

# Housing Awareness

League of Women Voters Central Kane

May 9, 2019

# Agenda

Why are we here

Housing – A current view

A Legal View

Questions and Answers

Call to Action

Chuck Miles, Geneva Resident

Tracey Manning, Burton Foundation

Anne Houghtaling, Hope Fair Housing

All

Chuck Miles

# Why are we here

In 2013/2014 Geneva City Council adopted recommendations of Homes for a Changing Region

- Included Actions to improve housing options in Geneva
- Included Potential Properties for Development of Housing that is Affordable

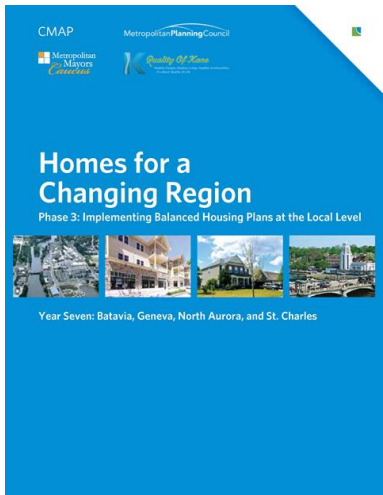
Since then,

- City has not implemented those Actions
- City has allowed Potential Properties to be used for other than intended purpose
- New Strategic Plan Adopted in Fall of 2018 included Goal to improve Housing Diversity

**May 29** at 7pm, Committee of the Whole will Begin Discussion on Affordable Housing

**Our City Council Needs to Know that they Have Community Support !!!!**

**We cannot let our elected officials fail to meet their promises and obligations to our community**



# Actions Approved in 2014

Establish a goal that 15 percent of all new housing units will be affordable housing

Amend the zoning ordinance to allow for compact residential development in key areas of the City.

Create an incentive-based overlay zoning district that encourages the development of affordable housing.

Commission a downtown parking study.

Consider a foreclosure redevelopment program.

Create and market materials to citizens that describe housing trends, data, and related goals.

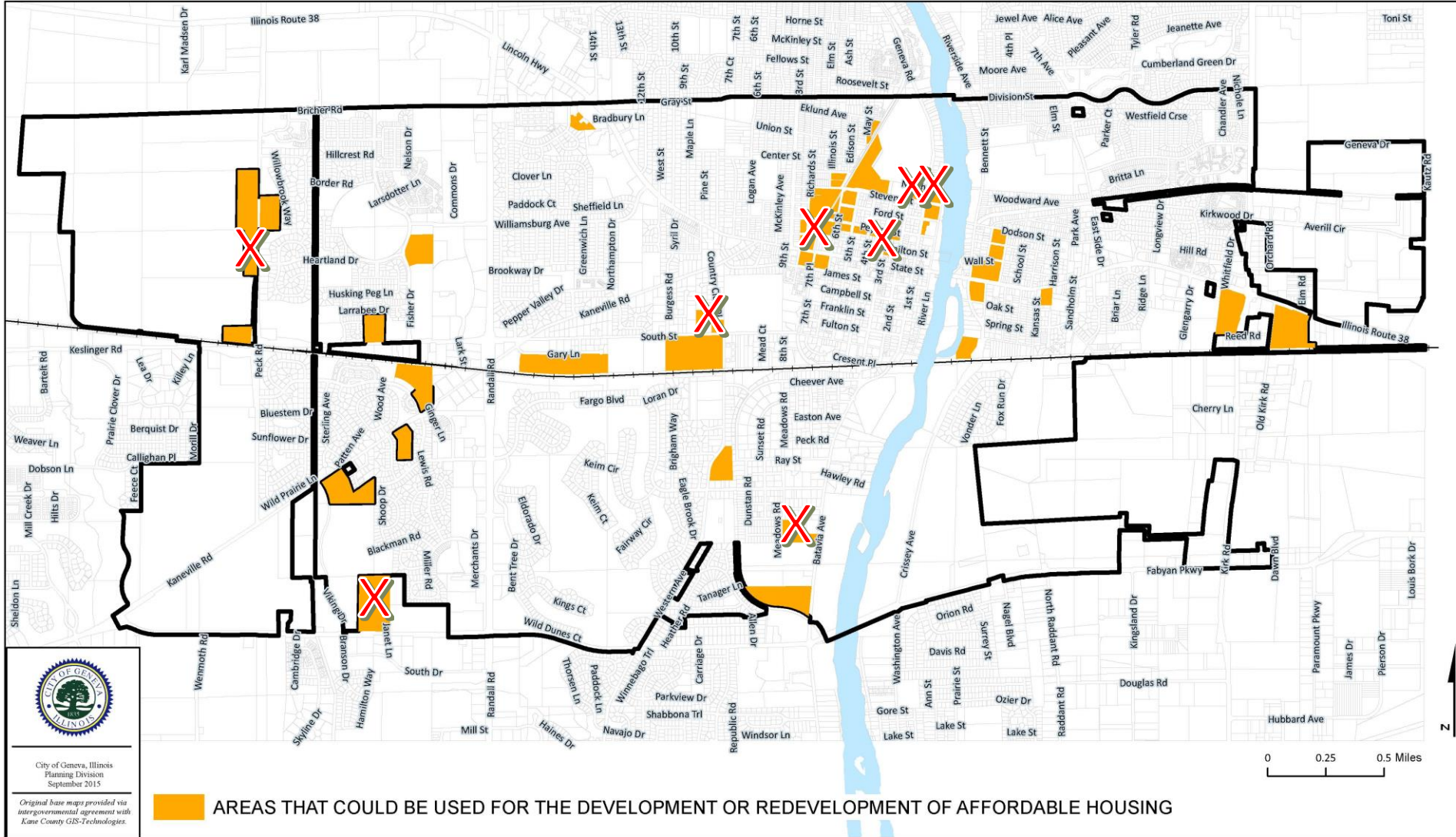
Register and inspect rental properties.

