



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 4e-II

Title: St. Charles Housing Trust Fund Update

Presenter: Ellen Johnson, Planner

Meeting: Planning & Development Committee

Date: February 12, 2024

Proposed Cost: N/A

Budgeted Amount: N/A

Not Budgeted:

TIF District: None

Executive Summary (if not budgeted please explain):

Background & Use

The Inclusionary Housing Ordinance (IHO), Title 19 of the City Code, requires developers of new residential development to build a proportionate share of affordable housing units on site, or to pay a fee in-lieu of providing affordable units. The Housing Trust Fund was formed upon adoption of the Inclusionary Housing Ordinance in 2008. Fee in-lieu payments made by developers are placed into the Housing Trust Fund.

The current balance of the Housing Trust Fund is \$2,161,349. This includes recent contributions from the Springs and partial contributions from Munhall Glen and Charlestowne Lakes. As build-out continues on these developments, an additional \$45,000 is expected from Munhall Glen and \$358,000 from Charlestowne Lakes.

Use of the Housing Trust Fund (HTF) is governed by [Ch. 3.50](#) of the City Code. The HTF was created to address the affordable housing needs of moderate-income households in St. Charles. Funds are to be used to create and preserve affordable housing. The City offers three programs which are funded by the HTF:

1. Home Rehab & Accessibility Loan Program – 0% interest, deferred payment loan for income-eligible homeowners.
2. First-Time Homebuyer Loan Program – 0% interest, deferred payment loan for income-eligible prospective homebuyers.
3. Kane County Affordable Housing Fund – development financing to developers of affordable housing; developers apply through Kane County for County CDBG & HOME funding and St. Charles Housing Trust Funds.

Past Projects funded by the Housing Trust Fund (completed projects):

Project	Funds Used	Year Approved
Home Rehab Loans – 6 total	\$61,557 (\$28,378 paid back due to property sale)	2011-2020
Affordable Housing Fund- 1432 Dean St.	\$59,173 (\$36,921 paid back upon sale)	2018
Affordable Housing Fund- 704 Adams Ave.	\$49,378 (\$29,316 paid back upon sale)	2019
Affordable Housing Fund- 106 Moore Ave.	\$45,361 (\$23,431 paid back upon sale)	2020
Net Total Spent	\$97,423	

Projects approved for funding by the Housing Trust Fund (not yet completed):

Project	Funds Approved	Year Approved
Affordable Housing Fund- Anthony Place II	\$1,100,000	2023
Affordable Housing Fund- Habitat for Humanity Project on Dean St.	\$115,000	2023
Total Approved	\$1,215,000	

Update on Approved Projects

- **Anthony Place II** – This project is a 60-unit affordable senior apartment building located on the south side of Rt. 38 between Randall and Bricher Roads. The developer is GC Housing Development, developer of Anthony Place at Prairie Centre. This project received an allocation of \$1.1 million from the Housing Trust Fund, approved last January, becoming the most significant use of the HTF to date. Kane County provided an additional \$1.1 million. The project was dependent on Low Income Housing Tax Credits from Illinois Housing Development Authority. Last summer, the City was informed that IHDA did not approve LIHTC for the project. The future of this project is unknown. It is our understanding that the developer is currently looking into alternative locations and the Rt. 38 location will not be pursued. Should the developer move forward with this project elsewhere in St. Charles, they would need to re-apply for County/City funding. The \$1.1 million HTF allocation is not being reserved.
- **Habitat for Humanity – Dean Street Parcel** – An update will be provided following this item.

Future Use of the Housing Trust Fund

Staff wishes to provide commentary on future use of the HTF in relation to new residential development.

Per the Inclusionary Housing Ordinance, 10% of units in a new residential development must be affordable, or the developer must pay a fee in-lieu. A developer that elects to provide affordable units would be eligible to request Housing Trust Fund resources to help fund construction of the affordable units. The developer would apply through the Kane County Affordable Housing Fund utilizing the existing partnership between the City and County.

Redevelopment of the Charlestowne Mall property presents potential for an affordable housing component. There may be an opportunity for the Mall developer to partner with an affordable housing developer to build the affordable units for the project in a stand-alone building, similar to Anthony Place at Prairie Centre. The affordable housing developer could then apply for HTF resources to help finance the project. Approx. half of the current balance of the HTF came from recent east side developments. Utilizing a significant portion of the HTF for affordable housing at Charlestowne Mall would provide a nearby investment in affordable housing.

There is also the potential for affordable housing developers to apply for HTF resources through the Kane County Affordable Housing Fund for stand-alone projects not in connection with market-rate projects. GC Housing Development has expressed interest in finding another location for the Anthony Place II project. The Burton Foundation has also been interested in local sites. The HTF remains available to such developers.

The City's other loan programs have seen limited usage due to high land and housing costs and limited supply and availability of units that would qualify for the programs:

- Purchase/Rehab and new construction projects from developers such as Spillane & Sons have slowed due to the housing market. However, HTF resources could be utilized for more such projects in the future.
- The Home Rehab & Accessibility Loan Program and First-Time Homebuyer Program remain available for existing and prospective St. Charles home owners. Utilization of these programs has been low, but funds remain available to those who apply and qualify for these programs.

Attachments (please list):

N/A

Recommendation/Suggested Action (briefly explain):

Provide feedback on future use of the Housing Trust Fund.