

CHAPTER 52

HOUSING TRUST FUND

Section 52-1. Definitions.

- (A) **In General.** The words and phrases used in this Chapter shall be interpreted to have the meanings ascribed to them in this Section. To the extent that words or phrases used in this Chapter are not defined in this Section, but such words or phrases are defined in the Inclusionary Housing Ordinance (Chapter 20A) or the Zoning Code (Chapter 46), such words or phrases shall be deemed to have the meanings set forth in the Inclusionary Zoning Ordinance or, if not set forth therein, in the Zoning Code. Otherwise, words and phrases shall be interpreted in their commonly used sense as set forth in the Webster's Third International Dictionary (most recent edition), unless the context reasonably requires another construction.
- (B) **Definitions.** The following words and phrases, when used in this Chapter, shall have the following meanings:

AFFORDABLE HOUSING PLAN: The Affordable Housing Plan adopted by the City Council on March 21, 2005, as amended on October 18, 2010, and as it may be further amended in the future.

HOUSING TRUST FUND: The housing trust fund established by this Chapter with the central purpose of providing financial resources to address the Housing needs of individuals and families of Low- and Moderate-Income Households who live in the City.

HOUSING TRUST FUND BOARD: The Board established pursuant to Section 52-4 of this Chapter to serve as an advisory body to the City Council on the use and management of the Housing Trust Fund.

ELIGIBLE ACTIVITIES: The housing activities set forth in Section 52-6(C) of this Chapter for which the Housing Trust Fund Board has considered financial support.

ELIGIBLE APPLICANTS: Applicants that satisfy eligibility requirements to receive Housing Trust Fund awards, as set forth in Section 52-6(B) of this Chapter.

Section 52-2. Policy

The housing goals of the City's Affordable Housing Plan emphasize the City's commitment to promote the public health, safety, and welfare by encouraging high quality housing throughout the community sufficient to meet the needs of all Lake Forest

residents. Throughout its history, the City has offered a diverse housing stock that permitted families of varying income levels and with various housing needs to reside in the community. In recent years, property values have escalated to the point of discouraging a diverse housing stock. A certain percentage of residents who currently live in Lake Forest are unable to meet or maintain the household income level necessary to support residing in Lake Forest and, therefore, must look to other communities for housing. Based upon the review and consideration of reports and analyses of the housing situation in the City, it is apparent that the diversity of the City's housing stock and Affordable Housing opportunities have declined as a result of increasing property values, housing costs and the demolition of certain existing dwellings. Subsequent redevelopment has in many cases contributed to property value increases that further the difficulty of making Affordable Housing available in the City. With the exception of housing developed in partnership with the City and the Lake Forest Senior Cottages Foundation, the privately developed new residential housing that is being built in the City generally is not affordable to Low- and Moderate-Income Households. The City recognizes the need to provide alternative housing opportunities in order to maintain the diversity of population that has historically characterized Lake Forest.

In response to these developments, on March 21, 2005, the City Council adopted the Affordable Housing Plan, with amendments adopted on October 18, 2010, which identifies policies and incentives to encourage the development of affordable housing in the City. One of the primary recommendations of this Affordable Housing Plan is for the City to establish a Housing Trust Fund.

Section 52-3. Housing Trust Fund Established.

- (A) Creation; Management and Administration. There is hereby established the Housing Trust Fund, to be held as a separate fund within the City, for the purpose of advancing Affordable Housing opportunities. The City, by and through its Director of Finance, shall be responsible for the day-to-day investment and fiscal maintenance and management of the Housing Trust Fund. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by the City for other similarly held funds. Except for disbursements and other action taken as part of the day-to-day fiscal maintenance and management of the Housing Trust Fund, no disbursements of the Housing Trust Fund shall be made except by the Director of Finance, or his or her designee, in accordance with this Chapter and Chapter 35 of the City Code. The Housing Trust Fund Board shall advise the City Council with respect to the organization, operation, and implementation of the Housing Trust Fund as set forth in Section 52-4 of this Chapter.
- (B) Purpose. The purpose of the Housing Trust Fund is to provide financial resources to address the Affordable Housing needs of individuals and families of Low- and Moderate-Income Households by promoting, preserving, or producing long-term Affordable Housing; providing housing-related services to Low- and Moderate-Income Households, and providing support for not-for-profit organizations that

actively address the Affordable Housing needs of Low- and Moderate-Income Households. The Housing Trust Fund may provide financial support for a wide variety of Eligible Activities that serve persons in Low- and Moderate-Income Households, including, without limitation, (a) seniors on fixed incomes; (b) persons with disabilities who require accessible Affordable Housing; (c) persons employed in the City but financially unable to live in the City; (c) single-parent families; and (d) young households.