Reaffirm the City's commitment to be an open community.

Additional measure: consider creating an inclusionary zoning ordinance.

# CITY OF GENEVA

## HOMES FOR A CHANGING REGION - 2015 UPDATE




City of Geneva, Illinois  
 Planning Division  
 September 2015

*Original base maps provided via  
 intergovernmental agreement with  
 Kane County GIS-Technologies.*

AREAS THAT COULD BE USED FOR THE DEVELOPMENT OR REDEVELOPMENT OF AFFORDABLE HOUSING

What is Affordable  
Housing?

# Affordable Housing Planning and Appeal Act (AHPAA)

## AFFORDABLE RENTAL HOUSING

Rent and utilities constitute no more than 30% of the gross annual income for a household of the size that may occupy the unit.

Affordable to renters at 60% of the regional median household income.

## AFFORDABLE OWNER-OCCUPIED HOUSING

Mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual income for household of the size that may occupy the unit.

Affordable to owners at 80% of the regional median household income.

**Affordable Housing is a Measure used to Determine How Much of a City's Housing Stock is Affordable  
In 2013, Geneva had 5.4% Affordable, in 2018 (Doing Nothing) increased to 7.3% Affordable**

**Think Differently – Geneva Needs Housing that is Affordable**

# Regional Median Household Income

	1 Person	2 Person	3 Person	4 Person	5 Person
80%	\$47,400	\$54,200	\$60,950	\$67,700	\$73,150
60%	\$35,580	\$40,620	\$45,720	\$50,760	\$54,840

