



**Homes for a
Changing Region**

Strategic Vision for Housing Village of Oak Park March 19th, 2024

Project Background



Phase 1

Vision for Housing
•Challenges and Goals



Phase 2

Policy Audit
•Assessment of Existing Policies and Programs



Phase 3

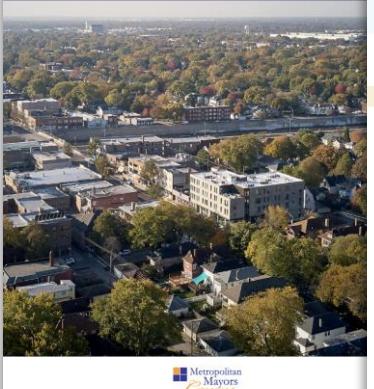
Strategic Vision for Housing
•Recommendations

Community engagement – 2 Public Meetings, 17 Focus Groups & 637 Community Survey Responses – was a key component of the entire project

Strategic Vision for Housing



Strategic Vision for Housing: Village of Oak Park



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Key Housing Challenges

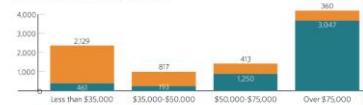
Guided by both community input received and quantitative analysis, the following section outlines key housing challenges facing Oak Park.

Oak Park's Renter Households With Incomes Below \$50,000 Face Challenges Affording Housing.

Four out of every ten renter households in Oak Park are "housing cost burdened," meaning they pay more than 30% of their monthly income on housing. Oak Park's renter households with incomes below \$50,000 are particularly impacted, with three-quarters of this group being housing cost burdened.

While Oak Park has a number of affordable rental options provided by the Oak Park Housing Authority, Oak Park Residence Corporation, and nonprofit housing providers, the community is still home to more renter households with incomes

below \$50,000 than rental units affordable to them. Figure 6 appears to show a surplus of rental units in the \$675 to \$1,250 price range compared to renter households with incomes between \$35,000 and \$50,000. In reality, many of these rental units are occupied by renters with higher incomes. As a result, it is Oak Park's renter households with incomes below \$50,000 who have the greatest difficulty finding housing options that meet their affordability needs, resulting in most of this group being housing cost burdened.



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Vision for Housing

The following are aspirational goals, each addressing a key housing challenge outlined above. These goals can be used to evaluate Oak Park's progress on key housing challenges over time.

Goals	Potential Metrics	Sources
Increase The Supply Of Affordable Rental Housing.	Number of rental units affordable to households earning 60% of the area median income.	US Census Bureau American Community Survey.
Expand The Supply Of Homeownership Opportunities.	Number of homeowner units that are condos, townhomes, or other multifamily units.	US Census Bureau American Community Survey.
Increase Homeownership Across All Parts Of Oak Park.	Race and demographics in each census tract of Oak Park.	US Census Bureau American Community Survey.
Progress Towards The Goal Established In Climate Ready Oak Park.	Number of housing-related goals implemented.	Climate Ready Oak Park.
Address The Social Disparities In Access To Homeownership.	Homeownership rate by race and ethnicity in Oak Park.	US Census Bureau American Community Survey.
Expand The Supply Of Housing Options For Unhoused Populations.	Number of permanent supportive housing units, interim housing units, and shelter beds in Oak Park.	Housing Forward.
Increase Housing Options For Older Adults To Downsize And Age-in-Community.	Number of homeowner units that are condos, townhomes, or other multifamily units; Number of rental units affordable to households earning 60% of the area median income.	US Census Bureau American Community Survey.
Increase The Number Of Physically Accessible Homes.	Number of new multifamily units added following area zoning relief; Number of homes served through Village accessibility programs.	US Census Bureau American Community Survey; Village of Oak Park.
Support Housing Options For Adults With Developmental Disabilities.	Number of Community Integrated Living Arrangement beds.	Community Mental Health Board of Oak Park.
Address Housing Maintenance Across A Variety Of Housing Types.	Number of homes served through Village programs for rehabilitation, condo assistance, and rental inspections.	Village of Oak Park.

