# Housing Trust Fund Guidelines

## Chapter 12 Housing Article 7 Housing Trust Fund

Village of Oak Park
Neighborhood Services Department

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## Executive Summary

The Village of Oak Park's Housing Trust Fund (HTF) is a crucial financial resource supporting the affordable housing needs of eligible households in Oak Park. This fund aims to enhance the quality of life for residents, promote community stability, and ensure housing affordability.

The Housing Programs Advisory Committee (HPAC) is pivotal to the effective management and the allocation of the HTF. Comprised of residents of Oak Park who are passionate about the community and who are often experts and knowledgeable about housing, HPAC provides recommendations to the Village Board in several areas related to HTF operations.

- Goals
- Budgeting
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# Introduction

## Overview of Housing Trust Fund

In May 2022, the Village Board enacted the [Housing Trust Fund Ordinance](#) that established the HTF. It provides sustainable financial resources to address the affordable housing needs of eligible households in Oak Park. This is accomplished by preserving and producing affordable housing, providing housing-related financial support and services to eligible households, and providing financial support for organizations that actively address the affordable housing needs of eligible households.

## Housing Trust Fund Policy Foundation

The HTF is an important tool in advancing the Village's housing goals. Those goals are defined in two documents, each of which is outlined below.

### Village Board Goals

To guide the community's development and policy decisions, the Village Board adopted the 2024-2025 Village Board Goals. These goals specifically address housing, aiming to enhance affordable housing options and ensure sustainable, inclusive growth in Oak Park. The relevant goals are highlighted below.

- Community Affordability
  - Priority 1: Remove Economic Barriers
- Racial Equity
  - Priority 2: Assess and Address Historical Lack of Equity
- Vibrant, Diverse, Connected Neighborhoods
  - Priority 1: Support Sustainable Advancement of Affordable Housing

### Strategic Vision for Housing

In 2024, the Village Board approved the [Strategic Vision for Housing](#). It provides a vision and framework for the Village to pursue over the next ten years. The Plan includes ten specific goals. Applications funded through the HTF must advance these goals.

- Increase the Supply of Affordable Rental Housing.
- Expand the Variety of Homeownership Opportunities.
- Increase Racial Diversity Across All Parts of Oak Park.
- Progress Towards the Goals Established in Climate Ready Oak Park.
- Respond to Racial Disparities in Access to Homeownership.
- Expand the Supply of Housing Options for Unhoused Populations.
- Increase Housing Options for Older Adults to Downsize and Age-In-Community.
- Increase the Number of Physically Accessible Homes.
- Support Housing Options for Adults with Developmental Disabilities.
- Address Housing Maintenance Issues Across A Variety of Housing Types.

# Eligible Activities

All HTF applications must propose one of the following activities which is unique enough in that the activity is not duplicated in an existing Village sponsored program.

1. Production of affordable housing including, without limitation, new construction, rehabilitation, and adaptive re-use;
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 to provide affordable housing;
3. Grants or loans to not-for-profit organizations that are actively engaged in addressing the housing needs of eligible households;
4. Financial assistance to eligible households to rent dwelling units;
5. Financial assistance to eligible households to purchase dwelling units;
6. Financial or in-kind assistance to preserve and/or maintain existing affordable housing;
7. Weatherization of dwelling units occupied by eligible households; or
8. Emergency repairs to dwelling units occupied by eligible households.

## Budget

The HTF is part of the Village's fiscal year budget and is recognized as a special revenue fund. Staff will provide HPAC with detailed funding information, including available amounts, expenditures, and revenues. Each year staff will prepare the annual budget, projecting expenditures and revenues, and then present it to HPAC for review. During this review, HPAC can recommend the annual spending amount. When HPAC is considering new applications, staff will first review the budget so as to provide HPAC context on the application's request relative to available funding. HPAC will then make recommendations for expenditures from the HTF to the Village Board.

## Application Process

The Village of Oak Park will use an open application cycle for the Housing Trust Fund, meaning that applications can be submitted at any time.

1. **Application Submission:** Applications can be submitted at any time during the year.
2. **Initial Review:**
   o After an application is submitted, Village staff will review all applications for eligibility and completeness within a two-week period.
   o Applications that meet the eligibility criteria and are complete will be forwarded to the HPAC for further consideration at their next meeting.
   o Applications that are either incomplete or ineligible will be returned to the applicants, who will have the opportunity to request feedback from staff for potential resubmission.
   o Applications submitted for activities for which there is an existing Village sponsored program will be returned to the applicants who will be directed to that open program.
3. **HPAC Review**
   o HPAC will review eligible applications. During HPAC's review process, they will use the criteria listed in the next section to assess applications. HPAC may invite applicants to present their proposals at an HPAC meeting, which will be used to review, evaluate and score the program proposals. The need for a presentation can be waived by HPAC.
   o HPAC will make a recommendation about the application to the Village Board based upon the review of the application and the presentation (if applicable).

