



Technical Guide – City of Highland Park Affordable Unit Pricing Schedule (Rental)¹

Background and Authority: Each year the City of Highland Park issues an updated Pricing Schedule pursuant to Title XV, Chapter 150, Section 150.2155 of the City’s Zoning Code, which states:

“The City, through the Director of Community Development, shall publish a pricing schedule of rental and sales prices for affordable units (“Pricing Schedule”), which Pricing Schedule shall be updated at least once every 12 months. The Director of Community Development may, in his or her discretion, include the Pricing Schedule with administrative guideless adopted pursuant to Section 150.2185 of this Code.”

Requirements for Affordable Housing Units: The rent a property owner can charge for a particular affordable unit is based on the relevant agreements the property owner has with the City. These agreements specify the number of affordable units that are required to be provided and the income range of households that a unit(s) must be affordable to. Unless relief from this requirement has been explicitly granted by City Council², the rent or price charged for affordable units within a covered development must comply with Section 150.2155³. This section of Code has important provisions requiring that the units provided be affordable to households with specific percentages of area median income (AMI), referred to as “income tiers”⁴. There are differing requirements for affordability based on ownership type, “for sale” and “rental”. It is important to note that this Code has requirements regarding the average affordability for units within each income tier for rental units and also has average affordability requirements for “For Sale” units, please see Section 150.2155 of the City Code for details.

Determining What Rent Can Be Charged for an Affordable Rental Unit: The City uses U.S. Housing & Urban Development’s Annual Income Limits⁵ (see Table 2) to determine relevant gross income by household size. The City applies an assumption about the number of people by unit type / size (# of bedrooms) to identify the number of people per household (expected occupancy⁶) for the purposes of identifying the relevant income gross income associated with the AMI limitation for a particular affordable unit. Please refer to your development approvals and the City’s Zoning Code for the AMI limitations that pertain to your specific development. Once the applicable gross income for a particular household is identified, it is multiplied by 30%

¹ Rev. June 22, 2023

² Please refer to the approval documents (Ordinance, Development Agreement and Affordable Housing Unit Declaration) for your development for details.

³https://library.municode.com/il/highland_park/codes/code_of_ordinances?nodeId=COOR_TITXVLAUS_CH150ZOCO_ARTXXIINH0

⁴ The City has three income tiers: 0-50% AMI, 51% to 80%, and 81% to 120% of AMI.

⁵ Based on the Chicago-Joliet-Naperville HUD Metro Fair Market Rent Area - for reference please visit: [FY 2023 Income Limits Documentation System -- Summary for Chicago-Joliet-Naperville, IL HUD Metro FMR Area \(huduser.gov\)](#)

⁶ The expected occupancies shown here do not, in anyway, impose a limit on actual number of people living in a particular unit. The number of people permitted in a unit is controlled by other City Codes including, but not limited to the City’s Property Maintenance Code.



to yield the maximum yearly rent⁷ that household can afford⁸. This number is divided by 12 to derive the monthly rents shown in City’s Affordable Unit Pricing Schedule. All rental developments must use this schedule to ensure compliance with both maximum and average rent charged by income tier.

How to Calculate Maximum and Average Rents: The City’s affordable housing program does not, unless otherwise specified in development approval documents, dictate a specific rent an owner can charge. Instead, all units within a given income tier must be rented at prices that are, on average, affordable to households in that income tier as set forth in the City Code Section 150.2155. This is referred to as the “Average AMI” in the City’s Pricing Schedule. Therefore, the rent price for an affordable unit cannot exceed the maximum rent for a given income tier and it also cannot exceed a rent price that, when averaged with the rent charged for other units within that income tier, equals the average AMI rent required by Section 150.21055 for its income tier.

Two Tables are used to calculate a particular unit type’s maximum and average rent: Table 1: Expected Unit Occupancy, and Table 2 Gross Income by Percent Area Median Income & Household Size.

