



Affordable Housing

September 25, 2017

What is affordability?

- 1) Anyone paying more than one-third of their household income on housing costs is considered “housing cost burdened.” This could be any family at any income.
- 2) It is widely recognized that households on the lower end of the income spectrum are much more likely to experience housing cost burden and have a narrower range of housing options available.

Current Conditions

Different affordable housing programs have different income limits.

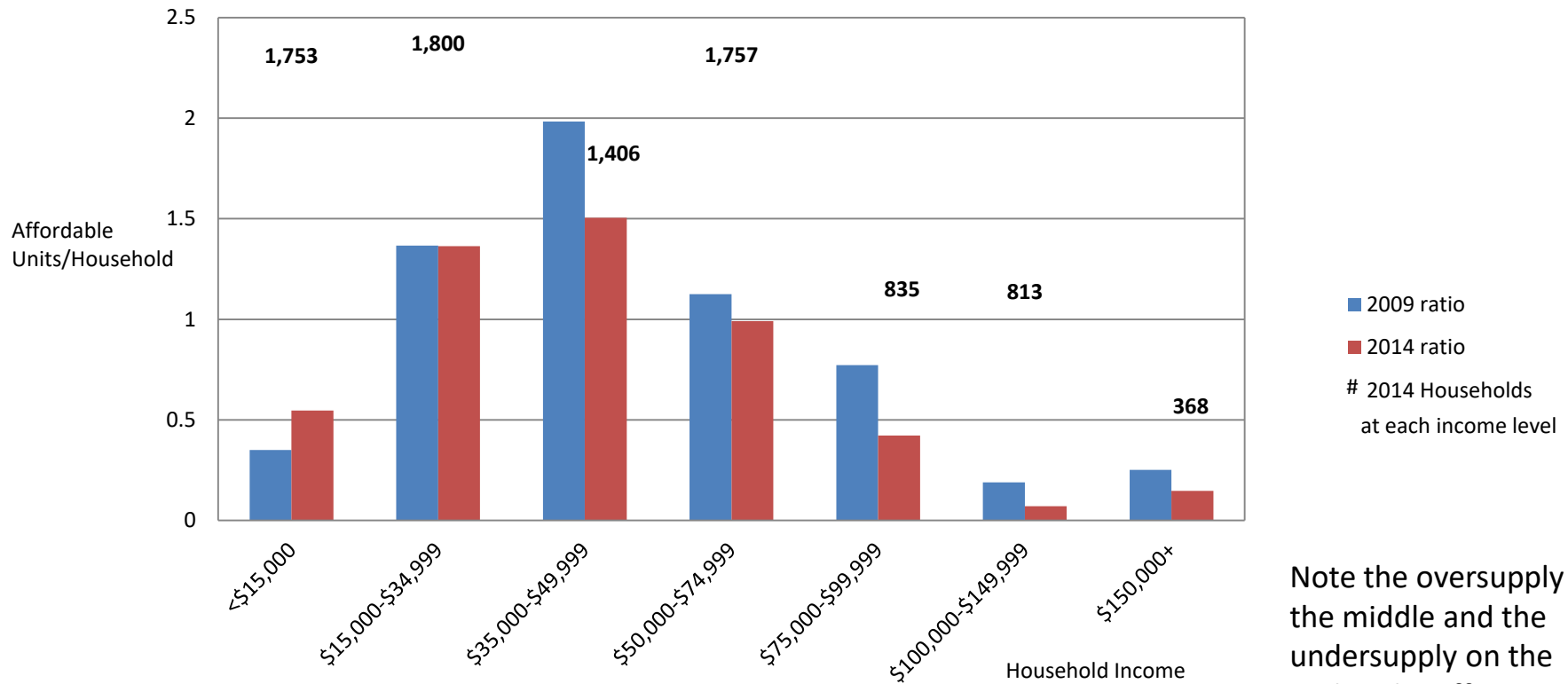
Income	30% AMI*	50% AMI	60% AMI	80% AMI	Median	120% AMI
Family of 4	\$24,300	\$38,450	\$46,140	\$61,500	\$76,900	\$92,280
Housing Choice Voucher Program						
Low Income Housing Tax Credit Program						
Single-Family and Small Rental Rehab Programs (VOP)						

