



Housing Trust Fund Revenue Sources & Forecasts

Oak Park Board of Trustees

February 20, 2024

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Executive Summary

Executive Summary

Executive Summary

- Village Board aims to utilize HTF to further goals pertaining to affordable housing in the village
- Recent development contributions to the HTF:
 - 1.) 435 Madison Street (\$550,000 on 11.02.21)
 - 2.) 835 Lake Street (\$1,000,000 on 2.8.22)
 - 3.) Porter Development (\$1,600,000 on 4.4.22)
- There are no qualifying developments currently in the planning stages



HTF Action to Date

Housing Trust Fund Action to Date

February 13, 2023 Study Session

- Staff presented potential additional revenue sources to support the HTF. Preferred potential sources by the Board included:
 - Increase to Hotel/Motel Tax
 - Demolition Tax of \$5,000, **adopted January 1, 2024**
- Board requested staff return with scenarios modeling gradual increases to the Hotel/Motel Tax.

Housing Trust Fund Action to Date

October 30, 2023

- Board reviewed more detailed analysis of potential additional revenue sources
- Board gave direction to increase the village's demolition permit fee; 100% of fee allocated to the HTF
- Board directed staff to prepare an ordinance for consideration increasing the Hotel/Motel Tax from 4% to 7.5%
 - Revenue generated by the increase above 4% to be allocated to the village's HTF

Housing Trust Fund Action to Date

December 4, 2023

- Board approved amending demolition fees for single-family & multifamily dwellings, non-residential commercial buildings, mixed-use buildings, and institutional buildings
- Fee amended from \$0.35 per SF to the greater of \$5,000 per structure or \$0.35 per SF
- Accessory structures (garages, sheds, etc.) and Right-Of-Way obstructions remain at \$0.35 per SF
- 100% of demolition fees allocated to the village's HTF, effective as of January 1, 2024

Housing Trust Fund Action to Date

February 6, 2024

- Board approved a motion to direct staff to prepare analyses of multiple robust options re: Hotel/Motel & STR Tax Rates
- Staff prepared Option “A” and Options “B-1” through “B-6” for Board consideration at February 20, 2024 Board Meeting
- Materials for February 20, 2024 Board Meeting additionally include staff recommendation for consideration



Forecasted Hotel/Motel & STR Revenue

Forecasted Hotel/Motel & STR Revenue

Current Hotel Motel Tax Rate in Neighboring Communities

Bolingbrook	10%
Schaumburg	8.0%
Evanston	7.5%
Skokie	7.5%
Tinley Park	7.0%
Rosemont	7.0%
Des Plaines	7.0%
Glenview	6.0%
Hoffman Estates	6.0%

Naperville	5.5%
Hillside	5.0%
Franklin Park	5.0%
Arlington Heights	5.0%
Bridgeview	5.0%
Westmont	5.0%
Downers Grove	4.5%
Elmhurst	4.0%
Oak Park	4.0%

Forecasted Hotel/Motel & STR Revenue

Contributors & Petitioners

- Village realized \$225,000 in revenue in 2022 and approximately \$258,000 in 2023 through existing 4% rate; funds allocated to the General Fund
 - Contributors include: One (1) Hotel, one (1) B&B, and approximately one-hundred and twenty (120) STRs
 - Potential additional hotel beginning operations in January 2026
 - Village funded Visit Oak Park \$175,000 (78% of total revenue) in 2023; village approved 2024 budget request by Visit Oak Park is \$209,042 (81% of total revenue)

