

# **DRAFT**

## **MINUTES OF A MEETING OF THE ARLINGTON HEIGHTS HOUSING COMMISSION HELD IN THE BUECHNER ROOM VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS JANUARY 8, 2020**

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### **IN ATTENDANCE:**

#### **Commissioners**

Present:                Alex Hageli        Ken Kiefer        John Eggum  
                             David Miller       Zach Creer       Andrew Tripp

#### **Commissioners**

Absent:                William Delea

Staff Present:        Nora Boyer, Housing Planner/Staff Liaison

Others:                Keith Moens, Resident  
                             Peg Lane, Resident

### **I.        CALL TO ORDER**

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

### **II.       Roll Call**

The following Commissioners were present: Hageli, Miller, Creer, Kiefer, Eggum, and Tripp.

### **III.      APPROVAL OF MINUTES**

A motion was made by Commissioner Miller, seconded by Commissioner Hageli to approve the minutes of the November 20, 2019 meeting. The motion was approved Ayes: 5 (Commissioners Hageli, Miller, Kiefer, Creer and Tripp); Nays: 0; and with one abstention (Commissioner Eggum).

### **IV.      REPORTS**

None

### **V.       OLD BUSINESS**

#### **A.    Single Family Rehab Program**

Ms. Boyer generally summarized the program which funded from the Village's CDBG allocation and provides 0% interest, deferred home rehab loans to low/moderate income homeowners.

When loans are repaid, the program income is returned to the Village's available CDBG resource for budgeting the next year.

Ms. Boyer summarized the active program cases:

19-01 is a case involving a home that needs waterproofing and repair of water damage. The homeowners were having some waterproofing done at their expense and were to contact the Village when the work was completed. The homeowners did not follow through until Ms. Boyer heard from them recently.

19-02 involves the replacement of an air conditioning condenser. The homeowner is staying with family out-of-state for the winter and this project will be addressed when he returns to Arlington Heights in the spring of 2020.

19-03 is the project that involves a damaged roof that has caused the kitchen ceiling to fall. There are problems on the title search (that appear to be a foreclosure filing) that Ms. Boyer has tried to follow up on with the homeowner and the homeowner's attorney. However, neither have responded.

19-04 is an application from December 2019. The homeowner is requesting assistance through the program with waterproofing the basement and with upgrading the electrical service. The homeowner is eligible for the program, and she is collecting bids for the work.

19-05 is also a new application from December 2019. The homeowner's primary request was for funds to build a new garage and paved driveway. Ms. Boyer consulted with the HUD office and it was confirmed that CDBG funds cannot be used for a new garage under the federal regulations. The homeowner mentioned possibly being interested in having work done on the home. Ms. Boyer said that the homeowner may not have sufficient equity in the home to qualify for a loan. The program guidelines require that homeowners have a maximum of 85% loan to value ratio including the Village loan. Ms. Boyer will follow up with the homeowner. She also said that there were some notations on the title search that need clarification.

Commissioner Eggum suggested that perhaps there is a title insurance program that could be available if the Village makes loans under instances when the Village is concerned about a possible default situation.

There was also a discussion concerning the cost of appraisals needed to verify the amount a homeowner's equity. Ms. Boyer said that in most instances it is clear that the homeowner has sufficient equity. However, appraisals are done, at the cost of the program, if there is a question about whether there is sufficient equity. There was a discussion about whether the applicant should pay for the appraisal or if it should continue to be paid by the program. Commissioner Eggum suggested that perhaps it should be paid by the homeowner since it is a cost directly associated with the homeowner's loan. There was a question though about how the cost would be paid if the application did not proceed to a loan and concern about not wanting to discourage homeowners from applying. Ms. Boyer clarified that appraisals have been done recently at a rate of no more than one a year and a cost of about \$350.

The number of applicants has decreased the past several years, which is also the case in nearby communities that have a similar program. Several suggestions were made concerning how to market the program including a news article highlighting a participant and advertising the program in the Senior Center newsletter. These methods of advertising the program have been used before but can be repeated. Chairman Hageli suggested asking applicants how they heard about the program. Commissioners Eggum and Tripp suggested advertising the program focusing on results and testimonials. Commissioner Miller suggested advertising through at the library. Commissioner Kiefer suggested that it may help to let people know that the Village does what it can to protect the homeowners' identity.

