposing a minimum length of stay will require additional staff time and resources to enforce the regulations. Rental reservation sites would be informed of these regulations in Arlington Heights, but the Village would still need to dedicate staff time to periodically check these sites for compliance. Similar to other municipalities, the Village would also rely heavily on complaints from neighbors for enforcement efforts. Property owners who are found in violation of the minimum length of stay may receive warnings, citations, fines, and have to appear at administrative adjudication hearings until they comply. A minimum length of stay requirement may be able to be managed by current staffing levels, but additional personnel could be needed if there is a significant increase in these types of properties.

Hotel Tax

Including short-term rental properties in the Village's 5% Hotel Tax would require minimal additional staff time and resources. Similar to the Streaming Tax process, rental reservation sites would collect the tax and then remit to the Village. This would create a new source of revenue within the Hotel Tax that would be most often paid by non-residents, but the amount actually collected would likely be minimal. Inclusion in the Hotel Tax would not be applicable if a minimum length of stay (e.g., 30 days) is instituted.

No Regulations

Finally, it's important to note that there is still a service and budget impact in the form of staff time and resources if no new regulations are imposed on short-term rental properties. While the total number of complaints is low, the Village is currently spending staff time and resources on addressing neighbor complaints about short-term rentals. Some of those complaints also get brought to the Village Board and require additional time for consideration. Staff anticipates the time required to address neighbor complaints will likely increase if there is a significant increase in short-term rental properties.

Options to Consider

The following are several options the Village Board can consider:

1) Short-term rental properties can continue to operate with no minimum length of stay; however, the Village would create a short-term rental policy where property owners may be required to receive a municipal license, training, and/or inspections. The Village Board can also decide whether to include short-term rentals in the Hotel Tax.
   a. Due to staffing, Village staff do not recommend including a requirement for periodic training or inspections
2) A minimum 30-day stay is imposed, effectively prohibiting short-term rental properties. The Village would view these properties as similar to rented single-family homes. As such, they would not be added to the Hotel Tax. If the Village were to find homes that were rented for fewer than 30 days, the property owner could be subject to fines and other penalties.
3) Short-term rental properties can continue to operate with no minimum length of stay, licensing, training, or inspections; however, short-term rentals would be included in the Hotel Tax.
4) Short-term rental properties can continue to operate with no minimum length of stay, licensing, training, inspections, or Hotel Tax. No additional regulations would be imposed.

Next Steps

Staff is seeking direction from the Village Board regarding the outlined options. Based on this feedback, staff will provide more information and develop a formal proposal for the Village Board's consideration, if necessary.

CC: Randy Recklaus, Village Manager

Committee of the Whole
1/12/2026

Item: Affordable Housing Trust Fund Guidelines
Department: Planning & Community Development

Item Description:
Background
The Village Board identified "Seek, maintain, and expand attainable housing within the community" as their 8th Strategic Priority in the 2024-2025 Business Plan. The Business Plan included the following action item related to this priority: "Complete Review and Evaluation of Affordable Housing Trust Fund Prioritization and Pursue Implementation." The Housing Commission re-reviewed the identified priorities accepted by the Village Board (in 2022) during the first quarter of 2024. Throughout 2024 and into 1Q 2025 the Housing Commission and staff researched how other communities utilized their housing trust fund dollars. In June of 2025, the Housing Commission concurred with a staff recommendation to develop Housing Trust Fund Guidelines based on Village of Oak Park's model.

Staff prepared a draft "Affordable Housing Trust Fund Guidelines" document for the Housing Commission's review and consideration. The Housing Commission reviewed and the draft Guidelines at their October 15, 2025 meeting and requested revisions. The revised Guidelines were presented to the Commission at their November 19, 2025 meeting, during which they formally recommended to the Village Board of Trustees adoption of the Affordable Housing Trust Fund Guidelines.

The balance of the Affordable Housing Trust Fund as of November 1, 2025 is $1.334 million.

