

3-R-10**A RESOLUTION**

**Approving the City's FY 2010/11 Year Action Plan, and
Adopting the 2010/11 Community Development Block Grant,
HOME Investment Partnerships, and Emergency Shelter Grants
Program Budgets for FY 2010/11**

WHEREAS, the Congress of the United States did pass Public Law 93-383, Title I of the *Housing and Community Development Act of 1974* (which established the Community Development Block Grant {CDBG} Program); Public Law 101-625, the *Cranston-Gonzales National Affordable Housing Act* (which established the HOME Investment Partnerships Program); and Public Law 100-77, the *Stewart B. McKinney Homeless Assistance Act* (which established the Emergency Shelter Grants {ESG} Program); and

WHEREAS, the City of Evanston is an "Entitlement City" by definition in said Acts and, as such, is eligible to make application to the United States Department of Housing and Urban Development (HUD) for said grant programs; and

WHEREAS, the City of Evanston estimates that FY 2009/10 HUD entitlement allocations will be

Community Development Block Grant	\$1,955,566
HOME Investment Partnerships	575,009
Emergency Shelter Grants	<u>85,920</u>
Total FY 2006/07 funding:	\$2,616,495

and

WHEREAS, the City Council's Housing and Community Development Act Committee is charged with oversight of the City's CDBG program; the Evanston

Housing Commission is charged with oversight of the City's HOME program; and the City Council's Human Services Committee is charged with oversight of the City's ESG program; and

WHEREAS, the Housing & Community Development Act Committee met on several occasions in the fall of 2009 and developed recommendations for use of FY 2010/11 CDBG funds; and

WHEREAS, recommendations for the use of FY 2010/11 ESG funds have not yet been determined. However, recommendations to the City Council for the use of 2010/11 ESG funds will be made by the Human Services Committee prior to the March 1, 2010, program year start date; and

WHEREAS, recommendations for the use of HOME funds are made by the Evanston Housing Commission to the Planning & Development Committee and City Council, and the use of said funds is determined by the City Council; and

WHEREAS, HUD requires that the City submit a One Year Action Plan that details the activities the City proposes to undertake using the sum of the estimated FY 2010/11 CDBG, HOME, and ESG funds, including entitlement allocations, reallocations of funds from completed prior years' CDBG projects, estimated CDBG and HOME program income, and required matches for HOME and ESG funding, totaling two million, nine hundred sixty-five thousand, six hundred twenty-four dollars (\$2,965,624.00), are described; and

WHEREAS, the proposed activities in the One Year Action Plan address the City's housing and homeless needs and economic development initiatives. Specific projects which are proposed to be funded with HUD's FY 2010/11 funding were derived

from the City's priority needs, as identified in the City's 2010-2014 HUD Consolidated Plan. Specific CDBG activities and recommended funding levels were approved by the Housing and Community Development Act Committee on November 10, 2009; and

WHEREAS, the proposed One Year Action Plan for FY 2010/11, which includes proposed FY 2010/11 CDBG funding recommendations, was the subject of a public hearing as conducted by the Housing and Community Development Act Committee on December 15, 2009; and

WHEREAS, said Committee conducted said public hearing, received citizen input on the proposed FY 2010/11 One Year Action Plan, and recommends approval by the Evanston City Council of the proposed One Year Action Plan for FY 2010/11; and

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

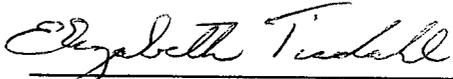
SECTION 1: That the City's One Year Action Plan for FY 2010/11 (attached hereto as Exhibit A and incorporated herein by reference) is approved.

SECTION 2: That the City of Evanston's 2010/11 Community Development Block Grant Program, totaling two million fifty thousand one hundred seventy-six dollars (\$2,050,176.00) (which is the sum of one million five hundred fifty-five thousand five hundred sixty-six dollars (\$1,955,566.00) in FY 2010/11 estimated entitlement funds, twenty-seven thousand seventy-nine dollars (\$27,079.00) in estimated program income, and sixty-seven thousand five hundred thirty-one dollars (\$67,531.00) in reallocated funds from completed prior years' CDBG projects), is hereby approved.

SECTION 3: That HOME Investment Partnerships (HOME) funding totaling seven hundred forty-three thousand, six hundred eight dollars (\$743,608.00) (which is the sum of five hundred seventy-five thousand nine dollars {\$575,009.00} in FY 2010/11 estimated entitlement funds, twenty-four thousand eight hundred forty-seven dollars {\$24,847.00} in estimated program income, and the required match of one hundred forty-three thousand seven hundred fifty-two dollars {\$143,752.00}) and Emergency Shelter Grants (ESG) funding totaling one hundred seventy-one thousand eight hundred forty dollars (\$171,840.00) (which is the sum of eighty-five thousand nine hundred twenty dollars (\$85,920.00) in FY 2010/11 estimated entitlement funds and the required match of eighty-five thousand nine hundred twenty dollars (\$85,920.00)) is hereby approved.

SECTION 4: That the City Manager of the City of Evanston is hereby authorized to transmit said One Year Action Plan for FY 2010/11 for the proposed CDBG, HOME and ESG program budgets to the U.S. Department of Housing and Urban Development (HUD) and to provide any additional information as may be required by HUD.

SECTION 5: That this resolution shall be in full force and effect from and after the date of its passage and approval in the manner provided by law.


 Elizabeth B. Tisdahl, Mayor

Attest:


 Rodney Greene, City Clerk

Adopted: January 11, 2010

EXHIBIT A

City's One Year Action Plan for FY 2010/11

City of Evanston

FY2010-2011

One Year Action Plan



December 7, 2009 Draft Plan
UPDATED January 4, 2010



City of
Evanston™

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ACTION PLAN

Annual Action Plan includes the [SF 424](#) and is due every year no less than 45 days prior to the start of the grantee's program year start date. HUD does not accept plans between August 15 and November 15.

Executive Summary

Resources

The City of Evanston expects to receive approximately \$2.6 million in new Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Shelter Grant (ESG) formula grant funding from the Department of Housing and Urban Development (HUD) for its 2010/11 program year. The 2010/11 One Year Action Plan, which covers the period from March 1, 2010 through February 28, 2011, outlines how those funds, along with program income and unspent CDBG funds from prior years shown in the chart below, will be used to improve the quality of life for low and moderate income Evanston residents. ESG funds will be matched with \$85,920 in local government and private funds. HOME funds will be matched with \$143,752 from the Affordable Housing Fund, the Federal Home Loan Bank and developers' contributions. These funds, combined with the Federal entitlement funds, total \$2,965,624.

	2010/11 Grant (est.)	Program Income (est.)	Prior Year Funds*	HUD Funds Subtotal	Matching Funds	Total Funds Committed
CDBG	\$ 1,955,566	\$ 27,079	\$ 67,531	\$ 2,050,176	\$ -	\$ 2,050,176
HOME	\$ 575,009	\$ 24,847	\$ -	\$ 599,856	\$ 143,752	\$ 743,608
ESG	\$ 85,920	\$ -	\$ -	\$ 85,920	\$ 85,920	\$ 171,840
Total	\$ 2,616,495	\$ 51,926	\$ 67,531	\$ 2,735,952	\$ 229,672	\$ 2,965,624

The above-noted funding, combined with an estimated \$844,000 in City of Evanston funds allocated by the Mental Health Board will be used to carry out activities that address priority needs in Evanston. In addition, these funds will leverage other federal, state and local government funds, as well as private funds, to support the wide range of housing, public facilities and improvements, public services and economic development activities outlined in this plan.

