

# Staff Report to the Housing Commission

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To: The Chairman and Members of the Housing Commission  
From: Nora Boyer, Housing Planner  
Re: Arlington 425 – Response to Affordable Housing Guidelines  
Report Prepared: May 3, 2019  
Meeting Date: May 6, 2019

## Background

At its meeting on April 29, 2019, the Housing Commission reviewed the developer's affordable housing proposal with respect to Arlington 425. For the meeting, the Housing Commissioners received a staff report containing information about the developer's response to the Village's affordable housing guidelines, the staff's analysis, and staff recommendations. At the meeting, comments and questions were taken from the public, and responses were given. After a period of deliberation, the Housing Commissioners determined they needed additional information before either supporting the staff recommendation or making their own recommendation. It was determined that further deliberation would take place at a future meeting.

## Update

Since the April 29, 2019 Housing Commission meeting, staff received limited financial information from the developer which was labeled as confidential. The additional information does not change staff's recommendation as presented to the Housing Commission on April 29, 2019. However, as a result of discussions with the developer, few of modifications have been made to some points in the recommendation.

## Agreement

The developer has stated that they are in agreement with the attached amended staff recommendation, which states that 18 actual affordable units will be provided for households at or below 60% of area median income at rents affordable to that income level. The developer also agreed to pay a fee in lieu of 9 affordable units at \$25,000 per unit (total \$225,000) to be deposited into the Affordable Housing Trust Fund.

## Recommendation

It is recommended that the affordable housing component of Arlington 425 meet the conditions as attached.

## ARLINGTON 425 AFFORDABLE HOUSING RECOMMENDATIONS

REVISED MAY 3, 2019

1. 18 actual affordable units be provided (5% of all units), affordable at 60% Area Median Income (AMI) that are to be affordable in perpetuity.
2. A payment in lieu of 9 units (2.5% of all units) to be paid at \$25,000 per unit (\$225,000 total) ~~as follows: at the time of permit issuance for the first building to be constructed at Arlington 425.~~
  - a) 25% at the time of issuance of Garage/Highland Building Permit.
  - b) 25% at the time of issuance of first Garage/Highland Building Occupancy Certificate.
  - c) 50% at the time of issuance of first Campbell Building Occupancy Certificate.
3. The income eligibility standard for the affordable units is to be 60% of the Area Median Income (AMI) for the Chicago-Joliet-Naperville area, adjusted for household size as updated annually by HUD.
4. The maximum rents are to be the rents determined to be affordable to households at 60% of Area Median Income (AMI) for the applicable unit sizes (studio and one-bedroom units) according to the method used by the Illinois Housing Development Authority (IHDA) for the Chicago Metro Area.
5. ~~The affordable units for the Arlington 425 development may be restricted to the Highland and Campbell Buildings. That~~ 1/3 of the 18 affordable units will be studio units (6 studio units) and 2/3 of the affordable units will be one-bedroom units (12 one-bedroom units), which is consistent with the proportions of these units in the development. ~~However, owner may periodically adjust up or down between the studio and 1-bedroom units by no more than three units subject to prior approval from the Village.~~
6. Preference for tenancy of the affordable units will be given to current Arlington Heights residents, ~~employees of Arlington Heights businesses or organizations, -and/or veterans.~~
7. The ~~owner developer~~ shall submit an annual report concerning compliance with the affordable housing program by ~~March~~ ~~January~~ 31 of each year in a form as determined by the Village and in compliance with all other elements of the guidelines.
8. If the Village's affordable housing guidelines are revised prior to ~~12 months after issuance of the first Certificate of occupancy permit~~ ~~the issuance of the first building permit for this project~~ to standards that are ~~less lower~~ ~~restrictive~~ than what the ~~owner developer~~ and Village agree upon, ~~than the least restrictive that the lower~~ of the two standards will ~~then~~ be applied.

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6. Preference for tenancy of the affordable units will be given to current Arlington Heights residents, employees of Arlington Heights businesses or organizations, and/or veterans.
7. The owner shall submit an annual report concerning compliance with the affordable housing program by March 31 of each year in a form as determined by the Village and in compliance with all other elements of the guidelines.
8. If the Village's affordable housing guidelines are revised prior to 12 months after issuance of the first Certificate of occupancy to standards that are less restrictive than what the owner and Village agree upon, then the least restrictive of the two standards will then be applied.