Affordable Housing Trust Fund Guidelines
The Affordable Housing Trust Fund (AHTF) Guidelines document provides an overall summary of the Affordable Housing Trust Fund objectives and the Village's housing goals and policies. The document also outlines the types of developments and programs the Village would consider supporting through Affordable Housing Trust Fund monies; provides details on the application and review process; and establishes criteria for reviewing and awarding funding for projects. These parameters were established using the 2022 Trust Fund Priorities along with the Oak Park Housing Trust Fund Guidelines. Village staff will present the draft document to the Housing Commission at

the October 15, 2025 meeting. Staff will present the AHTF Guidelines to the Village Board for their review and discussion at the January 12, 2025 Committee-of-the-Whole meeting.

ATTACHMENTS:

1. DRAFT Affordable Housing Trust Fund Guidelines
2. Attachment A_Trust Fund Ordinance
3. Attachment B_Trust Fund Priorities

Affordable Housing Trust Fund Guidelines

For Affordable Housing Trust Fund Ordinance see Village Code Chapter 7, Sections 7-1201 - 7-1208

DRAFT

Released for Housing Commission Review

12.30.25

Table of Contents

I. Executive Summary

The Village of Arlington Heights' Affordable Housing Trust Fund (AHTF) was created to produce and preserve attainable housing units within the geographical boundaries of Arlington Heights.

The AHTF is primarily funded through contributions from linkage fees assessed for new construction and small (under 10 unit) multi-dwelling buildings and from fees paid by developers in lieu of providing required affordable units in larger (10 units and above) multi-dwelling buildings, in accordance with the Village's Inclusionary Housing Ordinance (Ord. 2020-025).

Eligible households for supported affordable rental are those households with annual household incomes at or below 60% of the Chicago-Naperville-Joliet MSA. For ownership units, eligible households must have annual household incomes at or below 80% of the Chicago-Naperville-Joliet MSA.

AHTF resources may be used, in whole or in part, for the eligible activities listed below. This application procedure applies only to eligible activities 1 and 2 below. The Village is not accepting applications under eligible activity 3 at this time.

1. Creation and preservation of attainable housing including without limitation, new construction, rehabilitation, or adaptive reuse.

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

3. Payments for costs incurred in connection with administering the Affordable Housing Trust Fund.

Applications to the AHTF are reviewed for eligibility and completeness by Village Staff. Eligible and complete applications are then reviewed by the Village's Housing Commission that makes recommendation for funding to the Village Board. The Village Board is solely responsible for the approval of all programs and applications utilizing the expenditure of AHTF monies.

II. Introduction

Purpose of the Affordable Housing Trust Fund (AHTF)

In 2013, the Village Board enacted the Affordable Housing Trust Fund Ordinance (Ord. #2013-037) establishing the AHTF (see Attachment A). The purpose of the AHTF is to address the attainable housing goals, policies and program of the Village Board as stated in the Village Board's strategic priorities, the Village Code, and other Village policies. This is to be achieved by providing sustainable financial resources to address the attainable housing needs of eligible households in Arlington Heights and preserving and producing dedicated attainable housing.

Comprehensive Plan Population and Housing Goals

The Village of Arlington Heights Population and Housing Goals as stated in its current Comprehensive Plan are:

1. To preserve the basic single-family character of the Village.
2. To preserve and protect existing and future residential neighborhoods in the Village.
3. To encourage construction of necessary housing to meet present and future residential needs consistent with Population & Housing Goals #1 and #2.
4. To encourage a wide variety of housing alternatives by type, size, and price range.
5. To maintain and improve property values.
6. To maintain the social and economic viability of neighborhoods.
7. To utilize good housing redevelopment concepts in areas where rehabilitation of existing housing is not practical.
8. To encourage the development of an adequate residential population base in and around the Downtown to improve economic viability.