- (C) Distribution and Use of Housing Trust Fund. The City Council shall be solely responsible for the distribution of the Housing Trust Fund resources and funds in accordance with the requirements of this Section. Distribution of funds from the Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Housing Trust Fund. Any Housing Trust Fund money unused at the end of any year shall remain in the Housing Trust Fund for future Eligible Activities, pursuant to the requirements of this Chapter.

Section 52-4. Housing Trust Fund Board.

- (A) Creation. There is hereby created a Housing Trust Fund Board. The Board shall advise the City Council in the management and administration of the Housing Trust Fund. The Board shall be subject to the provisions of the Illinois Open Meetings Act.
- (B) Purpose. The Board shall make recommendations to the City Council regarding the programs and operations of the Housing Trust Fund, including, without limitation:
- (1) the goals for the Housing Trust Fund;
 - (2) the Housing Trust Fund's operating budget and projected expenditures and revenue;
 - (3) the Housing Trust Fund's funding and award policies and priorities;
 - (4) the development of the Housing Trust fund's programs;
 - (5) the Housing Trust Fund's program requirements;
 - (6) the Housing Trust Fund's procedures for disbursing Fund resources;
 - (7) the review of applications for Housing Trust Fund awards;
 - (8) the granting of awards;

- (9) the monitoring of Eligible Activities funded by the Housing Trust Fund;
and
 - (10) the evaluation of Housing Trust Fund activities.
- (C) Members. The Housing Trust Fund Board shall consist of seven members, each of whom shall have demonstrated interest, knowledge, ability, experience or expertise in one or more of the following areas: housing related issues, the needs and interests of senior citizens, financing mechanisms for affordable and moderately priced housing units, employer assisted housing, legal aspects of establishing and maintaining units as affordable, development review and approval processes and the character of the City of Lake Forest. Consideration shall be given to the appointment of individuals serving on (or who have served on) related City Boards and Commissions including, but not limited to, the Senior Resources Commission and the Plan Commission. In addition, Board members shall be residents of Lake Forest or affiliated with major employers located in Lake Forest. Each Board member shall have one vote.
- (D) Appointment, Terms, Vacancies and Ethical Responsibilities.
- (1) Board members shall be appointed by the Mayor with the advice and consent of Council for terms of two (2) years; provided that the Mayor may initially appoint up to four members with initial terms of one (1) year so that appointments shall be staggered to ensure that the terms of not more than four (4) Board members shall expire in any calendar year. Every Board member shall continue in office after expiration of the term until a successor shall have been duly appointed. Terms shall commence on May 1, except when a vacancy is created by the resignation or disqualification of a Board member prior to expiration of that Board member's term, in which case such term shall commence on the date of the appointment.
 - (2) Board members shall be eligible for re-appointment, provided that no member shall serve more than three (3) consecutive full two-year terms.
 - (3) Vacancies on the Board shall be filled by the Mayor with the advice and consent of Council for the unexpired term of the former Board member.
 - (4) Any Board member may be removed from office at any time by the Mayor for failure to regularly attend meetings or inattention to duties or responsibilities.
 - (5) Board members shall be subject to the provisions of all rules, regulations, ordinances and statutes governing conduct of members of the boards and commissions of the City of Lake Forest, including but not limited to Chapter 50, "Governmental Ethics," of the City Code of the City of Lake

Forest, Illinois State Statutes regarding gifts to public officials, filing of Statements of Economic Interest, and the like. In addition, during and for two years after a Board member's term on the Housing Trust Fund Board, a Board member shall not have any financial interest (as defined in Chapter 50-2(b) of the City Code) in any Affordable Housing development in the City that has received or requested (or may receive or request) moneys from the Housing Trust Fund.

- (E) Compensation. Board members shall serve without compensation.

Section 52-5. Housing Trust Fund Operations.

