

APPROVED

MINUTES OF A MEETING OF THE ARLINGTON HEIGHTS HOUSING COMMISSION HELD AT ARLINGTON HEIGHTS VILLAGE HALL VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS SEPTEMBER 6, 2016

IN ATTENDANCE:

Commissioners

Present: Mark Hellner Namrita Nelson
Will Delea Anisa Jordan

Commissioners

Absent: Karen Conway Alex Hageli

Petitioner Bill Rotolo, Lexington Homes

Staff Present: Nora Boyer, Housing Planner/Staff Liaison

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

II. ROLL CALL

Commissioners Hellner, Nelson, Jordan, and Delea were present.

III. APPROVAL OF MINUTES

A motion was made by Commissioner Nelson, seconded by Commissioner Hellner, to approve the minutes of the April 12, 2016 meeting. The motion carried unanimously.

IV. REPORTS - None

V. NEW BUSINESS

A. LEXINGTON-HERITAGE DEVELOPMENT RESPONSE TO AFFORDABLE HOUSING POLICY

Mr. Bill Rotolo was present to represent Lexington Homes which is proposing to build a 49-unit townhome development at 3216-3240 N. Old Arlington Heights Rd. Mr. Rotolo described the proposed development. He also discussed other Lexington Homes developments and how Lexington Homes has responded to affordable housing requirements in the City of Chicago.

Mr. Rotolo described the price points and the expected market populations for the proposed 2-story, front-loaded townhomes (starting at \$330,000 and attractive to 30-40 year old, dual income, no children households) and 3-story, rear loaded townhomes (starting at \$400,000, attractive to age 45+, empty nester

households) proposed for the Lexington-Heritage development.

According to the Village's affordable housing policies, at 49 total units, Lexington – Heritage is required to have 8 affordable units (15% of the total number of units) or pay a fee-in-lieu of \$75,000 per affordable unit not provided. Mr. Rotolo stated that it is not economically feasible to include affordable units on-site due to the costs associated with the project (land cost, construction materials, etc.). He stated that the expected profit from the project is \$900,000 and paying \$75,000 for each of the 8 affordable units not provided would make the project not worth doing.

Mr. Rotolo stated that of the developments in Arlington Heights that have made affordable housing contributions thus far, the Lexington-Heritage development is most like the Arbor Lane development where the developer paid a fee-in-lieu of affordable units of approximately \$2,050 per unit in the development (which was approximately \$16,000 for each of the 2 affordable units not provided in the development).

Ms. Boyer reviewed the Staff Report to the Housing Commission and there was a discussion of the affordable housing contributions required of Arlington Downs and Arbor Lane. The Staff Report presented 4 options with respect to affordable housing requirements for the Lexington-Heritage project.

In their proposal of August 30, 2016, Lexington Homes said that they are willing to provide an affordable housing fee-in-lieu amount of \$1,500 per unit in the proposed development (49 units x \$1,500 = \$73,500).

There was a discussion among the members of the Housing Commission about precedent. Commissioner Jordan stated that the amount of the fee-in-lieu for not providing affordable units of \$75,000 per unit was carefully considered by the Housing Commission and she was of the opinion that the Housing Commission should stand by that amount. She was concerned about the precedent being set when the Housing Commission did not recommend fees at the amount in the policy. Other members of the Housing Commission were willing to consider fee-in-lieu payments lower than in the policy, depending upon the unique circumstances of projects, but were concerned about precedent being set developments being required to make lower and lower contributions.

Mr. Rotolo stated that he was authorized to match the affordable housing fee that was required for the Arbor Land development of \$2,050 per unit in the development. This would result in a fee of \$100,450 (49 units x \$2,050 each = \$100,450). There was further discussion with Chairman Hellner stating that the Arbor Lane project was developed during a weaker housing market and in an inferior location compared to the Lexington-Heritage location, and a higher fee is justifiable for Lexington-Heritage. At the conclusion of the discussion, the following motion was made:

A motion was made by Chairman Hellner, seconded by Commissioner Nelson to recommend to the Village Board that the affordable housing contribution required for the Lexington-Heritage project be \$2,500 per unit in the development, which is equivalent to \$15,312.50 for each of the 8 affordable units not provided, for a total of \$122,500 with the comment that any amount lower would set an adverse precedent. The motion was approve with 3 yes votes (Hellner, Nelson, and Delea) and 1 no vote (Jordan).