Table #1 - Expected Unit Occupancy by Unit Type / Bedrooms

Occupancy (# of people in Household)	# of Bedrooms in Unit				
	Efficiency	One	Two	Three	Four
	One	Two	Three	Four	Five

Source: Highland Park Dept. of Community Development, Planning Division

Table #2 - 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%	\$34,785	\$39,735	\$44,685	\$49,635	\$53,640	\$57,600	\$61,560	\$65,520
	50%	\$38,650	\$44,150	\$49,650	\$55,150	\$59,600	\$64,000	\$68,400	\$72,800
		\$50,245	\$57,395	\$64,545	\$71,695	\$77,480	\$83,200	\$88,920	\$94,640
	65%	\$61,840	\$70,640	\$79,440	\$88,240	\$95,360	\$102,400	\$109,440	\$116,480
	80%	\$77,300	\$88,300	\$99,300	\$110,300	\$119,200	\$128,000	\$136,800	\$145,600
	100%	\$88,895	\$101,545	\$114,195	\$126,845	\$137,080	\$147,200	\$157,320	\$167,440
	115%	\$92,760	\$105,960	\$119,160	\$132,360	\$143,040	\$153,600	\$164,160	\$174,720
	120%								

Source: U.S. Dept. of Housing and Urban Development FY-2023 Income Limits Documentation System, Chicago-Joliet-Naperville, IL HUD Metro FMR Area

⁷ Including utilities.

⁸ Why does the City use 30%? Because according to HUD, “Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”

Source: <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html>



Sample Calculation – Maximum Rent & Average Rent: Assume that an owner needs to determine the maximum and average rent that can be charged for three, one-bedroom units that are required to be affordable to those earning 51% to 80% of AMI. The City Code Section 150.2055 requires that units within that income tier be rented or leased at a price that is, *on average*, affordable to those earning 65% of AMI.

Calculating the maximum rent. The following example assumes three, one-bedroom rental units required to be in the 51%-80% AMI income tier:

1. Using Table 1 find the type of unit to be rented, in this example a one-bedroom unit. Table 1 shows that a one-bedroom unit has an expected occupancy of 2 people.
2. Knowing this, use Table 2 to find the row that represents the highest eligible AMI within that income tier, in this example, the highest AMI is 80% for the 51% to 80% AMI income tier.
3. Next, we find where the 80% AMI row intersects with the “2-person” column to find the maximum Gross Income \$70,640 of the household that could rent that unit.
4. Divide 30% of \$70,640 by 12 to get \$1,766. This is the maximum monthly rent for this unit type at within the 51% to 80% AMI income tier.

Although the above one-bedroom unit could be rented for \$1,766 (the maximum allowed) the owner is required to achieve an average of 65% AMI for all units within this income tier. Using the same method of calculation above, or referring to the City’s Pricing Schedule, we find that the required average rent charged for the three affordable units cannot be greater than \$1,434.88. This means that not all units are allowed to be rented at the maximum rate. Of course, there are multiple ways to achieve the required average for the group of units within a particular income tier. In this example, one could choose to rent one unit at \$1,766 and the other two at \$1,269.32 to achieve the required average of \$1,434.88 for the income tier.

For ease of reference, the City publishes a Pricing List each year that includes the required Average Rent and the Maximum Rent for each of three income tiers⁹ based on current information from HUD (see Pricing Schedule attached).

For questions about this technical guide or the City’s Affordable Housing Program, please call the Department of Community Development, Planning Division at 847.432.0867.

⁹ The three tiers are “Lowest” tier, which must be affordable to those households with gross income 0%-50% of AMI, the “Low” tier, which must be affordable to those households with gross income 51%-80% of AMI, and the “Moderate” tier, which must be affordable to households with gross income 81%-120% of AMI.



City of Highland Park, IL Affordable Unit Pricing Schedule*
Effective July 1, 2023

Unit Type / Bedrooms	Income Tier					
	Lowest (0% to 50% AMI)		Low (51% to 80% AMI)		Moderate (81%-120% AMI)	
	Req. Avg. 45% AMI	Max** 50% AMI	Req. Avg. 65% AMI	Max** 80% AMI	Req. Avg. 100% AMI	Max** 120% AMI
Efficiency	\$869.36	\$966.25	\$1,256.13	\$1,546.00	\$1,932.50	\$2,319.00
One	\$993.38	\$1,103.75	\$1,434.88	\$1,766.00	\$2,207.50	\$2,649.00
Two	\$1,117.13	\$1,241.25	\$1,613.63	\$1,986.00	\$2,482.50	\$2,979.00
Three	\$1,240.88	\$1,378.75	\$1,792.38	\$2,206.00	\$2,757.50	\$3,309.00
Four	\$1,341.00	\$1,490.00	\$1,937.00	\$2,384.00	\$2,980.00	\$3,576.00

Source: City of Highland Park Dept. of Community Development, Planning Division pursuant to Code Sec. 150.2155.

* All rents shown include utilities. If your unit rents do not include utilities the above prices must be adjusted downward – please contact the Div. of Planning for details.

** Not all units can be rented at the Max amount please see Code Sec. 150.2155 and Sec. 150.2175 for important limitations.