Comprehensive Plan Population and Housing Policies

The Village of Arlington Heights Population and Housing Policies as stated in its current Comprehensive Plan are:

1. To construct a necessary amount of single-family detached and attached single-family houses and multi-family housing to meet market demands while maintaining a proper housing balance.
2. To protect present and future residential areas from encroachment by other less desirable land uses or improvements that could diminish quality of life or property values.
3. To prepare and maintain results of demographic and housing studies to assist in planning future developments.
4. To utilize Federal, State, and local programs to assist in the development of affordable housing while retaining Village controls pursuant to the Village's affordable housing tool kit for homeownership and rental units.
5. To construct smaller housing units necessary to maintain smaller households in the community.
6. To provide a wide variety of housing for young, elderly, disabled and single households, including rental housing.
7. To enforce Village codes and regulations in order to prevent housing deterioration and, when appropriate, to utilize State, Federal, or local assistance programs.
8. To preserve and renovate housing of historic or aesthetic value and upgrade and renovate public improvements and facilities in Village neighborhoods.
9. To designate future development sites and proceed with necessary steps leading to redevelopment of selected sites pursuant to the Comprehensive Planning Program.
10. To prepare realistic plans for the areas in and around downtown with all necessary safeguards for fine residential and historical properties.

Housing Commission

The Arlington Heights Housing Commission is advisory to the Village Board. The intent and purpose of the Housing Commission is to "Promote adequate housing for all of the community's people, to create and/or maintain sound viable neighborhoods, to meet the needs for housing by increasing the number of housing units for low-and-moderate income families and individuals, and to expand housing opportunities for all members of the community."

III. Affordable Housing Trust Fund Project Priorities

In 2022, the Village Board of Trustees concurred on the list of AHTF project priorities and target populations as recommended by the Housing Commission. The project priorities are provided as Attachment B. The priority populations (also included in Attachment B) are:

a. Seniors/elderly
b. Veterans
c. Persons with disabilities
d. Current Arlington Heights residents
e. Employees of businesses/entities in Arlington Heights

IV. Eligible Activities

The Village is accepting AHTF applications for the following two types of 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 in part to provide attainable housing.

"Attainable Housing" has a sale price or rental amount that is within the means of an "Eligible Household" as defined below. 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 the household 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 income for a household of the size that may occupy the unit.

An "Eligible Household" is one whose annual income is at or below 80% of the HUD Chicago-Joliet-Naperville area median income (adjusted for household size) for for-sale housing programs and at or below 60% of the HUD Chicago-Joliet-Naperville area median income (adjusted for household size) for rental housing programs.

V. Budget

The AHTF is a special fund within the Village's annual budget. The Housing Commission will review applications and make recommendations to the Village Board, based on the application content, scoring criteria and available funding.

VI. Application & Review Process

The Village of Arlington Heights will use an annual application cycle for the AHTF, with applications being due in June of each year. Applicants are permitted one active application at a time. Applicants may submit subsequent applications only after prior applications have completed the review process. In the case of applications awarded funding, another application may not be submitted until after the completion of the funded project.

Initial Review

1. After an application is submitted, Village Staff will review all applications for eligibility and completeness within a 30-day period.

2. Applications which meet the eligibility criteria and are complete will be forwarded to the Housing Commission for consideration at their next meeting.

3. Applications which are either incomplete or ineligible will be returned to the applicants with a written explanation of why the application will not be considered.

4. Applications submitted for activities for which there is an existing Village-sponsored program will be returned to the applicant who will be directed to that open program.

Housing Commission Review

The Housing Commission review may take place over one or more open meetings of the Commission.

1. The Housing Commission will review eligible applications. The Housing Commission may invite applicants to present their proposals at a meeting of the Housing Commission.

2. At the meeting, the Housing Commission will use the criteria found in the Affordable Housing Trust Fund Guidelines to review, evaluate, and score the proposals. At the conclusion of presentations and discussion, each Housing Commissioner will submit their individual evaluation scores for the application.

3. At a subsequent Housing Commission meeting, Staff will provide the Housing Commissioners with the tally of Housing Commission cumulative scores for the project including the cumulative lowest score, highest score, and the average score. The Housing Commission will discuss each project considering its scoring, amount of available funding, risk, impact, and other implications.

4. The Housing Commission will make a recommendation about the application to the Village Board.

Village Board Review

1. Following the Housing Commission review and recommendation, the application will be submitted to the Village Board for further consideration and potential for approval at the next available meeting.

2. 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.

