



HIGHLAND PARK ILLINOIS COMMUNITY LAND TRUST



Highland Park Illinois Community Land Trust:



- Private, nonprofit 501(c)(3)
- Created in 2003
- Mission: preserve and develop high quality affordable housing in Highland Park
- Bridge the gap between housing costs and incomes for
 - Teachers,
 - City employees
 - Health care workers
 - Retail staff
 - Others key workers

The Relationship Between the City of Highland Park & HPICLT:

- Independent nonprofit, created by the City
- Mayor of Highland Park appoints 3 members to Board
- City provides significant portion operating budget & project financing

How the Community Land Trust Works:

- CLT develops homes
 - Renovates existing homes
 - Constructs new homes (both rental and home ownership)
- Sells homes at affordable prices
- HPICLT retains ownership of the land
- The land is leased to the home buyer for a nominal fee (\$25 per month)
- Resale restrictions:
 - Must sell to an income-qualified buyer (or HPCLT)
 - Must sell for no more than formula price
 - Allows owner a fair share of appreciation
 - Keeps home affordable to next buyer



Comparison

CLT Homeownership Vs Traditional Home Ownership

Same

- Owner has a bank mortgage
- Owner accumulates equity
- Home can be inherited
- Owner pays property taxes
- Owner can make alterations and improvements
- Owner receives tax benefits

Different

- Price is 20-65% below market
- CLT owns the land
- Owner leases the land for a nominal fee
- Resale restrictions require the home to be sold to HPICLT or an income qualified buyer
- Resale price is based on a formula designed to ensure the continued affordability of the home
- CLT owners pay lower property taxes due to the resale restrictions

Summary of Cost Savings:

- Purchase price is typically 20% - 65% below the market value (savings of up to \$1,000 per month)
- Homeowners are exempt from Private Mortgage Insurance (savings of \$100 - \$150 per month)
- When re-selling, homeowners are exempt from the City of Highland Park Real Estate Transfer Tax (savings of approximately \$1,500)
- When re-selling, homeowners may re-sell to the HPICLT without a broker's fee (savings of \$9,000+)
- Homeowner's annual property taxes are reduced due to resale restrictions (savings of \$2,000+ per year)



Who Can Qualify for a Home?

- Maximum income limits vary based on funding source;
 - the HPICLT limit is generally 115% of AMI
 - Most for-sale homes for households earning less than 80% of AMI
- Preference for households who live or work in Highland Park
- Combined assets may not exceed 150% of AMI
- Buyers must qualify for a mortgage from a participating lender
- Buyers must contribute a minimum of 1% down payment
- First time home buyers must complete a HUD approved pre-purchase counseling program
- All homes must be owner-occupied
- Household size will be matched to unit size whenever possible

Sample HPICLT Homes:



Temple Avenue Town homes
Prices Varied (2004)

Richfield Avenue
\$180,000 (2005)



Additional HPICLT Homes:

Burton Avenue

\$200,000 (2005)



Arbor Avenue

\$200,000 (2007)

HPICLT: Recent Sales



- Vine Avenue, \$135,000 (Sold in June 2008)
- 2 br, 2 bath home features brand new countertops, kitchen cabinets, flooring, refrigerator, dishwasher, microwave and in-unit washer/dryer as well as new painting and carpeting throughout. Master bedroom has a large walk-in closet. Close to schools, shops, and transportation. Assigned car port included. Professionally managed, monthly assessment \$252.



HPICLT: Recent Sales



- Central Avenue, \$180,000 (sold in August 2008)
- 3 br, 1.5 bath home features new countertops, eat-in counter, flooring, carpeting, painting, refrigerator, stove, dryer, finished basement and large backyard.

HPICLT: Recent Sales



- Arbor Avenue, \$175,000 - \$185,000, depending on income (sold in May 2009)
- 3 br, 2 bath Cape Cod in Sherwood Forest neighborhood. Quiet street near parks, transportation and shopping. Finished basement, 1-car garage, storage shed and great back yard. Rehab includes new central air, garage roof, windows, gutters, garage door, electric, plumbing, carpeting and painting throughout.

HPICLT: Recent Sales



- Arbor Avenue, \$180,000 (sold in June 2009)
- 3 br, 2 bath in Sherwood Forest neighborhood. Quiet street near parks, transportation and shopping. Finished basement, large garage / work area. Rehabbed two years ago.

500 Hyacinth Place



- ◆ 3 bedroom / 2.5 bath townhomes
- ◆ 1550 sf plus 300 sf basement
- ◆ 2-car attached garage
- ◆ “Green” Construction
- ◆ Geo-thermal heating and cooling system
- ◆ Wind turbine energy generation
- ◆ Energy star appliances & reflective roof
- ◆ Bamboo flooring

Hyacinth Place Financing Layers:

- \$2.2 million construction loan
- \$450,000 IHDA Trust Fund loan
- \$125,000 IHDA Trust Fund grant
- \$66,500 FHLB AHP
- \$959,500 IL Affordable Housing Tax Credit
- \$210,000 Lake County HOME
- \$424,000 Highland Park Housing Trust Fund
- \$45,000 DCEO energy efficiency grant
- \$52,000 Illinois Clean Energy
- \$188,000 sales proceed

Who does the HPICLT Serve?

