



**MINUTES**  
**HOUSING ADVISORY COMMISSION**  
**NAPERVILLE MUNICIPAL CENTER, MEETING ROOM A**  
**MONDAY, FEBRUARY 4, 2019 – 6:30 PM**

**A. CALL TO ORDER:** Meeting called to order at 6:34 p.m. by Chairwoman Michele Clemen.

**B. ROLL CALL**

Commissioners Present: Michele Clemen (Chair), Mercedes Haber-Kovach, Linda Kuhn, Steve Lakner, Mark Rice, Linda Wilhelm

Others Present: Becky Anderson, Ruth Broder, Allison Laff, Scott Williams

Chairwoman Clemen introduced Shree Gurusamy, whose appointment to the Housing Advisory Commission was approved by City Council on February 5, 2019. Gurusamy attended the February 4<sup>th</sup> meeting as an observer. Clemen also read a letter from Commissioner Laura Ellman, resigning from the Housing Advisory Commission effective February 3, 2019. (See Attachment A).

**C. PUBLIC FORUM**

Speakers: Bev Frier, Senior Task Force; Marilyn Schweitzer

*Bev Frier:* Frier highlighted the lack of affordable housing as demonstrated by seniors who would like to downsize, but cannot find affordable units. First responders are also unable to find affordable housing in Naperville.

*Marilyn Schweitzer:* Schweitzer requested that the Housing Advisory Commission be consulted on all new developments until the City can integrate affordable housing into its comprehensive plans. Schweitzer also hoped that the City would not wait until plans are completed to act on affordable housing. A written copy of her full comments is attached (see Attachment B).

*Dr. Bob Buckman:* Dr. Buckman asked that Commissioner Ellman's resignation letter be added to the record.

**D. OLD BUSINESS**                      19-117                      Fifth Avenue Development

Discussion of the 5<sup>th</sup> Avenue Project began with a PowerPoint presentation by Allison Laff, Deputy Director of the Transportation, Engineering & Development Business Group (TED) (see Attachment C). The presentation described the background of the 5<sup>th</sup> Avenue Project, citizen participation, survey results, definitions of affordable and attainable housing and calculations of maximum sale prices and rents that would result if various definitions were applied.

Commissioner Haber-Kovach commented that the calculations for taxes should include Will County as well as DuPage County. Chairwoman Clemen commented that differences in taxes between different school districts should also be considered.

Commissioner Kuhn requested information on the geographic location of affordable units within the City. Kuhn also stated that affordability should be determined by the number of persons within the household as well as Area Median Income (AMI). It was suggested that Choose DuPage might have some data on the location of affordable units.

Haber-Kovach asked why only Illinois Housing Development Authority (IHDA) data on income was used instead of HUD data, which does consider household size. Laff responded that the City would need to use IHDA's data to comply with the Affordable Housing Planning & Appeal Act's requirements for achieving the state's goal that a minimum of 10 percent of housing units be affordable. Based on these criteria, the income levels used by IHDA would yield the lowest dollar figures for the maximum allowable costs of affordable owner and renter-occupied housing.

Commissioner Lakner asked what the recommendation requested by City Council should include? Laff responded that the recommendation should include whether below market-rate housing should be included in the 5<sup>th</sup> Avenue development and at what income levels.

Councilwoman Anderson asked if it would be possible to develop a policy on inclusion of affordable units in all developments exceeding a certain size. She stated that she did not want the City to lose the opportunity to have affordable housing included in large developments. Clemen responded that these policies could be discussed going forwards, but that the Commission should focus on the 5<sup>th</sup> Avenue Project at this time. Clemen stated that the DuPage Homeless Alliance would also give their presentation and that comments and questions would be taken prior to a vote on the recommendation to City Council. Commissioner Wilhelm stated that the 5<sup>th</sup> Avenue development would influence how housing is included in other developments going forward. Anderson commented that the City has a better opportunity to guarantee the inclusion of affordable housing in the 5<sup>th</sup> Avenue development because the City owns the land and can require more conditions that it could with privately-owned land.

Kuhn asked if the 5<sup>th</sup> Avenue Project would go out to bid? Laff responded that this is not yet determined. Ryan Companies could be selected as the developer, but a lot more discussion will take place. The original intention was for Ryan Companies to be the developer, but they are not authorized to move forward at this time. No dollars have been invested at this point. The City could award a contract to Ryan or could build portions of the project itself. Anderson said that Ryan has included affordable units in other developments it has

completed. Laff stated that the Council can impose conditions on any developer chosen to complete the project. The project must work financially for both the City and the developer. This will be determined by the ability of the developer to sell units at given price points. It is not possible to do these calculations now, because all the costs are not known at this time.

Comments were made by members of the public that programs are available to subsidize costs and that the number of affordable units available in the immediate geographic area of 5<sup>th</sup> Avenue may influence the requirement for affordable units.

Laff reiterated that Council wants to know the Commission's views on what the City should ask Ryan to include; Ryan can come back with a counter offer based on what they think can actually be done. As noted by Anderson, the City has much more control of this site because the land is owned by the City. The Commission can look at a larger discussion later.

Chairwoman Clemen asked the DuPage Homeless Alliance (DHA) to give their presentation (see Attachments D and E).

Mike Ryder, representing DHA, stated that DHA's goal is for economically diverse groups to be able to live in Naperville. They are asking that attainable housing be defined as affordable housing as defined by IHDA. Other presenters stated that Naperville could be subject to legal complaints and sanctions if no affordable housing is included in the 5<sup>th</sup> Avenue Project. They also discussed the number of units (20-30) that could be included in the 5<sup>th</sup> Avenue Project and methods that could be used to accomplish these goals. Examples of affordable developments in other cities were shown.

Following conclusion of DHA's presentation, the Commission returned to a discussion of the recommendation to be made to City Council, answering the questions outlined in Laff's presentation:

- 1) Should below market-rate housing be a required component of the 5<sup>th</sup> Avenue Development Project?
- 2) Should below market-rate housing be attainable or affordable? How should these terms be defined?
- 3) What level or percentage of the housing in the 5<sup>th</sup> Avenue Development Project should be below market-rate?

Clemen asked for a show of hands to the first question on whether or not below market-rate housing should be required in the 5<sup>th</sup> Avenue Development Project.

Haber-Kovach asked for a definition of what is below market-rate.

Laff replied that below market-rate could be considered housing costing less than a developer would normally build without it being required.

Some commissioners asked if a recommendation could be delayed allowing for more time to discuss the alternatives.

Clemen said that the commission needed to reach a consensus tonight to move forward. Anderson stated that the questions could be answered now.

Discussion took place regarding whether the commission should recommend that 10 percent or 20 percent of units be affordable using IHDA's definition of affordable owner and renter-occupied housing.