Ms. Boyer explained that some guidelines of the program are mandated by the federal CDBG regulations (such as the maximum annual incomes for eligibility), but others have been established by the Village. She said that the program benefits from periodic review of the guidelines and that the Housing Commission may wish to review the program in detail at a future meeting. Ms. Boyer said that she would get information on other communities' CDBG-funded home rehab programs.

Projects are presented to the Housing Commission for approval if the cost of the work is \$10,000 or more. Staff approves projects that are under \$10,000. Projects are identified to the Housing Commission using project numbers.

## **VI. NEW BUSINESS**

### **A. 2020 – 2024 Consolidated Plan and 2020 Annual Action Plan**

Ms. Boyer this is the year the Village needs to adopt a 5-year Consolidated Plan. She explained that in order to be eligible for HUD CDBG funds, the Village must adopt a 5-year Consolidated Plan that involves a needs assessment and strategic plan for how the Village will address housing and community development needs of its low and moderate income residents during the 5-year period. The Village must also, each year of the 5-year period, adopt a 1-year Annual Action Plan detailing, in part, how it will use its CDBG funds during that year. Since the Village is a member of the Cook County HOME Consortium, part of the Consolidated Plan is drafted by Cook County on behalf of all of the Consortium members. However, the Strategic Plan (in the Consolidated Plan) and Annual Action Plans are specific to the Village and adopted by the Arlington Heights Village Board. The calendar for the process has not been finalized but it is expected that the 2020 – 2024 Consolidated Plan and 2020 Annual Action Plan will be considered by the Village Board at a public hearing in May or June 2020 and the documents must be adopted by July 2020 in order to be submitted as a package by Cook County no later than August 15, 2020.

The Housing Commission comments on housing related needs and programs. Ms. Boyer explained that of the approximately \$500,000/year budget, up to 15% is used for social services and up to 20% can be used for administrative costs. This leaves 65% of the budget for "brick and mortar projects." This includes the Single Family Rehab Program and group home renovations. For 20 years ending a few years back, \$150,000 was used for the Senior Center.

Commissioner Eggum asked if the past 5 years budgets could be brought to the next meeting. He also asked if information can be provided on how other communities use their funds.

Ms. Boyer said that best practices online are often large project beyond the budget of Arlington Heights, but she will explore project possibilities. She said that the northwest suburbs receiving

CDBG are looking at how they might use CDBG funds for economic development. Another possibility that Arlington Heights could explore is a homebuyer down payment assistance program.

Commissioner Miller raised a discussion about the relationship between CDBG funds and the Affordable Housing Trust Fund. Ms. Boyer confirmed that it would be possible to combine resources from the two funds. She also said that the Trust Fund could be used for activities the Village wishes to offer but are not eligible uses of CDBG funds under the federal regulations.

Commission Creer commented that he has seen other communities focus their CDBG funds on infrastructure improvements like sidewalks and park improvements. On the other hand, Arlington Heights has had programs that provide more direct benefits to low and moderate income people.

Ms. Boyer commented that there have been only a few loans made under the Single Family Rehab Program in the past few years and the funds have gradually shifted to more group home rehabs.

Mr. Moens asked about using CDBG funds for rent and utility subsidies. Ms. Boyer responded that the CDBG regulations limit income subsidies to a maximum of 3 months.

Commissioner Tripp commented that it would be more effective to put the money into the development project with the developer. Commissioner Tripp commented that it is important that the Village look closely at pairing CDBG with what is in Trust Fund and at other tools (ex. height allowances) and bringing them to the table when talking with developers to show that the Village is willing to contribute to affordable housing being sought.

Ms. Boyer clarified that the amount of the Village's annual CDBG grant is determined by HUD according to a formula that takes into account things like age of housing stock, numbers of people in poverty, etc. Two communities (like Arlington Heights and Evanston) with similar size populations may receive very different CDBG allocations.

## **VII. OTHER BUSINESS**

### **A. Discussion of 2020 Regular Monthly Meeting Dates**

Commissioner commented that he has conflicts on Wednesday evening through spring. The Housing Commission will continue to have its regular monthly meetings on the first Tuesday of the month at 7:00 pm.