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Policy Audit

Policies

Inclusionary Housing Ordinance

In 2019, the Village adopted an Inclusionary Housing Ordinance (IHO) that requires certain multifamily developments to offer inclusionary affordability options to pay a portion of rent for each affordable unit not otherwise provided. The ordinance applies to developments that have 25 or more units, are located near CTA "L" stations or along Madison Street, and are seeking zoning relief. Of the seven multifamily developments approved since the IHO was adopted, three development paid large amounts into the Village's Affordable Housing Trust Fund (AHTF), totaling \$3350,000, rather than providing affordable units; three developments were exempt from the ordinance due to their location or development size, and the remaining development (7 Van Buren), under construction, will include 9 affordable units.

Historic Preservation
The Village has three historic districts - the Ridgeland/Oak Park Historic District, the Frank Lloyd Wright-Prairie School of Architecture Historic District and the Gunderson Historic District - which cover about a third of the Village and are all locally-designated and listed on the National Register of Historic Places. Oak Park has 70 locally-designated historic landmarks.

For the historic districts, much of historic preservation policy depends on whether a building is a "contributing resource," meaning whether the building contributes to the significance of the historic district in which it is located, or a "non-contributing resource," which are typically

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Recommended Strategies

Having carefully analyzed Oak Park's current housing challenges, as well as the Village's current policies, programs, and recent development outcomes, a number of housing strategies will enable Oak Park to make progress towards goals included in the Vision for Housing.

1. Allow for Additional Multifamily Housing within Oak Park's Business Districts and Other Suitable Development Sites.

After a concerted effort to add multifamily housing, both renter- and owner-occupied, over the previous decade, demand for this housing in Oak Park has kept pace and remains strong, resulting in rents and condo prices outpacing incomes. To achieve key housing goals, Oak Park needs to add more multifamily housing in general and more affordable rental housing in particular. While several of the prime sites in downtown Oak Park have been developed, there remains untapped potential in Oak Park's other business districts, as well as other suitable redevelopment sites such as underutilized or vacant office, commercial, institutional or worship spaces.

Update Development Policies to Allow for More Housing in Business Districts
Current zoning regulations in Oak Park's business districts are restrictive, allowing approximately one dozen multifamily units on a typical-sized lot in most business districts. As a result, multifamily housing developers have typically sought zoning relief through the Village's Planned Development (PD) process.

The Village should update its zoning regulations to allow more housing by-right in its business

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Housing Challenges and Goals



Rental Affordability

Increase The Supply Of Affordable Rental Housing

Homeownership Affordability

Expand The Variety Of Homeownership Opportunities

Racial Diversity and Integration

Increase Racial Diversity Across All Parts Of Oak Park

Climate Change

Progress Towards The Goals Established In Climate Ready Oak Park

Racial Homeownership Gap

Respond To Racial Disparities In Access To Homeownership

Homelessness

Expand The Supply Of Housing Options For Unhoused Populations

Aging in Community

Increase Housing Options For Older Adults To Downsize And Age-In-Community

Physical Accessibility

Increase The Number Of Physically Accessible Homes

Housing for Adults With IDD

Support Housing Options For Adults With Intellectual/Developmental Disabilities

Older Housing Stock

Address Housing Maintenance Issues Across A Variety Of Housing Types

Recommendations

Recommendation #1: Allow for Additional Multifamily Housing within Oak Park's Business Districts and Other Suitable Development Sites



Context

- After a decade of adding multifamily housing, rental and condo prices continue to rise faster than incomes
- To make progress on housing goals, Oak Park needs more multifamily housing in general and more affordable rental housing in particular

Recommendation #1: Allow for Additional Multifamily Housing within Oak Park's Business Districts and Other Suitable Development Sites