Motion by Clemen to recommend that City Council direct the developer to include a minimum of 20 percent affordable housing, as defined by IHDA, in the proposed 5<sup>th</sup> Avenue Development Project. Seconded by Commissioner Lakner. Motion unanimously approved by a voice vote (6-0).

The reasons given for adopting this recommendation were as follows:

- The properties are owned by the City, making it easier for the City to require affordable housing.
- The properties are adjacent to or within walking distance of the train station.
- The location is a good fit for addressing the housing needs of seniors, veterans, young professionals/workforce and persons with disabilities.
- The 20 percent minimum of affordable units can potentially qualify the developer for incentive programs offered by the federal government and State of Illinois.

The commission also agreed to a suggestion by the DuPage Homeless Alliance to develop a more complete position paper on the recommendation. Commissioners Haber-Kovach and Kuhn volunteered to prepare the position paper, which will be reviewed by the full commission at its March 4, 2019 meeting.

The commission also requested that TED provide information on upcoming housing developments. Laff said that TED can provide this information for commission review, and can provide an overview of when affordable housing can be required. Laff also noted that Housing Advisory Commission members could also attend meetings of the Planning & Zoning Commission to offer comments on residential zoning cases. She noted that representatives of the Senior Task Force regularly attend Planning & Zoning Commission meetings.

E. NEW BUSINESS                    19-119                    Housing Needs Analysis

Staff Liaison Broder provided an overview of the Metropolitan Mayors Caucus Technical Assistance Process (see Attachments F, G and H). Broder additionally provided an overview of the Housing Needs Assessment that is intended to be undertaken, as well as the questions that are to be answered through this study (see Attachment I).

Commissioner Rice requested that the slides be emailed to the commission for review.

Chairwoman Clemen stated that all commissioners should review these slides and send any items that they believe need to be added to Broder for discussion at the March 4<sup>th</sup> commission meeting.

Councilwoman Anderson asked how much the study would cost? Broder noted that the Housing Analysis will be paid for through CDBG funds which Council has already allocated. The Metro Mayors Caucus Technical Assistance program is completely free.

A copy of IHDA's 2018 Non-Exempt Local Government Handbook (Attachment J), a copy of DHA's position paper on affordable housing (Attachment K) and Business and Professional People for the Public Interest's (BPI) publication, A Community Guide to Creating Affordable Housing (Attachment L) are also included in the minutes at Councilwoman Anderson's request.

## F. REPORTS

1. 18-1038 Receive the updated report regarding progress on the Analysis of Impediments to Fair Housing Choice (AI) Action Items.

Staff Liaison Broder presented the current report progress report on the AI Action Items (see Attachment M). Broder also reported that Senior Assistant City Attorney Kristen Foley is interested in undertaking an update to the Commission's fair housing complaint procedures by May, 2019. Foley requested that Chairwoman Clemen and Commissioner Bernicki work with her to develop this policy which would be presented to the Commission for discussion at a future meeting. Foley also wants to increase the complaint period to a year.

Commissioner Rice noted that many of the Analysis of Impediments to Fair Housing Choice (AI) Action Plan items have not been started. He asked if commissioners been assigned to guide these items through? Clemen noted that the Commission is helping to oversee implementation of the items. Rice asked for more commissioners to focus their efforts on these implementation items. Broder noted that staff time is limited to working on 1-2 implementation items per year due to workload constraints.

Broder said that additional fair housing training can be undertaken with the help of the Naperville Police Department, including landlords, property owners, and property managers. Rice will work with Broder to develop a plan to accomplish this additional training.

2. 18-1037 Approve the minutes of the December 3, 2018 HAC meeting.

Commissioner Haber-Kovach noted one typo to be changed. Lakner moved to accept minutes with changes. Haber-Kovach seconded. Motion approved (5-0, 1 abstention - Rice). The December 3, 2018 minutes are attached (see Attachment N).

Clemen asked if Fair Housing Month banners will be hung on light poles in April? Broder noted that we have requested their installation. Additionally, there will be a proclamation at the April City Council meeting noting Fair Housing Month. Clemen asked that the proclamation include efforts that the Commission has completed in the last year.

Rice asked if the Commission could meet more frequently. Staff noted that meeting frequency is limited based on staff workload. Commissioners asked if they could meet without staff and

prepare their own minutes for approval. Staff noted that we can check with Legal to determine if this is possible.

#### G. ADJOURNMENT

Motion to adjourn by Lakner, seconded by Wilhelm; meeting adjourned at 9:09 p.m.

Dear members of the Naperville Housing Advisory Commission,

It is with a heavy heart that I'm resigning from the Naperville Housing Advisory Commission. Working on this commission inspired me to run for office, by showing me how work in the public sphere, with people from different backgrounds and interests, can help improve people's lives. And so I leave my seat here on HAC to take up another seat representing Naperville residents – and the rest of District 21 – in the Illinois State Senate.

If there's one thing I may have learned already in the Senate, it's to not give up an opportunity to say a few words. So please humor me. I don't want to go without telling this commission how important your work is and can be, because now is a pivotal time for housing in Naperville, particularly around affordable housing.

First, as written in the [Naperville Sun](#), Naperville must submit a plan to expand affordable housing by June 2020. Second, our commitment to act – and the intrepid work of our commissioners to carry out the recommendations – of the Analysis of Impediments study will help shape housing in Naperville. And third, of course, the Fifth Avenue project provides an opportunity for Naperville and this commission to plant a flag in our commitment to affordable housing in Naperville.

Embracing affordable housing is not a departure, it is a return. When people invoke the term "Old Naperville," it hearkens back to the day when 75<sup>th</sup> Street was a gravel road, and cornfields lay to the south. This is when the house I live in on Gartner Road was built – a 3 bedroom split level (with closets with room enough for a housecoat and one pair of shoes). This is when working families could afford to move to Naperville. Naperville's roots and future engine for growth is in allowing for spaces where working families can start and grow and stay.

But housing is only one proverbial leg of a stool. I believe we can visualize a Naperville that is a vibrant diverse community – home to families and people of all incomes, races, and ages. A community that runs smart, with forward-thinking transportation, utilities, education and services, and that encourages the arts, entrepreneurs and corporate investment. One whose Housing Advisory Commission leads the way in crafting a vision for housing – with a voice about transportation and jobs – for the rest of the city.

My time on this commission was great fun, where we emerged from a small group waiting for housing complaints, to one that expanded its mission and its name. We committed ourselves to fulfilling the recommendations of the AI study. And I wish I could be with the commission as we develop even more; instead I only offer my encouragement to you and the new community leaders that will join the team.

I wish each of you all the best in the work ahead, and thank you for the time I've had with the HAC.

Sincerely,

Laura Ellman

Feb 3, 2019



## Public Comment for the February 4 , 2019 Housing Advisory Commission Meeting

I am unable to attend the February 4 , 2019 Housing Advisory Commission Meeting and wish to submit the following comments for your consideration.