## EXAMPLES OF POSITIONS EARNING BELOW 60%

### Geneva Public Library District

Library Assistant

Administrative Assistant

### Geneva Park District

Preschool Teacher

### Kane County

Paralegal in the State's Attorney Department

Forest Preserve Maintenance Worker

## EXAMPLES OF POSITIONS EARNING BELOW 80%

### Geneva Public Library District

Librarian

### Geneva School District 304

Teacher with BA and 6 years of experience

### Kane County

Senior Probation Officer

Building Inspector

Community Affairs Specialist

**61 Geneva Residents with Developmental Disabilities Currently Need Some Form of Supportive/Affordable Housing**

# Average Rental Prices

## One Bedroom Apt

Average Rent		Minimum Monthly Income	Minimum Annual Income
<a href="#">Aurora</a>	\$1,302	<b>\$4,340</b>	<b>\$52,080</b>
<a href="#">Elgin</a>	\$1,064	<b>\$3,547</b>	<b>\$42,560</b>
<a href="#">Saint Charles</a>	\$1,300	<b>\$4,333</b>	<b>\$52,000</b>
<a href="#">Geneva</a>	<b>\$1,369</b>	<b>\$4,563</b>	<b>\$54,760</b>
<a href="#">Carpentersville</a>	\$944	<b>\$3,147</b>	<b>\$37,760</b>
<a href="#">Huntley</a>	\$1,047	<b>\$3,490</b>	<b>\$41,880</b>
<a href="#">Batavia</a>	\$1,019	<b>\$3,397</b>	<b>\$40,760</b>
<a href="#">Dundee</a>	\$1,579	<b>\$5,263</b>	<b>\$63,160</b>
<a href="#">Montgomery</a>	\$1,034	<b>\$3,447</b>	<b>\$41,360</b>
<a href="https://www.rentcafe.com/average-rent-market-trends/us/il/geneva/">https://www.rentcafe.com/average-rent-market-trends/us/il/geneva/</a>			



# Encourage Diversity of Residential Housing

Variety of housing options allow residents to age in place

Provide single-family detached, single-family attached, multi-family, affordable senior housing, workforce housing

Infill development that is consistent with and compatible with adjacent densities, setbacks, and intensities of development

City of Geneva  
**Downtown/Station Area Master Plan**  
Adopted November 12, 2012 / Amended November 18, 2013

HL  
HOUSING  
LAWYERS



# What Is Section 8?

**Section 8 of the [Housing Act of 1937](#) (42 U.S.C. § 1437f)**, often called **Section 8**, as repeatedly amended, authorizes the payment of [rental housing](#) assistance to private landlords on behalf of approximately 4.8 million low-income households, as of 2008,<sup>[1]</sup> The [U.S. Department of Housing and Urban Development](#) manages Section 8 programs.<sup>[2]</sup>

**Fundamentally, a Federal Government Program to assist in obtaining housing that is affordable**

**No Different than Mortgage Interest Deduction or Deductibility of Real Estate Taxes for Home Owners or Capital Gains Exclusion on Sale of a House**

**We don't blame a Run Down Home on the IRS!!!!**

# Impact on Property Values

A review of the literature on affordable housing conducted in 2005 indicated that most studies do not find a negative impact related to affordable housing developments. The review also shows that affordable housing sites in economically strong communities and dispersed across metropolitan regions are the most successful and have the least negative impacts.

**A 2013 study focused on affordable housing development in suburban New Jersey, which has a state policy similar to AHPAA, found affordable housing development was not associated with increased crime, decreased property values, or increased taxes.**

# Impact on Property Values

## NEGATIVE IMPACT

**Quality, design, and management of affordable housing is poor. For Example – Government Run**

Affordable housing is located in dilapidated neighborhoods that contain disadvantaged populations.

When affordable housing is clustered.

## NO IMPACT OR POSITIVE IMPACT

Affordable housing is sited in healthy and vibrant neighborhoods.

**The structure of affordable housing does not change the quality or character of the neighborhood.**

**The management of affordable housing is responsive to problems and concerns.**

Affordable housing is dispersed.

