



Grace Terrace - Frequently Asked Questions



Figure 1: Grace Terrace Revised Rendering with Building and Parking Facing West

Full Circle Communities has prepared this Frequently Asked Questions document to provide information about our work and the Grace Terrace development. For more information please visit our website: www.fccommunities.org

1. What is Grace Terrace?

Grace Terrace is a 25-unit permanent supportive housing (“PSH”) development targeted toward veterans and persons with disabilities earning between 30%-50% Area Median Income (“AMI”). The development is located at 1519-1625 S Arlington Heights Rd, in Arlington Heights, IL. The proposal offers (20) one-bedroom and (5) two-bedroom universally designed units including Americans with Disabilities Act (“ADA”) and adaptable units to meet the needs of the tenants.

The building will be elevator-served and include on-site amenities such as a community room, computer lab, laundry, tenant storage space, a fitness center, a community garden, on-site property management, and on-site service offices. The property will have 25 parking spaces with 8 accessible parking stalls.

2. What type of disabilities do residents typically have and what is Full Circle’s screening process?

Full Circle properties are disability neutral; we cannot include or exclude any specific disability. Disabilities may be physical, developmental, and/or mental in nature. Our properties do not include 24/7 medical care, so they may not be the right living situation for

everyone. All units are universally designed and include ADA and adaptable units and will be marketed to people who can live independently.

We are unable to provide aggregate information on resident disability types. In compliance with fair housing, ADA, and HIPAA regulations, Full Circle does not collect tenant disability type information. An applicant's disability status is confirmed by a third party and referred to us to complete the screening process.

Full Circle has a rigorous screening process that includes credit and criminal background checks, and a verification of qualifications, citizenship status, income, and a demonstrated ability to pay rent. Our screening applies to all adults who reside in the unit, not just the head of household.

3. **Where do referrals come from? Do you accept referrals from the VAH Health Department?**

Yes, we can accept referrals from the VAH Health Department. We plan to market the Grace Terrace waitlist (where referrals will come from for tenancy) with local organizations that target persons with disabilities and/or veterans such as the Housing Task Force, the local Veterans Affairs, Volunteers of America, Heartland Alliance and Partners in Community Building.

4. **Are there work requirements to be accepted or to remain a tenant at Grace Terrace?**

We do not have work requirements, as that would restrict access for retired residents or those with a disability that prevents employment. However, Full Circle requires evidence that the resident can pay for living expenses. People without employment income would likely be receiving social security or disability income which would help cover living expenses. Residents will also benefit from rental assistance that keeps their portion of the rent affordable. On-site services staff can also help residents increase their income self-sufficiency.

5. **Are drug or alcohol abuse an issue at Full Circle properties?**

We do not find drug or alcohol abuse to be an issue at our properties. Furthermore, because we have to adhere to federal guidelines, anyone who has a history of production or distribution of controlled substances is federally prohibited from receiving a rental subsidy and therefore could not live at Grace Terrace. Anyone found to be involved in this activity after already living at the property would be evicted.

Additionally, even though recreational marijuana is legal in the State of Illinois, we cannot allow the use of marijuana on our property because of federal requirements. There cannot be possession or use of any controlled substances, including marijuana, on our properties.

6. How are rules monitored and enforced once a tenant takes occupancy? What happens when a resident commits a crime, violates the no-drug rule, or becomes a registered sex offender?

The safety and security of our residents and staff, along with the surrounding community, is our highest priority. We foster strong relationships with first responders and have received letters of support or recommendation from many of the police departments where our properties are located. One such property is Creekview, a 25-unit senior living facility in Richmond, IL that Full Circle Communities developed in 2017. The Chief of Police of Richmond wrote a letter testifying, "I believe the Creekview community is an excellent addition to the Village of Richmond. The Village of Richmond Police Department prides itself on the close working relationship we have with our residents and community, and I am pleased to see that Creekview similarly places such a high level of importance on this as well."

In addition to fostering relationships with local first responders, residents are subject to a background check at initial occupancy. If a resident demonstrates criminal activity or otherwise violates their lease, an investigation is conducted and the matter is addressed accordingly, up to and including eviction. Due to our funding sources and the corresponding federal and state regulations, our tenants and properties are subject to a higher level of initial and ongoing compliance and vetting than what is required for market-rate residential.

