

Affordable Housing Plan  
116-120 Eastman  
Mylo Residential  
Compasspoint Development, LLC

Project Description

The Developer, Compasspoint Development, with Residential brand Mylo Residential intends to develop a mixed use building located at Eastman, Highland and St. James. The Project will be comprised of a total of 136 dwelling units, a restaurant, and 184 parking spaces located within a 5 to 6 story building.

Dwelling Units:

Total Dwelling Units:	136
Total Market Rate Units:	129
Total Inclusionary Units:	7 units on site
Additional required Inclusionary Units:	3.2 units

Note: Developer proposes to pay the Fee In Lieu Fee for the additional .3.2 units at the rate required at the time a building permit is applied for.

The current Fee in Lieu of rate is \$28,370 per unit for a total of \$90.784.

Bedroom counts:

Market Rate Units:	
Studio:	44
One Bedroom	64
Two Bedroom	21
Inclusionary Units	
Studio:	3
One Bedroom:	3
Two Bedroom	1

Unit sizes (average)

Studios	508
One Bedroom	699
Two bedroom	1,043

NOTE: Inclusionary units will be the same average unit sizes as market rate units.

Location of Inclusionary Units: Inclusionary units will generally be located throughout the building. They will not be clustered in any one area of the building.

Rental Rates:

Market Units	
Studios	\$1,800/mo
One Bedroom	\$2,200/mo
Two Bedroom	\$2,700/mo

Inclusionary Units (maximum rental rates based on 2023 guidelines)

Studios	\$1,095/mo (as permitted under law)
One Bedrooms	\$1,173/mo (as permitted under law)
Two Bedroom	\$1,407/mo (as permitted by law)

Overall Provisions:

1. The Developer intends to utilize the Fee in Lieu of option for the required 3.2 units for a total amount of \$90.084 and as updated at the time the building permit is submitted..

2. The Developer will make available to each tenant in an inclusionary unit one parking spaces at a monthly rent reduced by the same ratio as Inclusionary unit rents are reduced as compared to market rate units.

3. The development shall comply with the Inclusionary Housing Ordinance and guidelines in effect at the time the building is completed and available for leasing and into the future including:

a. Rental rates shall be adjusted to meet the guidelines at the time the building is available for leasing

b. Maximum household incomes will be in compliance with the Guidelines in place at the time the units are being leased.

c.. The Owner of the building will comply with the reporting requirements as set forth in the Ordinance and Guidelines

4. The Inclusionary Units shall be leased at the then current Inclusionary Rental Rates in perpetuity

5. The tenant selection plan shall be as set forth in the attached exhibit.

If required to provide all of the inclusionary units within the building instead of the proposed Fee In Lieu of payment for the three additional required units the project will not be feasible to finance. The financing requirements for similar projects have become much stricter than pre-covid. This is coupled with the increase in costs of construction (both material and labor) and the increase in real estate tax assessments (especially in north-west suburbs). If required to add the additional 3 inclusionary units within the building the project will be unlikely to meet the financing requirements of the proposed lenders. The additional equity that would be required would be \$1,200,000, which would possibly delay the ability of the project to go forward. The inclusionary units will cost the same to construct as the market rate units and the buildings extensive amenities (pool, co-working spaces, lounges) will be utilized by all of the residents. The inclusionary units will rent for approximately 50% less per square foot, yet they will cost the same to construct as the market rate units. The assessed value of the building will not take into account the less amount of rent for the Inclusionary Units so the taxes on these 7 units will be the same as the market rate units despite the 50% less rent.

The project will be constructed in one single phase so the Inclusionary Units will be available to be leased and occupied at that same time as all other units in the building. All of the dwelling units in the building (market and inclusionary) shall have the same interior finished.

The Eastman project will offer affordable units in accordance with the Village of Arlington Heights Inclusionary Housing Guidelines. Affordable units will be marketed similarly to the market rate units. They will be marketed on the property website and the ILS websites with which the community is partnered. If there is marketing space on the Village of Arlington Heights community website, the property would also ideally be listed there.

Lincoln uses lead tracking software to track all inquiries into all apartment homes within a community. Any interested person looking for an affordable unit can be placed on the waiting list for those units if there isn't an affordable unit available at the time of their inquiry. All follow-up is documented within the Customer Relationship Management software.

Once an applicant applies for an affordable unit within the community, Lincoln will collect income statements from the applicant. Current Inclusionary Housing Guidelines from The Village of Arlington Heights align with Lincoln Property Company's policy, which is calculated on gross monthly income verified using paycheck stubs, bank statements, or other means of income statements.

When income is collected from the applicant, LPC will follow the IHG policy of collecting the previous three (3) months' income and projecting it forward 12 months to determine the annual income amount to determine the eligibility of meeting the 60% or below area median income for the household size. Applicants must also pass a criminal screening and credit check.

If an applicant has supporting documentation that supports the eligibility of qualifying for a preference which includes veterans, persons with disabilities, Arlington Heights residents who have resided in Arlington Heights for at least the past two years, or people who are employees of Arlington Heights businesses or organizations, this applicant will receive an affordable unit within the community before another qualified, eligible applicant who does not have a preference listed.

If an applicant states that they have one of the qualifying preferences, LPC will collect the supporting documentation during the application process.

Affordable units will be marketed and leased at the Inclusionary Housing Guidelines maximum monthly rents, including a utility allowance.

During the renewal period, 90 days before the lease expires, residents will be asked to re-certify their income. The resident will have 15 days from receipt of the recertification form to submit to the management office. Similarly to the initial application process, the management team will project the annual gross income to determine eligibility. In accordance with the Inclusionary Housing Guidelines, LPC will apply the following guidelines:

1. When household income remains at or below 60% of the area median income, adjusted for household size, the household maintains income eligibility for the affordable unit.

2. When household income increases above 60% of the area median income but stays below 80% of the area median income for the household size, the household maintains its income- eligibility for the affordable unit.
3. When the household income increases to above 80% of the area median income, then the tenant will be notified by the management office that the lease may be renewed for up to 12 additional months at the affordable rent, after which the tenant may remain in the unit but may be required to pay market rent. If the tenant remains and pays market rent, the unit no longer qualifies as an affordable unit, and the owner must identify another unit as affordable. If household income decreases during the one-time 12-month renewal period, the tenant will notify the management office no later than 60 days before the end of the lease term that it wishes to have its income re-evaluated for the purpose of possible lease renewal. If the examination of the household size and income is found to have decreased enough that the household's income is 80% of the area median income or below for the household size, the lease may be renewed beyond the 12-month renewal that was issued the previous year.

However, if the household does not qualify for renewal based on lease violations, income eligibility does not apply.