Overview

1. Current Conditions
2. Review options for utilizing the funding
3. Future mechanisms to support the Affordable Housing Fund

Current Conditions

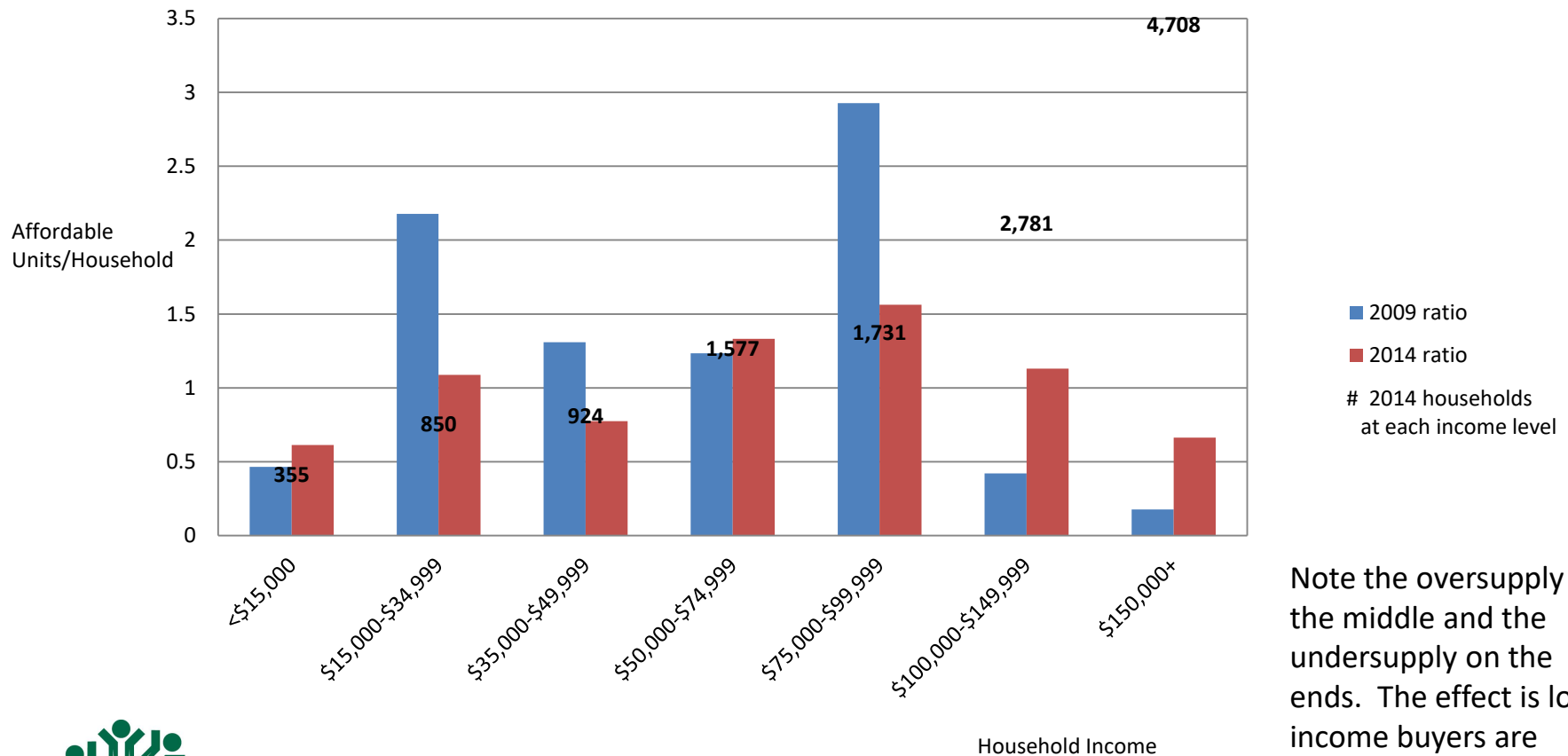
Affordable Renter-Occupied Units/Renter Household by Income in Oak Park



Note the oversupply in the middle and the undersupply on the ends. The effect is higher income renters are living in middle-income units.