### 1. Regarding File #19-119

I wholeheartedly support the DuPage Homeless Alliance's recommendation that the Housing Advisory Commission be consulted on "any significant housing developments being considered for Naperville" until "planning for affordable and fair housing can be integrated into the comprehensive planning process."

### 2. Regarding File #19-117, #19-119, and #19-121

I am rather weary of the continued haggling over definitions as to what is affordable versus attainable housing and which type should be included in the 5th Avenue Development or other developments. It's more worrisome when the granularity comes down to whether the housing should be simply senior or workforce housing. Over time this discussion simply seems to be a way to:

- resist doing anything below market-rate housing
- mitigate "Not In My Backyard" commentary

That this discussion has been going on for well over a year with 5th Avenue Development and surfaces in other substantial new developments signifies to me the absolute need to adequately educate residents, landlords, real estate agents, property management agents, lenders, City staff, City Council, and City boards and commissions regarding Fair Housing. Item #1C in the September, 2018 AI Progress Report - Fair Housing Action Plain was claimed to have been completed. It was amended in January, 2019 to be in progress. (Please also note that the internal date in the January 2019 AI Progress Report - Fair Housing Action Plain still says September 2018.) I suspect that "completed" simply reflects that a contract has been arranged, materials have been prepared, and some workshops given. If file #18-1040 "Discuss Fair Housing Education Training" in the Housing Advisory Commission Draft Minutes Notes dated December 3, 2018 refers to the same education as that of #1C, then it does not seem this effort has been going especially well. If so, I recommend that the Housing Advisory Commission not consider item #1C complete until they receive adequate feedback as to the training's effectiveness and outreach.

I thank the DuPage Homeless Alliance for putting forth a definition that is consistent with the Illinois Housing Development Authority, but I question why the definition seems to only cover rental units. Seemingly, a definition is needed to cover both rental and sale units. I recommend that the Housing Advisory Commission:

- Put forth a definition that covers both rental and sale units.
- Request that the definitions not only be used for the 5th Avenue Development, but also for any other new Naperville housing developments.
- Request that those definitions be incorporated into the education and outreach resources such as those referred to in item #1C.

### 3. Regarding File #19-117

I applaud the DuPage Homeless Alliance's comment regarding the 5th Avenue Development that:

"Naperville has an opportunity to burnish its already solid image as a progressive, forward thinking, and "great place to live" city. It is an opportunity that should not be squandered."

I would even take it a step further and say that the City of Naperville, as the primary owner (keeping in mind some of the acreage is leased), has a duty to set an example for developers. If the City is unwilling to provide Fair Housing when they have the opportunity, how can they in good conscience encourage or expect a private developer to do so?

According to a [January 5, 2019 Chicago Tribune article](#), only 7.5% of Naperville's housing units fall into the category of affordable and state law requires Naperville to submit a plan by mid-2020 to raise that percent to the desirable level of 10%. If the 5th Avenue Development were to have 10% of the housing units be attainable (i.e. the minimum



recommended by the DuPage Homeless Alliance), then Naperville would only be meeting the State's minimum on 5th Avenue Development site. The City would be doing nothing to reduce the City's overall deficiency. Again, since this is primarily City owned land there is an opportunity, if not an obligation, to do more than the minimum.

10% of 200 housing units (proposed by Steering as a potential concept) to 400 housing units (proposed by Ryan Companies's existing concepts) would amount to 20 to 40 attainable/affordable units. That seems rather meager and arbitrary considering Naperville's overall deficiency of around 1200 units. The 10% recommendation gives a minimum that should be achieved, states nothing regarding a maximum that could be achieved. I believe the Housing Advisory Commission should make a stronger recommendation that takes into account both the area surrounding the 5th Avenue Development site and the overall financial perspective of the 5th Avenue Development project. For example:

- The May 2017 Analysis Of Impediments To Fair Housing Choice document shows opportunities per various tracts within Naperville. If the analysis tract that includes the 5th Avenue Development parcels is below the State's 10% minimum for affordable units, then how many could be added to raise that tract's percentage to 10%? How many should be sale versus rental and how many should have three or more bedrooms? If the analysis shows the surrounding area to have exceeded the State's 10% minimum, then an argument could be made to keep the recommendation for the 5th Avenue Development parcel at 10%.
- Federal Community Development Block Grants may be applied for to offset S.B. Friedman's complaint that affordable housing is not in the best financial interest of the City. Retail and Office space, not just housing, are potential revenue generating components under consideration for the 5th Avenue Development project. The HAC need not delve into the financial details, but could recommend that the measurement of the 5th Avenue Development's economic success be viewed as a whole, not just by individual components.

#### **4. Regarding File #19-121**

I compared the January 2018 AI Progress Report - Fair Housing Action Plan with its January 2019 counterpart. The only progress made in 2018 was to start item #3A and to make some progress on item #1C. Besides item #1G, the annual review, other items have not begun:

- 4 Low Complexity Items (#1B, #1D, #1E, #1F, and #3D) have not started
- 6 Medium Complexity Items (#1F, #2A, #3B, #3C, #4A, and #4B) have not started
- 1 High Complexity Item (#4C) has not started

Items #1E and #1F were deferred from starting in 2018 and are only tentatively planned for 2019. Thus, progress on the Fair Housing Action Plan seems to be rather slow. Fair Housing should be a priority for Naperville. I recommend that future progress reports for each item include:

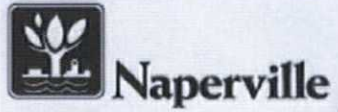
- A tentative start date or a list of which items must be completed before a particular item can begin.
- The anticipated duration to complete a task in months or years rather than the time frame of short, medium or long.

Again, thank you for your consideration.

Sincerely,

Marilyn L. Schweitzer

February 4, 2019



# 5<sup>th</sup> Avenue Project

## **Introduction**

### **What We Have Heard**

**City Council**

**HAC**

**Public**

**Working Group**

**Steering Committee**

**City Advocate**

### **Questions for HAC**

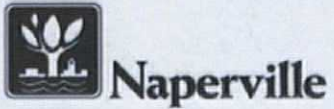
### **Next Steps**

Presented by

Allison Laff, AICP

Deputy Director TED





# Input Requested from HAC

## Introduction

### What We Have Heard

City Council

HAC

Public

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Steering Committee

City Advocate

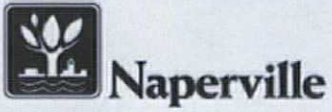
### Questions for HAC

### Next Steps

At the December 4, 2018 Meeting, City Council asked for HAC input on the following:

1. Review and provide recommendation relative to attainable units within the 5<sup>th</sup> Avenue Development
2. Provide recommendation for definition of attainable (100% of AMI, 60% of AMI, Other)?