Recent Planned Developments

Development		Density Allowed in Zoning District	Density Approved Through The Planned Development Process	
Site	Lot Size in Square Feet	Multifamily Units Allowed By-Right	Multifamily Units Approved	1 Unit Per Sq Ft of Lot Size Approved
801 S Oak Park	12,500	8	37	338
7 Van Buren	9,286	8	45	206
Washington Blvd Apartments	11,758	12	28	420
Madison St Apartments	18,506	25	42	441
North Ave Apartments	15,802	16	24	658
Total Units		69	176	

Recommendation #1: Allow for Additional Multifamily Housing within Oak Park's Business Districts and Other Suitable Development Sites



Business District Zoning Regulations and Multifamily Housing Potential

Business District Zoning Regulations		Example Lot Sizes and Number of Multifamily Units Allowed				
	1 Unit Per __ Sq Ft of Lot Size	7,500 Sq Ft	10,000 Sq Ft	12,500 Sq Ft	15,000 Sq Ft	17,500 Sq Ft
Current Zoning Regulations						
North Avenue	1,000	8	10	13	15	18
Neighborhood Commercial	1,500	5	7	8	10	12
Madison Street	750	10	13	17	20	23
General Commercial	1,000	8	10	13	15	18
Harrison Street	1,000	8	10	13	15	18
Roosevelt Road	1,000	8	10	13	15	18
Potential Adjustments						
North Avenue	500	15	20	25	30	35
Neighborhood Commercial	750	10	13	17	20	23
Madison Street	500	15	20	25	30	35
General Commercial	750	10	13	17	20	23
Harrison Street	500	15	20	25	30	35
Roosevelt Road	500	15	20	25	30	35

Recommendation #1: Allow for Additional Multifamily Housing within Oak Park's Business Districts and Other Suitable Development Sites



Strategy: Update Development Policies to Allow for More Housing By Right in Oak Park's Business Districts

- This update would better align current zoning regulations with recent development patterns
- Allowable density in business districts can be increased, enabling mid-sized multifamily development, while remaining below densities allowed in recent planned developments

Recommendation #2: Modify Oak Park's Zoning Ordinance to Allow “Missing Middle Housing”



Context

- Prices for single-family homes in Oak Park are increasingly out of reach for moderate-income households
- The lack of housing variety in certain areas of the community poses a challenge for Oak Park to sustain and strengthen core values of diversity, equity, and inclusion

Recommendation #2: Modify Oak Park's Zoning Ordinance to Allow “Missing Middle Housing”



Recommendation #2: Modify Oak Park's Zoning Ordinance to Allow “Missing Middle Housing”



Strategy: Build Consensus On Intended Goals Of Missing Middle Housing And Zoning Changes Necessary To Achieve These Goals

- Tailor approaches to Missing Middle Housing to local conditions
- Consider the use of a task force to build community understanding and consensus on goals of Missing Middle Housing

Recommendation #2: Modify Oak Park's Zoning Ordinance to Allow “Missing Middle Housing”



Strategy: Factor Affordability Goals Into Modified Regulations

- Regulations will play a major role in the costs of redevelopment
 - Parking
 - Building size
 - Types of housing allowed (duplexes, triplexes, fourplexes, and/or townhomes)
- Evaluate how these decisions will influence potential costs of Missing Middle Housing developed

Recommendation #2: Modify Oak Park's Zoning Ordinance to Allow “Missing Middle Housing”



Strategy: Determine Where To Implement Missing Middle Housing Zoning Changes

- Choose whether to “pilot” in certain locations or apply zoning changes more broadly
- Consider how changes might differ in various areas of Oak Park

Recommendation #3: Address Housing and Parking in a Holistic Manner



Context

- Housing and parking are intertwined & mutually-impacting
- Existing parking requirements limit the impact of recommendations on adding housing and density throughout Oak Park

Recommendation #3: Address Housing and Parking in a Holistic Manner



Strategy: Revise Minimum On-site Parking Requirements

- Recent Oak Park developments confirm the benefits of parking reductions on the feasibility of affordable housing developments
- Reduce requirements to enable mid-size multifamily housing in business districts and Missing Middle Housing in other areas