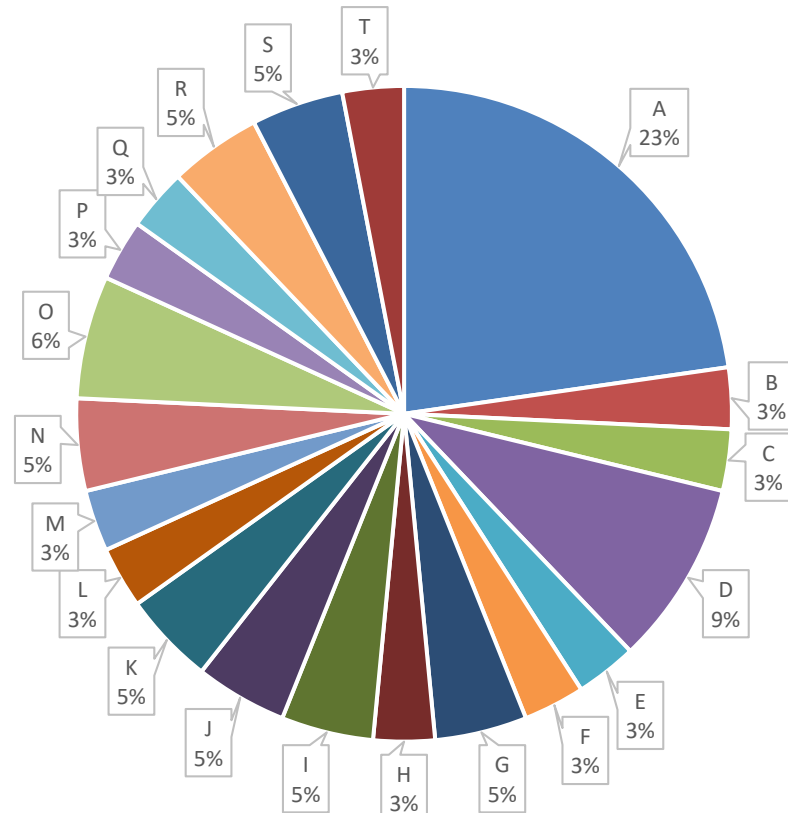
Forecasted Hotel/Motel & STR Revenue

STR Ownership Summary

- 120 active licenses (units)
- Twenty (20) operators operate two (2) or more units
 - Multi-licensed entities operate sixty-six (66) units in aggregate
 - Of the sixty-six (66) units, twenty-seven (27) are licensed by non-residents* (41%)
 - Of the 120 units, thirty-seven (37) are licensed by non-residents* (31%, this total includes the 27 multi-licensed operators)
 - Eighty-three (83) of 120 licensees provided Oak Park mailing addresses on their license application materials* (69%)
- Average operator holds 3.3 licenses
- Median operator holds 2.5 licenses
- Largest operator holds fifteen (15) licenses (Forest Park Mailing Address)

Forecasted Hotel/Motel & STR Revenue

Short Term Rental Ownership



■ A ■ B ■ C ■ D ■ E ■ F ■ G ■ H ■ I ■ J ■ K ■ L ■ M ■ N ■ O ■ P ■ Q ■ R ■ S ■ T

Name	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Units	15	2	2	6	2	2	3	2	3	3	3	2	2	3	4	2	2	3	3	2

