



Village of Oak Park

123 Madison Street
Oak Park, Illinois 60302
www.oak-park.us

Meeting Minutes

President and Board of Trustees

Monday, February 13, 2023

7:00 PM

Village Hall

I. Call to Order

Village President Vicki Scaman called the Special Meeting to order at 7:04 P.M.

II. Roll Call

Present: 7 - Village President Scaman, Village Trustee Buchanan, Village Trustee Enyia, Village Trustee Parakkat, Village Trustee Robinson, Village Trustee Taglia, and Village Trustee Wesley

Absent: 0

III. Agenda Approval

It was moved by Trustee Taglia, seconded by Trustee Parakkat to approve the Agenda. A voice vote was taken and the motion was approved.

IV. Non-Agenda Public Comment

There was no Non-Agenda Public Comment.

V. Regular Agenda

A. [ID 23-97](#) **Presentation by S.B. Friedman & Company of the Sustainable Incubator Research Report**

Village Manager Kevin Jackson introduced the Item as a report back on the sustainability incubator feasibility study that was previously directed for the Village to do. Staff seek input and direction on the outcome of the study and its recommendations, which continue to remain consistent with the Village's sustainable economic development goals in the Climate Ready Oak Park Plan. He introduced Director of Development Customer Services Tammie Grossman who introduced S.B. Friedman Partner Ranadip Bose.

Partner Bose presented the findings of the study with his colleagues Max Eisenberger and Tony Canepa.

Trustee Parakkat said a key finding is there is significant money towards these initiatives that the Village can potentially attract into the community. The original concept was looking at equity, affordability, and sustainability. Workforce development is largely addressing the equity and there is

significant possibility of attracting money towards that and creating partnerships. Sustainability aligns with the Oak Park Climate Action Plan's goals and leveraging funding and using partnerships with mHUB and others. The affordability goal brings in new businesses to diversify our tax base and ease some of the burden off of the real estate tax. He said he is hearing that S.B. Friedman is not recommending that. Partner Bose responded not in the near term.

Trustee Parakkat said he is hearing the recommendation to lead with program and policy rather than a physical space, to be patient, and build the partnerships. Partner Bose responded that the pilot test bed idea is a little different and needs innovation on what would make sense. It depends on who the mHUB entrepreneurs are. Trustee Parakkat responded that this meets the mark for what he was hoping for.

Trustee Taglia said based on the recommendations, he thinks the logical path forward is for the Village to cultivate the next generation of clean tech workers by partnering with K-12 schools and community colleges to educate students about careers in the clean tech sector. Given the limited physical space for an incubator, the Village needs to focus on building partnerships, regional collaborations, and workforce training. Building community awareness would be beneficial, including partnering with OPRF and C4. This would help students and faculty of high schools and community colleges forge career paths in the clean tech industry. He said he supports the recommendations and would like to see staff recommendations on ways the Village can establish and expand existing partnerships with OPRF and perhaps Triton College.

Trustee Wesley agreed with Trustee Taglia's sentiments around workforce empowerment and enablement. He said he would like to see apprenticeships with OPRF and Triton and an avenue in clean tech that doesn't require a four-year college degree. He referenced the investment chart slide and wondered how much of the investment is indicative of the bullishness of clean tech workers in the region and how much is a product of the macro economic environment. Mr. Eisenberger said he thinks it is both. Low interest rates are driving a lot of it, but companies are also responding to the opportunities from maturing technologies, like solar.

Trustee Wesley asked how venture capitalists pulling back on investments will impact the space. Mr. Eisenberger responded that a lot of the funding appropriated in the CHIPS and Science Act and infrastructure bill has to go through the Department of Energy to figure out how they are going to program and spend that. They are now allocating some of those dollars so some of the public investment will help make up for some of the shortfalls in private investment.

Trustee Wesley asked the consultants if they the vertical spike reverting to the more horizontal trend over the previous decade because he wonders how much the Village have to fund and how much would be available from outside sources. Mr. Eisenberger responded that the spike in investment will probably not collapse.

Trustee Wesley asked how the workforce empowerment would proceed in the Village and integrate with our high school and community college. Partner Bose said all of the programs have to be built from the ground up. He referenced Denver's program that partners with schools and workforce entities and they have a career path on their website. He recommends looking at which community colleges provide those entities, which private sector entities are seeking those kind of jobs, and having the workforce and the C4 communities go to those, get trained, and join the workforce, so the Village acts a connector rather than a provider of the workforce.