Recommendation #3: Address Housing and Parking in a Holistic Manner



Strategy: Reconsider Limitations On Overnight On-street Parking

- Build on modifications that came out of the Parking Pilot Program that allows overnight on-street parking in certain high-demand areas
- Develop a staged implementation for adding on-street parking

Recommendation #4: Clarify Goals for the Affordable Housing Trust Fund and Continue to Stabilize its Revenue



Context

- The Affordable Housing Trust Fund has disbursed approximately \$404,526 per year since 2016
- Recently approved increases to demolition fees and short-term rental taxes are expected to generate approximately \$143,742 per year for the Affordable Housing Trust Fund

Recommendation #4: Clarify Goals for the Affordable Housing Trust Fund and Continue to Stabilize its Revenue



Relative Efficiency Of Affordable Housing Trust Fund Disbursements

Project	Description	Amount	Affordable Units	Years Affordable	\$ Per Unit Per Year
801 S Oak Park	Development With 36 Affordable Rental Units	\$500,000	36	30	\$463
Sojourner House	6 Units Of Interim And Medical Respite Housing	\$268,108	6	30	\$1,489
Oak Park Condo To Affordable Rental Conversion	Conversion Of 8-10 Condos To Affordable Rental Units	\$450,000	8	30	\$1,875
Flexible Rental Assistance Program	Emergency Rental Assistance For 60 Households Per Year	\$251,340	60	2	\$2,095
Comparison To The Inclusionary Housing Ordinance	Fee In Lieu Amount	\$100,000	1	30	\$3,333

Recommendation #4: Clarify Goals for the Affordable Housing Trust Fund and Continue to Stabilize its Revenue



Recommended Priorities For The Affordable Housing Trust Fund

Priority	Project Type	Amount	Frequency	Annual Revenue Needed
1	Gap Funding For Affordable And Supportive Housing Developments	\$250,000 to \$500,000	Every 2 Years	\$125,000 to \$250,000
2	Emergency Rental Assistance	\$125,000	Annual	\$125,000
3	Future Initiatives	\$75,000	Annual	\$75,000
Total				\$325,000 to \$450,000

Revenue amounts are based on recent distributions and are shown for example only. Priorities, project frequency, revenue necessary should be determined by the Village.

Recommendation #4: Clarify Goals for the Affordable Housing Trust Fund and Continue to Stabilize its Revenue



Strategy: Continue To Establish Stable Revenue Sources To The Level Necessary To Achieve Goals Of The Affordable Housing Trust Fund

- Consider a more nuanced short-term rental license structure
 - Increasing the rate for non-resident owners of short-term rentals
 - Increasing the rate for owners of multiple rental units above a set threshold

Recommendation #4: Clarify Goals for the Affordable Housing Trust Fund and Continue to Stabilize its Revenue



Strategy: Continue To Establish Stable Revenue Sources To The Level Necessary To Achieve Goals Of The Affordable Housing Trust Fund

- Evaluate a graduated real estate transfer tax
 - Explore scenarios for a marginal increase in the real estate transfer tax for properties selling above a certain price point
 - Apply lessons learned from other communities that have adopted or are considering this approach

Recommendation #5: If Homeownership Assistance is Pursued, Address Racial Disparities in Homeownership



Context

- The Affordable Housing Trust Fund's evaluation criteria currently prioritizes projects that:
 - Serve the highest number of households or yield the largest amount of housing
 - Provide the longest term of affordability
 - Serve households with the lowest incomes
- Addressing racial disparities in homeownership was one of the top ranked strategies in the community survey

Recommendation #5: If Homeownership Assistance is Pursued, Address Racial Disparities in Homeownership



Strategy: Carefully Evaluate Potential Use Of The Affordable Housing Trust Fund For Homeownership Assistance

- Consider efficiency and impact compared to established uses of the Affordable Housing Trust Fund
- Design any homeownership assistance program to focus on racial equity in homeownership access