Current Conditions

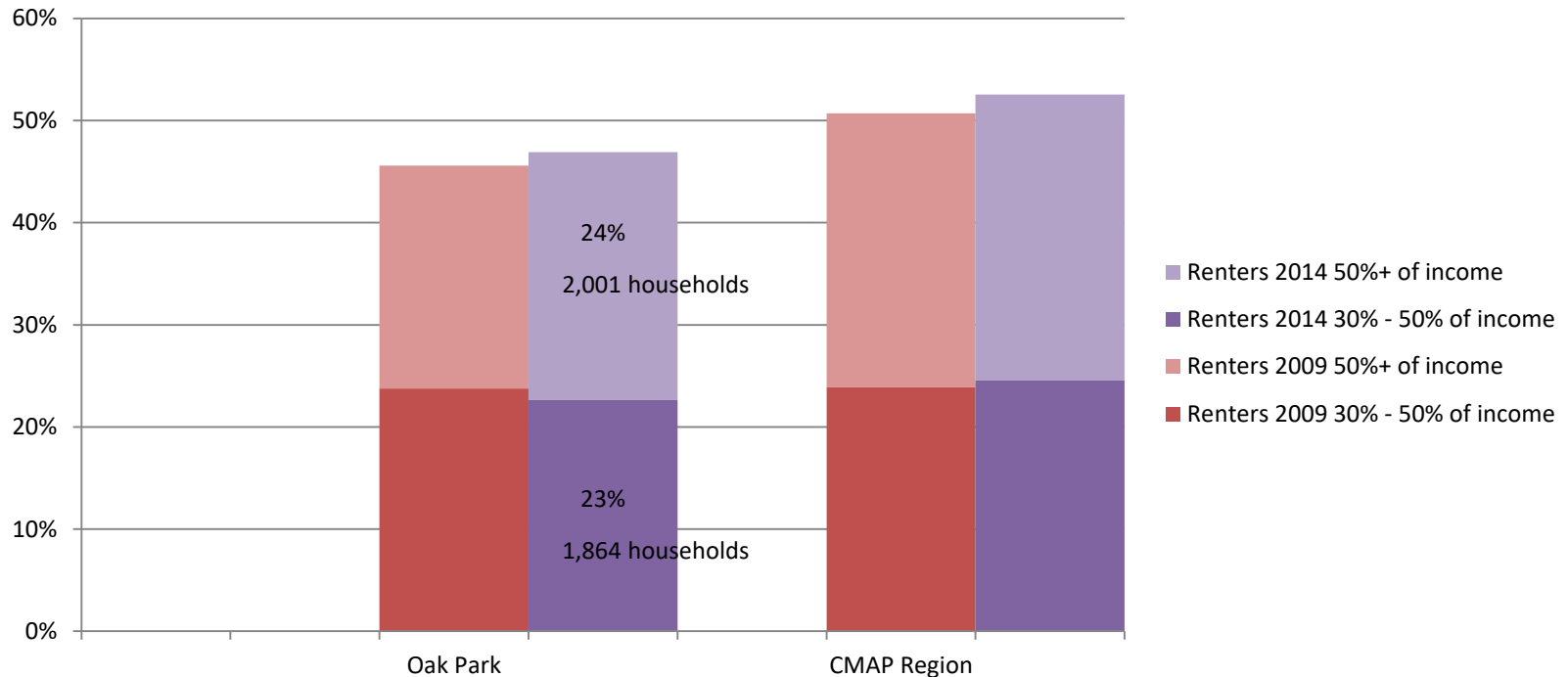
Affordable Owner-Occupied Units/Owner Household by Income in Oak Park



Note the oversupply in the middle and the undersupply on the ends. The effect is lower income buyers are outbid by higher income buyers.