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Naperville

# 5<sup>th</sup> Avenue Project Process

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City Advocate

### Questions for HAC

### Next Steps

- RFQ Released February 2017
- 5 Firms Responded May 2017
- Ryan Companies Authorized to Proceed By City Council September 2017
- 12 Month Community Planning Effort (October 2017 – October 2018)
  - Meetings
  - Workshops
  - Surveys
  - Interviews
  - Working Groups and More

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## Introduction

### What We Have Heard

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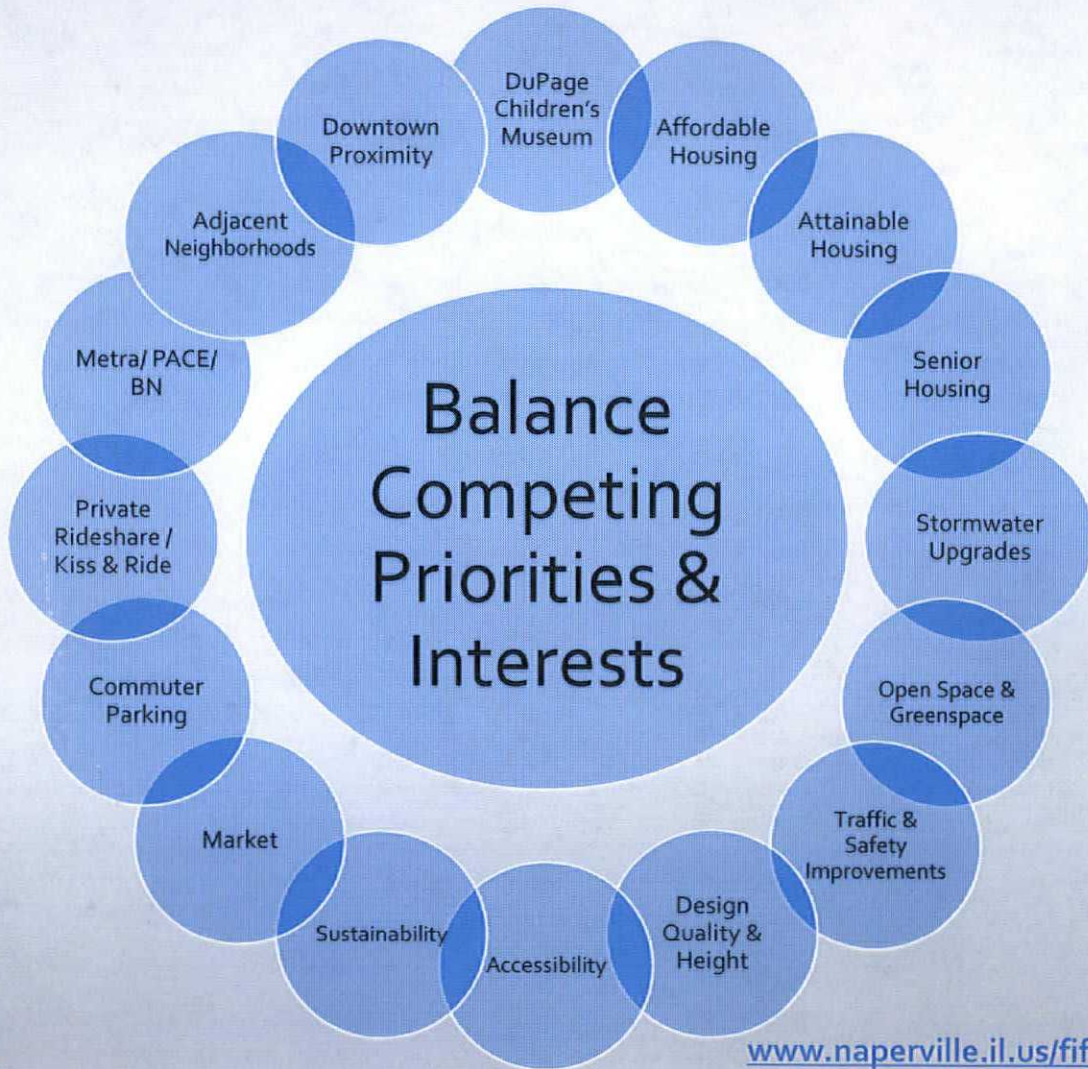
Working Group

Steering Committee

City Advocate

### Questions for HAC

### Next Steps







# Initial City Council Input

**Introduction**

**What We Have Heard**

**City Council**

**HAC**

**Public**

**Working Group**

**Steering Committee**

**City Advocate**

**Questions for HAC**

**Next Steps**

- July 2016 Council Survey Priorities (based on Average of City Council Responses)

1. Establish a Gateway to Downtown
2. Generate Sales Tax Revenue
3. Affordable housing\*
4. Provide commuter-support type uses
5. Profit from the sale of land

\*City Council did not distinguish specifically between "affordable" and "attainable" at this time. Simple intention was to clarify if below market housing should be provided

- February 2017 RFO

- RFO approved by City Council did not specifically ask for affordable, attainable, or senior housing
- RFO did stipulate, "*Favorable consideration will be given to redevelopment concepts which meet an unmet community need or support the City of Naperville Strategic Ends Policies and Financial Principles.*"

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Naperville

# HAC Input

## Introduction

## What We Have Heard

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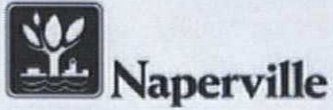
## Questions for HAC

## Next Steps

- Open Invitation To:
  - 2 Community Meetings (Fall 2017)
  - 9 Community Input Sessions (Fall 2017)
  - 6 Public Staff Meetings (Fall 2017 – Spring 2018)
  - 5 City Council Workshops
  - 2 Community Open Houses (June and August 2018)
- February 5, 2018 HAC Meeting with Jim McDonald, Ryan Companies. HAC recommended:
  1. *Ryan Companies Review AI*
  2. *A portion of the housing units in the 5<sup>th</sup> Avenue development be attainable*
  3. *While housing for seniors continues to be important, Ryan Companies should also consider the housing needs and affordability for all generations.*
- Working Group (March – June 2018)
  - Councilwoman Anderson (HAC Liaison), Phil Meno, DuPage Homeless Alliance, and Allison Laff/Amy Emery (City) were members of the Land Use Working Group selected by the 5<sup>th</sup> Avenue Steering Committee and facilitated by Ryan Companies. The group specifically reviewed and discussed the findings of the latest AI, as directed by the HAC.