Forecasted Hotel/Motel & STR Revenue

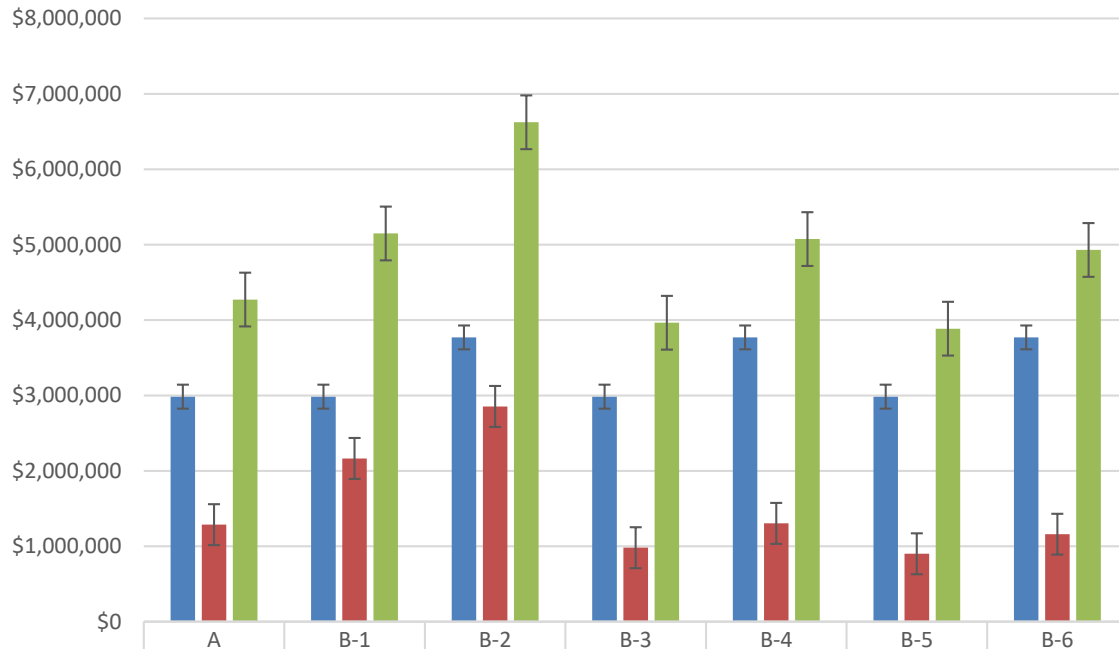
Model Assumptions

- All options assume an annualized revenue escalation rate of 1% over preceding year
- One-hundred percent (100%) of funds generated through the existing 4% would remain allocated to the General Fund
- All contributions to Visit Oak Park assumed to be funded through the General Fund by the existing base 4%
- All options assume an annual funding of Visit Oak Park in the amount of \$209,042 beginning in 2024
- One-hundred percent (100%) of funds generated through the proposed 3.5% increase/surcharge would be allocated to the HTF
- Options B-1, 3, and 5 assume no additional operating hotel in January 2026
- Options B-2, 4, and 6 assume one (1) additional operating hotel in January 2026

Forecasted Hotel/Motel & STR Revenue

Opt.	Description
A	Assumes 3.5% surcharge applies to short-term rentals exclusively, no increase to hotel/motel rate
B-1	Assumes 7.5% rate effective May 1, 2024
B-2	Assumes 7.5% rate effective May 1, 2024
B-3	Assumes annual increases of fifty (50) basis points (0.5%)
B-4	Assumes annual increases of fifty (50) basis points (0.5%)
B-5	Assumes biennial increases of fifty (50) basis points (0.5%)
B-6	Assumes biennial increases of fifty (50) basis points (0.5%)

Forecasted Hotel/Motel & STR Revenue 2023-2033



	A	B-1	B-2	B-3	B-4	B-5	B-6
Total Estimated Revenue at 4% (No Change)	\$2,984,243	\$2,984,245	\$3,770,554	\$2,984,245	\$3,770,554	\$2,984,245	\$3,770,554
Housing Trust Fund Support (3.5% Surcharge)	\$1,287,417	\$2,164,794	\$2,854,058	\$981,391	\$1,304,492	\$901,276	\$1,160,428
Total Estimated Revenue with Increase (7.5% Cap)	\$4,271,660	\$5,149,039	\$6,624,612	\$3,965,636	\$5,075,045	\$3,885,521	\$4,930,980

■ Total Estimated Revenue at 4% (No Change)
 ■ Housing Trust Fund Support (3.5% Surcharge)
■ Total Estimated Revenue with Increase (7.5% Cap)





Staff Recommendation

Staff Recommendation

- Staff recommend the Village Board consider adopting an ordinance to increase the short-term rental-focused, transient occupancy rental unit surcharge tax in the amount of 3.5%
 - The staff supported option is shown as Option “A”
 - The ordinance establishes an additional 3.5% surcharge tax paid only by the Village’s licensed short-term rentals
 - Previously communicated recommendation by a majority of the Village Board
 - No adjustment to the village’s existing 4% Hotel/Motel tax
- Revenue generated by proposed increase to be allocated to the village’s HTF



Questions



Appendix

Appendix A – Option A Analysis

VILLAGE OF OAK PARK HOTEL / MOTEL TAX AND SHORT-TERM RENTAL SURCHARGE INFORMATION

OPTION A: No increase to Hotel/Motel tax, with a new 3.5% surcharge instituted for just short-term rental licenses and only that surcharge dedicated to the Housing Trust Fund. Short-term rentals continue to also pay 4% hotel motel tax