Summary of Specific Annual Objectives

The City of Evanston's 2010/11 One Year Action Plan is the implementation plan for the first year of the City's 2010-2014 Consolidated Plan using CDBG, HOME and ESG funds. The activities carried out with these federal funds also contribute to the implementation of the City of Evanston's Strategic Plan, whose vision is to create the most livable city in America for its diverse population. The goals and strategies of that plan, developed in a collaborative process involving City Council, staff and citizens, are consistent with, and complementary to, the Consolidated Plan.

*See Appendix 3 for a listing of completed projects with funds remaining that are included in this total.

Evanston's 2010/11 One Year Action Plan addresses three federal statutory goals:

- Provide decent housing
- Provide a suitable living environment
- Expand economic opportunities.

For the 2010/11 program year, CDBG, HOME and ESG funds will be allocated among the objectives and outcome categories established by HUD as shown in the table below. Additional detail may be found in Table 3A that follows the narrative.

	Availability/Accessibility		Affordability		Sustainability		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Decent Housing	\$462,000	20%	\$553,870	24%	\$425,000	19%	\$1,440,870	53%
Suitable Living Environment	\$327,861	14%	\$ 50,000	2%	\$300,833	13%	\$ 678,694	25%
Economic Opportunity	\$116,697	5%	\$ -	0%	\$ 40,000	2%	\$ 156,697	6%
Project Totals:	\$906,558	40%	\$603,870	27%	\$765,833	34%	\$2,276,261	-
Admin & Planning	NA	NA	NA	NA	NA	NA	\$ 459,691	17%
Total CDBG, HOME & ESG							\$2,735,952	100%

Because CDBG allocations have been made based on an estimated entitlement grant, the Housing & Community Development Act Committee will make any adjustments required to allocations for specific programs and projects upon receipt of the City's CDBG entitlement grant amount. If the grant is smaller than estimated, reductions will be made on a case-by-case basis rather than reducing all allocations on a percentage basis in order to minimize impact of reductions, especially on small grants. If the grant is larger than estimated, specific programs and projects that address NRSA strategies, which are not currently funded, may be developed and funded. In addition programs and projects that are highest priorities will be considered for additional funding, or funds may be reserved to address needs that arise throughout the year based on the economic climate and housing market. The City will increase spending in the Administration category above the amount allocated to the maximum 20% of entitlement plus current year program income based on actual funds available. These changes will not constitute a substantial amendment to the Action Plan.

Evaluation of Past Performance

The City's 2010-2014 Consolidated Plan sets ambitious goals to address community needs and improve the quality of life in Evanston, especially for low and moderate income residents. The City has used HUD funding effectively to address a broad range of community development objectives. It plans to continue support for a wide range of programs and activities that address housing needs, provide services and economic development opportunities for low and moderate income persons.

Evanston is on target to meet or exceed most of the specific measures of the 2005-2009 Consolidated Plan. However, the City is working to address new and expanding needs resulting from the deteriorating economic environment. Connections for the Homeless has experienced an increase of more than 150% in homeless people seeking assistance through its Entry Point program. Many unsheltered homeless persons who seek services in Evanston do not sleep in our community because of the lack of emergency shelter beds, so our community does not have emergency shelter beds; they sleep at shelters in Chicago or ride the CTA trains.

A complete report on the 2009/10 program year and the 2005-2009 Consolidated Plan period will be submitted following completion of the 2009/10 fiscal year.

Citizen Participation

Citizen input on the 2010/11 Action Plan was sought in conjunction with the 2010-2014 Consolidated Plan from December 7, 2009 to January 6, 2010. Notice of the 30-day public comment period and the public hearing on December 15, 2009 was published in the *Evanston Review* on December 3 and 10, 2009. Notices were sent by email or US mail to the City's e-mail newsletter list of over 1,500, as well as to over 75 organizations that regularly receive information on the City's CDBG program. Notice of the meeting and its purpose was also posted on the City's website and was on the agenda for the November 10, 2009 meeting of the Housing & Community Development Act Committee.

For the 2010/11 Action Plan, developed in tandem with the 2010-2014 Consolidated Plan, the Planning Division sought out new opportunities for public input. An online survey was posted on the City website in English and Spanish that asked citizens to rank community needs as Low, Medium or High. Space was provided for input on additional needs or comments. Hard copies of the survey were provided to a wide range of social services and housing organizations that serve Evanston, as well. Availability of the online survey, as well as paper copies, was publicized using email, press releases and flyers. The City of Evanston also hosted two public meetings at which citizens were invited to provide input on priority needs for the next five years. The first was held on May 19, 2009 as part of the Housing & Community Development Act Committee's regularly scheduled public meeting and the second was held on October 19, 2009.

The City has used a number of strategies in its efforts to expand public participation in the development of its 2010-2014 Consolidated Plan and 2010/11 Action Plan. The public hearing on needs held in May 2009 was combined with input on the draft of the City's 2008 CAPER based on the theory that the opportunity to discuss two closely related topics at a single meeting before the committee that makes funding recommendations for our CDBG program would attract more citizen involvement. Only one person commented on needs at that meeting, so the City modified the format to a workshop and the location to the Fleetwood-Jourdain Community Center in one of our lowest-income neighborhoods for a second public meeting in October. The workshop attracted over 15 participants who worked in small groups to discuss needs in the areas of Housing, Community Development, Public Buildings and Infrastructure, and Economic Development.

Evanston continues to expand its efforts to reach non-English speaking residents. In addition to continuing to publicize the availability of accommodations for persons with disabilities and language differences in both English and Spanish on agendas and public notices, the needs survey was translated into Spanish and posted on the City website. Electronic and paper copies were circulated to organizations that serve Hispanics including The Latino Coalition of Evanston and Organización Latina de Evanston (OLE). A Spanish language translator attended the needs workshop described above.

Summary of Citizen Comments

Three citizens commented at the public hearing for input on the 2010-2014 Consolidated Plan and 2010/11 Action Plan at the Housing and Community Development Act Committee meeting on December 15, 2009. Their input is summarized below.

Mary Friedl noted she had reviewed the plans, including the Neighborhood Revitalization Strategy Areas, and found them to be well done, and the CDBG-funded programs recommended for 2010/11 address needs in the community. She also noted that an elevator is being installed in the Weissbourd-Holmes Family Focus Center and that she is happy that facility will soon be accessible to persons with disabilities.

Members of the committee thanked Ms. Friedl for representing persons with disabilities and advocating on

their behalf and acknowledged the importance of her work to ensure that facilities and programs are accessible.

Betty Ester noted that she was pleased to see that community input had been sought for the Consolidated Plan. She also noted that serving on the CD Committee is challenging but helps people understand needs in the community and that committee members take an active role in making Evanston a more livable place. She said she would provide additional comments in writing by January 6, 2010.

Madelyn Ducre commented that she knows several people who are losing their homes to foreclosure. Most are seniors who do not have support or help from family members and find it difficult to seek help. She noted that a means of reaching them before they are foreclosed on needs to be found. A variety of factors contribute to people not seeking help, including pride, inability to read, etc.

Explanation of Comments Not Accepted

All comments are summarized above; there are no comments that have not been accepted.