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# Community Input

## Introduction

## What We Have Heard

City Council  
HAC  
Public

Working Group  
Steering Committee  
City Advocate

## Questions for HAC

## Next Steps

- 9 Community Input Sessions (October – November 2017)
  - Nearly 100% comments about housing alternatives to market rate were specific to senior housing
  - Virtually no support, based on comments received, for any other type of non-market rate housing
- Community Survey (May 2018)
  - *Should housing be included as part of the 5<sup>th</sup> Avenue Development?*

	ENGAGED	COMMUTER	CROSSOVER	COMMUNITY	WEB Opt-In
YES	75%	50%	69%	64%	61%
NO	25%	50%	31%	36%	39%

ENGAGED – Residents on Contact List (essentially surrounding neighborhoods) and Commuter Database  
COMMUTERS – Exclusively on City Commuter Connection  
CROSSOVER – Both  
COMMUNITY - Naperville Residents – Random Sample  
OPT-IN – Self-Selected Participants from Web

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# Community Input

- Community Survey (May 2018)
  - *If Housing is to be included, please indicate types of housing you feel should be included...*

	ENGAGED	COMMUTER	CROSSOVER	COMMUNITY	WEB Opt-In
Affordable/ Workforce	23%	22%	30%	17%	19%
Attainable / Cost Effective	55%	48%	65%	53%	49%
Independent Living (for seniors)	58%	42%	56%	53%	43%
Market Priced Housing	77%	71%	77%	66%	69%

ENGAGED – Residents on Contact List and Commuter Database

COMMUTERS – Exclusively on City Commuter Connection

CROSSOVER – Both

COMMUNITY - Naperville Residents – Random Sample

OPT-IN – Self-Selected Participants from Web

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## Introduction

## What We Have Heard

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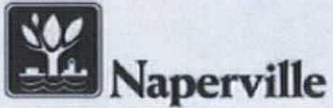
Steering Committee

City Advocate

## Questions for HAC

## Next Steps





# Land Use Working Group

## Introduction

## What We Have Heard

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**Working Group**

Steering Committee

City Advocate

## Questions for HAC

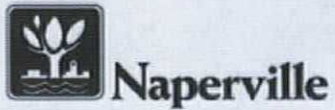
## Next Steps

- Working Group Report (Language Reviewed and Approved by Land Use Working Group Members on 5/24/18)
  - Provide for a diverse mix of uses, including green space/public spaces, parking, residential, boutique retail and commercial office.

### Notes:

- **Green space/public spaces.** In accordance with Naperville's Building Design Guidelines, buildings will frame special public spaces such as green space, parks, plazas, outdoor seating, the streetscape, and most notably, the train station, combining amenities with safety for residents, commuters, employees, visitors and surrounding property owners.
- **Residential.** Housing product should appeal to a variety of ages and incomes, including young professionals, empty-nesters, seniors, students and older adults.
- **Retail.** Focus on destination-oriented retail and dining concentrated along Washington Street.
- **Commercial office.** Distinct from typical suburban office product, the office space will use smaller floor plates and create a more active and urban feel.





# 5<sup>th</sup> Avenue Steering Committee

## Introduction

## What We Have Heard

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**Steering Committee**

City Advocate

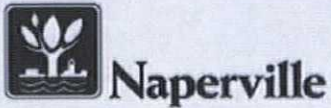
## Questions for HAC

## Next Steps

- June 20, 2018

The 5<sup>th</sup> Avenue Steering Committee recommended that at least one concept for the 5<sup>th</sup> Avenue Development should offer units at various price points designed to be attainable. All agreed one concept should include 10% of housing geared to workforce.





# 12/4/18 City Council Discussion

## Introduction

## What We Have Heard

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Steering Committee

City Advocate

## Questions for HAC

## Next Steps

- Geoff Dickinson, SB Friedman (City Advocate), raised the following question to City Council on December 4, 2018 (to get direction to inform concept refinement):

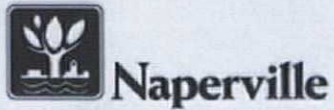
“Should some percentage of non-market rate housing be included as a part of the 5<sup>th</sup> Avenue Redevelopment as recommended by the 5<sup>th</sup> Avenue Steering Committee? Specifically noting:

- Workforce/Attainable Family Housing (approx. 10% of units at 100% of AMI\*)?
- Attainable Senior Housing?”

\*100% of AMI. Area Median Income, or AMI, is a statistic generated by the U.S. Department of Housing and Urban Development (HUD) for purposes of determining the eligibility of applicants for certain federal housing programs.

- Phil Meno testified at the 12/4/18 City Council meeting this would equate to a monthly rent of \$2,105, based on an income of \$51,000 for a family of 4 in Naperville. He requested following the IDA Guideline of 60% of AMI for a monthly rent of \$1,270.





# 12/4/18 City Council Discussion, cont.

## Introduction

## What We Have Heard

**City Council**

**HAC**

**Public**

**Working Group**

**Steering Committee**

**City Advocate**

## Questions for HAC

## Next Steps

At the December 4, 2018 Meeting, City Council asked for HAC input on the following:

1. Review and provide recommendation relative to attainable units within the 5<sup>th</sup> Avenue Development
2. Provide recommendation for definition of attainable (100% of AMI, 60% of AMI, Other)?



- Question 1: How is "Attainable" defined?

		Owner Occupied*		Rental*	
	Source of Area Median Income	% AMI	Affordable Sale Price (per unit)	% AMI	Affordable Rental Price (per month)
Attainable	DuPage County	100% AMI: \$84,442	\$328,136	100% AMI: \$84,442	\$2,111
		80% AMI: \$67,554	\$230,620	60% AMI: \$50,665	\$1,266
	Chicago MSA	100% AMI: \$63,327	\$206,215	100% AMI: \$63,327	\$1,583
Affordable per IHDA	Chicago MSA	80% AMI: \$50,662	\$133,083	60% AMI: \$37,996	\$950

\*Per IHDA calculations; assumes no more than 30% of income is spent on housing (mortgage, taxes, insurance; or rent and utilities)

## Introduction

## What We Have Heard

City Council

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City Advocate

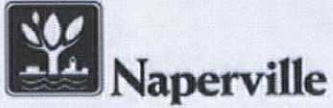
## Questions for HAC

## Next Steps



# IHDA's Calculations

- IHDA uses the following calculation to determine affordability for ownership units:
  - 80% of Chicago MSA AMI x 30%/12 months = Maximum Monthly Income that can be spent on Housing (mortgage and taxes)
  - Maximum Monthly Income – Average Property Taxes Paid Per Year in Naperville = Maximum Monthly Mortgage Payment
  - Maximum Monthly Mortgage Payment determines Affordable Purchase Price
- For Naperville: 80% of \$63,327 Chicago MSA AMI x 30%/12 = \$1,266.54/month that can be spent on housing
  - \$1,266.54/month - \$690.33 property taxes/month\* = \$576.21 mortgage payment/month = **\$133,083** Affordable Purchase Price
    - \*Assumes an average of \$8,284.00 in property taxes are paid in Naperville*
- IHDA's calculations do not make an adjustment to the Average Property Tax assumptions based on actual affordable value of the home, thereby skewing the resulting Affordable Purchase Price.
  - Property Taxes are typically 2% of home value – Naperville's average is equivalent to \$414,200 home value
  - Property Taxes on \$133,083 home would be closer to \$2,700/year (or \$222/month)
- If a lesser (but still conservative) Property Tax assumption of \$5,000/year (or \$250,000 home value) is used, Naperville's Affordable Purchase Price increases to \$196,291.
  - Naperville's resulting affordability levels then increase from 7.5% to 11.3%.
- IHDA's rental calculations assume Gross Rent and do not appear to have the same calculation errors. The affordable monthly rent in Naperville per IHDA is \$950.
- The City will reach out to IHDA to further discuss the calculation concerns.