The Housing Trust Fund Board shall serve as an advisory body to the City Council on the operation of the Housing Trust Fund, including, without limitation, the following:

- (A) Recommending Housing Trust Fund goals, and reporting and presenting those goals to the City Council;
- (B) Recommending policies, funding priorities, Housing Trust Fund program requirements, procedures for investing Housing Trust Funds, procedures for disbursing Housing Trust Fund awards, and an annual budget to be reported to the City Council prior to the beginning of each fiscal year of the Housing Trust Fund;
- (C) Recommending Housing Trust Fund awards for Eligible Activities;
- (D) Monitoring Eligible Activities funded by the Housing Trust Fund;
- (E) Evaluating Housing Trust Fund activities;
- (F) Pursuing donations and grants, except that any grant agreement shall be subject to approval of the City Council;
- (G) Actively exploring opportunities to leverage funds with other government agencies, non profit organizations, corporate sponsors or employers; and
- (H) Reporting no less than annually to the City Council on the expenditures, accomplishments, and activities of the Housing Trust Fund.

Section 52-6. Eligibility Requirements.

- (A) Purpose of Eligible Activity. Each Eligible Applicant shall be required to demonstrate that the requested Eligible Activity will advance and support the purpose of the Housing Trust Fund, as set forth in this Section.
- (B) Eligible Applicants. Developers, not-for-profit organizations, housing owners/operators, and units of government shall be Eligible Applicants for

Housing Trust Fund resources. The Housing Trust Fund Board shall seek proposals from Eligible Applicants and make awards for Eligible Activities based on the priorities set forth in Section 52-6(D) and on the eligibility guidelines, program requirements, and process established in connection with the Housing Trust Fund. The Housing Trust Fund Board shall develop and issue eligibility guidelines, program requirements, and application forms for Housing Trust Fund grants and loans, subject to the approval of the City Council. Eligible Applicants may apply to the Housing Trust Fund Board for Housing Trust Fund awards for Eligible Activities.

(C) Types of Eligible Activities. The following housing-related activities are the types of activities that may receive Housing Trust Fund resources:

- (1) Housing production, including, without limitation, new construction, rehabilitation, and adaptive re-use, as well as technical studies, plans and designs relating thereto.
- (2) Acquisition and disposition, including, without limitation, vacant land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or part for residential use.
- (3) Capacity grants for not-for-profit organizations that are actively engaged in addressing the Housing needs of Low and Moderate-Income Households.
- (4) Any other activity that the City Council, following consideration and recommendation by the Housing Trust Fund Board, determines would address the City's Affordable Housing needs, including, without limitation,
 - (a) Rental assistance.
 - (b) Home ownership assistance.
 - (c) Preservation of existing housing.
 - (d) Weatherization.
 - (e) Emergency repairs.

(D) Priorities For Trust Fund Awards.

Among proposals for Eligible Activities that otherwise meet established program requirements and eligibility criteria, priority shall be given (a) to applications that provide for leveraging of funds for projects, (b) to applications that provide the longest term of affordability of Affordable Housing, and (c) to applications that provide housing to serve the needs of households who live in Lake Forest and the

head of the household or the spouse or domestic partner is 65 years of age or older.

Section 52-7. Review and Approval of Applications.

All complete applications for Housing Trust Fund awards shall be submitted to the Housing Trust Fund Board. The Board shall review and make recommendations to the City Council to approve or deny an application. The City Council shall make the final decision to approve or deny all applications for funding by the Housing Trust Fund.

Section 52-8. Conditions.

As a condition to any Housing Trust Fund award for any Eligible Activity, the Eligible Applicant shall first, among other applicable requirements as established from time-to-time by the City Council, execute and record such agreements, conditions, and restrictive covenants, or other similar instruments, as shall be required by the City Council (“Conditions”). Among other requirements, the Conditions may bind the Eligible Applicant and the property, if applicable, to the requirements of this Chapter and provide that all awards shall be used in strict compliance with the requirements of the City Council and the Conditions. The Conditions may also include a requirement that, if the property or development is no longer being used for Affordable Housing pursuant to the requirements of the specific award, the Eligible Applicant or successor owner of the property or development may be required to reimburse the Housing Trust Fund for up to 100 percent of the award, plus applicable interest.

Section 52-9. Available Funds.

The Housing Trust Fund is authorized, subject to approval of the City Council, to accept and utilize funds, property, and other resources from all proper and lawful public and private sources, including, without limitation, the funds dedicated to the Housing Trust Fund from the imposition of the Demolition Tax, pursuant to Chapter 39 Article IX-A of the City Code, and cash payments in lieu of constructing some or all of the required Affordable Housing Units on the site of a Covered Development Project, pursuant to the Inclusionary Housing Ordinance, Section 20A-8A, of the City Code. The City Council may make additional funds available, as it deems necessary and appropriate.