Resources and Objectives

The City of Evanston expects to receive approximately \$2.6 million in new Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Shelter Grant (ESG) formula grant funding from the Department of Housing and Urban Development (HUD) for its 2010/11 program year. These new entitlement funds will be combined with program income and unspent CDBG funds from prior years to improve the quality of life for low and moderate income Evanston residents. ESG funds will be matched with \$85,920 in local government and private funds. HOME funds will be matched with \$143,752 from the Affordable Housing Fund, the Federal Home Loan Bank and developers' contributions. These funds, combined with the Federal entitlement funds, total \$2,965,624.

Other Federal, State and Local Resources

McKinney-Vento Homeless Assistance Programs: The Evanston Alliance on Homelessness prepares Evanston's Continuum of Care plan and oversees its implementation. The Continuum's application submitted in November of 2009 requested a total of \$1,063,031 for ten renewal projects. The projects are listed below in the Homeless and Special Needs section.

Housing Choice (Section 8 Rental Housing) Vouchers: Evanston does not administer the Housing Choice Voucher program in Evanston; it is managed by the Housing Authority of Cook County (HACC). The City will continue to work to maintain and expand units for Housing Choice voucher holders.

Lead Hazard Control Programs: Evanston received a renewal grant in the amount of \$400,000 for two years from Cook County's Lead Poisoning Prevention Program in 2008. This grant is used in conjunction with CDBG funds on housing rehab projects where the occupants meet the criteria of both funding sources, enabling more substantial rehab projects to be undertaken.

Local Resources: The Affordable Housing Fund described above currently has a fund balance of approximately \$600,000 of which about \$480,000 is uncommitted, and is another potential source to help turn around vacant buildings. It is also an excellent source of funds for crucial housing related services such as foreclosure prevention or home purchase counseling, and supporting a coordinated data base among homeless assistance providers. An estimated \$844,000 in City of Evanston funds allocated by the Mental Health Board and \$41,000 from School District 202 will support needed services. In addition, the City of Evanston plans to spend approximately \$40.8 million in capital improvement funds for infrastructure and capital needs that will directly benefit Evanston residents and businesses.

Tax Increment Financing from the recently expanded West Evanston TIF offers a source of financial assistance to private developments that contribute economic activity and jobs in part of the CDBG Target Area. The TIF has generated attention and several developments have been proposed within its boundaries. Much of the area consists of underutilized or vacant industrial properties and the former Mayfair railroad right-of-way, now an abandoned embankment. TIF monies are also earmarked for local public improvements – including streetscapes and neighborhood beautification projects.

Evanston Township manages Evanston’s General Assistance funds, which provide an important source of funding to help low-income Evanston residents. General Assistance funds support a broad range of needs of approximately 80 low income residents each year.

The City anticipates using \$550,000 in funds from the City’s hotel tax and other sources to stimulate economic development and investment in target areas. Though the pace of development has slowed tremendously, Evanston continues to attract interest and investment from commercial and housing developers.

Annual Objectives

The activities that will be undertaken with CDBG, HOME and ESG funds in 2010/11 to address priority needs of Evanston’s low- and moderate-income residents are outlined in Table 3A. They are categorized based on the HUD-defined objectives and outcomes they address.

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Narrative descriptions may also be found in the CDBG, HOME and ESG sections below.

Geographic Distribution/Allocation Priorities

Evanston will continue to use the CDBG Target Area as defined in its 2005-2009 Consolidated Plan to focus resources on areas of high need. The CDBG Target Area was developed based on 2000 census data and comprises an area of the city in which at least 50.3% of the residents are low- or moderate-income based on Evanston’s status as an exception community. The majority of Evanston’s African American and Hispanic populations, as well as Housing Choice voucher holders, live in the Target Area, particularly in census tracts 8092 and 8102.

Funding for infrastructure Improvements including sidewalks, alley paving and neighborhood park renovation projects will be focused on neighborhoods in the CDBG Target Area that have a majority of low- and

moderate-income residents. Projects that improve accessibility, such as ADA compliant curb ramps, will be prioritized for CDBG funding when within the CDBG Target Area. Public Facilities Improvement projects are all located in the CDBG Target Area. Though programs in which all participants are income-qualified, such as the Single- and Multi-Family Rehabilitation, Alley Special Assessment Assistance and HOME programs, are available on a citywide basis, they will be focused on the Target Area based on need and eligibility.

Following approval of the two Neighborhood Revitalization Strategy Areas being submitted as part of this Consolidated Plan, programs funded in prior years, including Neighborhood Security, Single- and Multi-Family Rehab, will be targeted more specifically to neighborhoods in the NRSAs. If the City's 2010 CDBG entitlement grant is larger than the estimate used in this plan, specific programs to implement the goals of the NRSAs may be developed and funded.

Annual Affordable Housing Goals

Maintaining the existing housing stock so that residents can live in safe and sanitary housing is a high priority, along with ensuring the availability of a range of prices and unit sizes to address the needs of very low, low and moderate income households. In 2010/11, the City will pursue opportunities to increase affordable housing choices using HOME and CDBG funds and the Affordable Housing Fund. The Families in Transition Program, funded through the Affordable Housing Fund, addresses the needs of households at or below 40% AMI by providing rental subsidies through sponsoring organizations. It is expected that one or two social service agencies will seek Families in Transition funding for two to four households.

The City plans to use CDBG and HOME funds to help provide affordable housing to 265 non-homeless and special needs households in 2010/11. The units will be provided through new construction or rehab of existing units. The City expects to assist 40 households in affordable rental housing and 5 households in affordable ownership housing. HOME funds will also be used to provide downpayment and closing cost assistance or purchase price reduction to 18 low income homebuyers, in an amount up to \$30,000 per unit. The funds will be available in conjunction with local Affordable Housing Funds through the City's Downpayment Assistance Program.

Descriptions of Housing programs that will be implemented in 2010/11 using CDBG and HOME funds are provided below. Table 3B, which details the City's affordable housing goals, follows the narrative. HOME funds may be used to develop both ownership and rental housing, either through new construction or rehabilitation. Rental housing will be the primary focus, available to a mix of households between 30% and 80% AMI with the primary targeted group at or below 60% AMI. Any ownership developments will be done in conjunction with the redevelopment or rehab of foreclosed properties most likely acquired with Neighborhood Stabilization Program funds, or as part of a neighborhood revitalization strategy. Ownership housing will primarily be targeted to households between 60 and 80% of Area Median Income. Ownership projects require a strong home purchase education and buyer identification component.

Housing types may include single family homes, town homes or duplexes, and condominium units. With property prices declining in the economic recession and the possibility of Neighborhood Stabilization Program funds for acquisition, there may be new opportunities to fund larger rental housing developments. Rehab of foreclosed units for rental will most likely involve rehabilitation small properties with two or three units. The City will encourage rental proposals from both for-profit and not-for-profit developers.

HOME funded projects are approved throughout the year as applications are submitted, so specific funding amounts and project types are unknown at this time. Development applications are reviewed by staff and a

HOME Loan Committee composed of professionals in the lending and community development fields prior to approval. The Evanston Housing Commission then reviews the proposals and submits their recommendations to the City Council's Planning and Development Committee for review prior to recommending approval by the City Council. All meetings are open to the public. Likewise, the City Council's Human Services Committee makes recommendations for the use of Evanston's ESG funds at public meetings.