# Housing Development

Tracey Manning

President, Burton Foundation

AFFORDABLE HOUSING:  
IT'S NOT WHAT MOST THINK

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# BASICS OF LOW INCOME HOUSING TAX CREDIT DEVELOPMENTS (LIHTC)

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- Enacted by Congress as part of the Tax Reform Act of 1986
- Operates under Section 42 of the Federal Internal Revenue Code (the “Code”)
- Dollar-for-dollar reduction in tax liability to investors in exchange for equity in the program
- Each state receives \$1.75 per capita in tax credits
- Also known as the “Housing Tax Credit”



# OWNERSHIP STRUCTURE OF AN LIHTC DEVELOPMENT





## FOR ELECTED OFFICIALS AND RESIDENTS

- Standard approval process for zoning
- Affordability is not relevant for zoning purposes
- Development pays all local taxes
- Property Management has high standards

# The Players

- IRS (Created and Administers the LIHTC Program)
- State Allocating Agency (Every State Has One)
- Developer/Owner
- Investor/Equity Partner
- Property Management Company

## HOW AFFORDABLE HOUSING IS FINANCED

<b>Allocation of Credits</b>	<b>Funds Needed</b>	<b>LIHTC Application</b>
Every state is allocated Low Income Housing Tax Credits (LIHTCs) based on population	Developers need funds as costs to build affordable housing are the same as market-rate housing; however, rents are less	Developers apply for LIHTCs with their state allocating agency. Awards are based on a competitive application criteria in the Qualified Allocation Plan (QAP)

# HOW AFFORDABLE HOUSING IS FINANCED

<b>LIHTC Award</b>	<b>Converting LIHTCs into Equity</b>	<b>Development the Building</b>
Allocating Agency selects developments to award LIHTCs	After award, developer converts LIHTC to equity by selling them to investors who use them as credits to offset Federal Tax Liability	Developer constructs buildings as any other market rate development would.

# How Does Equity Allow for Lower Rent Levels

- Private Equity Eliminates the Need for Conventional Debt/Mortgage
- Allows Developers to Charge Lower Than Market Rate for 15 years



# MAXIMUM GROSS MONTHLY RENTS and INCOMES

Max Rents	1 Bedroom	2 Bedroom	3 Bedroom
50% AMI	793	952	1,100
60% AMI	952	1,143	1,320

Max	1 Person Household	2 Person Household	3 Person
50% AMI	\$29,650	\$33,850	\$38,100
60% AMI	\$35,580	\$40,620	\$45,720

AMI: Area Median Income

2018 Kane County Area Median Income:  
\$64,467

## What Is The Process for an Award of LIHTCs

- Highly competitive process for developers
- Detailed application and scoring criteria in State Qualified Allocation Plan (QAP)
- Set-asides for different areas of market
- Target locations for developers in QAP:
  - Opportunity Areas
  - Community Revitalization Areas

## WHAT YOU CAN DO

- Begin conversations with developers as early as possible
- Ask developers to regularly meet with city staff and residents
- Ask developers to provide tours of their past developments
- Educate community: what is LIHTC, what it is not
- Run Plan Commission meetings by the book
- Be patient, it is a long process



# MISCONCEPTIONS

Misconception	Fact
Developments are submarket quality	Builders of affordable housing must comply with all the same restrictions on design and construction standards as market-rate projects.
Will attract the "wrong" people from elsewhere	On average, our buildings support 83% of of the market area population
Do not need this type of housing	Every municipality is required to have affordable housing.
Affordable housing drives down property property values.	Affordable housing has no negative impact impact on <a href="#">home</a> prices,
Affordable housing is a burden on taxpayers and municipalities.	The reality is that affordable housing enhances local tax revenues. By improving improving blighted housing stock, or replacing substandard housing stock, affordable housing becomes a net plus on on the tax roles.
Affordable housing brings increased crime.	There are no studies that show affordable affordable housing brings crime to

Source: Habitat for Humanity

# MORE AFFORDABLE FACTS

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- Some of the people impacted by a lack of affordable housing include employers, seniors, poor people, immigrants, low-wage or entry-level workers, firefighters, police officers, military personnel/veterans, and teachers.
- The lack of affordable housing means taxes revenues are not in place to improve roads, schools, or air quality. It means businesses struggle to retain qualified workers, and lowers the amount of money available to spend in those businesses.

