



**AGENDA AND NOTICE OF A MEETING**  
**Housing & Community Development Committee**  
**Tuesday, January 17, 2023**  
**Virtual on Zoom 7:00 PM**

Pursuant to 5 ILCS 120/7(2), HCDC members and City staff will be participating in this meeting remotely. It has been determined that in-person meetings of the City's Boards, Commissions, and Committees are not practical or prudent due to the ongoing coronavirus pandemic. Accordingly, the Housing & Community Committee may be convened, and members may attend by means other than physical presence consistent with 5 ILCS 120/7.

Those wishing to make public comments may submit written comments or sign-up with the [public comment form](#), by 5 pm the day of the meeting, to provide public comments by phone or video during the meeting, or by calling/texting 847-448-4311.

Public comment form: <https://forms.gle/3xH94W64m4V4fDC49>

Join Zoom Meeting:

<https://us06web.zoom.us/j/83028735282?pwd=YkdITTU1ZnY2TmxZZkJVOTIEa0FSUT09>

Passcode: 467209

Or join by phone:

Dial: +1 312 626 6799

Webinar ID: 830 2873 5282

Passcode: 467209

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**1. CALL TO ORDER/DECLARATION OF A QUORUM**

## 2. SUSPENSION OF THE RULES

Members participating electronically or by telephone

## 3. APPROVAL OF MEETING MINUTES

- A. **Approval of Meeting Minutes from December 13, 2022** 4 - 7  
**For Action**  
[Housing & Community Development Committee - Dec 13 2022 - Minutes - Pdf](#)

## 4. PUBLIC COMMENT

## 5. NEW BUSINESS/OLD BUSINESS

- A. **Funding Recommendation for the Housing Opportunity Development Corporation (HODC) Mixed-Use Project at 1805-1815 Church including 44 Units of Affordable Housing.** 8 - 16  
**For Action**  
[Funding Recommendation for the Housing Opportunity Development Corporation \(HODC\) Mixed-Use Project at 1805-1815 Church including 44 Units of Affordab - Pdf](#)
- B. **Discussion and Vote of Small/Medium Landlord Definition for Assistance** 17 - 19  
**For Action**  
[Discussion and Vote of Small/Medium Landlord Definition for Assistance - Attachment - Pdf](#)
- C. **Landlord Tenant Ordinance Overview**  
**For Discussion**
- D. **Update on CDBG Housing Rehab Loan Forgiveness** 20 - 21  
**For Discussion**  
[Update on CDBG Housing Rehab Loan Forgiveness - Attachment - Pdf](#)

## 6. STAFF UPDATES

## 7. ADJOURNMENT

*Agenda items and order are subject to change.*

*Questions can be sent to Sarah Flax, Housing & Grants Manager at [sflax@cityofevanston.org](mailto:sflax@cityofevanston.org).*

*The City of Evanston is committed to making all public meetings accessible to persons with disabilities. Any citizen needing mobility or communications access assistance should contact 847-448-4311 or 847-448-8064 (TTY) at least 48 hours in advance of the scheduled meeting so that accommodations can be made. La ciudad de Evanston está obligada a hacer accesibles todas las reuniones públicas a las personas minusválidas o las quines no hablan inglés. Si usted necesita ayuda, favor de ponerse en contacto con la Oficina de Administración del Centro a 847/866-2916 (voz) o 847/448-8052 (TDD).*

**Draft**



**Housing & Community Development Committee**  
**Tuesday, December 13, 2022 @ 7:00 PM**  
Virtual on Zoom

**COMMITTEE MEMBER PRESENT:** Kathy Feingold, , Hugo Rodriguez, Committee Member, Loren Berlin, Committee Member, Joanne Zolomij, Committee Member, Bobby Burns, Councilmember, Devon Reid, Councilmember, and Eleanor Revelle, Councilmember

**COMMITTEE MEMBER ABSENT:** Monika Bobo, Committee Member, Juan Geracaris, Councilmember

**STAFF PRESENT:** Sarah Flax, Interim Community Development Director; Marion Johnson, Housing and Grants Supervisor; Ana Elizarraga, Housing & Economic Development Analyst

**GUESTS:** Rob Anthony – Community Partners for Affordable Housing, Lara Biggs, City of Evanston, Angelique Schnur, City of Evanston

**1. CALL TO ORDER/DECLARATION OF A QUORUM**  
Chair Revelle called the meeting to order at 7:05 p.m.

**2. SUSPENSION OF THE RULES**  
A. Suspension of The Rules

Motion to suspend the rules to allow for members to participate electronically or by phone.

