



## **HIGHLAND PARK'S AFFORDABLE HOUSING TRUST FUND**

### **1. What is the Affordable Housing Trust Fund (HTF)?**

The HTF is an affordable housing funding program that the City of Highland Park created and operates. The City Council established it by ordinance in May 2002 to provide financial support for affordable housing activities that address the needs of low- and moderate-income individuals and families who live or work in Highland Park.

### **2. Why did the City establish the HTF?**

Creating the HTF was one of the key recommendations in the City's Affordable Housing Plan, which was adopted as an element of the City's updated comprehensive Master Plan in January 2001. The HTF and other recommendations of the Affordable Housing Plan are state-of-the-art strategies designed to complement each other and to facilitate the City's ability to implement its housing goals and its policy of promoting the economic diversity of its population by maintaining and promoting a variety of housing types and prices in neighborhoods throughout the community.

The Affordable Housing Plan was developed in response to resident concerns that housing market trends – including rising land and housing costs and a loss of affordable units over the years – are threatening Highland Park's diversity, changing neighborhood character, and severely limiting housing options for a broad range of individuals and families currently living and working in the community. The limited availability of modestly-priced housing impacts the ability of local employers – including

the City, school districts, other governmental agencies, health care and other service providers, and downtown businesses – to attract and retain employees. In addition, the large number of workers commuting in and out of Highland Park results in increased traffic congestion.

### **3. How will the HTF benefit Highland Park?**

As a source of funding for affordable housing activities in the community, the HTF provides critical “gap” financing essential to starting or completing affordable housing development. It also is an important catalyst to leverage funding from other public and private sources, thereby maximizing the City’s investment and making it possible to provide housing at affordable price points in Highland Park. By focusing on activities that ensure long-term affordability, the HTF maintains the value of its investment for the benefit of the community over time.

### **4. How is the HTF funded?**

The HTF is authorized to accept funds, property, and other resources from public and private sources. The Housing Commission contributed \$1 million in seed money for the HTF from a one-time reserve created through the refinancing of a building that the Commission owns. The City provides on-going funding with revenue derived from demolition permit fees and from a local tax on residential demolitions - \$10,000 for singlefamily homes or, for multi-family buildings, either \$10,000 or \$3,000 per unit, whichever is greater. Two-thirds of the affordable housing demolition tax goes into the HTF. The City’s Inclusionary Housing Ordinance provides that developer payments in lieu of providing actual units also are designated for the HTF.

### **5. How is the HTF administered?**

The Housing Commission is responsible for the administration and operation of the HTF and has sole responsibility for approving the distribution of HTF resources. The City’s Director of Fiscal and

Administrative Services is responsible for the day-to-day fiscal management of the HTF.

**6. What types of activities will the HTF fund?**

The HTF primarily funds affordable housing development activities. Development activities can include new construction of sale or rental housing, rehabilitation of existing housing for sale or rent, new construction or rehabilitation of mixed-use buildings, acquisition of property, and adaptive reuse. Housing may be either single-family or multi-family. In addition, the HTF provides operating support to Community Partners for Affordable Housing (formerly known as the Highland Park Illinois Community Land Trust), an independent, not-for-profit organization, created to own land for the benefit of the community and to provide and preserve permanently affordable housing on such land. Establishing a community land trust was another key recommendation of the City's Affordable Housing Plan. Additional activities include funding emergency housing assistance and a zero-interest loan program to augment employer-assisted housing programs in Highland Park.

**7. Who will live in the affordable units developed with HTF funding?**

Priority for units is given to individuals and families who live or work in Highland Park. Income limits are based on Chicago area median income (AMI), as established annually by the Department of Housing and Urban Development and adjusted for household size. Affordability requirements have been established to ensure that HTF units will benefit a range of incomes, with emphasis on those whose incomes do not exceed 80% AMI.

The following table below shows Chicago AMI levels by household size, effective as of July 1, 2019:

2019 Gross Income by Percent Area Median Income (AMI) & Expected Occupancy

	% of AMI	Expected Occupancy (# of people in Household)							
		1	2	3	4	5	6	7	8
Gross Household Income	45%	\$28,080	\$32,085	\$36,090	\$40,095	\$43,335	\$46,530	\$49,725	\$52,965
	50%	\$31,200	\$35,650	\$40,100	\$44,550	\$48,150	\$51,700	\$55,250	\$58,850
	65%	\$40,560	\$46,345	\$52,130	\$57,915	\$62,595	\$67,210	\$71,825	\$76,505
	80%	\$49,950	\$57,050	\$64,200	\$71,300	\$77,050	\$82,750	\$88,450	\$94,150
	100%	\$62,400	\$71,300	\$80,200	\$89,100	\$96,300	\$103,400	\$110,500	\$117,700
	115%	\$71,760	\$81,995	\$92,230	\$102,465	\$110,745	\$118,910	\$127,075	\$135,355
	120%	\$74,880	\$85,560	\$96,240	\$106,920	\$115,560	\$124,080	\$132,600	\$141,240

Source: U.S. Dept. of Housing and Urban Development FY-2019 Income Limits Documentation System, Chicago-Joliet-Naperville, IL HUD Metro FMR Area

**8. How long must HTF-assisted units be kept as affordable units?**

Units in for-sale developments assisted with HTF funds must be kept affordable in perpetuity or as long as is legally permissible; HTF-assisted units in rental developments must be kept affordable for at least 25 years. The Housing Commission will ensure on-going affordability through a grant agreement and deed restrictions, covenants or other related instruments that run with the property.

**9. How are HTF funds made available for affordable housing development activities?**

Funds are available pursuant to an application process in accordance with funding policies developed by the Highland Park Housing Commission.

**10. Who is eligible to apply for HTF funding for affordable housing development?**

Eligible applicants include housing developers (for-profit and notfor-profit), owners or operators of housing developments, and units of government. Eligible units include affordable housing units that a developer provides in excess of the affordable housing units that the City’s Inclusionary Housing Ordinance requires.

**FOR MORE INFORMATION, CONTACT THE DEPARTMENT OF  
COMMUNITY DEVELOPMENT, 847-432-0867.**