Recommendation #6: Update the Inclusionary Housing Ordinance to Reflect Future Development Opportunities



Context

- Several of the prime large-scale redevelopment sites near Oak Park's downtown have been developed
- Remaining multifamily housing development opportunities vary in size and location throughout Oak Park

Recommendation #6: Update the Inclusionary Housing Ordinance to Reflect Future Development Opportunities



Strategy: Expand The Inclusionary Housing Ordinance's Geographic Area

- Pair increased development potential in business districts with Inclusionary Housing Ordinance requirements
- Consider varying requirements based on location
 - For example: a higher “in-lieu fee” in downtown Oak Park than elsewhere

Recommendation #6: Update the Inclusionary Housing Ordinance to Reflect Future Development Opportunities



Strategy: Create An Updated “In-lieu Fee” Amount And A Process For Future Updates

- Determine a new in-lieu fee amount based on a formula that can be used in future years
- Communicate with the development community to understand potential impacts
- Establish a process and timeline for future updates to the in-lieu fee amount

Recommendation #6: Update the Inclusionary Housing Ordinance to Reflect Future Development Opportunities



Strategy: Encourage Affordability Through A Tiered Approach To Affordability Requirements And Stronger Incentives

- Consider requiring a higher percentage of affordable housing for larger developments
 - For example: 15% for 25+ unit developments; 10% for 15 to 25 unit developments
- Increase density bonuses, parking reductions, and other incentives

Recommendation #7: Evaluate Future Support of the OPRHC's Live in Oak Park Program Based on How It Evolves to Better Meet Housing and Integration Challenges



Context

- The Village has lowered the annual affirmative move goal significantly in recent years (600/year prior to 2020; 400 in 2020; 250 in 2021; 175 in 2022)
- From 2020 to 2022, the Oak Park Regional Housing Center helped an annual average of 267 clients move to Oak Park, with approximately 150 of these moves being affirmative moves
- Approximately 25% of apartments listed with the Oak Park Regional Housing Center were rented to Oak Park Regional Housing Center clients

Recommendation #7: Evaluate Future Support of the OPRHC's Live in Oak Park Program Based on How It Evolves to Better Meet Housing and Integration Challenges



Oak Park Regional Housing Center Moves and Affirmative Move Goals

	2020	2021	2022
Moves by OPRHC Clients to Oak Park	301	267	276
Affirmative Moves by OPRHC Clients to Oak Park	182	141	153
Affirmative Move Goal in Village Agreement	400	250	175

Recommendation #7: Evaluate Future Support of the OPRHC's Live in Oak Park Program Based on How It Evolves to Better Meet Housing and Integration Challenges



Strategy (OPRHC): Demonstrate Plans For The Live In Oak Park Program To Better Meet Ongoing Housing And Integration Challenges

Strategy (VOP): Increase Communication With The Oak Park Regional Housing Center

Recommendation #8: Craft Future Sustainability Initiatives with Housing Affordability in Mind



Context

- Housing accounts for 37% of Oak Park's greenhouse gas emissions
- Affordable housing providers may lack capital or expertise to take on electrification at the same time as major renovations

Recommendation #8: Craft Future Sustainability Initiatives with Housing Affordability in Mind



Strategy: Engage Affordable Housing Stakeholders In Policy Development

Strategy: Consider Allowing Alternative Compliance Pathways For Affordable Housing Providers

Strategy: Provide And Facilitate Access To Complimentary Programs

Recommendation #9: Continue the Village's Housing Rehabilitation and Assistance Programs



Strategy: Continue Single-Family Home And Small Rental Rehabilitation Programs

Strategy: Continue Community Development Block Grant Support For Community Integrated Living Arrangements

Strategy: Continue Rental License And Inspection Programs And The Residential Tenant Landlord Ordinance

Strategy: Continue and Consider Expanding The Small Condo Assistance Program



Homes for a Changing Region

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