Reflecting 1% Natural Growth, With No New Hotel Included

	2023 Existing 4% Tax	2024 4.0%	2025 4.0%	2026 4.0%	2027 4.0%	2028 4.0%	2029 4.0%	2030 4.0%	2031 4.0%	2032 4.0%	2033 4.0%
Annual Estimated Collection (Curent 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
<i>Total Annual Estimated Return For Hotel/Motel Tax</i>	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Annual Estimated Short - Term Rental Surcharge (3.5% Plus Conservative 1% Natural Growth Increase)		123,054	124,285	125,527	126,783	128,050	129,331	130,624	131,931	133,250	134,582
Housing Trust Fund Support (Only 3.5% surcharge for short-term rentals)	-	123,054	124,285	125,527	126,783	128,050	129,331	130,624	131,931	133,250	134,582
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 1,287,417									



Appendix B – Options B-1, 2 Analyses

VILLAGE OF OAK PARK HOTEL / MOTEL TAX AND SHORT-TERM RENTAL SURCHARGE INFORMATION

OPTION B-1 - Hotel/Motel Tax Increases (5.1.23) to 7.5% with 3.5% (47% of total) dedicated to the Housing Trust Fund (Previous Direction Provided by Village Board 10.23) and 4% (53% of total) Remain in the General Fund

Reflecting 1% Natural Growth, With No New Hotel Included, With New 7.5% Tax Effective May 1, 2024

	2023 Existing 4% Tax	2024 7.5%	2025 7.5%	2026 7.5%	2027 7.5%	2028 7.5%	2029 7.5%	2030 7.5%	2031 7.5%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Annual estimated return resulted from increase (3.5% tax difference)	-	71,442	225,200	225,432	227,686	229,963	232,262	234,885	236,931	239,300	241,693
Total Annual Estimated Return	258,000	332,022	488,386	491,250	496,162	501,124	506,134	511,496	516,308	521,471	526,686
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support (3.5% or 47% of total collected)	-	71,442	225,200	225,432	227,686	229,963	232,262	234,885	236,931	239,300	241,693

TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS \$ **2,164,794**

OPTION B-2 - Hotel/Motel Tax Increases (5.1.23) to 7.5% with 3.5% (47% of total) dedicated to the Housing Trust Fund (Previous Direction Provided by Village Board 10.23) and 4% (53% of total) Remain in the General Fund

Reflecting 1% Natural Growth, With New Hotel Included in 2026, With New 7.5% Tax Effective May 1, 2024

	2023 Existing 4% Tax	2024 7.5%	2025 7.5%	2026 7.5%	2027 7.5%	2028 7.5%	2029 7.5%	2030 7.5%	2031 7.5%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Annual estimated return resulted from increase (3.5% tax difference)	-	71,442	225,200	308,655	311,742	314,859	318,008	321,188	324,400	327,644	330,920
Total Annual Estimated Return	258,000	332,022	488,386	669,373	676,067	682,827	689,656	696,552	703,518	710,553	717,658
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support (3.5% or 47% of total collected)	-	71,442	225,200	308,655	311,742	314,859	318,008	321,188	324,400	327,644	330,920

TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS \$ **2,854,058**



Appendix C - Options B-3, 4 Analyses

OPTION B-3 Annual Hotel/Motel Tax Increases at a Gradual Tax Increase, Effective May 1, 2024

Reflecting 1% Natural Growth, With No New Hotel Included

	2023 Existing 4% Tax	2024 4.5%	2025 5.0%	2026 5.5%	2027 6.0%	2028 6.5%	2029 7.0%	2030 7.5%	2031 7.5%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Annual estimated return resulted from increase (tax difference)	-	19,001	52,637	71,771	88,597	104,288	117,217	130,007	131,307	132,620	133,946
Total Annual Estimated Return	258,000	279,581	315,823	337,588	357,073	375,449	391,089	406,618	410,684	414,791	418,939
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	52,637	71,771	88,597	104,288	117,217	130,007	131,307	132,620	133,946
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 981,392									

