

**GUIDELINES
VILLAGE OF OAK PARK
MULTI-FAMILY HOUSING INCENTIVES PROGRAM
NEIGHBORHOOD SERVICES DIVISION**

Purpose

These guidelines were adopted by the Village of Oak Park Board of Trustees on February 2, 2009 and amended on March 16, 2009, October 18, 2010, December 5, 2011, September 21, 2015 and March 18, 2019 to further define the provisions of the Village Ordinance enacting the Multi-Family Housing Incentives Program and to provide guidance to staff in administering the program. Any revisions to these guidelines shall be submitted to the Board of Trustees for ~~approval~~ adoption.

Rationale

One of Oak Park's important goals is to continue to develop and maintain racial diversity. A large portion of that goal focuses around integrating and supporting continued diversity in rental and owner occupied housing. The Multi-Family Housing Incentives Program is designed to further encourage fair housing practices, to expand housing options for all prospective renters and to improve the quality of multiple-family units and dwellings.

Eligible Buildings

Multi-family rental buildings containing four or more apartments are eligible for the program.

Types of Assistance

Grant - Grants will ~~be the lesser of \$10,000 or \$1000 per unit~~ a maximum amount of \$10,000. Grants must be matched 2:1 by the owner of the building. Funds from the owner must be expended first, with Village funds to be paid last. Grant funds may be expended on common area improvements, security improvements or individual unit improvements. Grant funds must be expended within twelve (12) months from the execution of the agreement. Funded buildings are eligible to apply for a grant once every twelve (12) months.

The Owner will be required to enter into a three (3) year Marketing Services Agreement (MSA) to affirmatively market their rental units with the cooperation and assistance of the Village of Oak Park and its designated Marketing Agent. If the building owner applies for and receives a subsequent Multi-Family Incentive Grant during the initial three year period, the subsequent MSA period will run concurrently. The Owners will remain responsible for credit checks, security deposit procedures and the final determination of renting to all tenants. If a building is withdrawn from the program or sold prior to the end of the three (3) year period, the grant is repayable in full with interest to the Village subject to appeal to the Board of Trustees. The

Village's interest shall be secured by a note and mortgage which shall be recorded against the property that shall be released upon satisfactory completion of the three (3) year period.

Rental Reimbursement - Rental Reimbursement is intended for buildings at risk of segregation and not as insurance against a slow rental market, but rather to allow sufficient time to affirmatively market vacant units.

Based on annual occupancy reports, Village staff will invite owners of buildings at risk of segregation to apply for a one year contract to receive rental reimbursement payments from the Village for vacant units within a building enrolled in this option of the program. Rental reimbursement payments shall begin on the 31st day of vacancy and shall continue through the 90th day of vacancy. Rental reimbursement is capped at 80% of the rent last paid for that particular unit. The Owner will be required to enter into a one (1) year Marketing Services Agreement (MSA) to affirmatively market their rental units with the cooperation and assistance of the Village of Oak Park and its designated Marketing Agent. The Owner will remain responsible for credit checks, security deposit procedures, and the final determination of renting to all tenants. If the owner fails to cooperate with the Village or its designated Marketing Agent, the Village may terminate the agreement immediately and shall provide notice to the owner and the designated Marketing Agent.

The rental reimbursement on the unit(s) will be approved only after the following procedures have taken place:

1. Inspection of the unit(s) by the Neighborhood Services Division and the Village's Marketing Agent's staff to ensure unit is in marketable condition; and
2. Consultation with the Village's Marketing Agent to determine owner's cooperation in marketing the unit.

The submittal of rental reimbursement payout requests will be made on a quarterly basis. Prior to each payout, Village staff will determine the owner's level of cooperation with appropriate Village departments and the Village's Marketing Agent. Payout may be denied for failure to cooperate.

Marketing Services Agreement Only - Building owners may apply to enter into a one (1) year agreement to make a good faith effort to affirmatively market the units in their building with the cooperation and assistance of the Village of Oak Park and its designated Marketing Agent. For buildings with a Marketing Service Agreement, the Village's Marketing Agent will waive all fees to the building owner for their marketing services. The Owner will remain responsible for credit checks, security deposit procedures and the final determination of renting to all tenants.

Application Procedures

Timing - At least once annually, the Village of Oak Park will announce its intent to accept applications from building owners to participate in the Multi-Family Housing Incentives Program. Applications for a Marketing Services Agreement will be accepted throughout the

year. Applicants will be given 30 days to submit applications from the date of announcement. The Neighborhood Services Division and the Village's Marketing Agent staff will be available to inspect buildings and offer suggestions for use of funds. The Housing Programs Advisory Committee (HPAC) will review applications within 60 days of the application deadline. Applications recommended for funding will be submitted to the Board of Trustees for approval.

Criteria for Selection – HPAC shall consider the following criteria when evaluating all applications regardless of type of assistance and making recommendations to the Board:

1. Past cooperation with the Village's Marketing Agent to improve the diversity of the building or willingness to partner with the Village's Marketing Agent to improve diversity; and
2. History of marketing difficulties due to geographic location of building or other impediment;
3. Vacancy rates;
4. Length of time since receipt of the last Multi-Family Incentives Grant for that building; and
5. Performance on projects funded through prior Multi-Family Incentives Grants, including timeliness of project completion.

The following additional criteria will be used to evaluate grant requests:

1. Grant funds will be used to correct building code violations;
2. Grant funds will be used to improve security of building with a history of criminal activity; and
3. Grant funds will be used to improve overall marketability and livability of the building such as major building systems, accessibility and energy sustainability.

Denials - Any owner denied participation in the program by HPAC may appeal that determination to the President and Board of Trustees.

General Conditions of Participation

1. Compliance with Village Code pertaining to Human Rights (Chapter 13) and licensing of buildings (Chapter 12) is required.
2. Program participation is subject to the funding limitations of the program and the marketing capacity of the Village's marketing agent(s).
3. Participants must be current on their property taxes and all other municipal obligations.