

8/15/2006  
8/8/2006

**51-R-06**

**A RESOLUTION**

**Instructing the City Clerk to Submit,  
for the November 7, 2006 Ballot,  
a Referendum for a Proposal  
to Increase the Real Estate Transfer Tax  
with the Additional Revenue Dedicated  
to the Affordable Housing Tax Fund**

**WHEREAS**, the City of Evanston is a home rule unit of government under Article VII of the 1970 Illinois Constitution; and

**WHEREAS**, the Illinois General Assembly, specifically in 65 ILCS §5/8-3-19, allows home rule municipalities to increase their own Real Estate Transfer Taxes only by means of referendum; and

**WHEREAS**, legislation designed to provide for decent, safe, and sanitary housing for all residents of the municipality is within the powers of the City as a home rule unit of government; and

**WHEREAS**, Goal Two of the City of Evanston's Strategic Plan, adopted by the City Council on March 27, 2006, is to "create policies and programs that result in a well-maintained, diverse housing stock throughout the City of Evanston;" and

**WHEREAS**, §4-22-2 of the Evanston City Code of 1979 as Amended ("City Code") defines "affordable housing, owner-occupied" as

[d]ecent, safe, sanitary housing that is affordable to relevant households...  
The cost of the mortgage payment and relevant expenses (a calculation of property taxes, homeowner's insurance, and, when applicable,

condominium or homeowner association fees) of owner occupied dwelling units shall not exceed thirty three percent (33%) of the relevant household's gross annual household income (the total income of all adults over 18 years of age in the household);

and

**WHEREAS**, §4-22-2 of the City Code defines "affordable housing, rental"

as

[d]ecent, safe, sanitary housing that is affordable to relevant households... The cost (including a utility allotment and adjustment for household size) of rental dwelling units shall not exceed thirty percent (30%) of the relevant household's gross annual household income (the total income of all adults over 18 years of age in said household);

and

**WHEREAS**, §4-22-2 of the City Code defines "relevant household" as

[a] low or moderate income household whose total income does not exceed the relevant percent of median income for the Chicago primary metropolitan statistical area Chicago area, as established and defined in the annual schedule published by the secretary of housing and urban development, and adjusted for household size. A low income household has income that does not exceed eighty percent (80%) of HUD area median income. A moderate income household has income that does not exceed one hundred percent (100%) of the HUD area median income;

and

**WHEREAS**, §4-22-2 of the City Code defines "area median income" as

[t]he median income level for the Chicago primary metropolitan statistical area, as established and defined in the annual schedule published by the Secretary of the United States Department of Housing and Urban Development and adjusted for household size;

and

**WHEREAS**, §4-22-2 of the City Code defines the Affordable Housing Tax Fund as "[t]he fund established by City Council which can only receive and expend

monies dedicated to the creation, preservation, maintenance, and improvement of affordable housing for households whose income is eighty percent (80%) or less of area median income with their affordable housing needs;" and

**WHEREAS**, increasing the Evanston Real Estate Transfer Tax, defined in §3-29-2 of the City Code, from five dollars (\$5.00) for every one thousand dollars (\$1,000.00) of value, or fraction thereof, per transaction, to six dollars (\$6.00) for every one thousand dollars (\$1,000.00) of value, or fraction thereof, per transaction, and dedicating the additional revenue to the Affordable Housing Tax Fund will increase the fund, thereby helping it fulfill its purpose; and

**WHEREAS**, §4-22-1 of the City Code provides that the purpose of Title 4, Chapter 22 of the City Code, which governs the Affordable Housing Tax Fund, is to "provide a source of funding for the creation, maintenance, and improvement of safe and decent affordable housing in the city of Evanston in order to enhance preservation and maintenance of the city's cultural and economic diversity;" and

**WHEREAS**, preservation and maintenance of the City's cultural and economic diversity benefits the welfare of the residents of Evanston, and is in the public interest,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:**

**SECTION 1:** The City Clerk is hereby instructed to submit a referendum to the proper election authorities for the November 7, 2006 ballot for all legal voters residing in the City of Evanston to vote upon the following question:

Shall the City of Evanston impose a real estate transfer tax increase of twenty percent (20%) to establish a new transfer tax rate of six dollars (\$6.00) for every one thousand dollars (\$1,000.00) of value, or fraction thereof, to be paid by the seller of the real estate transferred? The current rate of the real estate transfer tax is five dollars (\$5.00) for every one thousand dollars (\$1,000.00) of value, or fraction thereof, and the revenue is used for the City's general fund. The revenue from the increase is to be deposited in the Affordable Housing Tax Fund in order to provide a source of funding for the creation, maintenance, and improvement of safe and decent affordable housing in the city of Evanston in order to enhance the preservation and maintenance of the city's cultural and economic diversity.

**SECTION 2:** That this Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

  
\_\_\_\_\_  
Lorraine H. Morton, Mayor

Attest:

  
\_\_\_\_\_  
Mary P. Morris, City Clerk

Adopted: August 14, 2006