4. **Village Board Consideration:**
    o Following the HPAC review and recommendation, the application will be submitted to the Village Board for further consideration and potential approval at the next available meeting.

# Criteria for Review

Section 12-7-5-C of the HTF Ordinance specifies three factors that must been prioritized when awarding HFT resources.

- Applications that provide for leveraging of funds for projects, i.e., that yield a larger amount of housing provided or a larger dollar value for the level of funding being sought.
- Applications that provide the longest term of permanent affordability.
- Applications that provide housing to serve the needs of households with the lowest incomes.

Per the ordinance, the Village may approve additional criteria and priorities in connection with a specific program as adopted by the Village Board. Consistent with the ordinance, staff and HPAC will use the process and criteria outlined below to review applications.

## Staff Initial Review

Village staff will review the application for each of the criteria below. If the application fails any category, the process will stop and the applicant will be notified per the Village Code. The applicant will have the opportunity to amend the application to address the issues. If the application passes all of the below, it will move on to HPAC review.

| Category | Pass (thumbs up) | Fail (thumbs down) |
| --- | --- | --- |
| **Program Purpose and Intent Compliance** | Application does address the intent of Village Code Section 12-7-1 and is an eligible activity under Section 12-7-5-B. | Application doesn't address the intent of Village Code Section 12-7-1 and is not an eligible activity under Section 12-7-5-B. |
| **Leveraging Funds** | HTF is not the sole funding source of the application. | HTF is the sole funding source of the application. |
| **Application Description** | Application provides information on who will be served, which housing needs are addressed, and the anticipated outcomes. | Application does not clearly define who will be served, which housing needs are addressed, and the anticipated outcomes. |
| **Completeness of Application** | Applicant turned in a completed application and all required materials. | Applicant did not turn in a completed application and/or is missing required materials. |

## HPAC Review

HPAC will review all applications and award points for each category below. There are separate criteria for developments and programs. Developments are applications that would create or preserve housing units. All other types of applications are programs, typically focused on assisting households rather than units.

| PROGRAM SCORING CRITERIA ONLY (100 POINTS TOTAL) | | | | |
|---|---|---|---|---|
| Category | Excellent 20 Points | Adequate 10 Points | Needs Improvement 0 Points | Total Points Earned/ Available |
| **Overall Program Design (20 POINTS)** | Program is well-planned and a detailed description is provided.<br><br>The applicant has extensive demonstrated experience leading programs of similar size and scope. | Program and applicant experience are described.<br><br>The applicant has some experience on programs of similar size and scope. This includes experience where the applicant has been involved in, but perhaps not led, the similar program. | Program and applicant experience are described only in a high-level way.<br><br>Applicant lacks demonstrated experience on programs of similar size and scope, whether as lead or partner. | /20 |
| **Addresses Village Housing Goals - Breadth (20 POINTS)** | The program advances three or more goals (see page 17) in the Strategic Vision for Housing OR addresses one of the following key goals:<br>• Expand the Variety of Homeownership Opportunities.<br>• Respond to Racial Disparities in Access to Homeownership.<br>• Increase Racial Diversity Across All Parts of Oak Park. | The program advances two goals (see page 17) in the Strategic Vision for Housing. | The program advances one goal (see page 17) in the Strategic Vision for Housing. | /20 |
| **Addresses Village Housing Goals - Depth (20 POINTS)** | The program will make a significant impact on the Village's housing goals as measured by the number of households served or | The program will make an impact on the Village's housing goals as measured by the number of households | The program will make a limited impact on the Village's housing goals as measured by the number of households | /20 |

| Category | Excellent 10 Points | Adequate 5 Points | Needs Improvement 0 Points | Total Points Earned/ Available |
|---|---|---|---|---|
|  | the characteristics of the households served (including households with the lowest incomes). | served or the characteristics of the households served (including households with the lowest incomes). | served or the characteristics of the households served (including households with the lowest incomes). |  |
| **Leverage (20 POINTS)** | The program request is leveraged by more than 5 times the amount requested from other sources. | The program request is leveraged by 2 to 5 times the amount requested from other sources. | The program request is leveraged by less than 2 times the amount requested from other sources. | /20 |
| **Category** | **Excellent 10 Points** | **Adequate 5 Points** | **Needs Improvement 0 Points** | **Total Points Earned/ Available** |
| **Program Budget (10 POINTS)** | A program budget is included that clearly identifies each line item, other funding sources, and expenses for the program. The budget is supported by documentation that costs are reasonable and achievable. | A program budget is included identifies each line item, other funding sources, and expenses for the program. Costs are likely reasonable based on information provided by the applicant. | A program budget is included. It is difficult to understand whether reasonable. | /10 |
| **Program Timeline (10 POINTS)** | A program timeline is included that clearly identifies expenditure of funds and program completion. | A general program timeline is included. | A program timeline is included that is missing key milestones. | /10 |