# HAC Discussion: 2/4/19

## Introduction

## What We Have Heard

City Council

HAC

Public

Working Group

Steering Committee

City Advocate

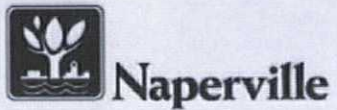
## Questions for HAC

## Next Steps

- Question 2: Should below market-rate housing be a required component of the 5<sup>th</sup> Avenue Development Project?

If "Yes":





# HAC Discussion: 2/4/19

## Introduction

## What We Have Heard

City Council

HAC

Public

Working Group

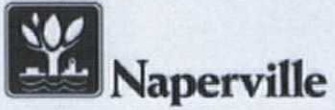
Steering Committee

City Advocate

## Questions for HAC

## Next Steps

- Question 3: Attainable? Affordable?



# HAC Discussion: 2/4/19

## Introduction

## What We Have Heard

City Council

HAC

Public

Working Group

Steering Committee

City Advocate

## Questions for HAC

## Next Steps

- Question 4: What % of the housing in the 5<sup>th</sup> Avenue Development Project should be below market-rate?





Naperville

## HAC Recommendation: 2/4/19

### Introduction

### What We Have Heard

City Council

HAC

Public

Working Group

Steering Committee

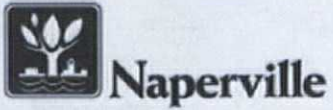
City Advocate

### Questions for HAC

### Next Steps

- HAC recommends that City Council direct the developer of the 5<sup>th</sup> Avenue Development project to include a minimum of 20% of affordable housing, as defined by IHDA, into the proposed 5<sup>th</sup> Avenue Development project. (Approved 6-0)
- Reasons: city-owned land; adjacent/access to train station; addresses housing needs of workforce, senior, veteran, young professionals, persons with disabilities; makes developer potentially eligible for incentive programs
- HAC will have 2 commissioners develop a more complete position on this discussion item and report back at March 4, 2019 HAC meeting.





# Next Steps

## Introduction

## What We Have Heard

City Council

HAC

Public

Working Group

Steering Committee

City Advocate

## Questions for HAC

## Next Steps

- Share HAC Feedback with City Council
- Continued opportunities for HAC through public process

**DuPage Homeless Alliance  
Affordable Housing  
Presentation to  
Housing Advisory Commission**

Anne Houghtaling

Phil Meno

Mary Beth Nagai

Mike Ryder

February 4, 2019  
Municipal Building



# DuPage Homeless Alliance: Who We Are

## Active Members:

- Board of Directors of the Naperville Homeowners Confederation
- HOPE Fair Housing
- St. Thomas the Apostle Church
- DuPage Housing Authority

## Partnered and allied with:

- Chicago Coalition for the Homeless
- Naperville Housing Advisory Commission
- Country Wood Apartments
- Small property landlords
- Several other Faith-Based and Non-Profit Institutions not listed above



# DuPage Homeless Alliance: What Are We Fighting For?

- Changing the narrative on fair and affordable housing in Naperville, DuPage County
- Pushing the City of Naperville to implement the recommendations in the Analysis of Impediment to Fair and Affordable Housing
- Fighting for the 5th Ave. Development to include attainable housing





## **Key Definitions**

### **Affordable Housing**

As defined by Illinois Housing Development Authority (IHDA) – For family with income that is 60% of the Area Median Household Income (AMHI), if housing costs no more than 30% of that income, then the housing is affordable.

### **Attainable Housing**

Term being used in 5th Ave Development documents and discussion. However, it is not defined.

### **Proposed Definition of Attainable Housing**

Attainable Housing = Affordable Housing as defined by IHDA.

**5th Ave.**  
**Development Position**

Mary Beth Nagai

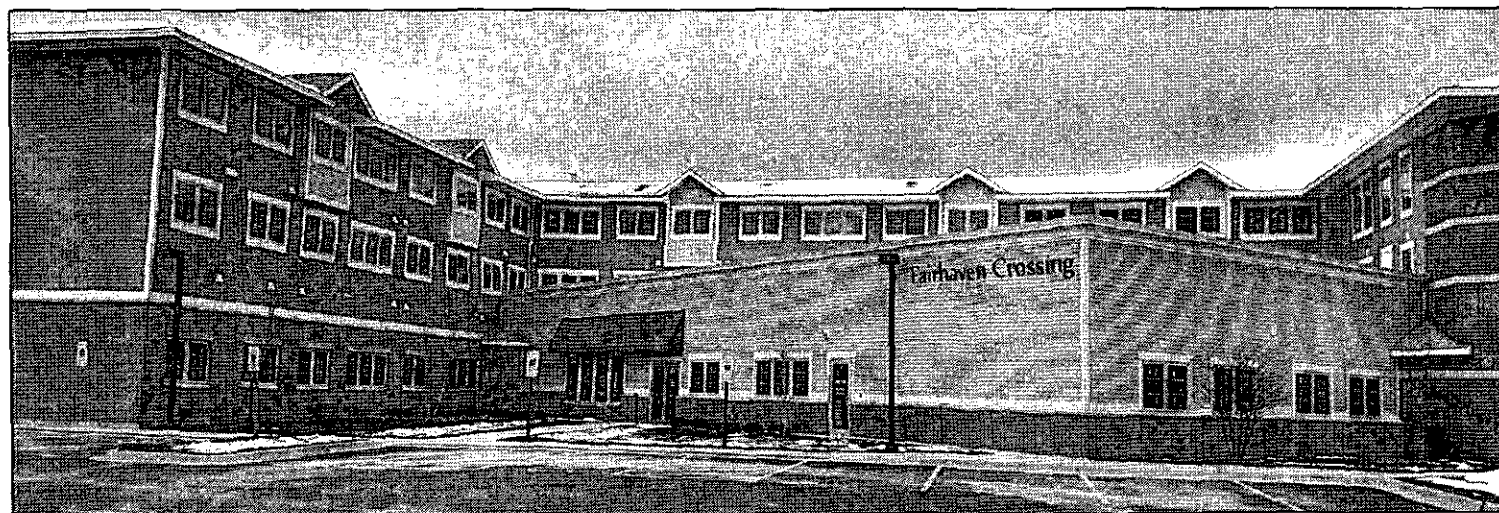


**What Does “Affordable  
Housing” Look Like?**



***Fairhaven Crossing,  
Mundelein, IL***

**Before**



**After**



# Grayslake Senior Housing



# Spring Creek Nehemiah is an affordable housing success story in East New York

The development off Flatlands Ave. is home to 233 first-time homeowners who won the right to live there via lottery.