Conditions and Requirements

As a condition of any AHTF award for any eligible activity, the applicant shall execute and record such agreements, conditions, restrictive covenants, and other instruments as may be required by the Village to ensure that AHTF resources will be used efficiently and for the intended purpose.

Among other requirements, these conditions shall require that the applicant and the property comply with the requirements of the AHTF Ordinance (Ord. #13-037) and provide that all awards shall be used in strict compliance with the requirements of the Village Code and any added conditions.

AHTF funds may not be used to satisfy a developer's obligations under the Inclusionary Housing Ordinance (IHO) (Ord. 2020-025), but applications may be submitted that would increase the number of attainable units over that required under the IHO or achieve deeper levels of affordability (e.g., units affordable to households at 30% or 50% of AMI).

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 AHTF in accordance with the development, grant, or loan agreement executed with respect to the specific award involving funds from the AHTF.

VII. Criteria for Review

Initial Review Criteria

Village staff will review the application for each of the criteria below. If the application fails any category, the application will be deemed to be ineligible or incomplete and the applicant will be notified in writing as to the reasons. The applicant will have the opportunity to amend the application to address the issues and re-submit for the next funding round.

Category	Pass	Fail
Program Purpose & Intent Compliance	Application addresses the purpose of the AHTF in Village Code Chapter 7, Section 7-1202 and is an eligible activity under Village Code Chapter 7, Section 7-1205.	Application does not address the purpose of the AHTF in Village Code Chapter 7, Section 7-1202 and is not an eligible activity under Village Code Chapter 7, Section 7-1205.
Application Description	Application provides information on who will be served, which housing needs are addressed, and the anticipated outcomes.	Application does not clearly provide information on who will be served, which housing needs are addressed, and the anticipated outcomes.
Application Completeness	Applicant turned in a completed application and all required materials.	Applicant did not turn in a completed application and/or all required materials.

If the application is deemed complete, Village will prepare the application for review by the Housing Commission. The review process will proceed as outlined in Section VI "Application & Review Process".

Application Scoring Criteria & Threshold

All completed applications will be scored by the Housing Commission in accordance with the following table ("Scoring Criteria). An application must earn a minimum of 80 points to be considered for funding. However, achievement of the minimum score does not guarantee funding.

SCORING CRITERIA

(Maximum 100 points total)

Category	Excellent	Adequate	Needs Improvements	Points Earned/Available
	100%	**50%**	**0%**	
Overall Project Design	Project is well-planned and a detailed description is provided. Applicant clearly and comprehensively outlines project goals and objectives, measurables, project phasing, and ongoing maintenance/management.	Project is thoroughly described. Applicant provides some details but does not comprehensively outline project from inception to completion.	Project is described only in a high-level way and/or components of the project description are omitted.	/10
Applicant Experience	The applicant has extensive demonstrated experience leading programs of similar size and scope. Detailed references are provided.	The applicant has some experience related to programs of similar size and scope. This includes experience where the applicant has been involved in, but perhaps not led, the similar program.	Applicant lacks demonstrated experience on programs of similar size and scope, whether as lead or partner.	/10
Impact on Village Housing Goals and AHTF Priorities*	The project falls within one of the three project activity priorities identified by the Village Board and advances a high-level priority within that activity	The project falls within one of the three project activity priorities identified by the Village Board, and advances a medium-level priority within that activity.	The project falls within one of the three project activity priorities identified by the Village Board, and advances a low-level priority within that activity.	/20
Category	**Excellent**	**Adequate**	**Needs Improvements**	**Points Earned/Available**
	100%	**50%**	**0%**	
Service of Village Priority Populations	The project serves at least three of the target populations listed below: 1) seniors/elderly 2) veterans 3) persons with disabilities 4) Arlington Heights residents 5) employees of businesses/entities in Arlington Heights A detailed marketing plan targeting these populations has been provided	The project serves at least two of the target populations listed below: 1) seniors/elderly 2) veterans 3) persons with disabilities 4) Arlington Heights residents 5) employees of businesses/entities in Arlington Heights A detailed marketing plan targeting these populations has been provided	The project serves at least one of the target populations listed below: 1) seniors/elderly 2) veterans 3) persons with disabilities 4) Arlington Heights residents 5) employees of businesses/entities in Arlington Heights A limited (or no) marketing plan, targeting these populations has been provided.	/10
Leveraging of non-Village funds	More than 95% of the total project financing is sourced from non-Village funds	Between 85%-95% of the total project financing is sourced from non-Village funds	Less than 85% of the total project financing is sourced from non-Village funds	/10
Financial Feasibility	Applicant has secured funding needed to carry out the project and, if applicable, ensure its long-term viability	The application identifies all funding needed to carry out the project, but has not secured key funding sources. A clear plan is provided to demonstrate how the applicant will obtain funding.	The application does not identify all funding needed to carry out the project. Most of the funding has not been secured. No plan is provided to demonstrate how the applicant will obtain additional funds.	/10
Readiness	The project will begin within one year of award with a high degree of certainty in doing so.	The project will begin within one year of award but there is uncertainty about the ability to do so.	The project will not begin within one year.	/10
Period of Affordability	Village supported units will be affordable in perpetuity	Village supported units will be affordable for 15+ years	Village supported units will be affordable for less than 15 years	/10
Regeneration of Funds	The project will continuously generate revenue stream for the AHTF	The project will generate a one-time revenue stream for the AHTF	No revenue stream will be generated	/10
			Application Score	