7. What are your citizenry requirements?

Federal funds can only be used for people with citizenship. Through our tenant selection process, applicants need to provide a SSN or a letter that one is pending.

8. Will the tenants be from Arlington Heights?

Per the federal Fair Housing Act, we cannot discriminate in our tenant selection process based on where people currently live. However, we have found that residents at our properties are either from the community, a neighboring community, or have family or employment in the community. Our work with the North-Northwest Suburban Task Force on Supportive Housing (commonly referred to as the Housing Task Force) shows us that there is strong demand for these units in Arlington Heights, and we'll work to make the waiting list available to local residents.

Before the property finishes construction, FCC will open an interest list for people interested in living at the property. When lease up starts, Full Circle will market the interest list to the local community [please reference question #3 for referral process] and work with prospective residents to get them on the Housing Authority of Cook County ("HACC") site-based list. Prospective tenants will then go through the HACC and FCC screening process to ensure they qualify for tenancy.

9. Has the developer ever evicted tenants for repeat violations? What is the timeline from eviction decision to eviction?

Full Circle has evicted tenants, although we are often able to address the issues without eviction, either by working with the resident to modify their behavior or actions, or by encouraging them to voluntarily leave the property. When we perform evictions, the timeline is dependent on the severity of the violations.

We take a blended management approach and work closely with the residents to keep them stably housed. Blended management is a collaborative, team-based approach to working with residents. Communication expectations for blended management are intentionally robust so that staff can proactively resolve any issues on-site and make sure residents' needs are being met. It requires a distinct but complementary role for ownership, property management and supportive services. We implement common goals, language and procedures between these distinct roles to provide the best outcomes for our residents, and the property and the broader community.

10. How will Grace Terrace impact crime rates?

Properties that we have acquired have seen a reduction in emergency response activity due to our proactive management, including the frequent events we host to invite the community and local police departments to interact in positive ways. We maintain a positive relationship with our local elected officials and encourage our residents and the surrounding community to join us in forming block clubs and watch groups, and in reaching out to the proper channel when suspicious activity is observed.

We are the long-term owner and property manager, and it is essential to our mission and our success to avoid issues when possible and address them when they occur. We are long-term, stable neighbors and members of the community.

The Village staff report during the Village board meeting on Dec.4th, 2023 provided information on Heart's Place impact on the local police department. Heart's Place has not generated any additional demand on law enforcement services when compared to standard multi-family residential developments.

11. Response to the incident at Villagebrook Apartments.

On February 3rd, Carol Stream police responded to a domestic disturbance that resulted in the shooting death of one of our residents at the Villagebrook Apartments. This is an ongoing investigation and we are cooperating with all parties involved. The official Carol Stream Police statement can be found here:

<https://www.carolstream.org/Home/Components/News/News/1705/276>

Villagebrook Apartments is 189 units of affordable family housing and is not comparable to Grace Terrace's proposed 25-unit permanent supportive housing model. The Villagebrook Apartments site consists of four buildings with a mix of one-, two-, and three-bedroom apartments, all at 60% AMI.

12. What are the rents per unit at Grace Terrace?

Grace Terrace will provide a mix of one-bedroom and two-bedroom units affordable at 30% and 50% AMI. This means the 30% AMI household income limit would be \$23,000 for an individual or \$26,000 for a couple. For a 50% AMI household the limit would be \$38,000 for an individual or \$44,000 for a couple.

The rental amounts for the one- and two-bedroom units are determined by the payment standards set by the Housing Authority of Cook County (HACC). These standards are revised on an annual basis. Please refer to the link below for rental amounts by area:

<https://thehacc.org/app/uploads/2023/12/Payment-Standards-2024.pdf>

HACC is providing rental assistance for all 25 units at Grace Terrace. Residents will pay 30% of their income on rent, with the remainder being covered by the rental assistance. This ensures that our residents do not become housing cost burdened and remain stably housed.

13. What has the mix of 30% AMI and 50% AMI typically been at comparable FCC properties?

Full Circle Communities develops properties at different AMI levels based on the needs of the populations and communities we intend to serve. There is a strong demand for permanent supportive housing in Arlington Heights as identified by the waitlists at other nearby PSH properties, market research, and the need for more affordable housing for vulnerable populations as stated in the Village strategic plan.