OPTION B-4 Annual Hotel/Motel Tax Increases at a Gradual Tax Increase, Effective May 1, 2024

Reflecting 1% Natural Growth, With New Hotel Included in 2026

	2023 Existing 4% Tax	2024 4.5%	2025 5.0%	2026 5.5%	2027 6.0%	2028 6.5%	2029 7.0%	2030 7.5%	2031 7.5%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Annual estimated return resulted from increase (tax difference)	-	19,001	52,637	97,394	120,227	139,828	159,065	176,421	178,185	179,967	181,767
Total Annual Estimated Return	258,000	279,581	315,823	458,111	484,552	507,796	530,713	551,785	557,303	562,876	568,505
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	52,637	97,394	120,227	139,828	159,065	176,421	178,185	179,967	181,767
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 1,304,493									

Appendix D - Options B-5, 6 Analyses

OPTION B-5 - Biennial Hotel/Motel Tax Increases at a Gradual Tax Increase, Effective May 1, 2024

Reflecting 1% Natural Growth, With No New Hotel Included

	2023 Existing 4% Tax	2024 4.5%	2025 4.5%	2026 5.0%	2027 5.0%	2028 6.5%	2029 6.5%	2030 7.0%	2031 7.0%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	265,818	268,476	271,161	273,872	276,611	279,377	282,171	284,993
Annual estimated return resulted from increase (tax difference)	-	19,001	32,898	61,138	61,749	108,464	109,549	118,943	120,132	134,031	135,371
Total Annual Estimated Return	258,000	279,581	296,084	326,956	330,225	379,625	383,421	395,554	399,509	416,202	420,364
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	32,898	61,138	61,749	108,464	109,549	118,943	120,132	134,031	135,371
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 901,277									

OPTION B-6 - Biennial Hotel/Motel Tax Increases at a Gradual Tax Increase, Effective May 1, 2024

Reflecting 1% Natural Growth, With New Hotel Included in 2026

	2023 Existing 4% Tax	2024 4.5%	2025 4.5%	2026 5.0%	2027 5.0%	2028 6.5%	2029 6.5%	2030 7.0%	2031 7.0%	2032 7.5%	2033 7.5%
Annual Estimated Collection (Current 4% Plus Conservative 1% Natural Growth Increase)	258,000	260,580	263,186	360,718	364,325	367,968	371,648	375,364	379,118	382,909	386,738
Annual estimated return resulted from increase (tax difference)	-	19,001	32,898	72,144	72,865	139,828	141,226	157,653	159,230	181,882	183,701
Total Annual Estimated Return	258,000	279,581	296,084	432,861	437,190	507,796	512,874	533,017	538,347	564,791	570,439
Visit Oak Park funding (shown in 2024 and going forward at Board approved 2024 amount)	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	19,001	32,898	72,144	72,865	139,828	141,226	157,653	159,230	181,882	183,701
TOTAL ESTIMATED HOUSING TRUST FUND SUPPORT OVER 10 YRS		\$ 1,160,426									

Appendix E – October 30, 2023 Report

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Housing Trust Fund Revenue Sources Presentation

Oak Park Board of Trustees

October 30, 2023

Housing Trust Fund – Presentation Overview

- Anticipated Future Developer Contributions to HTF
- Potential New Additional Revenue Sources for the HTF
- Village Board Direction
- Questions?



Anticipated Future Developer Contributions To The Housing Trust Fund

Anticipated Future Developer Contributions To The Housing Trust Fund

- **Examples of most recent development contributions to the HTF:**
 - 1.) 435 Madison Street (\$550,000 on 11.02.21);
 - 2.) 835 Lake Street (\$1,000,000 on 2.8.22); and
 - 3.) Porter Development (\$1,600,000 on 4.4.22).
- **There is no qualifying development currently in the planning stages.**