**See Attachment B for description of high, medium, and low-level activities*

VIII. Distribution of Funds

The distribution of AHTF resources shall be executed through grants, loans, or other funding mechanisms aligned with the objectives of the AHTF. These funds are to be used strictly for eligible activities as defined in the Affordable Housing Trust Fund Ordinance (Ord. #13-037). The Village reserves the right to provide funding only upon project completion and verification of costs incurred.

IX. Monitoring Approved Applications

Staff will regularly report on the status of each approved application to the Housing Commission.

- Timeline: The Housing Commission, in consultation with Staff, will develop and determine individual timelines for monitoring each approved application at the time of approval.

- Metrics: Staff will develop and create an evaluation tool that will be used to assess and monitor approved applications.

- Extension: During the monitoring period, the Housing Commission has the authority to make a recommendation to the Village Board it grant one extension for time after review of a written request for such from the applicant.

- Callback: The Housing Commission has the authority to make a recommendation to the Village Board funding be pulled back from an applicant for lack of performance or not meeting the timeline of activities as outlined in the approved application.

For approved applications creating housing units, Staff will undertake long-term monitoring to ensure units are occupied by eligible households in accordance with the funding agreement and the AHTF ordinance. Such applications are required to report to the Village annually on occupant eligibility.

X. Evaluation of Funded Activities

The Housing Commission will generate an annual report outlining activities undertaken over the previous 12-month period. The report will evaluate the work undertaken and recommend changes in operation of the AHTF if applicable. Once complete, the Housing Commission will submit the final report to the Village Board for its consideration.

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

Village of Arlington Height, IL
Affordable Housing Trust Fund Priorities

The Village of Arlington Heights Housing Commission and Village Staff underwent a process of developing priorities for the use of the Affordable Housing Trust Fund. On January 10, 2022, the Arlington Heights Village Board of Trustees concurred with the list of priorities. The Village may continue to further refine priorities for the Affordable Housing Trust Fund.

Full List of Priority Rankings (High, Medium and Low) as Approved by the Housing Commission and Recommended to the Village Board on June 16, 2021

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

	X		Preservation/Rehabilitation of existing single-family homes
X			Preservation/Rehabilitation of existing multi-family units
X			Adaptive Reuse of existing structures
X			New construction of group homes or supportive housing
X			New construction of transitional housing

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

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

PRIORITY POPULATIONS: For Trust Fund Activities			
High	Medium	Low	
X			Senior/Elderly: Households with at least one household member ___ years of age or older
X			Veterans: Households in which one or more persons is a military veteran
X			Disabled: Households in which one or more persons 18 years of age or older is severely disabled
X			Current Arlington Heights Residents
X			Employees of Arlington Heights Businesses
			Other

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

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