



CITY OF HIGHLAND PARK

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As a consequence of rapid development and escalating housing prices through the 1990's, the Highland Park City Council recognized that many potential residents might experience difficulty locating affordable housing in the community. The City of Highland Park Affordable Housing Program was created in an effort to ensure that Highland Park maintained and promoted diversity throughout the community. With that goal in mind, the City's Housing Commission was tasked by the City Council to create an Affordable Housing Plan as an element of the Comprehensive Plan. The Housing Commission embraced the concept and developed a progressive plan that was vetted through numerous public meetings before final City Council approval. The Affordable Housing Program is comprised of four mechanisms aimed at increasing the availability of affordable housing in the City.

Program Description:

The first aspect of the affordable housing program involved establishment of the Highland Park Housing Trust Fund (HTF). The HTF, which was created in May 2002, provides "gap" financing essential to starting or completing an affordable housing development. The HTF is funded through several mechanisms including state and county grant programs, land sale, and a \$10,000 city demolition tax. Units developed with HTF funds must assist households whose income does not exceed 100% of the Chicago, Gary, Kenosha area median income (AMI) as established annually by the Department of Housing and Urban Development and adjusted on the basis of family size.

The second aspect of the affordable housing program is inclusionary zoning. The City Council adopted the Inclusionary Zoning Ordinance in April 2003 as an affordable housing tool requiring developers to include a specified portion of units in multifamily developments as affordable to households not exceeding 120% of the AMI. If the developer chooses not to create the requisite affordable housing units, said developer must contribute \$100,000 to the Housing Trust Fund in lieu of each affordable unit forfeited. Deed restrictions ensure that all affordable units that are constructed remain affordable in perpetuity.

The third aspect of the affordable housing program is the Highland Park Community Land Trust (HPCLT), which was incorporated as an independent not-for-profit organization in August of 2003. The HPCLT is charged with developing a permanent affordable housing inventory, which will serve current and future residents. As a pre cursor to the HPCLT, the Housing Commission developed a Home Ownership Pilot Program, whereby the Housing Commission purchases, rehabilitates, subsidizes and sells affordable homes to households with an income not exceeding 100% of the AMI. The sale of the units includes deed restrictions to maintain affordability. Five such units have been developed since the affordable housing program was adopted in 2001.

The fourth and final aspect of the affordable housing program is the promotion of employer assisted housing. This is primarily accomplished through the three affordable housing measures discussed above and through affordable housing funding preferences. The Highland Park municipal government, the HPCLT and the Lake County, Illinois Affordable Housing Commission actively publicize the availability of affordable housing in an effort to educate potential residents about this unique and progressive program.

Results:

Since the final recommendation of the Affordable Housing Needs and Implementation Plan was implemented in August 2003, the various mechanisms of the affordable housing program have; 1) significantly and tangibly increased the level of affordable housing stock in the community and; 2) increased the level of funding available for future affordable housing developments.

In late 2004 the Highland Park Community Land Trust completed construction on a six-unit town home development for low and moderate-income families. The development was partly funded through the HTF and preference was given to applicants that lived or worked in Highland Park, specifically public employees and health care professionals.

The affordable housing town home development represents a successful manifestation of the HPCLT charter and meets several of the primary goals of the Affordable Housing Needs and Implementation Plan, including the provision of quality, safe and affordable housing to public employees, nurses, school teachers and other essential Highland Park employees.

Additionally, The Housing Trust Fund continues to grow as an important affordable housing funding source in Highland Park. As of February 2005 the HTF fund balance was \$1,058,670. HTF funds are currently available to various organizations and individuals and will continue to serve as an important funding source for the HPCLT's affordable housing development and rehabilitation efforts.

The efforts of the HPCLT and the amount of revenue generated through the City's affordable housing funding mechanisms clearly demonstrate the initial success of the affordable housing program. Furthermore, the diverse affordable housing development tools available within the program indicate that it will continue to thrive.

Collaboration and Innovation:

Development of the Affordable Housing Program was a truly collaborative process, involving a partnership among local governmental bodies (the Housing Commission, Plan Commission, and Human Relations Commission) working in conjunction with a consultant team from the Nathalie P. Voorhees Center for Neighborhood and Community Improvement and the Great Cities Institute at the University of Illinois at Chicago. The intensive interaction between Commissioners and the consultants helped ensure a plan that is personalized for Highland Park

Highland Park's Affordable Housing Program is considered by many to be quite progressive. While based on strategies that have been used successfully in other communities, the program is unique among suburban communities in Illinois. Implementing each of the recommendations involved detailed planning and required the support and participation of the community as a whole. With the development of the Affordable Housing Plan, creation of the Land Trust, and implementation of the demolition tax, Highland Park is ensuring that affordable housing is available in the community both today and in years to come. Ultimately, the Highland Park Affordable Housing Program represents a unique example of how inter-organizational collaboration and citizen involvement can foster solutions to pressing community problems.