Trustee Robinson said it would be great if the Village Board or staff could think about what places we already have a foothold, like the resident energy commission that has a student position. The Village could build that out and add another position and some mentorship opportunities. The Village is well positioned to take the next step and look for opportunities to build out and formalize our efforts.

Trustee Enyia agreed that building a path to utilize Oak Park's existing educational process as part of that next generation is very promising. He said he loves the introduction to a workforce that doesn't have a traditional college path and C4 gives us the opportunity to see what other communities are doing. He said he also likes the offsite idea to help the Village gain more partnerships.

Trustee Buchanan said the presentation shows the Village can be a convener, connect workforce to opportunities, and potentially be a pilot test bed. She asked how the Village's sustainability coordinator Marcella Bondie Keenan was involved. Partner Bose responded that she assisted with establishing the stakeholder interview list and connected S.B. Friedman with them. She also pointed them to the Village's resources on the Climate Action Plan.

Trustee Buchanan asked if there are any examples where municipalities provided any additional funding and/or staff support in addition to using CDBG funds. Partner Bose responded that public sectors have many kinds of involvement. He gave the example of mHUB coming out of a city-funded project with no CDBG funding. Mr. Canepa added that we rarely see the municipality playing a direct funding role in that sense for facilities. He gave

the example of BRITE in the city of Warren, Ohio where they do more local programming.

Trustee Buchanan said she recommends C4 to either be the primary convener or play a large role along with Coordinator Keenan.

Trustee Parakkat said his understanding of the Los Angeles incubator was to choose a remote site to experiment some of the technologies and innovations. Oak Park has the opportunity to be that satellite site. Partner Bose responded that they recommended this because mHUB is open to this and will make this connection. It depends on the entrepreneurship and technology they are testing at that time. He said they recommend multiple parallel pathways for the Village to explore. The pilot test bed is a different concept which wasn't directly in the Climate Action Plan.

Trustee Parakkat said he sees next steps as taking the recommendations and determine how they fit into what the Village is doing and what can implemented from a staff perspective that includes Development and Customer Services, sustainability, and DEI. Manager Jackson agreed with that summary and said there is an intersection between all of these disciplines and why the Village put the economic development goals within sustainability. The Village is also interested in building out a new economic development blueprint for Oak Park that can work on these concepts.

President Scaman described C4, Cross Community Climate Collaborative, of which the Village is working with 14 communities regionally to reduce greenhouse gases and build relationships. It is P3, Public Private Partnership, with Urban Efficiencies Group and Seven Generations Ahead. Many of the relationships that have been recommended are part of C4. She said she sees how Oak Park will draw clean tech as we continue to build relationships regionally and invest in our Climate Action Plan and an economic development overview that includes a roadmap for our community. President Scaman, Mayor Katrina Thompson of Broadview, and River Forest Village President Cathy Adduci are the three founding mayors of C4. C4 is working with D200 and D97 and presented to COG. The Library will volunteer for some of the educational aspects supporting C4. The Village is a partial sponsor to Greentown which will be hosted at Triton College on June 22.

Manager Jackson thanked S.B. Friedman, Village Board and staff, and the partners and stakeholders that contributed to the report.

- B. [ID 23-72](#) Presentation of Housing Programs Advisory Committee (HPAC) Housing Trust Fund Funding Recommendations, Including Anticipated Future Developer Contributions and Review of Additional Potential Funding Streams**

Manager Jackson introduced Development Customer Services Director Tammie Grossman to present the Item.

Clerk Waters read the following public comment aloud.

Greg Kolar, chair of Citizen Involvement Commission: The increase of \$1/\$1,000 sales price to the real estate transfer tax comes up every time affordable housing is discussed as a way to raise revenue for the affordable housing fund. Excluding Cicero, Berwyn, and Chicago, most other cities with a transfer tax ordinance are \$3-\$5/\$1,000. Suggests the Village Board looks at a graduated rate. In 2018, Evanston passed a referendum increasing their \$5/\$1,000 rate by adding \$7/\$1,000 for sales between \$1.5 M and \$5M and \$9/\$1,000 for over \$5M.

Director Grossman provided an update on the affordable housing study. She then introduced Neighborhood Services Manager Jeff Prior who discussed the Housing Trust Fund. Management Analyst Noemy Diaz then presented on potential new funding sources for the Housing Trust Fund.