Area Median Income (as established by HUD)	#	%
50% AMI (\$37,700 – 4 person)	2	7%
60% AMI (\$45,240 – 4 person)	5	18%
80% AMI (\$60,300 – 4 person)	10	36%
100% AMI (\$75,400 – 4 person)	4	14%
120% AMI (\$90,480 – 4 person)	7	25%
Total	28	100%

Who does the HPICLT Serve?

Employment	#	%
Nurses / Healthcare	5	18%
Teachers	4	14%
Nonprofits	4	14%
U.S. Navy	1	4%
Musician	1	4%
City of Highland Park / Park District	3	11%
State of Illinois	1	4%
Office Manager / Secretary	2	7%
Other Private (primarily service sector)	6	21%
Disability	1	4%
Total	28	100%

Percentage of homeowners who live or work in Highland Park:

Participants who work in Highland Park:	16	57%
Participants who were prior Highland Park residents:	18	64%
Participants who were either Highland Park residents or who work in Highland Park:	24	86%

City of Highland Park Inclusionary Housing Program:

- Developers of projects with 5+ units must provide 20% of the total units at an affordable price
- Half of the affordable units must be affordable to a household earning 80% of AMI
- First inclusionary units were completed in late 2007 at Laurel Court
- Homebuyer applications are administered by HPICLT

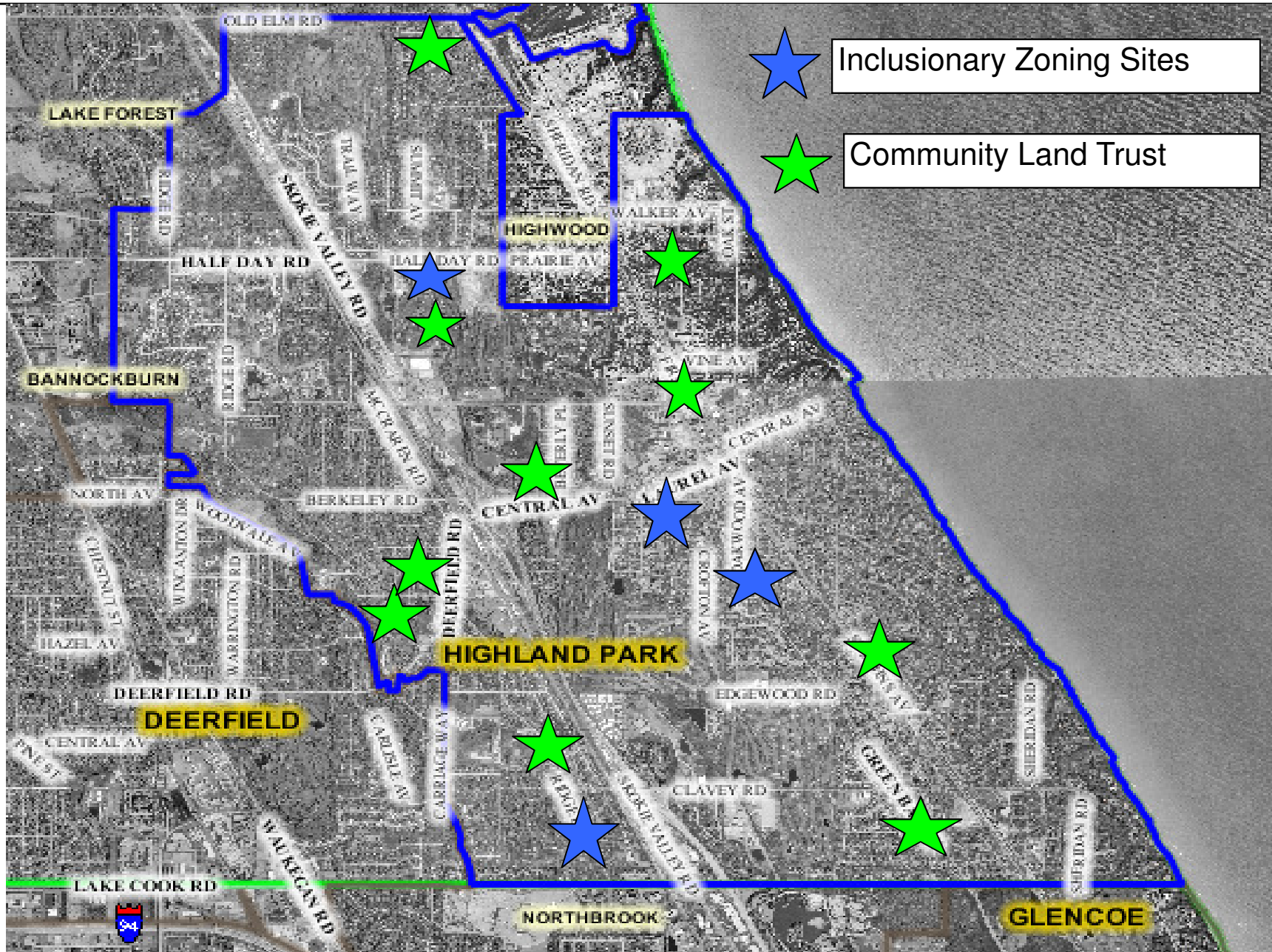


Inclusionary Housing Program:

- One 80% AMI unit @ \$162,756
- One 120% AMI unit @ \$259,852
- 3 bedroom, 2.5 bath new construction
- 2-car attached garage
- Gas forced air heat / central air
- 120% AMI Unit includes solar roof

The Pointe at Lake Cook





Inclusionary Zoning Sites

Community Land Trust