Since Grace Terrace is receiving funds through the Illinois Housing Development Authority's Permanent Supportive Housing program, they dictate the AMI levels we are targeting. The closest comparable property in Full Circle's portfolio to Grace Terrace in AMI levels, targeted population, and building size is Pearl Street Commons, located in McHenry, IL.

14. How many staff will be on-site?

We will have one full-time property manager on-site during business hours, along with 1-2 service providers and a part-time maintenance staff member. The property will not have 24-hour staff on-site as this is independent living. We do have a 24-hour phone line so staff are reachable at any time for issues and emergencies, and a robust, cloud-based camera system that allows for property monitoring when staff are not on-site.

15. How does the building's lighting affect our neighbors?

Full Circle has worked closely with Village staff to ensure Grace Terrace meets or exceeds the standards of the code relative to lighting impacts. The staff have reviewed the plan regarding light spillover and have asked for evergreen screening on the east side of the property, which has since been incorporated into the landscape plans. We have also coordinated with Village staff on lowering the mounting height of the exterior lights that are mounted to the building to avoid disruption to our neighbors.

Please see the photo below of Pearl Street Commons (an FCC-owned and operated building in McHenry, IL) to demonstrate the low level of light that is produced from the interior windows at night. Please note that this photo was taken from a distance of approximately 80' away, which is closer than the nearest neighbor to the property.



Figure 2: Pearl Street Commons, McHenry IL

In response to concerns from neighbors, we have also relocated the parking lot and its associated lights to the west side of the building.

16. How will you address privacy for the neighbors to the east?

There will be a 6' tall solid privacy fence installed along the perimeter of the property adjacent to the neighbors to the east. We are also installing robust and layered landscaping that includes a staggered evergreen barrier, in addition to existing mature trees, to create a buffer between the proposed building and the east property line that ranges in depth from

74' to 102'. This is in addition to the distance of the rear neighbor to their west property line, which is approximately 32', for a total building to building distance of approximately 134'. By comparison, this distance far exceeds the 40' average distance between the homes immediately to the east. This also exceeds the average distance of homes that face each other on Emerson Street, which is about 126'.

In addition, all units will be provided with window blinds. The neighbors' concerns about privacy will also be a concern to our residents.

Below is the site plan demonstrating the landscape buffer as well as the distance between the building and the neighbors to the east.

