

May 5, 2014
8: 00 PM
Excerpt from Minutes
President and Board of Trustees
Village of Arlington Heights

IX. OLD BUSINESS

C. Report of the Housing Commission - CDBG - Funded Group Home / Transitional Housing Rehabilitation Loan Program

Mr. Dixon said that three agencies Little City Foundation, Glenkirk and CEDA Northwest have applied for funding request for CDBG funds for rehabilitation group homes and transitional housing units. Upon direction, the Housing Commission discussed whether there should be a repayment requirement to the Group Home/Transitional Housing Rehab Program. The program has \$ 63, 000 in its budget. At its March 12, 2014 meeting the Housing Commission recommended repayment to the group home program with the following terms:

1. One-third of the funded amount for each project would be provided as a grant.
2. Two-thirds of the funded amount for each project would be provided as a 0% interest loan, with repayment deferred and due in full when the improved property is sold or ceases to be used primarily for a CDBG-eligible purpose.
3. Upon the occurrence of a condition that makes the loan due, the agency would have the option to request that the lien be transferred to another property in Arlington Heights that is being used for a CDBG-eligible purpose.

Mr. Mark Hellner, Chair of the Housing Commission, said this seemed the most balanced approach as it allowed each agency to get money and replenish funds for other future projects. **Trustee Farwell** said it was a fantastic plan and asked how the 2/ 3 repayment was decided upon. **Mr. Hellner** said it seemed like a reasonable compromise. The Commission liked the idea of grants but recognized that there are limited funds. He said it was similar to the Single Family Housing program which has lent \$4. 75 million and has had only one default in the entire program. He noted that it is repayable if there is a change in use and it can be transferred to another not for profit agency if the property is used similarly. **Trustee Farwell** said he was in favor of 100% repayment but recognized that these are not for profit agencies. **Mr. Hellner** noted that these agencies often operate at a loss to provide the services they do.

Trustee Scaletta questioned condition number three. **Mr. Hellner** explained it was included because the purpose of the property would be the same and this condition anticipated that the organization might need more space. **Trustee Scaletta** asked what would happen if there were two properties and one was sold. **Mr. Hellner** said that was not addressed. The agency could come to the Board to ask if it is rolled over to the second property. **Trustee Scaletta** said he did not like this condition as he believes it is

not a good practice to role an agreement into another property. **Mr. Heller** said this was an option, not a mandate. **Trustee Scaletta** said he would prefer to strike condition number three.

Trustee Sidor said that he thought condition three was okay because it would come back for review. He asked who would be the reviewing body. **Mr. Dixon** said that the Housing Planner would prepare a formal request for review by the Housing Commission. He said as it stands now it would not come before the Village Board because it is largely an administrative determination. However, if the Board wanted to weigh in, then it could so state. **Trustee Rosenberg** said if the property is sold, the loan should be paid off. If the agency wanted to take out another loan for a different property they should apply and it should not automatically role over. **Mr. Hellner** said it is not automatic at all. If there is no wisdom to rolling the loan over, then it is presumed it would be rejected by staff and the Housing Commission. The Commission was trying to keep program flexible but protect the Village at the same time.

Trustee Scaletta moved approval with condition three being revised to read: upon the occurrence of a condition that makes the loan due, the agency would have the option to request from the Village Board that the lien be transferred to another property in Arlington Heights that is being used for a CDBG purpose. **Trustee Glasgow** seconded the motion. He agreed that the Village Board should have oversight. **President Hayes** thanked Ms. Boyer, Mr. Hellner and the Housing Commission for their hard work.

Trustee John Scaletta moved to approve. Trustee Thomas Glasgow Seconded the Motion.

The Motion: Passed

Ayes: Blackwood , Farwell , Glasgow , Hayes , LaBedz , Rosenberg , Scaletta , Sidor , Tinaglia .