## WATER'S EDGE OF SOUTH ELGIN SOURCES OF FUNDS

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-	PREDEVELOPMENT LOAN	ILLINOIS FACILITIES FUND	\$ 500,000
-	CONSTRUCTION LOAN	BANK OF AMERICA	\$ 9,785,444
-	LIMITED PARTNER EQUITY (TAKES OUT BOFA LOAN)	RAYMOND JAMES	\$ 14,073,811
-	TRUST FUND LOAN	IHDA	\$ 1,446,342
-	DCEO GRANT	ENTERPRISE GREEN COMMUNITIES	\$ 172,584
-	AHP GRANT	FEDERAL HOME LOAN BANK	\$ 480,000
-	TIF FUNDS	VILLAGE OF SOUTH ELGIN	\$ 100,000



WATERS EDGE OF SOUTH ELGIN  
SOUTH ELGIN, ILLINOIS  
50 UNIT FAMILY COMPLEX





# HIGH END FURNISHINGS



# BEAUTIFUL COMMUNITY SPACES





## QUIET SPACES THROUGHOUT THE BUILDING



# HEALTH AND FITNESS

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FITNESS



FUN





STONEBRIDGE OF GURNEE  
GURNEE, IL  
120 UNITS FOR PHYSICALLY DISABLED INDIVIDUALS  
22-64 YEAR OLDS





# BEAUTIFUL ENTRANCES





# SPACIOUS DINING AREAS





THOMAS PLACE GLENDALE HEIGHTS  
GLENDALE HEIGHTS, IL / 81 UNITS FOR SENIORS





THOMAS PLACE GURNEE  
GURNEE, IL / 101 UNITS FOR SENIORS



MARISON MILL SUITES, SOUTH ELGIN, IL  
70 UNITS FOR SENIORS  
UNDER CONSTRUCTION – LEASING OCTOBER 2019





DEVELOPERS  
AND  
SOCIAL SERVICE PROVIDERS  
WORKING TOGETHER

# SUPPORTIVE SERVICES

## Developmental Disabilities Services offered include:

- Case management, benefit maintenance & oversight.
- Housekeeping assistance, budgeting/money management.
- Physical health & medication assistance.
- Community integration, recreation, employment support.
- Daily living and socialization including development of friendships/natural friendships/natural supports.



# BENEFITS OF AFFORDABLE HOUSING HOUSING

- Residents/tenants can chose a one bedroom apartment or share a 2 bedroom apartment with a friend; or select a 3 bedroom unit to share with a friend, and live-in support staff if needed (support staff stay rent free).
- Properties are new, accessible, state of the art with wonderful amenities, ie. gathering room, exercise room, community room, secured access, close to stores, transportation and on-site support services.
- Service providers can utilize all funding for services, rather than incurring expense for building rent/purchase, maintenance and repairs.

# WORKING WITH DEVELOPERS

- Contact developers regarding their interest in developing affordable housing in your community .
- Offer free on-site support services for tenants you agreed to support (and others who are Medicaid-eligible) in exchange for free, on-site office space for support staff (secure State BALC license offices if needed).
- Offer to partner with developer in preparing IHDA and other funding source applications to finance project.
- Continuously work with property managers to assure residents receive needed services and meet their lease expectations.

# WHY PURSUE RELATIONSHIPS WITH AFFORDABLE HOUSING DEVELOPERS?

- Stable Affordable Housing is a Social Element of Health
- Supportive Housing gives consumers/clients a great base from which to achieve their goals (i.e. better health, employment, education, etc.)
- No cost to the service provider for supportive housing for their consumers/clients
- True community integration for persons with disabilities.
- Potentially increasing the service providers' client base by providing services to eligible tenants in the building
- Win for the tenant, win for the service provider, win for the property owner

# Fair Housing

Anne Houghtaling

Executive Director, Hope Fair Housing Center

May 9, 2019

# HOPE Fair Housing Center

- Established in 1968.
- Headquartered in DuPage County.
- Civil rights organization.
- Non-profit 501(c)(3).
- Multiple programs designed to achieve equal opportunity in Northern and North Central Illinois, including public policy, education & training, complaint intake and investigation, case advocacy.



