

Housing Advisory Commission Position Paper on Affordable Housing for the Proposed 5th Avenue Development

RECOMMENDATION:

The proposed 5th Avenue Development Project should include a minimum of 20% affordable housing.

SUBSTANTIATING POINTS:

- 1) Of the approximately 50,000 homes in Naperville, only about 3,800 (7.5%) are classified as affordable under the Illinois Affordable Housing and Appeal Act.
- 2) Illinois law mandates that 10% of the housing be affordable.
- 3) The city is required to submit a plan to the Illinois Housing Development Authority between 12/28/2018 and 6/28/2020. This is to include the number of affordable housing units necessary to comply, identification of lands appropriate for construction/existing housing that can be converted, incentives local government can provide and selecting one of three goals:
 - 15% of development/redevelopment be affordable, or
 - 3% increase in affordable, or
 - 10% of existing be affordable
- 4) Naperville did not submit a plan the last time it was requested by June, 2015.
- 5) Naperville has received funding from the IHDA for Brookdale Village (\$11,190.00), Olympus Permanent Supportive Housing (\$800,00.00), Ogden Manor (\$12,116.00), Homes in Hope Phase III \$167,162), NEH 2 (\$13,948.00) and Homes in Hope Phase V (\$317,978.) We are benefitting from the IHDA.
- 6) Tax credits, grants, incentives, covenants, and other financial assistance exist and should be pursued.
- 7) The 5th Avenue Redevelopment Opportunity Sites are city owned properties (exception: is the upper Burlington lot leased to the city) that is adjacent to the Metra, Pace and downtown Naperville. The project is large in scale. The decision is within the city leaders' control giving Naperville an opportunity to maintain its ability to win designation as a top city to live and raise a family.

DEFINITIONS

“Affordable Housing”: Affordable housing is defined as “housing that has a value or cost or rental amount that is within the means of a household that may occupy moderate-income or low-income housing. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.” [Section 15 of the Act].

In that same section of the Act, “Moderate Income Housing” is defined as “housing that is affordable, according to the federal Department of Housing and Urban Development, for either home ownership or rental, and that is occupied, reserved, or marketed for occupancy by households with a gross household income that is greater than 50% but does not exceed 80% of area median household income.”

Area Median Household Income (AMHI) is also defined in Section 15 of the Act as “the median household income adjusted for family size for applicable income limit areas as determined annually by the federal Department of Housing and Urban Development.”

The Illinois Housing Development Authority (IHDA), tasked with administering the Act, tests for compliance with the Act as to rental units using 60% of AMHI, which falls within the 50%-80% range in the statute for moderate income housing.

“Attainable Housing”: Attainable housing has not been defined so for the purpose of this position paper the term “Affordable housing” will be used, the definition of which is rooted in Illinois’ Affordable Housing Planning and Appeals Act (AHPAA, “the Act”) [310 ILCS 67].

“Federal Low-Income Housing Tax Credits”: Federal Low-Income Housing Tax Credits (LIHTCs) are administered by the Illinois Housing Development Authority. Other funding vehicles are available to a developer from IHDA (see <https://www.ihda.org/developers/applying-for-tax-credits-for-multifamily-housing/>) to help offset the reduced rent streams for affordable units.

“Housing Advisory Commission”: The Housing Advisory Commission has been established to discourage illegal and unethical housing practices by promoting and encouraging fair housing to all. The commission proposes policies and programs to the City Council to assist all opportunity to secure safe and adequate housing within the city. The commission is responsible for receiving and investigating fair housing complaints within Naperville. Finally, they are tasked with implementing the goals and action steps documented in the Analysis of Impediments Study accepted by City Council in 2017.