

Inclusionary Housing

Study Session Presentation
February 11, 2019



About the Presentation

- Affordable housing definitions
- Affordable housing guiding documents
- Current housing conditions
- Stakeholder input
- Staff recommendations
- Policy questions

Affordable Housing Definitions

- AFFORDABLE HOUSING

Housing is considered affordable if a household is paying no more than 30% of its income towards housing costs.

If you add transportation and housing costs together, those expenses should not exceed 35-40% of a household's income

- HOUSING AFFORDABILITY

Housing affordability relates to how much it costs to live in any given community, including property taxes, home maintenance, utility costs, etc.

- INCLUSIONARY HOUSING ORDINANCE

An ordinance designed to increase affordable housing at lower income levels by giving bonuses to private developers to encourage new development

Guiding Affordable Housing Documents

- **2018 Village Board Goals**
 - Maintain affordable housing stock
 - Explore new ways to advance affordable housing units
- **2014 Comprehensive Plan - Envision Oak Park**
 - Identify transit oriented locations that will support affordable housing
 - Support mixed-income housing that is accessible, integrated and responsive to diverse populations
- **2012 Homes for a Changing Region Report**
 - Increase housing options for workforce and seniors
 - Focus housing development in transit oriented areas
 - Leverage Metra and CTA station availability
 - Promote mass transit ridership

Current Housing Conditions

- 2003 Affordable Housing Planning and Appeals Act
 - Affordable benchmark set at 10% for year-round housing (60% AMI for rental and 80% AMI for owner occupied units)
- Illinois Housing Development Authority
 - Used American Community Survey data in 2013 & 2018
- Affordable Housing Comparison

	2013	2018
Oak Park	18.4%	22.6%
Evanston	15.4%	17.5%

Stakeholder Input

- Oak Park Area Association Of Realtors
 - Commended Village for past efforts
 - Believe targeted approach is best
 - Data proves that there are many affordable condo options
- Oak Park Residence Corporation
 - Market rents are affordable to households earning below 80% Area Medium Income (AMI) at maximum occupancy levels
- Attorney Nick Brunick – Local Expert
 - Supportive of staff recommendations
- Private Developers
 - Preference for providing a fee in-lieu-of option
- Oak Park Economic Development Corporation
 - Supportive of \$50,000 to \$100,000 fee in-lieu-of option
 - Inclusionary housing ordinance will have land value consequences

Six Staff Recommendations

1. Develop a stand alone inclusionary housing ordinance
2. Allow fee paid by developers in-lieu-of creating on-site affordable housing units
3. Establish specific transit-oriented inclusionary housing development areas
4. Create affordable housing development bonuses
5. Reduce permit fees for affordable housing units
6. Limit the inclusionary housing requirement to development of rental apartments and townhomes

STAFF RECOMMENDATION #1

Develop a stand alone inclusionary housing ordinance that...

- Requires a set-aside or fee in-lieu-of a percent of units for certain income thresholds at an affordable price
- Applies to new construction developments of 25 units and greater whether built by-right or planned development
- Require at least 5% to 10% of housing units built be affordable, with 80% AMI for rental units and 120% AMI for owner-occupied units
- Would allow no variances

STAFF RECOMMENDATION #2

Allow a fee to be paid by developers in-lieu-of creating on-site affordable housing units

- Recommend between \$50,000 - \$100,000 per unit
- Allows for flexibility as collected funds can be leveraged to develop even larger numbers of affordable housing units
- Could use funds received to support existing rental units if the Village focuses on rental assistance programs

STAFF RECOMMENDATION #3

Establish specific transit oriented inclusionary housing development areas

- Create a qualified inclusionary housing area that is $\frac{1}{4}$ mile from CTA/Metra stops. All other areas do not need to abide by the inclusionary housing ordinance.
- Consistent with affordable housing development areas identified in Village's Comp Plan
- A majority of recent residential development has been built within $\frac{1}{4}$ mile radius from CTA/Metra stops
- Exclude North Avenue and Roosevelt Road – Difficult development conditions. (See Ehlers reports)

STAFF RECOMMENDATION #4

Create affordable housing development bonuses – benefits smaller in-fill development

- Affordable units exempt from density allowance
- Affordable units are exempt from parking requirement calculation
- Affordable units exempt from height requirement

STAFF RECOMMENDATION #5

Reduce permit fees for affordable housing units

- Provide developers with a reduction in building permit fees for affordable units equal to the percent of affordable units incorporated into the development (i.e. 5% = 5%, 10% = 10% permit fee reduction, etc.)

STAFF RECOMMENDATION #6

Limit the inclusionary housing requirement to new development of rental apartments and townhomes

- Target the development of rental apartments and townhomes
- There is little opportunity for a SF residential subdivision development in Oak Park so new SF developments should not be included in the inclusionary housing ordinance
- Oak Park has an abundant number of affordable condominium units so new condo developments would not be included in the inclusionary housing ordinance

POLICY QUESTIONS

1. Develop a stand alone inclusionary housing ordinance
 - New construction of 25 units or more?
 - 5-10% affordable (80% AMI rental and 120% owner-occupied)?
2. Allow a fee to be paid by developers in-lieu-of their creation of affordable housing units
 - \$50,000 - \$100,000 per unit ?
3. Establish ¼ mile specific transit oriented inclusionary housing development areas
 - ¼ mile, ½ mile or entire Village?
4. Create affordable housing development bonuses
 - Density?
 - Parking?
 - Height?
5. Reduce permit fees for affordable housing units
 - Based on percentage?
6. Limit the inclusionary housing requirement to development of rental units and townhomes

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