# 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**

- **Illinois Human Rights Act:**

- **Sexual Orientation**
- **Ancestry**
- **Marital Status**
- **Gender Identity**
- **Age (over 40)**
- **Order of protection status**
- **Military status**

**Depending on the jurisdiction, additional protected classes may include source of income.**



# Specific Prohibitions

- Specifically, it violates the law, in a sale or rental transaction to:
  - *Fail or refuse to accept a bona fide offer*
  - *Refuse to sell or rent or to negotiate for sale or rental*
  - *Impose different prices or charges for sale or rental*
  - *Use different qualification standards or procedures*
  - *Delaying or failing to provide maintenance*
  - *Evict tenants because of their race, etc. or the race, etc. of their guests. 24 CFR 100.60*

# Affirmatively Furthering Fair Housing

- New HUD rule on Affirmatively Furthering Fair Housing discusses the importance of community input in the planning process
- Community organizations can play a key role in getting the word out about community engagement sessions to the general public and can also provide input regarding the unique needs of the community during fair housing and other planning activities.

# Community Participation

- HUD requires municipalities and other jurisdictions to provide opportunities for community participation.
- Understanding the fair housing landscape requires local knowledge.
- Fostering inclusive communities cannot happen without community input and support!

# Articulating Wants/Needs

- Providing comment at a public hearing is a powerful way to participate in the community planning process and address the community's wants/needs.
- Step-by-step guidebook
- You don't have to speak to have your voice heard.
- Written comment is an effective tool as well

Q&A

What Is Next?

## **IMPORTANT INFORMATION**

Homes for a Changing Region Study – Geneva, Batavia, St Charles and North Aurora

<https://www.cmap.illinois.gov/programs/housing/homes>

Geneva Strategic Plan and Consultant Report on Strategy

<https://www.geneva.il.us/Archive.aspx?AMID=64>

Affordable Housing Presentation October 15, 2018 to COW

<https://www.geneva.il.us/691/Presentations>

League of Women Voters – Central Kane County – Presentation will be posted here

<https://my.lwv.org/illinois/central-kane-county>

Contact your Aldermen

<https://www.geneva.il.us/124/Aldermen>

Questions Concerning Campana

<http://il-batavia.civicplus.com/AgendaCenter/ViewFile/Item/11257?fileID=7920>

Discriminatory Housing Issues

<http://hopefair.org/>



**READ**

## **Geneva Urban Planners Book Club at Geneva Public Library**

*Climbing Mount Laurel- Princeton University Press*

Comprehensive Analysis of the impacts of the Ethel Lawrence Homes in Mount Laurel, New Jersey

*High-Risers: Cabrini-Green and the Fate of American Public Housing - Ben Austen*

*High-Risers* is a sweeping exploration of race, class, popular culture, and politics in modern America that brilliantly considers what went wrong in our nation's effort to provide affordable housing to the poor—and what we can learn from those mistakes.

# What Can I Do?

Please contact (email or phone) your aldermen with comments supporting the actions approved by the City Council in 2014 that are included in the Homes for a Changing Region. These actions are listed below.

On **May 29** at 7pm, there will be a Special Meeting of the Committee of the Whole to discuss housing issues. Please contact your aldermen in advance of that. They need to hear that there are residents that support the expansion of a diversified housing stock that increase the amount of housing that is affordable.

1. Establish a goal that 15 percent of all new housing units will be affordable housing
2. Amend the zoning ordinance to allow for compact residential development in key areas of the City.
3. Create an incentive-based overlay zoning district that encourages the development of affordable housing.
4. Commission a downtown parking study.
5. Consider a foreclosure redevelopment program.
6. Create and market materials to citizens that describe housing trends, data, and related goals.
7. Register and inspect rental properties.
8. Reaffirm the City's commitment to be an open community.
9. Additional measure: consider creating an inclusionary zoning ordinance.

Remind your elected officials that the City made a commitment to these actions in 2014 and have made no measurable progress on improving the diversity of housing in Geneva. The most recent Strategic Plan approved by the City in the Fall of 2018 continues to highlight this need. The City needs to take action to meet the City's Strategic Goals as well as the commitments it has made to the State in terms of actions to improve our housing stock.