Potential New Additional Revenue Sources for the Housing Trust Fund

Potential New Revenue Sources for the Housing Trust Fund

Increase to Hotel/Motel Tax

- Currently the Village's hotel/motel tax is 4% and the Village realized \$225,000 in 2022 and will realize approximately \$252,300 in 2023.
- This tax can be increased by Board action.
- The Village gave \$175,000 of this tax revenue to Visit Oak Park in 2023. The proposed 2024 budget request from Visit Oak Park is \$209,042.
- If the Village systematically and gradually raises the hotel/motel tax over a period of years, then the additional revenue generated, above the 2024 Visit Oak Park request (\$209,042), could be designated to support the Housing Trust Fund. The assumption would be that Visit Oak Park funding would top-out permanently at the designated 2024 request amount.
- Over 10 years, based on 2022/23 receipts, the 2024 Visit Oak Park funding request amount remaining constant and the new hotel opening in 2026, this new funding source could equal between \$970,620 to \$1,001,599, depending on the tax increase scenario supported.

Potential New Revenue Sources for the Housing Trust Fund

Current Hotel Motel Tax Rate in Neighboring Communities

Bolingbrook	10%
Schaumburg	8.0%
Evanston	7.5%
Skokie	7.5%
Tinley Park	7.0%
Rosemont	7.0%
Des Plaines	7.0%
Glenview	6.0%
Hoffman Estates	6.0%

Naperville	5.5%
Hillside	5.0%
Franklin Park	5.0%
Arlington Heights	5.0%
Bridgeview	5.0%
Westmont	5.0%
Downers Grove	4.5%
Elmhurst	4.0%
Oak Park	4.0%

Potential New Revenue Sources for the Housing Trust Fund

Potential Gradual Increase of Hotel / Motel Tax – 4 to 7.5%

**Reflecting New Hotel in 2026*

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	4%	5%	5%	6%	6%	7%	7%	7.5%	7.5%	7.5%	7.5%
Annual Estimated Return (Existing increase with natural growth)	252,300	254,823	257,371	268,484	279,709	291,046	302,497	314,062	325,742	337,540	349,455
Increase Resulted from the Tax Increase	-	2,523	2,574	5,370	5,594	8,731	9,074	10,992	11,401	11,814	12,231
Visit Oak Park Funding	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	48,304	50,902	64,812	76,261	90,736	102,530	116,012	128,101	140,312	152,644

Potential New Revenue Sources for the Housing Trust Fund

Potential Gradual Increase of Hotel / Motel Tax – 4 to 7%

**Reflecting New Hotel in 2026*

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	4%	5%	5%	6%	7%	7%	7%	7%	7%	7%	7%
Annual Estimated Return (Existing increase with natural growth)	252,300	254,823	257,371	271,945	283,205	294,578	306,065	317,667	329,384	342,219	353,173
Increase Resulted from the Tax Increase	-	2,523	5,147	8,158	8,486	8,837	9,182	9,530	9,881	10,236	10,595
Visit Oak Park Funding	175,000	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042	209,042
Housing Trust Fund Support	-	48,304	53,476	71,061	82,660	94,373	106,205	118,155	130,224	142,414	154,726

TOTAL ESTIMATED SUPPORT IN 10 YEARS = \$1,001,500

Potential New Funding Sources for the Housing Trust Fund

Amount of Taxes Paid Based on Current Averaged Hotel and B & B Rates

Location of Oak Park Accommodation	4%	5%	Difference	6%	Difference	7%	Difference	7.50%	Difference
Bed & Breakfast (Averaged Rate = \$311/Night)	12.44	\$15.55	\$3.11	\$18.66	\$6.22	\$21.77	\$9.33	\$23.33	\$10.89
Hotel (Averaged Rate = \$197/Night)	7.88	\$9.85	\$1.97	\$11.82	\$3.97	\$13.79	\$5.91	\$14.78	\$6.90

Additionally, any Oak Park Hotels, B & B and AirBnB type Rentals Must Pay a State of Illinois Hotel Operators Occupation Tax of 6% of 94 percent of gross receipts.