BY JASON SHEFTELL / NEW YORK DAILY NEWS / Friday, July 27, 2012, 11:43 AM

AAA

 Share 33  Tweet 



AARON SHOWALTER FOR NEW YORK DAILY NEWS



# **IL Affordable Housing Planning and Appeal Act**

Phil Meno

## **IL Affordable Housing Planning and Appeal Act (AHPAA) - 2003**

- Passed to address lack of moderately priced housing in many communities
- Established 60%/80% criteria for measuring lack of affordable housing in communities
- “Regional Median Household Income” (RMHI)
- Illinois Housing Dev. Authority (IHDA) goal for each city=20% of housing stock affordable

*[Excerpted from IHDA AHPAA 2013 Handbook]*



## Municipalities Subject to/at-risk of being Subject to, AHPAA → Aff Hsg %

Villa Park	Now Exempt	Carol-Stream	Now Exempt
Lombard	Now Exempt	Downers Grove	Now Exempt
Wood Dale	Now Exempt	Lisle	16.5%
Roselle	Now Exempt	Glen Ellyn	15.9%
Darien	17.9%	Itasca	17.6%
Wheaton	13.7%	Bloomingtondale	Now Exempt
Clarendon Hills	14.1%	Winfield	18.7%
Oakbrook Terrace	11.3%	Elmhurst	8.2%
Bartlett	10.2%	<b>Naperville</b>	<b>7.5%</b>
Hinsdale	3.3%	Oak Brook	2.6%
Burr Ridge	3.3%	Wayne Village	4.8%

Source: *Statewide 2018 Affordability List at [www.ihda.org](http://www.ihda.org) based on 2016 ACS 5 yr estimate*

# Who is impacted by the shortage of Affordable Housing in Naperville?

- Naperville Workforce being priced out
- Seniors
- Disabled
- Veterans



# **Suggestion for Integrated Housing Plan for Naperville**

Anne Houghtaling



# The Federal Fair Housing Act

- Title VIII of the Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988 together are called the Fair Housing Act (FHA)
- The FHA prohibits housing discrimination based on certain protected classes

# **The Seven Federally Protected Classes**

- Race
- Color
- National Origin
- Religion
- Sex
- Handicap (Disability)
- Familial Status

## **Note on State and Locally Protected Classes**

- Some state and local jurisdictions prohibit housing discrimination based on additional protected classes
- Depending on the jurisdiction, additional protected classes may include
  - Source of income
  - Sexual orientation
  - Age
  - And others



# **Closing Thoughts & Ask for Commitments**

Mike Ryder

# Housing Position Paper Recommendations

## Referencing Analysis of Impediments Action 3B:

**Prepare a Housing Position Paper that fully integrates planning for fair housing and affordable housing into Naperville's comprehensive planning and implementation Process.**

Until fair housing and affordable housing is integrated into Naperville's processes, have the Housing Advisory Commission consult on significant housing developments being considered.

## Commission Actions Tonight

1. Commit to the preparation of a Housing Position Paper draft within eight months.
2. Identify two Commission members to lead the preparation of a Position Paper draft and provide a plan and timeline for the draft at the March meeting.
3. Identify one Commission member to follow and report to Commission on housing developments being considered.

## **Attainable Housing in 5<sup>th</sup> Ave. Development Recommendations**

**Take the position that any 5<sup>th</sup> Ave Development housing component include a minimum of 10% Attainable Housing ... with Attainable Housing defined as the Illinois Housing Development Authority (IHDA) definition of Affordable Housing.**

### **Commission Actions Tonight**

1. Commit to the above recommendation.
2. Identify two Commission members to draft the Position Paper and circulate for comment prior to the March Commission meeting.
3. Plan on approving the Position Paper at the March Commission meeting.



## **Key Definitions**

### **Affordable Housing**

As defined by Illinois Housing Development Authority (IHDA) – For family with income that is 60% of the Area Median Household Income (AMHI), if housing costs no more than 30% of that income, then the housing is affordable.

### **Attainable Housing**

Term being used in 5th Ave Development documents and discussion. However, it is not defined.

### **Proposed Definition of Attainable Housing**

Attainable Housing = Affordable Housing as defined by IHDA.

**DRAFT****Du Page Homeless Alliance's Suggestion for a Position Paper on Attainable Housing in the Proposed 5<sup>th</sup> Avenue Development****Naperville has an opportunity to burnish its already solid image as a progressive, forward-thinking, and "great place to live" city. It is an opportunity that should not be squandered.****Background:**

At the December 4 meeting of the Naperville City Council, during discussion of Agenda Item K. 1 regarding the 5<sup>th</sup> Avenue Development, it was decided that a late January workshop for City Council would be desirable to discuss several major issues impacting the decision to go forward with Phase II of the development. Among those issues was the inclusion of attainable housing in the planned development. The Housing Advisory Commission (HAC) was asked to provide input ahead of such workshop. To facilitate a response, The Du Page Homeless Alliance has sketched out herein what a position paper might look like.

**Definition:**

No one thus far in the Ryan/Steering Committee process has, to our knowledge, fixed a definition to the term "attainable housing". We would suggest that such housing, in the case of rental units, consists of units for which a given family size making 60% of the Area Median Household Income (AMHI) for such family size would have to spend no more than 30% of such household income on rent. Defining attainable as anything more expensive than this standard would achieve nothing for the City in terms of its progress towards its goals contained in the most recent Analysis of Impediments study, nor in its dealings with the Illinois Housing Development Authority (IHDA).

**Addressing Salient Comments Made at the December 4<sup>th</sup> Meeting:**

1. City Advocate SB Friedman made the categorical statement that including attainable housing clearly is not the optimal financial use of the properties in question.
  - RESPONSE: In a vacuum, this statement is compelling. However, it ignores a few resources/tactics available to a developer that could ameliorate the "shortage" in rents/proceeds for having below-market units in the project. These would include federal Low-Income Housing Tax Credits (LIHTCs) administered by the Illinois Housing Development Authority. Since Naperville's percentage of attainable housing units (as defined above) is so far below the state's target percentage, it is considered an "Opportunity Zone", thus INCREASING the ability of a developer to win such credits in the competitive application process' scoring system. There are also other funding vehicles 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 attainable units. Also, while the goal of all attainable housing is to make those units indistinguishable from the market units from the outside, the floorplans/size of the affordable units can be smaller, finishes more basic, etc. thus reducing the building costs of such units (i.e. there are 2,500 sq. ft. 3-bedroom apartments, and there are 1,100 sq. ft. 3-bedroom apartments), and the number that can be fit into the same space. Finally, in any "cost-benefit analysis", the potential cost/exposure of a failure to address Naperville's attainable housing shortage given this golden opportunity presented to the City must be taken into account.