In 2010/11, the City's CDBG Target Area Housing Code Compliance program will inspect multi-family residential units in the CDBG Target Area and re-inspect units to ensure corrections of housing code violations. In addition, property standards inspectors will inspect boarding houses and nursing homes.

CEDA/Neighbors at Work will continue its minor repairs/ and interior and exterior painting programs for income-eligible single-family property owners and senior citizens.

The City's Housing Rehab Administration program will continue to assist income-eligible property owners with low interest and title transfer loans to rehab single-family and multi-family units, ensuring that residents live in decent, safe and sanitary housing. Single-Family and Multi-Family Loans for these rehabilitation projects will be provided from the City's Revolving Fund. Program income paid to the fund will be used for rehabilitation projects in the future. In addition, self-help paint vouchers will be issued to income-eligible residents.

Dangerous garages will be demolished and new concrete pads laid; liens for demolitions are placed on the property title. Dangerous trees will be removed for income-eligible property owners, with liens placed on the properties for the expenses incurred.

CDBG funds will continue to support homesharing, Interfaith Housing Center of the North Suburb's innovative program that matches home seekers with home providers who have a room to rent in their home or apartment. The home seeker pays rent to the home provider or, in some cases, provides services like shopping and meal preparation in lieu of rent.

The City's Handyman program will continue to help income-eligible senior citizens, primarily low-income women, make repairs to their homes, including energy and water efficiency improvements.

The City's Adaptive Devices for Accessibility program will continue to fund installations of grab bars, ramps, hand-held shower heads and other devices that enable elderly and disabled people to continue to live in their homes or apartments using CDBG funds allocated in prior years.

Public Housing

Public Housing is administered by the Housing Authority of the County of Cook (HACC) which also administers the Housing Choice Voucher program. The Housing Authority of Cook County (HACC) manages 45 scattered site apartments and two senior/disabled buildings with 100 units each in Evanston. In the past, the City staff has worked intensively with HACC management, Cook County Commissioner staff and residents on issues at the Walchirk and Perlman apartment buildings which provide subsidized housing units for seniors and disabled persons. Tuckpointing in the amount of \$150,000 is planned for the Perlman Apartments in 2010.

As of September, 2009, there were 529 Housing Choice Vouchers used in Evanston, continuing a seven year decline. The decline appears to be consistent across the county as funding for the program has been cut.

HACC has not received funding to provide additional Housing Choice vouchers, and is not currently serving people on the waiting list as old vouchers are given up.

The geographic distribution of voucher holders in Evanston remains concentrated in tracts 8092 in west Evanston and 8102 in south Evanston. The City plans to work more closely with the Housing Authority and private landlords on property code and landlord management issues. There are no plans to work with public housing residents on homeownership efforts as the City's home ownership efforts are targeted to households at or above 60% AMI that are more likely to have the financial resources needed for successful home ownership.

The City's Human Relations Commission provides oversight for fair housing activities, answers questions to Evanston's landlord/tenant ordinance and mediates housing and other disputes. Interfaith Housing of the Northern Suburbs performs housing audits on an as-needed basis when there is evidence of discriminatory practices that are contrary to fair housing.

Actions to Reduce Lead-Based Paint Hazards

The City of Evanston's grant funds from Cook County's Lead Poisoning Prevention Program to abate lead-based paint hazards in dwellings occupied by families with young children have been renewed with a \$400,000 two-year grant. This additional funding will be used for stand-alone projects that mitigate lead hazards as well as in combination with Housing Rehab projects in order to expand the scope of individual projects with significant lead abatement costs.

The City is a delegate agency for the state of Illinois and enforces its lead act and codes. The City receives lead test information for children residing in Evanston, investigates all cases when elevated lead levels are found and takes appropriate action. Children with PbB levels between 10 and 14 receive nursing and case management services to educate the families about potential sources and lead safe practices. For children with PbB levels above 15, assessments to determine the source of the contamination are performed and appropriate follow-up actions taken based on findings.

In addition, Health & Human Services staff responds to complaints from residents about demolition and rehab projects to determine if lead is present and ensure safe practices. Staff also files affidavits when windows are being replaced in buildings constructed before 1978 to ensure proper lead procedures and disposal of contaminated materials.

Homeless and Special Needs

The City of Evanston uses ESG, CDBG and Mental Health funds to provide emergency and transitional shelter for homeless individuals and families, or those threatened with homelessness, as well as case management services, job counseling and placement/follow-up assistance for homeless adults. Mental health and substance abuse services are also provided to stabilize homeless individuals' lives while they seek employment and housing.

There has been a significant rise in demand for basic needs at social services agencies including Connections for the Homeless, the Salvation Army and area soup kitchens. The City's Health & Human Services staff, Connections for the Homeless and an Evanston church will evaluate the program that provides emergency shelter to homeless people during the winter months of 2010 on nights when the temperature forecast is zero degrees Fahrenheit or below and continue or expand it as appropriate. Connections for the Homeless handles program intake and the shelter itself is housed in a church near downtown Evanston. Volunteers handle much of the on-site work.

Providers are also seeing increases in the sheltered homeless, individuals and families without permanent housing that are doubling up, staying with family and friends. This group is historically difficult to quantify, especially as families wishing to keep their children in Evanston schools are reluctant to identify themselves as homeless. General Assistance funds administered by the Township of Evanston and state of Illinois prevention funds managed by Connections for the Homeless are also used to address the needs of individuals and families who are at imminent risk of homelessness because of financial or other crises. The State of Illinois has drastically reduced funds for homeless prevention. Evanston's Homelessness Prevention and Rapid Re-housing program is a new source of revenue for this need, but its eligibility requirements are significantly different from the State program, so while some people in need are newly eligible for help, funding is no longer available to others.

The City's local Affordable Housing Fund awards grants to non-profit sponsors that apply for the City's Families In Transition program. It provides a rental subsidy of up to 50% of contract rent to the sponsor for up to two years while the sponsoring organization works with the very low income family on a plan for self sufficiency. It is estimated that at least two families will be assisted through this program.

The Evanston Alliance on Homelessness, composed of service providers for homeless persons, mentally ill, victims of domestic violence, veteran's organizations, the business community and City staff, meets monthly to discuss homeless issues in Evanston and to develop policies and strategies for garnering funding for the homeless assistance programs in Evanston. The Alliance prepares Evanston's Continuum of Care plan and oversees its implementation. The Alliance is a member of the Regional Roundtable on Homelessness, whose members include the City of Chicago, Cook, Lake, DuPage, Kane, McHenry and Will Counties.

The Evanston Continuum of Care applied for a total of \$1,000,096 for twelve renewal projects through the 2009 HUD Notice of Funding Availability (NOFA). Individual projects are listed in the chart below, along with funding awards announced by HUD on December 23, 2009, which total \$997,341.