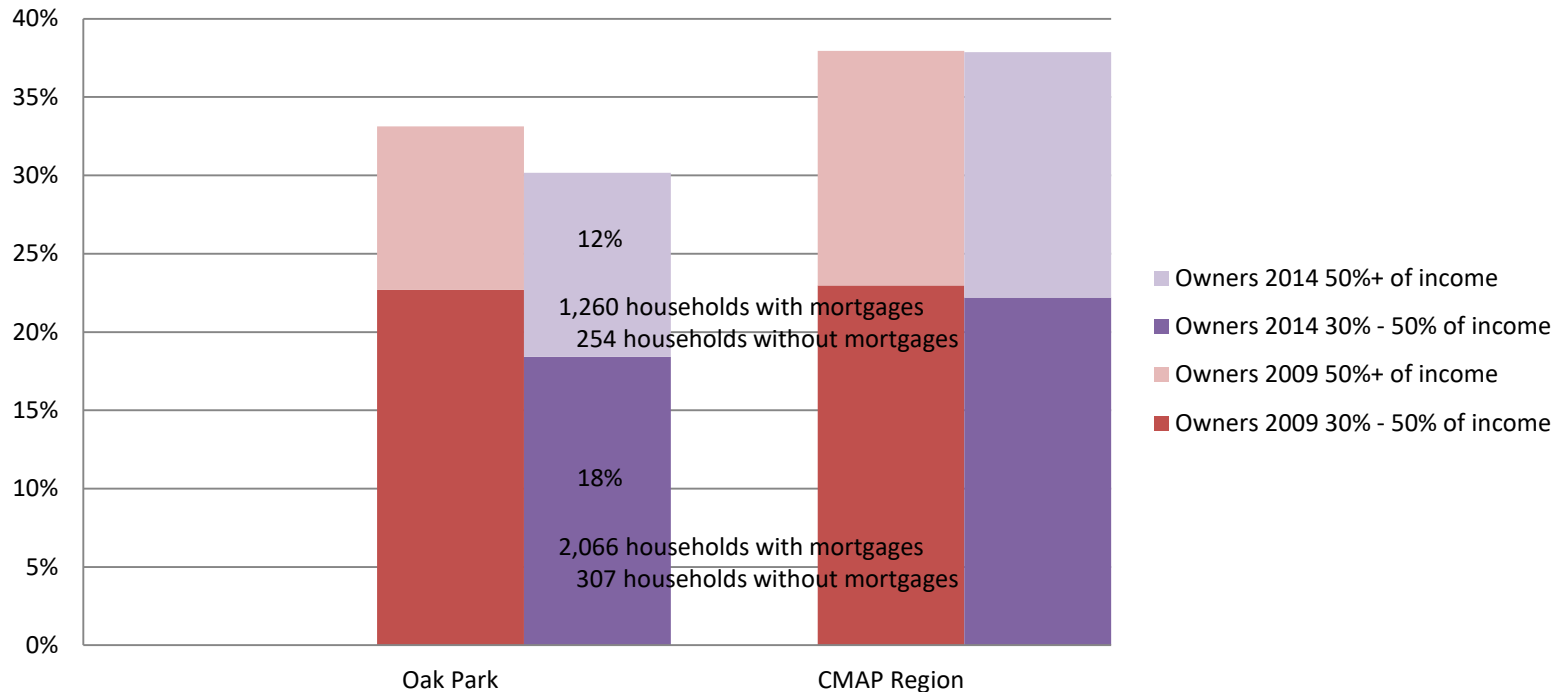
Current Conditions

Percent of renter occupied households paying more than 30 percent of income on gross rent