Potential New Revenue Sources for the Housing Trust Fund

Increase in Real Estate Transfer Tax

- This funding option needs voter approval. It must be done by referendum by a home rule municipality and there must be a public hearing on the proposed increase prior to adoption of the resolution for the referendum.
- The Village's **current rate is \$8.00** for every \$1,000 or fraction thereof and it is paid by the seller. (Oak Park Village Code at Sec. 23A-1-2 - There is no maximum statutory rate).
- Total transfer tax collections: '22 - \$5,197,099; '21 - \$4,499,788; '20 - \$4,175,300; '19 - \$ 3,237,156; and '18 - \$4,298,368.
- If the transfer tax was **increased \$1 to \$9.00 or gradually increased to \$10 over a period of years**, for every \$1,000 or fraction thereof, and the additional increase was dedicated to the Housing Trust Fund, over ten years, this increase would raise **\$5,854,710 to \$7,134,710** depending on the increase scenario supported.

Potential New Revenue Sources for the Housing Trust Fund

Current Real Estate Transfer Tax in Neighboring Communities

Schaumburg	\$1 per \$1,000
Des Plaines	\$2 per \$1,000
Skokie	\$3 per \$1,000
Hoffman Estates	\$3 per \$1,000
Naperville	\$3 per \$1,000
Evanston	\$5 per \$1,000
Bolingbrook	\$7.50 per \$1,000
Hillside	\$7.50 per \$1,000
Oak Park	\$8 per \$1,000
Berwyn	\$10 per \$1,000
Cicero	\$10 per \$1,000

Potential New Revenue Sources for the Housing Trust Fund

Potential \$1 Increase of Real Estate Transfer Tax

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<i>Rate for every \$1,000</i>	\$8	\$8	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9
Estimated Collection (Reflecting a 1% increase)	5,797,099	6,297,099	6,797,099	7,297,099	7,797,099	8,297,099	8,797,099	9,297,099	9,797,099	10,297,099	10,797,099
General Fund Support	5,797,099	6,297,099	6,234,128	6,729,128	7,224,128	7,719,128	8,214,128	8,709,128	9,204,128	9,699,128	10,194,128
Housing Trust Fund Support	-	-	562,971	567,971	572,971	577,971	582,971	587,971	592,971	597,971	602,971
TOTAL ESTIMATED SUPPORT IN 10 YEARS : <u>\$5,854,710</u>											

Potential New Revenue Sources for the Housing Trust Fund

Potential Gradual Increase of Real Estate Transfer Tax

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<i>Rate for every \$1,000</i>	\$8	\$8	\$8	\$8.50	\$8.50	\$9	\$9	\$9.50	\$9.50	\$10	\$10
Estimated Collection (Reflecting a 1% increase)	5,797,099	6,247,099	6,747,099	7,297,099	7,847,099	8,447,099	9,047,099	9,697,099	10,347,099	11,047,099	11,747,099
General Fund Support	5,797,099	6,297,099	6,184,628	6,679,628	7,224,128	7,768,628	8,362,628	8,956,628	9,600,128	10,243,628	10,936,628
Housing Trust Fund Support	-	-	562,471	617,471	622,971	678,471	684,471	740,471	746,971	803,471	810,471

TOTAL ESTIMATED SUPPORT IN 10 YEARS : \$7,134,710

Potential New Funding Sources for the Housing Trust Fund

Transfer Tax Amount Based on Home Sale Price

Home Sale Price	\$8 / \$1,000	\$8.50 / \$1,000	<i>Difference</i>	\$9 / \$1,000	<i>Difference</i>	\$9.50 / \$1,000	<i>Difference</i>	\$10 / \$1,000	<i>Difference</i>
\$200,000	\$1,600	\$1,700	\$100	\$1,800	\$200	\$1,900	\$300	\$2,000	\$400
\$300,000	\$2,400	\$2,550	\$150	\$2,700	\$300	\$2,850	\$450	\$3,000	\$600
\$400,000	\$3,200	\$3,400	\$200	\$3,600	\$400	\$3,800	\$600	\$4,000	\$800
\$500,000	\$4,000	\$4,250	\$250	\$4,500	\$500	\$4,750	\$750	\$5,000	\$1,000
\$600,000	\$4,800	\$5,100	\$300	\$5,400	\$600	\$5,700	\$900	\$6,000	\$1,200
\$700,000	\$5,600	\$5,950	\$350	\$6,300	\$700	\$6,650	\$1,050	\$7,000	\$1,400
\$800,000	\$6,400	\$6,800	\$400	\$7,200	\$800	\$7,600	\$1,200	\$8,000	\$1,600
\$900,000	\$7,200	\$7,650	\$450	\$8,100	\$900	\$8,550	\$1,350	\$9,000	\$1,800
\$1,000,000	\$8,000	\$8,500	\$500	\$9,000	\$1,000	\$9,500	\$1,500	\$10,000	\$2,000