Request	Award	Applicant	Project Name
\$22,869	\$22,869	Connections for the Homeless	Permanent Supportive Housing expansion - renewal
\$106,975	\$106,975	Connections for the Homeless	Permanent Supportive Housing - renewal
\$190,602	\$187,847	Connections for the Homeless	Family Transitional Housing - renewal
\$71,526	\$71,526	YWCA Evanston/North Shore	Transitional Housing - renewal
\$120,413	\$120,413	Housing Options	Pathways Plus Permanent Supportive Housing - renewal
\$112,560	\$112,560	Connections for the Homeless	Entry Point Outreach & Supportive Services - renewal
\$112,962	\$112,962	Housing Options	Pathways Permanent Supportive Housing - renewal
\$17,750	\$17,750	Housing Opportunity Devel. Corp	Claridge Apts Permanent Supportive Housing - renewal
\$83,560	\$83,560	Housing Options	Claire/Ganey Permanent Supportive Housing - renewal
\$117,197	\$117,197	Connections for the Homeless	Hilda's Place Transitional Housing - renewal
\$43,682	\$43,682	Connections for the Homeless	Homeless Management Information System - renewal
\$1,000,096	\$997,341		

The YWCA–Evanston/North Shore provides emergency shelter, counseling, case management and legal advocacy services to an estimated 610 women and children annually. In addition to Evanston CDBG funds, the YWCA receives funding from other state grant programs, individual donors, special events and other local organizations. The YWCA also manages two apartments that provide transitional housing for families moving from the emergency shelter to permanent housing. Families can remain in transitional housing for up to two years.

Connections for the Homeless receives funding for its street outreach counselors in its Entry Point program, which serves the chronically homeless by connecting them with services and shelter. Connections will also receive CDBG funding to provide supportive services for its Entry Point clients. It also receives funding for its transitional and permanent supportive housing programs and for Evanston's HMIS system.

Housing Options of Evanston provides permanent and transitional housing with supportive services for persons living with mental illness. Housing Options provides supportive housing for 72 individuals in its six scattered site buildings owned by Housing Options and 21 additional leased units.

Barriers to Affordable Housing

The City of Evanston will use a variety of strategies and tactics to continue to address barriers to affordable housing in 2010/11 including:

- Introduction of new housing types, including small lot homes and granny flats, in areas of new development
- Programs that support new homeownership among low- and moderate-income households including the Downpayment Assistance and First Time Homebuyer Program

Market conditions present the greatest barrier to affordable housing. Evanston's built-up character, with only scattered sites available for development, along with consistent demand for land, has historically driven up acquisition prices. High property taxes are often cited as a deterrent to affordable housing, though City taxes comprise only a small percentage of the tax bill. Low and moderate income owners of housing developed with City assistance that is subject to resale restrictions to keep the price affordable to future low income buyers may take advantage of the Cook County Assessor's Affordable Housing Incentive. These properties are then assessed at the restricted value rather than market value. As a result, their property taxes are reduced.

Foreclosure activity increased rapidly in 2008 and 2009, largely due to subprime loans and adjustable rate mortgages that adjusted upward to higher monthly payments. This affected a wide range of incomes and housing types throughout Evanston, but was concentrated in CDBG Target Areas with lower per capita incomes. Many homes that were affordable to low and moderate income homeowners at purchase became unaffordable when interest rates increased or jobs were lost. The City continues to educate homeowners about how to deal with mortgage problems and to support housing counseling organizations.

Impediments to Fair Housing

The City is submitting a complete *Analysis of Impediments to Fair Housing Choice* with its 2010-2014 Consolidated Plan and 2010/11 Action Plan; it may be found in Appendix 5. A summary of impediments to fair housing and issues relating to fair housing choice identified in that analysis are summarized below.

Housing Sales

Evanston realtors do not appear to have discriminatory marketing or sales practices for residential properties. The most recent sales audit conducted by Interfaith Housing of the Northern Suburbs in 2006 tested the top three real estate agencies and two condominium developments to look for evidence of differential treatment of potential buyers based on race or national origin, including steering in or out of Evanston. Its findings include:

- Agents were less likely to make prejudicial comments than in earlier audits
- Fair Housing information was not being provided consistently to buyers
- The top listing agencies focused on higher value listings, so did not serve west Evanston well; the Evanston Review, one of the major marketing vehicles for the agencies tested, provides a distorted view of available real estate because the realtors focus their advertising on their high-end properties.
- Minority buyers were shown fewer lower value homes than white buyers; houses or condos did not appear to be a factor.

Evanston's ongoing work to educate realtors about fair housing laws appears to have had positive impact but needs to be continued and realtors need reminding of their responsibility to provide information on fair housing to all buyers.

A potential impediment to fair housing identified by Interfaith Housing with condominiums is the "right of first refusal" that can be used by condo boards to derail an impending sale by buying the apartment from its current owner or by adding requirements for ownership that are specifically discriminatory or become discriminatory when applied inconsistently.

Housing Rental

In recent years, City of Evanston staff and Interfaith Housing of the Northern Suburbs Director of Fair Housing have received reports of discriminatory practices:

- Families with children and single parent households report they have been offered less favorable lease terms than households without children
- Latino tenants report being charged higher rates than non-Latinos
- College students report being charged higher rates than other renters
- Various groups report being charged higher security deposits than others

Zoning

The City continues to evaluate the impact of zoning and ensure that the needs of diverse household sizes, lifestyles and incomes are addressed. For example:

- Form-based zoning that includes incentives for affordable housing is being proposed as part of the City's Downtown Master Plan
- The West Evanston Master Plan expands the types of dwellings in an area dominated by single-family dwellings to include small multi-family buildings, townhomes and granny flats to help maintain affordability.

Other issues or concerns relating to fair housing

There is concern that some landlords truncate tenancy by not providing a minimum level of services such as proper maintenance of a building or unit, including not paying utilities, resulting in the tenant leaving by choice or in the forced dislocation by City officials for lack of essential utilities in the rental unit.

A new issue identified by Interfaith Housing throughout their services area is the use of non-refundable fees. For example, a household may be charged a pet fee or a move-in fee. These fees circumvent regulations on security deposits.

In the current housing market, much higher credit scores are being required both for renting and purchasing, and subsequent denials of housing have been perceived as discrimination based on race/ethnicity, marital status, primary language or sexual orientation.

Actions to address impediments to fair housing

The City of Evanston continues to work to educate realtors, apartment owners/managers and people seeking housing about potential types of discrimination using its Fair Housing brochure and flyers developed by Interfaith Housing Center of the Northern Suburbs that have been translated into several languages, including Spanish. As noted above, the City continues to examine potential institutional impediments to fair housing such as zoning.

Other Actions

Evanston has been significantly impacted by mortgage foreclosures. Census tracts 8092, 8096, 8097 and 8102, all within our CDBG Target Area and proposed NRSAs, are most heavily affected. A number of initiatives have been undertaken in response to these needs:

- The City of Evanston applied for Neighborhood Stabilization Program (NSP) funding, part of the Housing and Economic Recovery Act of 2008, to the State of Illinois and Cook County, and for NSP-2 funding, part of the American Recovery and Reinvestment Act of 2009, to HUD. Evanston was not a formula recipient of NSP funds, but qualified as an area of highest need based on the number and percent of foreclosures, pre-foreclosures and high-cost/subprime loans. Funding would enable the City to acquire foreclosed or abandoned properties in order to develop more units of affordable rental and owner-occupied housing.
- As noted in the Homeless and Special Needs section above, the City of Evanston recently launched its Homelessness Prevention and Rapid Re-housing program with federal formula funds from the American Recovery and Reinvestment Act to address the needs of residents who are at high risk of homelessness or have lost housing due to the economic and housing crisis. Evanston has six subrecipients, all members of the Evanston Alliance on Homelessness, that are providing case management, legal services, budgeting and credit repair, housing location and direct assistance to eligible residents.
- The City of Evanston will use funds from the Energy Efficiency and Conservation Block Grant (CCCBG) to weatherize housing that serves primarily low- and moderate-income households. The City is also working with CEDA to coordinate weatherization of housing units for very low income households using federal Weatherization funds managed by the State of Illinois. Households eligible for that program must be at or below 200% of the federal poverty line.
- The City's Property Standards division has expanded its work to monitor and maintain vacant properties to reduce the negative impact on neighborhoods. The City has a vacant building registry to identify owners and places liens on properties to recover the costs of boarding and maintaining the exteriors of those buildings.