| DEVELOPMENT SCORING CRITERIA ONLY (100 POINTS TOTAL) | | | | |
|---|---|---|---|---|
| **Category** | **Excellent**<br>**20 Points** | **Adequate**<br>**10 Points** | **Needs Improvement**<br>**0 Points** | **Total Points**<br>**Earned** |
| **Overall Project Design (20 POINTS)** | The project is well-planned and a detailed description is provided.<br><br>The applicant has extensive demonstrated experience leading projects of similar size and scope. | The project and applicant experience are described but missing key details.<br><br>The applicant has some experience on project of similar size and scope. This includes experience where the applicant has been involved in, but perhaps not lead the similar project. | The project and applicant experience are described only in a high-level way.<br><br>Applicant lacks demonstrated experience on projects of similar size and scope, whether as lead or partner. | /20 |
| **Addresses Village Housing Goals – Breadth (20 POINTS)** | The project advances three or more goals (see page 17) in the Strategic Vision for Housing OR addresses one of the following key goals:<br>• Expand the Variety of Homeownership Opportunities.<br>• Respond to Racial Disparities in Access to Homeownership<br>• Increase Racial Diversity Across All Parts of Oak Park | The project advances two goals (see page 17) in the Strategic Vision for Housing. | The project advances one goal (see page 17) in the Strategic Vision for Housing. | /20 |
| **Addresses Village Housing Goals – Depth (20 POINTS)** | The project will make a significant impact on the Village's housing goals as measured by the number of units created or the characteristics of the households served (including households with the lowest incomes). | The project will make an impact on the Village's housing goals as measured by the number of units created or the characteristics of the households served (including households with the lowest incomes). | The project will make a limited impact on the Village's housing goals as measured by the number of units created or the characteristics of the households served (including households with the lowest incomes). | /20 |

| Category | Excellent 10 Points | Adequate 5 Points | Needs Improvement 0 Points | Total Points Earned/ Available |
|---|---|---|---|---|
| **Leverage (10 POINTS)** | Request is less than 5% of the total project cost. | Request is 5% to 15% of the total project cost. | Request is more than 15% of the total project cost. | /10 |
| **Financial Feasibility (10 POINTS)** | Applicant has secured funding needed to carry out the project and, if applicable, ensure its long-term viability. | The application identifies all funding needed to carry out the project, but has not secured key funding sources. A clear plan is provided to demonstrate how the applicant will obtain additional funds. | The application does not identify all funding needed to carry out the project. Most of the funding has not been secured. No plan is provided to demonstrate how the applicant will obtain additional funds. | /10 |
| **Readiness (10 POINTS)** | The project will begin within one year of award with a high degree of certainty in doing so. | The project will begin within one year of award but there is uncertainty about the ability to do so. | The project will not begin within one year of award. | /10 |
| **Period of Affordability (10 POINTS)** | Village supported units will be affordable for 30+ years | Village supported units will be affordable for 15 to 29 years | Village supported units will be affordable for less than 15 years. | /10 |

| Scoring Information | Program/Activity | Development |
|---|---|---|
| **Maximum Points Available by Application Type** | 100 | 100 |
| **Application Score** | | |

**Application Scoring**

Each member of HPAC will score each application individually. The reviewer determines the category (i.e. Excellent, Adequate, or Needs Improvement) they feel is appropriate for each criterion. A point value is then assigned based on that category. Those point values are added together for a total score. Scores for each reviewer are then averaged to create a HPAC score for each application.

**Application Threshold**

An application must earn a minimum of 80 points to be considered for funding.

# Distribution of Fund

The distribution of HTF resources shall be executed through grants, loans, or other funding mechanisms that align with the objectives of the HTF. These funds are to be used strictly for eligible activities defined under this article.

# Monitoring Approved Applications

Staff will regularly report the status of each approved application to HPAC.

- **Review timeline:** HPAC will develop and determine individual timelines for monitoring each approved application at the time of approval.
- **Metrics:** Staff will develop and create an evaluation tool that will be used to asses and monitor approved applications.
- **Extension:** During the monitoring period, HPAC has the authority to make recommendation to the Village Board that it grant one extension for time after review of a written request for such from the applicant.
- **Callback:** HPAC has the authority to make a recommendation to the Village Board that funding be pulled back from an applicant for lack of performance or not meeting the timeline of activities as outlined in the approved application.

For approved applications creating housing units, staff will also undertake long-term monitoring to ensure that units are occupied by eligible households in accordance with the funding agreement and the HTF ordinance. Such applications are required to report to the Village annually on occupant eligibility.

# Evaluation of Funded Activities

HPAC will generate an annual report outlining activities undertaken over the past 12 months, evaluating the work undertaken and any recommended changes in operation of the HTF. Once the review is complete, HPAC will submit the final report to the Village Board.