2. The desire from Councilmen White, Anderson, and Obarski for more information on attainability:

RESPONSE 1: This is a fairly broad request and it is hard to determine exactly what information is being sought. There is no shortage of data, most of it in the 2017 AI and exhibits thereof, highlighting the shortage of attainable units in Naperville. In a separate document we lay out a rough outline for a comprehensive integration of planning for affordable and fair housing into the comprehensive planning and implementation process of the city, such integration being one of the goals of the most recent AI. In that document, we have highlighted and cited several sources of information regarding attainable housing as defined above.

RESPONSE 2: The DuPage Homeless Alliance, together with DuPage United, put together a primer presentation on Attainable Housing which was presented to a broad audience in July, 2018 at St. Thomas the Apostle Church. A handful of councilmen and HAC commissioners were in attendance, but it might be useful for Council to parse through the power point presentation at or before its workshop.

**Very Pertinent Facts About This Proposed Development:**

1. The proposed development surrounds the Naperville Metra station, and is also served by Pace bus routes. It is also walking distance to the vibrant Naperville downtown district which is in constant need of service and other employees; and,
2. The City owns the parcels of land that would be included in the proposed development and therefore has more control than it would normally have concerning the development's particular features, and it should be able to contractually retain such control whether the property is sold or leased as the project goes forward

**Conclusion:**

The HAC, having been tasked by City Council with implementing the goals and action steps documented in the AI accepted by City Council in 2017, has been diligently working on various items in such AI, including most recently the task of educating council, staff, and others on fair housing issues.

As mentioned above, also included in the action steps are longer-term goals which include working to fully integrate attainable and fair housing into the comprehensive planning and implementation process of the City.

The fact that these longer-term objectives have understandably not yet been achieved should not cause the City to miss the golden, and perhaps once-in-a-lifetime, opportunity that the 5<sup>th</sup> Avenue Development presents to achieve substantial progress on its twin goals of 1) increasing the amount of attainable (as defined) housing stock in Naperville, AND 2) increasing such stock that is accessible to public transportation.

**Accordingly, the Du Page Homeless Alliance urges the commission to recommend, as others in the community have, that at least 10% of residential units that become a part of the development be attainable as defined for such unit sizes by the Illinois Housing Development Authority (the 60% AMHI threshold), and that all available tax credits, grants, and other financial assistance that is available for the construction of such units be pursued.**



## **Homes for a Changing Region Technical Assistance Process**

*Last Updated: December 21, 2018*

### **Process Overview**

The *Homes* team will provide assistance to ten selected communities across three phases of work.

The *Homes* team will identify the ten communities over two years. Once selected, each engagement will follow the process below:

- First, the team will develop an **housing needs assessment** and use that analysis to identify key housing issues through facilitated conversations with elected officials and stakeholders;
- Next, the team will convene an **expert panel** targeted to those key housing issues to discuss implementation strategies to address them; and
- Finally, the team will produce a **housing action plan** that recommends targeted steps to address key issues and will hold at least one meeting to begin implementation.

### **Technical Assistance Process**

#### **Step One: Housing Needs Assessment**

The *Homes* team starts each engagement with a **housing needs assessment** that identifies the most pressing housing issues in that community. The assessment includes a targeted housing needs analysis to understand and quantify existing housing conditions for households at all income levels, including low-income households. **CMAP** or **MMC** will lead this task.

This assessment will be a Powerpoint and will:

- Review the community's existing housing supply and compare the type and price of housing stock to the age, income, and tenure of the current population via the *Homes* toolkit, IHDA market sheets, US Census data, and other publically accessible data sources.
- Assess housing needs, especially for low-income households.
- Summarize existing community plans, their current recommendations on housing if any exist, and whether it qualifies as a community revitalization plan.

The needs assessment will be used to facilitate two meetings:

- A **kickoff meeting** will be held with key elected officials and staff, at which the team will introduce the project, present the housing needs assessment, initiate a conversation on housing challenges and opportunities informed by the data, identify other local issues that the assessment did not identify, and reveal prior or on-going municipal actions to address known challenges.
- A **stakeholder focus group** will consist of local stakeholders, including developers, realtors, and landlords, to further discuss needs and challenges. At this focus group, the team will introduce the project, discuss the key findings from the needs assessment, facilitate a conversation on housing challenges informed by the data, and identify top housing issues to be addressed in the action plan.

After these two meetings, the team will update and finalize the needs assessment.

Deliverables:

- **Minutes from focus group meetings** of local stakeholders; and

- **One housing needs assessment**, in Powerpoint format.

#### Step Two: Convene an Expert Panel

Next, the team will convene an **expert panel** of outside experts and peer communities to identify and discuss potential implementation steps targeted to each issue in the needs assessment. Panel topics will be tailored to the findings of the needs assessment. **MPC** will lead this task.

The panel will include three to five participants and consist of a mix of IHDA staff, regional experts, and staff from peer municipalities with experience in the issue:

- Within IHDA, the best participant will be matched to that community's most pressing issues, such as multifamily development, homebuyer assistance, or abandoned and blighted properties.
- An experienced elected official or staff member from a municipality of equivalent size or capacity may discuss the issue and ideas for readily achievable steps for implementation.
- Finally, the panel may include staff or an elected official municipality of equivalent size or capacity with experience in the issue and ideas for readily achievable steps for implementation.

To prepare the panelists, the team will share the needs assessment and hold a call.

Deliverables:

- **Minutes from expert panel meeting**; and
- **Documentation of each expert panel** in a short memo.

#### Step Three: Housing Action Plan

In this last phase of the engagement, the team will synthesize all of this planning work and pivot to implementation by developing a **housing action plan**, which will recommend strategic actions that the community can take and directly link those actions to available IHDA programs to create a pathway to implementation. This action plan succinctly summarizes the needs, goals, and strategies developed over the course of the engagement. **CMAF** or **MMC** will lead this task.

The action plan will include the following elements:

1. A summary of the needs assessment;
2. A summary of the expert panel, including panelists' recommendations;
3. Recommendations for municipal actions to address the issues;
4. Available funding to implement the recommendations, focused on leveraging private and public dollars, with a focus on IHDA programs;
5. Best practice ordinances and programs in similar communities;
6. Clear steps to establish a revitalization plan, as defined by IHDA, if one is needed; and
7. Future local committees or planning initiatives to continue municipal focus on housing.

The team will draft the plan for IHDA review. Once reviewed, the team would present this action plan at a Village Board or City Council meeting. After the presentation, the team will remain engaged on implementation by directly connecting the community to successful peer municipalities and partners who can coach them on initial action steps.

Deliverables:

- **One action plan**; and
- **One presentation of the action plan** at a Village Board/City Council meeting.