

APPROVED

**MINUTES OF A MEETING OF
THE ARLINGTON HEIGHTS HOUSING COMMISSION
HELD AT ARLINGTON HEIGHTS VILLAGE HALL
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MAY 12, 2015**

IN ATTENDANCE:

Commissioners

Present: Mark Hellner Siobhan White Namrita Nelson
Alex Hageli Karen Conway

Commissioners

Absent: Anisa Jordan

Staff Present: Nora Boyer, Housing Planner/Staff Liaison

V. OLD BUSINESS

C. Group Home and Transitional Housing Program

Commissioner White reviewed that last year the Housing Commission recommended to the Village Board and the Village Board approved providing funding under the Group House and Transition Housing Program under the terms that 1/3 of the funding would be provided as a grant and 2/3s of the funding would be provided as a 0% loan. The loan would be repaid when the property is sold or ceases to be used primarily for a CDBG eligible purpose. This policy was developed after one of the Trustees, as the January 2014 CDBG public hearing, asked if the terms of the Group Home and Transitional Housing Program should or could be similar to the loan terms under the Single Family Rehab Program. The stated concern was to insure that the Village's investment would stay in the Village and that the public would receive the intended benefits of the investments in the residences.

The program has been administered for the past year with these terms in place. Two agencies accepted the terms, but several agencies declined CDBG funding under these terms due to accounting difficulties associated with carrying indefinite loans and perhaps agencies' reluctance to incur debt.

Commissioner White pointed out that nothing is more eligible for CDBG funding than this type of program. The agencies' ownership of group homes has been very stable, and there has been no reason for concern that the agencies will sell the group homes after they are improved. The HUD requirement regarding reversion of assets is what HUD considers to be sufficient to insure that the public receives sufficient benefits from investments.

Commissioner White suggested that the 1/3 grant and 2/3s loan policy is detrimental to the CDBG funds being used for the very important and eligible purpose of providing quality housing for persons with disabilities.

Several alternative policies were discussed such as providing forgivable loans (forgiven over 5 or 10 years), lowering the reversion of assets requirement to apply to investments at a lower amount (ex. \$10,000), and others. At the conclusion of the discussion, it was decided that due to the importance of this type of housing, because there is no reason to be concerned that the grants would provide short-lived benefits, and due to the unintended consequence of the 1/3 grant and 2/3s loan policy which has been that agencies' have been reluctant or have declined to accept the terms, that the Village should return to the policy of providing funds for group home and transitional housing improvements to 100% grants.

A motion was made by Commissioner Hellner, seconded by Commissioner White, to recommend to the Village Board that the terms of financial assistance under the Group Home and Transitional Housing Program be returned to the 100% grant policy applied prior to the adoption of the 1/3 grant and 2/3s loan policy adopted by the Village Board on May 5, 2014. The financing for the three projects undertaken since the adoption of the 1/3 grant; 2/3s loan policy would be converted retroactively to 100% grants. The HUD requirement regarding reversion of assets for financing in the amount of \$25,000 or more would continue to be applied which is required by law. The motion was approved unanimously.