Potential New Revenue Sources for the Housing Trust Fund

Demolition Tax

- Make the Village Demolition Tax a \$5,000 flat fee and dedicate the entire fee to the Housing Trust Fund.
- This fee can be increased by Board action.
- Past demolitions over the past four years : '22 - 2; '21 - 2; '20 - 3; and '19 - 4.
- Over 10 years an increase to the demolition permit fee could raise **\$150,000** in additional funding to the HTF.

Potential New Revenue Sources for the Housing Trust Fund

Demolition Tax in Neighboring Communities

Evanston	\$10,000 per building or \$3,000 per unit, whichever is greater
Lake Forest	\$12,000 for a single-family & two unit buildings, or \$6,000 per unit
Highland Park	\$10,000 per building or \$3,000 per unit, in addition to a \$750 permit fee
Oakbrook Terrace	\$5,000 flat fee
Westmont	\$2,500 flat fee
Clarendon Hills	\$2,511 flat fee
Elmhurst	\$2,279 permit fee and \$1,000 refundable deposit
Oak Park	\$0.35 per square foot per building (Example: 2,000sqft = \$700; 3,000sqft = \$1,050; 4,000sqft = \$1,400)

Potential New Funding Sources for the Housing Trust Fund

Potential Increase in Demolition Tax to \$5,000 Flat Fee

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<i>Single Family Demolitions</i>	3	3	3	3	3	3	3	3	3	3	3
New Demolition Tax	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Housing Trust Fund Support	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000

TOTAL ESTIMATED SUPPORT IN 10 YEARS : \$150,000

Potential New Revenue Sources for the Housing Trust Fund

Increase Multi-Family (4 or more units) Licensing Fee

- Currently, this fee is \$20 per unit and the existing fee has been this rate since 2009.
- This fee can be increased by Board action.
- Total year-end licensing fee numbers:
 - 2022 – 5,258 units 2019 – 1,914 units
 - 2021 – 3,624 units 2018 – 2,579 units
 - 2020 – 3,412 units
- If the multi-family licensing fee was **increased 50%** to **\$30** and the additional **\$10 increase** was dedicated to the Housing Trust Fund, over ten years, this increase could equal approximately **\$335,740** in potential funding to the HTF.

Potential New Revenue Sources for the Housing Trust Fund

Increase Multi-Family (3 or less) Licensing Fee

- Currently, this fee is \$10 per unit and the fee has been in place, at this rate, since 2015. This fee can be increased by Board action.
- Total year-end licensing fee numbers:
 - 2022 – 197 units
 - 2021 – 240 units
 - 2020 – 254 units
 - 2019 – 128 units
 - 2018 – 163 units
- If the licensing fee was **increased 50%** to **\$15** per unit and the additional **\$5 increase** was dedicated to the Housing Trust Fund, over ten years, this increase could equal approximately **\$9,820** in potential funding to the HTF.

Potential New Revenue Sources for the Housing Trust Fund - Summary

Summary of Revenue Generated, Over a Ten Year Period, from the Potential Options, as Presented.

- Potential increase to hotel/motel tax: \$970,620 to \$1,001,599.
- Potential demolition tax: \$150,000.
- Potential 50% increase to multi-family licensing fee – 4 or more units: \$335,740.
- Potential 50% increase to multi-family licensing fee – 3 or less units: \$9,820.
- Potential increase to RE transfer tax: \$5,854,710 to \$7,134,710.
- Summary of estimated revenue raised from all five options, over ten year period, as presented: \$7,320,890 to \$8,631,869.



Village Board Direction

Village Board Direction

- **On Potential New Funding Sources for the Housing Trust Fund for Staff to prepare ordinances for Village Board consideration.**