Community Development Block Grant

The City's priorities for non-housing community development needs are summarized in the Housing & Community Development Table of the City's Consolidated Plan that follows the narrative. Neighborhood planning is an essential tool to involve residents in the identification of needs and opportunities as well as how to access resources and partners to improve low and moderate income neighborhoods. The evaluation of infrastructure, city services, private investment, security, housing and economic development is the focus of the neighborhood planning process.

Projects and programs receiving 2010/11 CDBG funds are described in brief below. Objectives and outcomes, as well as CDBG eligible activity categories and the amount of assistance for each project or program is shown in Table 3A that follows the narrative section of this Plan.

Public Facilities and Infrastructure

Parks and recreation facilities were identified as a high priority in the City's Consolidated Plan. In 2011/12, the City will combine \$50,000 in CDBG funds with City capital funds to renovate the tot lot at Brummel and Richmond in south Evanston. This small park is an important amenity because it is the only public playground for preschool age children in its neighborhood.

Infrastructure improvements were identified as a high priority in the consolidated Plan. The City has committed Capital Improvement funds in addition to CDBG funds for projects in the CDBG Target Area and throughout the City. In 2010/11, CDBG funds will be used for four ongoing projects and one new project:

- Alley paving in the CDBG Target Area – An alley in census tract 8092 is slated for paving using CDBG funds
- Block Curb and Sidewalk replacement in the CDBG Target Area
- ADA curb ramps – locations are determined using input from residents and may be outside the CDBG Target Area
- CDBG will fund the Alley Special Assessment Assistance program to pay the special assessments relating to alley paving for income-qualified households to relieve the financial burden of this important infrastructure improvement. Many qualifying households are low-income seniors living on fixed incomes. There has been an increase in applications for this program from income eligible households in 2008 which, if maintained, may require additional funds to those already allocated. Any such reallocation does not constitute a significant change to the Action Plan and will not require amendment of that plan.
- Street lighting improvements will be installed in the 1900 block of Jackson Avenue. This block is one of the first designated as a Safer Neighborhood Area Project (SNAP) neighborhood and additional lighting has been identified as one of the primary CPTED principles to address issues of chronic crime.

The YWCA Evanston/Northshore will receive CDBG funds to replace an aging platform lift with an access ramp that will provide improved access for persons with disabilities and bring the facility into full compliance with ADA requirements.

The Weissbourd-Holmes Family Focus Center will receive CDBG funds to address deferred maintenance issues with its aging heating and plumbing facilities.

Reba Early Learning Center will receive additional funds to rebuild and repair the building parapet that will be combined with funds allocated in FY2009/10 to complete the project.

The McGaw YMCA will receive funding to replace doorways and doors to rooms in its Single-Room Occupancy Residence for very-low income men. This will expand the number of units accessible to persons with disabilities to meet a growing need among its population.

The Oakton Elementary School PTA will receive CDBG funds for landscaping and its edible garden on school grounds. The Oakton School student body is primarily LMI and its grounds provide much-needed open space in census tract 8102, one of Evanston's most densely populated areas.

Public Services

Senior services. Three programs focusing on the needs of Evanston seniors will receive CDBG funding:

- Evanston Skokie Valley Senior Services, part of the North Shore Senior Center, will provide case management services for low income Evanston seniors, many of whom are frail elderly, using CDBG and Mental Health Board funds.
- The Music Institute of Chicago will perform concerts at skilled care facilities, senior residences and day treatment programs in Evanston that serve low income seniors with limited mobility.
- Meals at Home will provide home-delivered meals to low-income Evanston homebound seniors and disabled residents.

Youth services that address the needs of low and moderate income residents will receive CDBG funds:

- The Girl Scouts of Greater Chicago & Northwest Indiana will provide its Fit To Be Me program to low-income girls living in Evanston's west and south neighborhoods to help middle school age girls establish healthier eating and exercise habits, and develop self esteem, relationship-building and other life skills.
- The Open Studio Project's Art & Action program will use art therapy, journaling and other creative methods to enable youth to channel strong emotions of anger and frustration to positive, creative outlets.
- The City's Summer Youth Employment program will employ 100+ primarily LMI high school-aged youth for nine weeks during the summer months.
- The Divine Wisdom Institute for Learning will provide its Next Generation Leadership program for low-income teens

Services for battered and abused spouses and their children will be provided by the YWCA Evanston/North Shore, supported with CDBG and Mental Health Board funding.

Shorefront will receive CDBG funds to support its Legacy Center Programming including Legacy Keepers, a program that targets middle school youth and helps build pride in themselves and their heritage by studying the contributions of African Americans to Evanston and preserving artifacts of historical significance to the community.

Homesharing, Interfaith Housing Center of the North Suburb's innovative program that matches home seekers with home providers who have a room to rent in their home or apartment, will continue to receive CDBG funds.

Employment training. Three programs that provide services to the unemployed will be funded:

- The Youth Job Center of Evanston will receive CDBG and Mental Health funds to provide job readiness training, job placement and follow up services for youth between the ages for 14-25.
- Interfaith Action of Evanston will receive CDBG funds for its Job Counselors who help clients of Connections for the Homeless' Entry Point and Hilda's Place find employment.
- The City of Evanston will receive funding for its Local Employment Program, which assists LMI workers secure employment with City construction contractors to achieve the goals of the City's Local Employment Ordinance and HUD Section 3 requirements.

The Evanston Coalition for Latino Resources will receive funding for its Health & Resources Workshops that connect Hispanic residents with needed resources.

Legal services will be supported with CDBG and Mental Health Board funds for:

- The Evanston Community Defender to provide free legal services in criminal and juvenile law matters to Evanston residents age 21 and younger.
- The Legal Assistance Foundation of Metropolitan Chicago to provide free legal assistance to low income residents for civil law matters.

Other public services receiving CDBG funds in 2010/11 are:

- City's Graffiti Removal program that removes graffiti from public property (traffic signs, streetlights, etc.) in the CDBG Target Area.
- Adopt a Fancy Can where residents in the CDBG Target Area request a garbage can for the parkway in front of their house to reduce litter in the neighborhood.
- The Neighborhood Initiatives Fund, to which block clubs and other volunteer organizations can apply for funds for projects that strengthen and beautify their neighborhoods.

Economic Development

The Evanston Community Development Corporation, a not-for-profit neighborhood development organization focused on the Church/Dodge area, will receive CDBG funding to provide technical assistance to micro enterprises and small businesses in west Evanston in order to create jobs and bring needed goods and services to LMI residents.

The Technology Innovation Center will receive CDBG funds for its Evanston Business Ownership Initiative which will help small businesses and entrepreneurs to establish credit and secure loans for expansion or business startups.

The Neighborhood Façade Improvement Program will receive CDBG funds for façade improvements to retail/commercial structures in neighborhood commercial districts located in the CDBG Target Area.

Housing Rehabilitation

CEDA/Neighbors at Work will continue its minor repairs and interior and exterior painting programs for income-eligible single-family property owners and senior citizens.