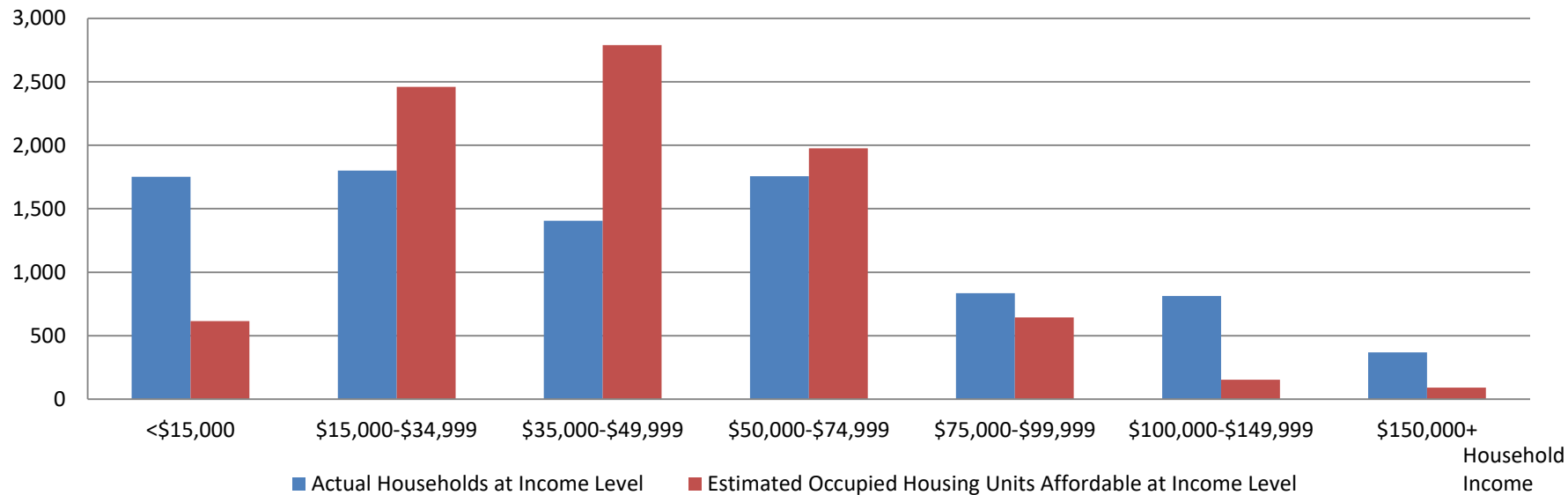
Current Conditions

Percent of owner occupied households paying more than 30 percent of income on monthly owner costs