Commissioner Jordan stated that the basis for her no vote was her opinion that the \$75,000 fee-in-lieu amount should be required since it is the Village's policy and that any lesser amount sets an adverse precedent.

Mr. Rotolo stated that he would need to return to Lexington-Homes with the information about the Housing Commission's recommendations to see if Lexington Homes will agree to the amount required in the motion. He commented that affordable units are financially difficult to include in new-construction developments and that the Village may wish to consider addressing its affordable housing needs through existing housing. He said that City of Chicago uses TIF financing to make affordable units possible in new construction. Chairman Hellner stated that the Village has a variety of affordable housing programs and continues to look for additional ways to address affordable housing needs (ex. down payment assistance program).

B. Group Home and Transitional Housing Program

Ms. Boyer pointed out that the three proposals for group home renovations for the 2016-2017 Group Home and Transitional Housing Program were included in the meeting packet.

The applications are:

Clearbrook – \$8,000 toward a driveway replacement at a group home

Little City Foundation - \$16,223 toward electrical work (ceiling lighting) at one group home and new kitchen flooring in a second group home

Glenkirk - \$33,200 toward a kitchen renovation and sensory room in group home.

Since the Clearbrook request was limited to a single, straight-forward repair (new driveway), the members of the Housing Commission were prepared to act on the grant application with the following motion:

A motion was made by Commissioner Nelson, seconded by Commissioner Jordan to approve Clearbrook's \$8,000 grant request for a new driveway at the group home specified in the 2016-2017 grant application. The motion was approved with 3 yes votes (Nelson, Jordan, and Delea). Chairman Hellner recused himself from the discussion and voting.

The members of the Housing Commission requested that Little City Foundation and Glenkirk be asked to provide photographs of the locations where the work is proposed to be done and a minimum of 2 (but preferably 3) bids for the work. This information is requested for the Housing Commission's review at their next meeting.

C. Changes to the Rent and Housing Assistance Program (RHAP)

Ms. Boyer explained that the RHAP program has a cooperative program of the Village and Northwest Compass for many years. The Village's Human Services Coordinator and Northwest Compass would discuss the circumstances of residents in need of one-time, temporary housing assistance. Northwest Compass would provide related services such as budget counseling. In the past, Northwest Compass provided matching funds for the grant funds included in the Housing Commission's budget for this program. However, NW Compass informed the Village that it will no longer be able to provide matching funds. Village staff is recommending that the RHAP program be operated internally by Village rather than making the funds available to be administered by NW Compass. The lack of matching funds removes much of the incentive to have NW Compass involved in selecting the beneficiaries of the funds, and staff finds that the Village will have better control of the funds by administering the program directly. The Human Services Coordinator administers other sources of funds for emergency needs of residents including the "Emergency Assistance Fund" which is funded by the Village and proceeds from fundraising by Arlington Cares (a non-

profit organization).

A motion was made by Commissioner Delea, seconded by Commissioner Jordan, to approve the transfer of the administration of the Rent and Housing Assistance Program (RHAP) from NW Compass to the Village through the Health Department. The motion carried unanimously.

The Housing Commission asked that the Health Department provide periodic reports summarizing the use of the RHAP funds. They also stressed that the funds should be used in ways that make them go as far as possible and benefit as many residents as possible.

D. 2017 Housing Commission Budget

A motion was made by Commissioner Jordan, seconded by Commissioner Nelson, to request the following in the Housing Commission's 2017 General Fund Budget: Postage \$100; Photocopying \$100; Publications \$600; Other supplies \$500; and Rent and Housing Assistance Program \$14,700. The motion carried unanimously.

VI. OLD BUSINESS

A. Group Home and Transitional Housing Program Update

Ms. Boyer reported that Clearbrook's re-roofing of their group home was completed. The Glenkirk renovation of a kitchen and Little City Foundation's pass-through between the kitchen and living room may run over the grant agreement deadline of September 30, 2016. Planning Department staff plans to provide extensions to the grant agreements with Glenkirk and Little City Foundation the work is not completed by September 30th.

B. Single Family Rehabilitation Program

Ms. Boyer provided an update of the active cases. Staff approved a new roof for case 16-01. Staff approval is permitted for projects under \$10,000, and this project is expected to cost \$3,825. and its terms.

VII. OTHER BUSINESS - None.

VII. ADJOURNMENT

A motion was made by Commissioner Jordan, seconded by Commissioner Nelson, to adjourn the meeting. The meeting adjourned at 9:05 pm.

NEXT MEETING: Tuesday, October 4, 2016 7:00 pm