Trustee Enyia asked where the increase of 4% to 5% aligns with other suburbs. Director Grossman responded that it is probably on the higher end. Oak Park is one of the few communities that has implemented a local hotel/motel tax.

President Scaman said the Village Board needs to provide direction on the funding heard from HPAC and these opportunities for identifying new revenue for our housing fund.

Trustee Robinson said she agrees with staff's recommendation on the applications and said the Village can focus on those four and remain in budget for 2023. Director Grossman clarified those four applications were placeholders. Trustee Robinson recommended that staff amend the application to create a better balance between rental and homeownership assistance. She said is comfortable with all except the transfer tax as Oak Park is already at the high end, whereas the other funding streams have room to grow.

Trustee Parakkat requested a definition of affordability. Director Grossman responded that the general formula is to spend no more than 30% of your income toward housing costs. Trustee Parakkat inquired about Oak Park Regional Housing Center (OPRHC)'s eligibility. Director Grossman responded that OPRHC is a connector to existing units and their work does not increase affordable housing. OPRHC receives CDBG and Village funds. Trustee Parakkat asked if investing in homeownership is viable. Director Grossman responded that there are models that include down

payment assistance and nonprofits owning the land and selling the house. Nonprofits would present a proposal and may be able to bring in other funding. She said she thinks it is a good next step for the trust fund.

Trustee Parakkat said he agrees with the 1% increase in hotel/motel taxes. He suggested the demolition tax might be better suited as a funding source for the sustainability fund. He said he does not see an issue with the small increase to multi-family units. He said he is not in favor of increasing the real estate transfer tax. Director Grossman clarified that it will be tenants who pay the increase in the multi-family licensing fees, which amounts to \$10 a year.

Trustee Wesley agreed homeownership is an important focus. Oak Park's AMI is \$54K for a family of four. The black family median is \$48K and the white family median is \$70K. He said he agrees with staff on these proposals. He said developers pay \$100K per unit into the housing fund, which is great leverage when taken out of a luxury building and applied elsewhere. Oak Park Homelessness Coalition will help 60 households, OPRC will provide up to 10 units, and West Cook YMCA will provide 30-50 units, which is a phenomenal return on investment.

He said he is in favor of the 5% hotel/motel tax and suggested going up to 5.5% in light of the multi-family licensing fee. He said he does not support knocking down affordable homes, especially when the Village is looking to establish programs to encourage homeownership. He said he favors a much higher tax on demolishing an affordable home, like \$100K to match the affordable buy-in. He said he concurs with staff on not raising the real estate transfer tax. There is a perception that people move to Oak Park to rent our school system and then sell their homes after their kids graduate. He suggested a higher transfer tax might be a way to recoup some of that.

Trustee Enyia agreed with the recommendation for exemptions built into the demolition tax. He recommended extending OPRHC's program to more than just first-time homeowners. He said he is hearing from renters that roadblocks and qualifications are stopping them from moving into homeownership. He said he supports increasing the hotel/motel tax and he agreed with looking at the real estate transfer tax, which would be a referendum vote.

Trustee Buchanan agreed with staff's recommendation for the funding. She said she doesn't want to raise taxes on any of these items which are burdensome enough. She wondered if the Village Board should revisit the Inclusionary Zoning Ordinance (IZO) to require fee in lieu in smaller units and expand the geographic area the IZO covers as an alternative to any of these current options.

Trustee Robinson agreed with revisiting the IZO, though she doesn't think the Village can rely solely on those developer contributions. She said she is open to moving the hotel/motel tax so it makes up for removing one or two others. She said she doesn't think the demolition tax will discourage people from knocking down affordable homes and she liked the idea of creating a waiver. She said she thinks there is more harm done in excluding it than keeping it.

Trustee Taglia said he said he supports staff's recommendations. He said he is open to looking at the IZO, which has generated over \$3M to date though no funds are currently being generated from it. He said he supports the hotel/motel tax increase since AirBNBs are reducing the number of available apartments and affordable housing. He said he would explore the demolition tax and wouldn't want homeowners to be burdened by that extra expense if it was due to a catastrophic event. He said increasing the transfer tax potentially impacts many residents and should be researched and discussed. He said a graduated transfer tax makes sense to him and should be explored by the new Village Board. He said the multi-unit licensing fees seem contrary to the Village's DEI goal and tenants should not have to bear that.