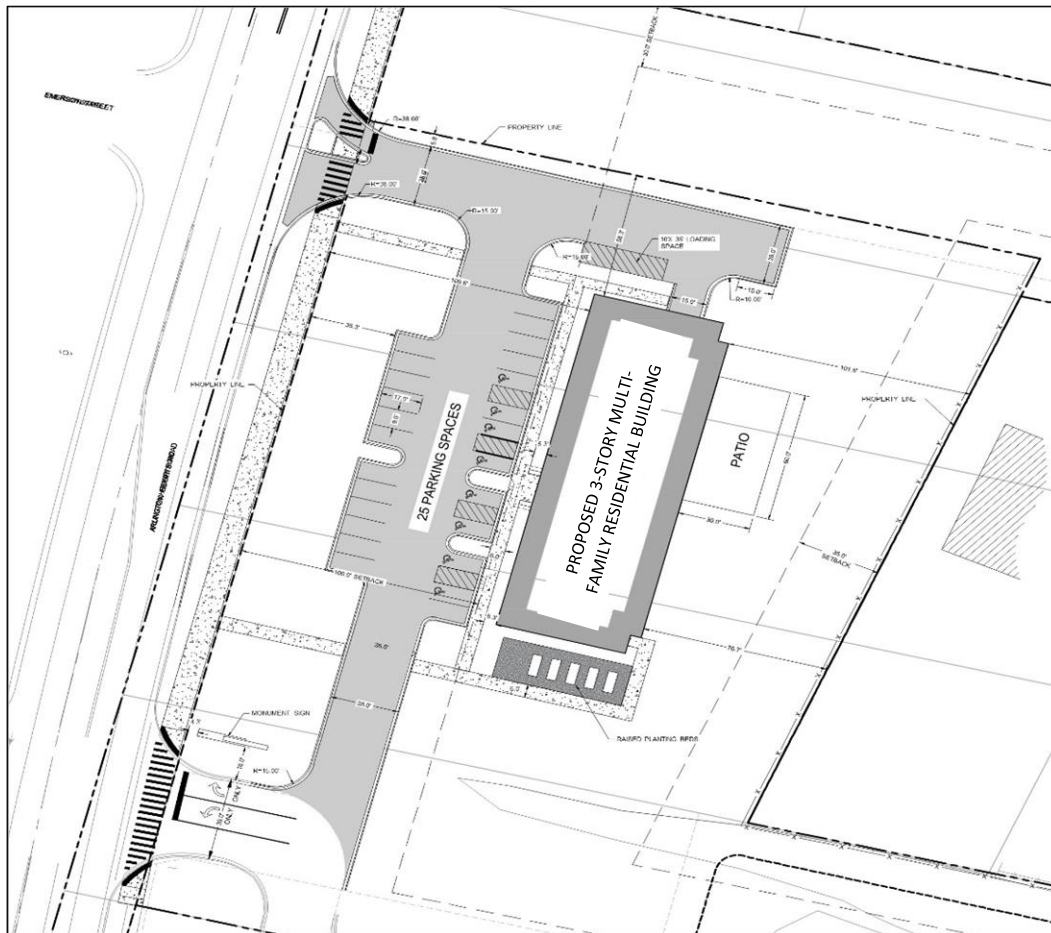


Figure 3: Grace Terrace Revised Proposed Site Plan

17. The current Village corridor plan calls for two stories. Why is a three-story building being proposed at this site?

We are proposing a zoning change from the existing "Office-Transitional" (O-T) District to the proposed "Institutional" (I) District which would allow us to increase from two stories to three stories. Please note that while rezoning from O-T to I allows for a height of up to 45'

(four stories), we are proposing a three-story building that is 35'-9", which is only 5'-9" taller than what is currently allowed under the O-T zoning (30'/two stories). We are minimizing the appearance of the additional height by intentionally exceeding the setback requirements.

There is also precedent for a three-story multi-family building (Park Place) which is located 0.14 miles southwest of our site at 1710 S Arlington Heights Road and is surrounded by single family homes.

18. Why this location? How will residents get access to local services?

We believe the 1519-1625 S. Arlington Heights Rd. site is a great opportunity for housing that provides plenty of amenities. This is supported by a third-party market study conducted by Kretchmer Associates that identifies more than 30 amenities and services within a one mile radius of the site. Grace Terrace will be within 0.5 miles of local parks, grocery stores, restaurants, health clinics and pharmacies.

Residents will also be within 0.5 miles of the Pace Bus Route 208 running along Golf Rd just south of the property. This bus route connects to Metra and CTA lines. Pace also offers On Demand services to people with disabilities and one of their On Demand service zones is located across the street from our site. This service provides reservation-based, shared-ride service within Arlington Heights and Rolling Meadows.

19. Is Grace Terrace dependent on state, federal, or local funds?

The development has a budget of approximately \$13MM. The funding comes from public grants and private debt, which have already been secured and committed. The income generated from rents covers the operational expenses for the building. The Village of Arlington Heights is not providing funding to build or support this development.

Full Circle also reinvests capital back into our properties. Our service model is to return 75% of developer fee and ongoing cash flow to providing services to residents.

20. As a nonprofit organization, will FCC pay real estate taxes on this property?

Grace Terrace is estimated to generate \$50,000 per year in property taxes. We are also paying approximately \$75,000 in impact fees to the Village.

This property has been undeveloped and underutilized for many years with failed attempts to build commercial space. Our proposed use will generate more property taxes compared to its current vacant land status while also meeting the Village's strategic priority of building affordable housing for persons with disabilities.

21. What could the current lot be used for now – why isn't this being considered for single-family home development?

Full Circle Communities focuses on the creation of affordable rental developments for low-income populations. We've worked with local stakeholders to create a plan to redevelop the site into affordable, accessible housing that creates a new home for persons with disabilities and veterans.

According to Village records, the site has been vacant for close to seven years after the single-family homes on this multi-parcel site were demolished, and the market demand remains weak for new office developments. Arlington Heights has identified a need for affordable housing for vulnerable populations in their Consolidated Plan, targeting extremely-low and low-income residents. The Village itself has defined this as a priority.

In high-income areas such as Arlington Heights, where people can pay more for housing, it can be even more challenging for low-income individuals with disabilities to find housing. We are targeting people with a disability and limited incomes who would like to remain in their community and live near family and friends.

22. How will this impact local property values?

Please refer to the Grace Terrace Property Values Addendum document for more information.