



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Adopting Amended Guidelines for the Multi-Family Housing Incentive Program

Overview

The Housing Programs Advisory Committee (HPAC) voted to recommend changes to the Multi-Family Housing Incentives Program Guidelines at the February 20, 2019 meeting. The intent of the program is to encourage diversity and integration in multi-family residential buildings. The proposed revisions to increase the maximum amount available to smaller buildings.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

Funds for the Multi-Family Housing Incentives program are budgeted in 2019 budget line item 1001.46206.300.585612 in the amount of \$150,000.

Background

The Housing Programs Advisory Committee (HPAC) discussed revisions to the current Multi-Family Housing Incentives Program guidelines at the January, 2019 and February, 2019 meetings. The committee voted on February 20 to recommend Board approval of the revised guidelines. Village staff also reached out to the Oak Park Regional Housing Center to discuss the proposed changes.

The program has three components: grants, rental reimbursement, and MSA-only. The proposed change would apply to the grant component only.

The grant component of the program seeks to invest in buildings whose owners agree to affirmatively market the improved building for a period of three years. In this way, segregated buildings should become more integrated. The Village contracts with its designated Marketing Agent, the Oak Park Regional Housing Center, to provide affirmative marketing services through a Marketing Services Agreement (MSA). Under current guidelines, the grant amount is the lesser of \$10,000 or \$1,000 per unit. The eligible buildings are multi-family rental buildings containing four or more apartments. The recommended change is to eliminate the per unit cap and have the maximum amount of the grant be \$10,000.

In recent years, grantees have tended to be building owners with more than 10 units per building; however, of the 358 multi-family rental buildings in Oak Park, 21.2% are four unit apartment buildings and 12.0% are six unit apartment buildings, which are the first and second most prevalent type of rental buildings. Almost half of the rental buildings, 45%, are 9 units or less, which comprise 13.1% of the total rental unit stock. The recommended amendment would encourage grantees owning buildings containing nine units or less to apply to the program as the grant amount received per unit would increase. Previously a four unit building owner would have received a maximum of \$4,000 or \$1,000 per unit. Under the recommended amendment change the building owner would now be eligible to receive \$10,000 or essentially \$2,500 per unit, an increase of 250%. These revisions are seen as providing a more diverse housing stock as the grantees would still be required to participate in the marketing service agreement (MSA).

Alternatives

Retain the current program guidelines as approved October 5, 2015

Previous Board Action

In October of 2015, the Board approved amended program guidelines under which owners must expend grant funds within one year, allow grantees to re-apply annually, changed selection criteria to encourage investments in buildings that have not recently received funds, and reward grantees that have performed well.

Citizen Advisory Commission Action

None

Anticipated Future Actions/Commitments

None

Intergovernmental Cooperation Opportunities

None

Performance Management (MAP) Alignment

This action aligns with the Development Customer Services Department Governance Priority: Community Diversity, specifically by preserving affordable housing