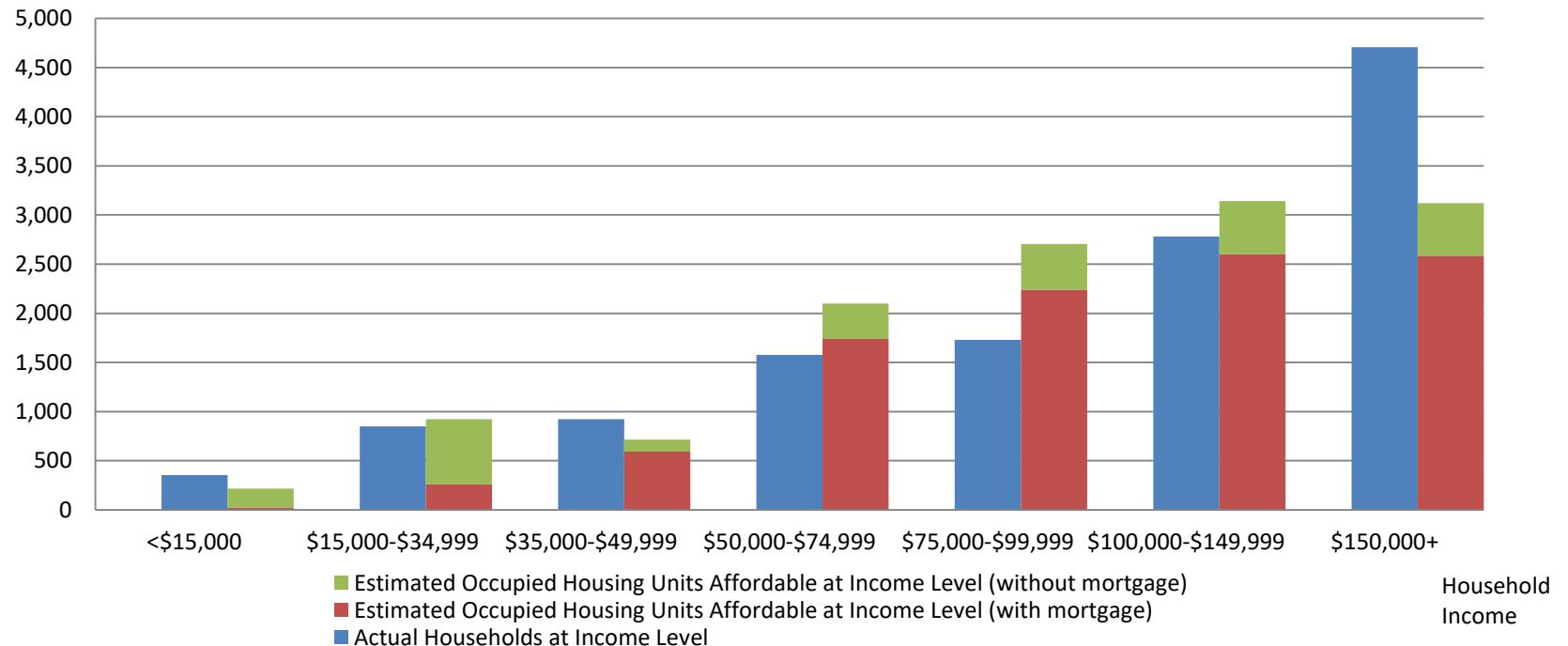
Current Conditions

Oak Park comparison of rental household incomes with occupied units affordable at each income level



Current Conditions

Oak Park comparison of owner household incomes with occupied units affordable at each income level



Current Conditions

According to analysis by the Illinois Housing Development Authority conducted in 2013, Oak Park has

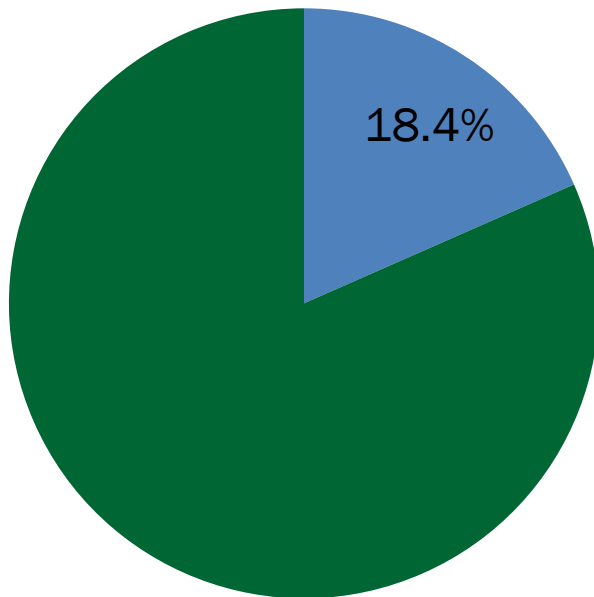
3,991 Units of Affordable Housing, or
18.4% of all housing units in the Village are
affordable to homebuyers at 80% regional median
household income and to renters at 60% of the
regional median household income.