The City's Housing Rehab Administration program will continue to assist income-eligible property owners with low interest and title transfer loans to rehab single-family and multi-family units, ensuring that residents live in decent, safe and sanitary housing. Single-Family and Multi-Family Loans for these rehabilitation projects will be provided from the City's Revolving Fund. Program income paid to the fund will be used for rehabilitation projects in the future. In addition, self-help paint vouchers will be issued to income-eligible

residents.

Code Enforcement

In 2010/11, the City's CDBG Target Area Housing Code Compliance program will inspect multi-family residential units in the CDBG Target Area and re-inspect units to ensure corrections of housing code violations. In addition, property standards inspectors will inspect boarding houses and nursing homes.

Other

Two City administrative and planning activities will receive CDBG funding:

- CDBG Administration for management and administration of the City's CDBG program.
- Minority/Women/Evanston Business Program (M/W/EBE) to support its work to increase minority, women-owned and Evanston business participation in City and private construction projects, as well as in other purchases made by the City.

The following chart shows the funding recommendations made by the Housing & Community Development Act Committee on November 11, 2008. Additional detail may be found in Table 3A and the project tables following the narrative section of this plan.

Organization	Program/Project	CDBG Funding
Public Facilities & Infrastructure		
City-Parks/Forestry and Recreation	Brummel-Richmond Tot Lot	\$50,000
City-Public Works Department	Alley Paving Program	\$75,000
City-Public Works Department	Alley Special Assessment Assistance	\$50,000
City-H&HS/Public Works	ADA Curb Ramp Replacement Program	\$45,833
City-Public Works Department	Block Curb and Sidewalk Prog.	\$45,833
City-Public Works Department	SNAP - Lighting for Safety	\$24,000
YWCA Evanston/Northshore	Access Ramp	\$15,000
Weissbourd-Holmes Family Focus	Facilities Improvement Project	\$40,000
Reba Early Learning Center	Parapet Repair & Rebuilding	\$14,000
McGaw YMCA	Residence Door Replacement	\$25,000
Oakton School PTA	School Grounds Beautification Phase 1	\$5,000
	Subtotal	\$389,666
Public Services		
Meals at Home	Food for Seniors and People w/Disabilities	\$9,000
Music Institute of Chicago	Taking Music to Seniors	\$2,000
North Shore Senior Center	Case Management Services	\$22,500
Evanston Community Defender	Legal/Social Work	\$39,000
Legal Assistance Foundation	Evanston Legal Services	\$9,000
Girls Scouts - Chicago/NW Indiana	Fit To Be Me!	\$8,000
Open Studio Project	Art & Action Program for At-Risk Youth	\$3,000
City-Human Relations Division	Summer Youth Employment Program	\$42,000
YWCA Evanston/North Shore	YWCA Domestic Violence Services	\$34,000
Interfaith Action of Evanston	Job Counselor for the Homeless	\$2,000
The Youth Job Center of Evanston	Youth Employment Initiative (Core Svc)	\$39,697
Connections for the Homeless	Single Adult Services Programs	\$4,000
Divine Wisdom Institute for Learning	Next Generation Leadership	\$700

Shorefront	Legacy Center Programming	\$15,000
City-Purchasing	Local Employment Program	\$5,000
Evanston Coalition for Latino Resources	Latino Health & Resources Workshops	\$1,500
Interfaith Housing of the North Suburbs	Homesharing Program	\$14,000
City-Community Development	Adopt A Fancy Can	\$4,000
City-Community Development	Graffiti Removal Program	\$35,000
City-Community Development	Neighborhood Initiatives Fund	\$8,000
	Public Services Subtotal	\$297,397
Housing Rehabilitation		
CEDA/Neighbors At Work, Inc.	Minor Repairs & Painting Program	\$100,000
City-Commission on Aging	Handyman Program	\$12,000
City-Community Development	Housing Rehab Administration	\$325,000
	Subtotal	\$437,000
Code Enforcement		
City-Property Standards	CDBG Target Area Code Compliance	\$425,000
	Subtotal	\$425,000
Economic Development		
Evanston Community Develop Corp	Bus Develop & Economic Opportunity	\$50,000
City-Community Development	Neighborhood Façade Improvement Program	\$40,000
Technology Innovation Center/SBDC	Evanston Business Ownership Initiative	\$20,000
	Subtotal	\$110,000
Other-Administration		
City-Community Development/Planning	CDBG Administration	\$351,113
City-Budget Office	M/W/EBE Program	\$40,000
	Subtotal	\$391,113
	Grand Total	\$2,050,176

HOME

The City of Evanston anticipates that \$575,000 in HOME funds will be allocated in 2010/11 for affordable housing projects. Up to 10%, or \$57,500, will be used for administration of the HOME program. An additional 5%, or approximately \$28,750 will be reserved for operating funds for Community Housing Development Organizations (CHDOs). The remaining \$488,750 will fund affordable rental or ownership development by CHDOs, non-profit organizations that provide housing and for-profit developers. The City will reserve an estimated \$86,250 for affordable housing projects developed by CHDOs, which is the minimum 15% requirement. HOME funds will be used to provide interest-bearing and non-interest-bearing loans, deferred payment loans, or grants, consistent with the type of assistance detailed in Section 92.205(b).

The City anticipates using HOME funds for rehab of foreclosed properties purchased with Neighborhood Stabilization Program funds, and will seek requests for proposals from a variety of sources.

The City developed new marketing plans with developers of affordable ownership projects that have remained uncompleted last year. About 15 units in four HOME assisted, rehab developments remain unsold due to changes in the economy in 2008 and the City has committed to providing additional project funding to reduce the interest rate on conventional funding and assist with intensive marketing efforts.

- A five-unit condominium conversion at 241 Callan developed by Econ Development Corporation, a for-profit developer, is currently being rented because market conditions hampered the developer's ability to sell the units. The project was assisted with HOME and Affordable Housing Funds.
- Housing Opportunity Development Corporation will continue the rehab on a two unit rental building at 1929 Jackson which is currently vacant.
- Over the Rainbow Association, a non-profit organization which provides rental housing for physically disabled adults, will complete the rehab of its 33-unit property at 2040 Brown. Tenants will remain in place during the rehab.
- SHORE services is expected to be awarded HOME funds for rehab work on a single family house on Brown which serves two adults through SHORE's Community Integrated Living Arrangements (CILA) program

Applications for HOME funding are considered throughout the year, with recommendations from the Housing Commission and the Planning and Development Committee prior to final approval by the City Council. If the City is awarded any Neighborhood Stabilization Program (NSP) in 2010/11, NSP funds would be used acquire foreclosed or abandoned property in conjunction with HOME funds for rehab. The City anticipates issuing a Request for Proposals for rental projects that serve households under 60% AMI and for projects that rehab or redevelop foreclosed properties.

HOME funds will continue to be used in conjunction with funding through the Affordable Housing Fund as part of the City's Downpayment Assistance Program. Currently loans of up to \$30,000 are available as needed. It is anticipated that \$350,000 in HOME funds will be used to benefit 12 new homeowners under 80% AMI.

The City's HOME funds estimated matching requirement of \$143,752 will be met through carry-over of matching funds and by new funds from a variety of sources. These include the Affordable Housing Fund, private bond volume cap (Industrial Revenue Bonds), building permit fee waivers, the Federal Home Loan Bank of Chicago's Affordable Housing Program and other eligible funding sources. The actual amount of required matching funds will depend on the amount of HOME funds disbursed in HUD Fiscal Year 2009 for housing development, exclusive of administrative and CHDO operating funds.