Trustee Wesley said the idea of adding a burden on creating development in our community in this current macro economic environment gives him pause. He said when we start to backtrack, it can contribute to a less friendly environment and less development which is an overall negative. He said he concurs with Trustee Enyia regarding the demolition tax and not penalizing families like the one who came in previously who needed to demolish their home so they could rebuild it. He said he also wants to make sure we are not destroying affordable houses to build affordable housing.

Trustee Parakkat said it makes sense to go with staff's recommendations on the first item and he is in favor of the hotel/motel tax and not in favor of the real estate transfer tax as of now. He said he thinks the demolition tax needs another round of discussion and he would like the potential contribution to sustainability to be part of the discussion.

President Scaman said she agrees with staff's recommendation and would like to see programming around homeownership. She said she is comfortable with the hotel/motel tax increase and is open to raising it higher based on additional analysis. She said she agrees with a waiver for the demolition tax. She suggested starting with a lower amount of \$2,500 and reaching \$5,000 over time. She said she is comfortable with the increase for four additional units, though she is less comfortable for three or

less, as she sees those smaller multi-family units as being more affordable. She said she doesn't see a need to raise the real estate transfer tax and would be curious in researching an incremental rate for that.

Trustee Taglia suggested a distinction on the demolition idea of whether the person is intending to make this their home or whether it is an investment company coming in to demolish it to flip it. President Scaman said she agreed with that.

Director Grossman said she hears clear consensus from Village Board in support of staff's recommendation for the applications, with the next round focusing on homeownership. She said she hears clear consensus on the hotel/motel tax. She said she hears the Village Board wants more information regarding the demolition tax and the real estate tax and tiered model. She said she heard consensus on the fees for multi-family licensing for four or more. Staff will take these takeaways, gather more information, and bring them back to the Village Board at future meetings.

President Scaman asked if the \$9,820 estimated revenue for the multi-family units of three units or less is worth the work to do it. Director Grossman said it would just be a change in the ordinance and staff will do a further analysis. President Scaman asked if the Village would seek feedback from the AirBNBs. Director Grossman responded that the majority of people paying that are not residents. The guests are paying for it and not likely to care if it is 4% or 5%. Trustee Wesley said he is more than happy to tax non-residents than residents. He said he supports increasing the hotel/motel tax to offset the need to increase any of the multi-family licensing fees.

Trustee Parakkat inquired about OPRHC's request. OPRHC Director Athena Williams responded that the goal for those requests were a way to leverage those funds to sustain the work that OPRHC does to increase services to the community. Last year there were 5,000 that OPRHC couldn't help because there wasn't affordable housing available. The grant writer would pursue and source more grants to help OPRHC figure out ways to get more people into housing. The office manager would be to do vouchering for new grants. OPRHC is going to tear down its office building and build mixed income units, of which 60% will be affordable. OPRHC's goal was to not put any more burden on the Village and ask for more funding. A line of credit would offset OPRHC's cash flow and be paid back once the grants come in.

President Scaman requested OPRHC's response to the Village Board's interest in a homeownership program. Director Williams said OPRHC and the Village would need to come together to work strategically to make that

happen. OPRHC does a lot of down payment assistance and buys property in other communities where it's easier with the different property tax base.

Trustee Wesley said one of the most important things for a family of four making \$50K a year is the predictability of their expenses and Oak Park's property taxes are anything but predictable. Director Williams responded that OPRHC does a financial assessment and a mortgage readiness assessment for families. OPRHC puts a lien on their property for at least five years and they work with OPRHC each year to make sure they're meeting their goals.

Trustee Parakkat suggested looking at the application again next year when the housing study results come out. Trustee Robinson clarified that the application process is closed.

Trustee Wesley said he would like to see OPRHC come back with the conclusion of the housing study added into the budgetary ask for the new collaboration between the Village and OPRHC in order to have the transparency of one budgetary item funding everything.

President Scaman said if the housing study is going to highlight other needs, then she does not want to say it should solely be about homeownership at this time. She said that programs that help meet the Village's goals are more likely to get funded than a direct ask for staffing.

VI. Adjourn

It was moved by Trustee Wesley, seconded by Trustee Parakkat to Adjourn. A voice vote was taken and the motion was approved. Meeting adjourned at 9:33 P.M., Monday, February 13, 2023.

**Respectfully Submitted,
Deputy Clerk Hansen**