This puts the Village in the “at risk” category for becoming a community that is not exempt from the Illinois Affordable Housing Planning and Appeals Act. Only communities with less than 10% of affordable housing are considered “non exempt” from the act.

Current Conditions

Supply

3,991 affordable housing units in Oak Park
(of which, 1,088 are subsidized or income restricted)



Municipality	% Affordable
Forest Park	42.4
Berwyn	37.1
Elmwood Park	30.3
Oak Park	18.4
Evanston	15.4
River Forest	4.4

Current Conditions

According to Oak Park Housing Authority, there are

543 Housing Choice Vouchers

11 Project Based Vouchers (The Grove)

51 Low Income Housing Tax Credit (The Grove, incl above)

197 Mills Park Tower (senior)

76 The Oaks (senior or disabled)

21 Ryan Farrelly (disabled)

200 Heritage House (senior or disabled)

1,088 units of publically subsidized, income restricted housing in Oak Park.

Current Program Funding

Since 2012, Oak Park has invested \$9,926,669 in Village Housing Programs and three partner agencies: the Oak Park Regional Housing Center, Oak Park Residence Corporation, and Oak Park Housing Authority. This funding comes from both General Revenue and Federal Grants (CDBG).

Current Program Funding

Housing Partners:

1. Oak Park Regional Housing Center (\$425,000 GRF; \$167,000 CDBG)
2. Oak Park Residence Corporation (\$35,000)
3. Oak Park Housing Authority (\$35,000)
4. Housing Forward (\$115,300 ESG;\$32,000 CDBG)

Housing programs currently administered by the Village

1. Single-family Rehabilitation Loans (\$175,000 CDBG)
3. Small Rental Rehabilitation Loans (\$100,000 CDBG)
4. Multi-Family Incentives Program (\$150,000 GRF)

Prior Direction from the Board

Affordable Housing Fund has approximately \$1 million

Board did not want to use funds to offset current funding levels.

Wanted staff to look at down payment assistance and rental housing subsidy program.

Wanted staff to look at future funding options for the fund.

Direction needed from the Board

Down Payment Assistance Program

Number of Participants	Cost of Down Payment Assistance	Cost of Program Administration
20	\$100,000	\$2,000
40	\$200,000	\$4,000
60	\$300,000	\$6,000
80	\$400,000	\$8,000

Direction needed from the Board

Rental Housing Support Program – offset rent directly to landlord in exchange for renting to low- income persons

Affordable Housing Working Group recommends using the funds to assist homeless or at risk of homeless.

Staff presented an alternative for a higher income level.

Direction needed from the Board

Condominium Support Program

Create program for buildings under 12 units or less to provide funding for major repairs or could explore a program to de-convert those buildings into rental housing.

Number of Buildings Participating	Cost of Subsidies	Cost of Program Administration
4	\$100,000	\$4,000
8	\$200,000	\$8,000
12	\$300,000	\$12,000
16	\$400,000	\$16,000

Future Funding Options

1. Negotiated agreements with Developers related to Village Owned property.
2. Inclusionary Zoning Ordinance – Each development of a certain size would either provide some percentage of affordable housing to a determined income group or pay a fee in lieu of those affordable units. See chart.
3. Demolition Tax – Highland Park model \$10,000 per unit. So far in 2017 we have had 4 demolitions. See Highland Park Handout.

Future Funding Options

4. Inclusionary Zoning Ordinance – Each development of a certain size would either provide some percentage of affordable housing to a determined income group or pay a fee in lieu of those affordable units.

5. Increase in fees such as Multi-family licensing. Currently charging \$20 per unit. The Village of Oak Park is on the high end of charge. We recently adopted an ordinance to reward good owners with no violations making them eligible to receive a 3 year license.

Future Funding Options

6. Increase in Real Estate Transfer tax – need 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 statute is below. The current rate is \$8.00 for every \$1000 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.