HOME funds are not expected to be used to refinance existing debt secured on multi-family rehab projects. However, if it becomes necessary to do so, the City might consider a HOME-funded loan to refinance some existing debt in specific situations. The following guidelines would apply:

- a. HOME funds can only be used to refinance the rehabilitation portion of the loan and up to 20% of acquisition financing, to demonstrate that rehabilitation is the primary eligible activity.
- b. The property must be inspected to ensure disinvestment has not occurred.
- c. The Project pro forma will be reviewed to ensure that the long-term needs of the project can be met and that serving the targeted population is feasible.
- d. It must be stated whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- e. Whether the length of the affordability will extend beyond the minimum 15 years will be determined and specified before HOME funds are invested.
- f. The investment of HOME funds would be allowed in any project within the City.
- g. HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

The City of Evanston will not receive American Dream Down payment Initiative (ADDI) funds.

Evanston does not currently provide tenant/based rental assistance (TBRA) with HOME funds, but may review and analyze the feasibility of providing TBRA or Project Based rental assistance programs.

Affirmative Marketing

Any HOME funded projects with five or more HOME assisted units must submit an affirmative marketing plan describing the target audience, types of advertising or informational distribution and a list of contacts who will receive the information. The developer or sponsor must submit a statement that it will not discriminate in the selection of residents on the basis of protected classes. Sixty to seventy percent of HOME-assisted homeowners are expected to be minority households.

Resale/Recapture Provisions for Homebuyer Projects

In order to ensure long term affordability of owner-occupied housing assisted with HOME funds, the City uses both recapture provisions and resale restrictions, depending on the amount and use of the subsidy. A large subsidy is usually needed for developers to offer rehabbed or newly constructed homes at prices affordable to low income households, and the City wants to ensure that housing developments in which it invests will remain affordable. Subsidies provided directly to buyers solely to reduce their purchase price or mortgage and financing costs are subject to recapture.

Recapture Provisions

Projects with any type of subsidy of \$15,000 per unit or less are subject to the recapture provisions for five years. Subsidies between \$15,001 and \$30,000 used only for downpayment or closing cost assistance or purchase price reduction are also subject to recapture during the affordability period. The subsidy is forgiven on a pro-rata basis as long as the owner lives in the property.

The amount subject to recapture is the amount of assistance that enabled the buyer to purchase the unit, such as down payment assistance, purchase price reduction below fair market value or principal buy down, but does not include the development subsidy, if any. The total amount subject to recapture is subject to the availability of net proceeds. The amount to be recaptured is reduced on a pro rata basis according to the time the homeowner has owned and occupied the housing. The balance is due if the property is sold or is no longer owner-occupied before the end of the affordability period. It is totally forgiven at the end of the affordability period.

Amount of HOME Subsidy Per Unit	Minimum Affordability Period	Subsidy Use
\$15,000 or less	5 years, at the rate of 1/60 th per month	Any
\$15,001 to \$30,000	10 Years, at the rate of 1/120 th a month	Downpayment, closing costs, purchase price reduction

The City records a Junior Mortgage and Affordable Housing Restriction to ensure that the HOME funds are subject to recapture if the unit does not continue to be the principal residence of the purchaser for the length of the affordability period. Buyers also sign an Agreement with the City describing the HOME subsidy.

If the homeowner refinances the first mortgage, the City will consider a request to subordinate its junior mortgage as long as the borrower does not receive any cash back as a result of the refinancing and the new loan amount is for the same amount as the original purchase mortgage with allowances for generally accepted financing costs. The City will not subordinate to a negative amortization loan or any loan it deems to be predatory.

Resale Restrictions

Projects receiving more than \$15,000 in subsidy for development must provide a resale restriction in order to encourage long term affordability in the event of property transfer. In extraordinary situations, the City may waive this requirement to stimulate demand where units remain unsold for an extended period. Projects that contain a development subsidy only are required by HOME regulations to use the resale provision as well, although because most affordable developments in Evanston have appraised values higher than the purchase price, these are unlikely.

If the original homebuyer retains ownership for the full affordability period, no resale restrictions will apply. However, if there is a property transfer during the affordability period, or the owner no longer occupies the property, the unit must be sold at an affordable price to an income-eligible purchaser who will occupy the property as their primary residence.

Buyer Requirements

An eligible buyer must agree to occupy the property as their primary residence, and must be a household with an annual household income less than or equal to eighty percent (80%) of the Chicago-area Median Income, based on household size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development.

Affordability Period

The affordability period is based on the minimum HOME requirements for the total subsidy, but may be increased with the approval of the Housing Commission and the City Council.

Amount of HOME Subsidy	Minimum Affordability Period:
>\$15,000, < \$40,000	10 years
>\$40,000	15 years

Low Income Affordability

The City considers an affordable price to be one that results in monthly housing costs for Principal, Interest, Tax and Insurance of less than 33% of gross monthly income for a household between 60 and 80% of area median income. Such a target price will vary, however, depending on the income level of the actual purchaser and the mortgage financing structure. For instance, the area median percentile into which a household falls depends on the number of persons in the household. The amount of money a buyer provides for the down payment will affect the amount financed, which, along with mortgage interest rates and terms, will affect the monthly principal and interest payments, and thus affect affordability. Therefore, in order to provide guidance and predictability for a homeowner refinancing or reselling the property, the City designed a resale formula to keep the housing affordable to the target population throughout the affordability period, yet provide a fair return to the seller.

Resale Formula

The basic resale formula allows the owner to sell the property at a price that encompasses annual appreciation of 3% plus an average annual allowance for capital improvements. Each project may adjust the basic resale formula to their situation with approval of the staff and Housing Commission.

Enforcement Mechanism

The resale restriction is enforced through a Declaration of Covenants Regarding Transfer of Property recorded by the developer, as well as a Promissory Note and recorded Junior Mortgage, both signed by the homebuyer. In the event the homeowner refinances their first mortgage, the City would have to subordinate its mortgage, and can thus ensure that the amount financed doesn't exceed the calculated resale price. Buyers also sign an Agreement with the City describing the HOME subsidy.

Needs of Public Housing

The Housing Authority of Cook County administers public housing in Evanston. The number of public housing properties has remained stable over the last few years. The number of residents who use Housing Choice Vouchers to subsidize rents from private landlords in the City has been steadily declining over the last six years. The City will maintain regular contact with the Housing Authority of Cook County regarding its Housing Choice Voucher program, scattered site family housing, and elderly/disabled housing.

Emergency Shelter Grants (ESG)

The City of Evanston expects to receive approximately \$85,920 in FY 2010/11 Emergency Shelter Grants (ESG) funds for essential services, operating expenses of homeless shelters and prevention programs serving individuals and families. Evanston's ESG funds are usually allocated among three to four non-profit organizations that provide services to the homeless in Evanston. The City will solicit proposals through a request for proposals process following receipt of its 2010/11 grant amount. The City Council's Human Services Committee will recommend funding allocations for approval by the City Council.

Evanston's 2010/11 ESG funds will be matched on a one-to-one basis using Mental Health Board funds from the City's general fund budget and state and other funds, including in-kind, depending on the agencies funded, to meet the match requirement for ESG.

HOPWA

Not applicable, as the City of Evanston does not receive HOPWA funding.