

REPORT TO THE HOUSING COMMISSION

To: Housing Commission
Prepared By: Nora Boyer, Housing Planner
Date Prepared: July 23, 2014
Meeting Date: August 5, 2014
Topic: Parkview Apartments - 212 N. Dunton Avenue
Revision to Affordable Housing Plan

BACKGROUND

At the July 1, 2014 Housing Commission meeting, the petitioner of the proposed Parkview Apartments provided an overview of the proposed development and a description of the project's affordable housing component. At that time, the petitioner stated that 19 of the 45 units (42%) would be affordable.

The petitioner has indicated that the plan is to apply for an allocation of Low Income Housing Tax Credits (LIHTC) to provide financing for this project, and the parameters of the affordable housing component of the project are based on the requirements of the LIHTC program. The petitioner's affordable housing component is consistent with the Village's Affordable Rental Housing Guidelines except the petitioner exceeded the minimum number of affordable units called for by the Village's guidelines by providing 19 affordable units rather than the minimum of 7 units (15% of the total) called for in the guidelines. Also, the petitioner indicated that the affordable units would be maintained as affordable for the affordability compliance period of the LIHTC program whereas the Village guidelines call for housing units to be affordable in perpetuity.

The Housing Commission approved the following recommendation with regard to the Parkview Apartments project:

A MOTION WAS MADE BY COMMISSIONER HAGELI, SECONDED BY COMMISSIONER CONWAY TO RECOMMEND APPROVAL OF 19 AFFORDABLE UNITS AT PARKVIEW APARTMENTS, 212 N. DUNTON AVENUE, AS DESCRIBED IN THE PETITIONER'S ASSESSMENT OF AFFORDABLE HOUSING AND THE MARKET STUDY WITH THE FOLLOWING CONDITIONS:

1. THE UNITS ARE TO BE MAINTAINED AS AFFORDABLE IN PERPETUITY UNDER THE VILLAGE'S AFFORDABLE RENTAL HOUSING GUIDELINES.
2. SHOULD THE DEVELOPMENT RECEIVE FINANCING UNDER THE LOW INCOME HOUSING TAX CREDIT (LIHTC) PROGRAM, THE AFFORDABILITY REQUIREMENTS OF THAT PROGRAM SHALL APPLY DURING THE AFFORDABILITY COMPLIANCE PERIOD OF THE LIHTC PROGRAM AND AT ALL OTHER TIMES THE REQUIREMENTS OF THE VILLAGE'S AFFORDABLE RENTAL HOUSING GUIDELINES SHALL APPLY.

PARKVIEW APARTMENTS – REVISED AFFORDABLE HOUSING COMPONENT

In a letter dated July 9, 2014, the petitioner revised the commitment with respect to the number of affordable units to be included in the Parkview Apartments. This revision was provided to the Plan Commission for the Plan Commission public hearing held on July 9, 2014, and the Plan Commission referred this matter back to the Housing Commission for its consideration.

The petitioner states in the July 9, 2014 letter (attached) that “the developer is willing to move forward with the 19 affordable units if the Village wishes, subject of course to project financing requirements and conditions, which are still unknown. However, the developer can commit to the minimum requirement of 15% affordable units (7 units) in perpetuity.”

With this statement, the petitioner is committing to comply with the Village’s Affordable Rental Housing Guidelines which call for 7 affordable housing units to be maintained in the development in perpetuity. The petitioner has indicated that it will seek to include more affordable units, but that flexibility with respect to the number and affordability requirements for those units will be dependent upon the financing that is secured for the development.

RECOMMENDATION

Staff recommends that the Housing Commission recommend approval of 7 permanently affordable units at Parkview Apartments, 212 N. Dunton Avenue with the following conditions:

1. The 7 affordable units shall be maintained as affordable in perpetuity under the Village’s Affordable Rental Housing Guidelines.
2. Affordability requirements of an affordable housing financing program secured for the project (e.g. the Low Income Housing Tax Credit program), which are consistent with the requirements of the Village’s Affordable Rental Housing Guidelines, may be temporarily followed with respect to the 7 units during the compliance period of the financing, but at all other times the requirements Village’s Affordable Rental Housing Guidelines shall apply in perpetuity.
3. Any additional affordable units in the project, beyond the 7 affordable units required, are recommended for approval and shall comply with the affordability requirements associated with the project financing.
4. The owner, or the owner’s designee, shall be responsible for reporting to the Village on a quarterly basis on compliance with the affordable housing requirements utilizing a form prescribed by the Village of Arlington Heights.