### **B. Announcement**

Ms. Boyer stated that the Trustee's Committee of the Whole will discuss the draft Inclusionary Housing Ordinance on Monday, January 13, 2020. An email was sent to the Housing Commissioners this afternoon. It had not been decided that the matter would go to the Committee of the Whole meeting on January 13<sup>th</sup> until earlier in the week which is why it was not on the Housing Commission agenda for this evening. The email to the Housing Commissioners explained that since the draft ordinance is not on the Housing Commission's agenda for this evening, the draft cannot be discussed by the Housing Commission at this evening's meeting. However, Ms. Boyer said that the Housing Commissioners are welcome to attend the Committee of the Whole meeting. There was a brief discussion of who may be able to attend.

Commissioner Eggum commented that the inclusionary zoning matter is within the core scope of matters to be discussed by the Housing Commission, and therefore is an appropriate subject for the meeting. Ms. Boyer commented that the concern about not discussing the draft ordinance at tonight's Housing Commission meeting is due to it not having been on the agenda, and therefore, the public did not have notice that it would be discussed.

Ms. Boyer said that due to the interest in this topic, the Village is being as transparent as possible. The announcement and information about the topic were posted today (Wednesday, January 8, 2020). The posting for the Committee of the Whole meeting will go up by Friday.

There was a discussion of the process with regard to the Housing Commission's motions and the Housing Commission not having received the draft ordinance for comment before it will go to the Committee of the Whole. Commissioner Eggum said that more time and consideration should have been taken at the Housing Commission level before making recommendations that then went to the Village Board. He said that he would have liked to have more information on staff's reasoning for their recommendations. He said that he learned from this process that the Housing Commission should not make its recommendations until it has an opportunity to more fully discuss and ask questions about materials, such as contained in Staff Reports, and the Housing Commission is ready to transmit a written document with its recommendations explaining the reasoning behind its recommendations. He said some opinions of the Housing Commission, for example with respect to senior housing communities, are not reflected in the draft ordinance. He suggested that perhaps, in the future, the Housing Commission could create a memorandum explaining their position that could be appended to the minutes.

Other Commissioners commented that they thought it was appropriate for both the Housing Commission and staff recommendations to be communicated to the Village Board since the Commissioners and staff have different perspectives, and the Trustees can evaluate both.

Peg Lane commented that there is insufficient time in the process for public input, and there is no interest in public input.

Ms. Boyer commented that the next step, the Committee of the Whole, is a forum for the Village Board to discuss the topic. Votes are not taken at Committee of the Whole meetings. The Village has made arrangements to televise the Committee of the Whole meeting. The last meeting on this subject was also televised. The video recordings are made available online.

Mr. Moens stated that once an item goes to the Committee of the Whole that it's over. Ms. Boyer said that is not the case and that the Committee of the Whole could forward the matter to the next Village Board meeting if the Village Board is finished discussing the matter and is ready to take action, or the Committee of the Whole could refer the matter for more research by staff, refer it back to an appropriate commission, etc.

It was pointed out that the draft ordinance contains options (Housing Commission and staff recommendations) that need to be resolved.

Commissioner Eggum commented that the Housing Commission discussed the Village's

inclusionary housing policy at length with reasons given for its recommendations. He expressed concern that none of the staff recommendations changed. He commented that staff's reasoning for their recommendations were not fully explained, and if more information had been shared between staff and the Housing Commission, there would have been a greater opportunity to build some consensus between the two.

Commissioner Tripp said that he did not see it as irregular that staff and the Housing Commission would have different recommendations based on their different perspectives. Commissioner Eggum said it would have been better to have a longer discussion so that the Housing Commission and staff would have better understandings of the others' opinions. Chairman Hageli said that he would rather the Trustees see the two opinions side by side rather than a blending.

Commissioner Tripp said although he does not have a problem with the Trustees seeing both sets of recommendations, he would have preferred that the Housing Commission saw draft ordinance before it goes to the Committee of the Whole. Commissioner Eggum said would have preferred that the Trustees had the benefit of more information, beyond Housing Commission minutes, explaining the two sets of recommendations.

Commissioner Hageli commented that going forward the Housing Commission use this experience to talk about how to handle this type situation in the future. Commissioner Eggum commented that in the future, if the Housing Commission is making recommendations on something that is to become an ordinance, the Housing Commission should append the minutes with communication regarding the Housing Commission's intent behind its recommendations –communication that he does not think occurred in this case.

#### **VIII. ADJOURNMENT**

A motion was made by Commissioner Hageli, seconded by Commissioner Tripp, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 8:15 pm.

**NEXT MEETING:**      Tuesday, February 4, 2020 7:00 pm.