Acosta Ezgur, LLC
217 N. Jefferson St.
Suite 601
Chicago, IL 60661

Author's Contact:
(312) 327-3350
Fax: (312) 253-4440
Michael@acotaezgur.com

July 9, 2014

Via Email and Hand Delivery

Mr. Bill Enright
Deputy Director
Planning and Community Development
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60005

Re: Parkview, 212 N. Dunton Avenue; PC #14-013; Summary of questions and answers following Petitioner's responses to First Round Department Review Comments.

Dear Mr. Enright:

In response to your request, we are recapping and summarizing the emailed questions received and Petitioner's answers since our June 25, 2014 response letter that we sent to you in this matter:

1. Q: May we have a copy of the Parkview project's 2014 Round II Preliminary Project Submission to IHDA for the tax credit program?

A: This is not available as the developer has not yet applied to IHDA.

2. Q: Will the tenants of the affordable units be able to use a rent subsidy (ex. voucher) to rent an affordable unit? Are there any rent subsidy program that tenants could apply toward the rents on the affordable units?

A: Parkview plans to apply for tax credits, which function as a construction subsidy rather than a rental subsidy. Yes, Parkview will process applicants with rental subsidies in compliance with any applicable laws.

3. **Q: Please provide additional clarification regarding how many on-site managers will be present, where they will be located, the hours they will be present and what services would be provided?**

A: Petitioner anticipates a part-time property manager and a part-time leasing clerk through the first year until operations are stable. Their hours will fluctuate based on project needs, most likely mornings during the week. Of course, there will also be maintenance and janitorial staff.

4. **Q: Please provide names, locations, and descriptions of the petitioner's mixed-income projects that are similar to Parkview Apartments?**

A: See attached (list forwarded on July 8, 2014).

5. **Q: In order to confirm the correct zoning classification, could you please verify that the development is a mixed income apartment development as opposed to Institutional Residential?**

A: This is a mixed income, mixed use apartment development.

6. **Q: The Parking and Traffic Evaluation by KLOA discusses that residential guests/visitors would use the on-street parking surrounding the development. Can KLOA also address what guest parking demand is generated by this development?**

A: KLOA responded that there are no formal guidelines on guest parking, but the general rule is 10% of total parking demand, so roughly 5 guest spaces for Parkview.

7. **Q: In Petitioner's letter to Mr. Enright, dated May 23, 2014, there was reference made regarding pursuing partnerships with surrounding property owners for overnight guest parking access. Have any agreements been reached?**

A: We are actively working on this. I don't have anything definitive to report yet, but will keep everyone updated in the week ahead.

8. **Q: What are the other funding sources for this development beyond the Low Income Housing Tax Credits?**

A: It is anticipated that Parkview will be financed through a private mortgage, equity proceeds from the IRS LIHTC Program, a possible DCEO grant from the State (for green construction), and a Cook County HOME loan, pending necessary discussions regarding the County Consortium and local leveraging. (Clarification: No funding is yet committed for the project).

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9. Q: What are the eligibility criteria for tenants of the affordable units? How does this development further the housing needs that have been identified by the Village for families, senior citizens, and persons with disabilities?

A: Eligibility is based on income levels for household size, credit reports, stability of wages and ability to pay rent and all applicants are also run through a background check. Parkview intends to provide 1, 2 and 3-bedroom apartments at a variety of rent levels, creating high quality housing options for all income levels, ages and family types. The project is not intended to be age restricted, but will certainly be open to elderly applicants. The project will strictly adhere to all ADA and fair housing requirements, creating viable options for disabled residents.

As separate matter, and following-up to our conversations yesterday afternoon with regard to Parkview's affordable commitment, the developer is willing to move forward with the 19 affordable units if the Village wishes, subject, of course to project financing requirements and conditions, which are still unknown. However, the developer can commit to the minimum requirement of 15% affordable units (7 units) in perpetuity.

Upon review of all of the above, please let us know if there are further questions or comments. Thank you again for your assistance in this matter.

Sincerely,


Michael Ezgur
Attorney for Petitioner
Enclosures

CC: Rolando Acosta, Esq.
Latika Bhide, Development Planner