Moved by Feingold  
Seconded by Zolomij

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, and Councilmember Revelle

**Abstained** Councilmember Burns and Councilmember Reid

:

**Approved 5-0 on a recorded vote**

**3. APPROVAL OF MEETING MINUTES**

A. Approval of Meeting Minutes

Motion to approve the Minutes of the November 15, 2022 Meeting

Moved by Berlin  
Seconded by Rodriguez

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, and Councilmember Revelle  
**Abstained** Councilmember Burns and Councilmember Reid  
:

**Approved 5-0 on a recorded vote**

**4. PUBLIC COMMENT**

Public Comment period for DRAFT 2023 Action Plan closed. No public comments were submitted in regards to the DRAFT 2023 Action Plan.

**5. NEW BUSINESS/OLD BUSINESS**

A. Discussion and Vote to Recommend 2023 Entitlement Grant Allocations by Goal based on Estimated 2023 CDBG, HOME, and ESG Grants

Staff presented allocations by percentage by each goal: Affordable Housing, Homelessness, Livable Communities, Public Services, Economic Development and Administration. Staff explained goals were comparable to last year due to program income.

Motion to approve 2023 Entitlement Grant Allocation by Goal Based on Estimated 2023 CDBG, HOME, and ESG Grants.

Moved by Councilmember Reid  
Seconded by Feingold

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, and Councilmember Revelle

**Approved 7-0 on a recorded vote**

B. REVIEW OF AND APPROVAL OF 2023 CDBG FUNDING FOR CITY OF EVANSTON PROGRAMS AND PROJECTS BASED ON AN ESTIMATED 2023 CDBG GRANT AMOUNT

1. [Housing Rehabilitation\(\\$174,825 including \\$106,290 EN and \\$68,535 RL\)](#)
2. [Code Enforcement \(\\$400,000\)](#)
3. [Alley Improvement N. of Linden Place, E. of Custer Avenue - 8th Ward \(\\$220,000\)](#)
4. [Alley Improvement N. of Mulford Street, E. of Elmwood Avenue - 9th Ward \(\\$240,000\)](#)
5. [Sidewalk Gap Infill – Leland Avenue from Emerson St. to Wade St. \(\\$120,000\)](#)
6. [Sidewalk Improvements Program \(\\$100,000\)](#)

Rob Anthony from the Community Partnership for Affordable Housing (CPAH), Lara Biggs from the City of Evanston and Angel Schnur from the City of Evanston were in attendance to present projects for CDBG funding. Including: Housing Rehabilitation, Code Enforcement, Alley Improvements, and Sidewalk infill and improvement programs. Staff made themselves available to answer questions from the committee.

Motion to approve 2023 CDBG funding for City of Evanston programs and projects based on an estimated 2023 CDBG Grant Amount.

Moved by Councilmember Reid  
Seconded by Zolomij

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, and Councilmember Revelle

**Approved 7-0 on a recorded vote**

C. DISCUSSION AND VOTE TO RECOMMEND APPROVAL OF THE  
DRAFT 2023 ACTION PLAN TO CITY COUNCIL FOLLOWING  
RECEIPT OF 2023 ENTITLEMENT GRANT AMOUNTS

Staff presented the DRAFT 2023 Action Plan, which includes allocations by goal based on CDBG, HOME, and ESG grants, as well as approval of City of Evanston projects based on CDBG grant amounts.

Motion to approve the DRAFT 2023 Action Plan to City Council following receipt of 2023 Entitlement Grant amounts.

Moved by Councilmember Reid  
Seconded by Zolomij

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, and Councilmember Revelle

**Approved 7-0 on a recorded vote**

D. Housing and Community Development (HCDC) 2023 Proposed Meeting Dates

Staff presented the Housing and Community Development 2023 proposed meeting dates. All dates will be on the Third Tuesday of every month, with the exception of the December meeting date, which will take place on December 12, 2023.

Motion to approve the 2023 Housing and Community Development meeting dates.

Moved by Councilmember Reid  
Seconded by Zolomij

**Draft**

Housing & Community Development Committee  
December 13, 2022

**Ayes:** Feingold, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, and Councilmember Revelle

**Approved 7-0 on a recorded vote**

**6. PUBLIC COMMENT**

Mr. Carlis Sutton provided public comment to state that he is in opposition to alley improvements in 2023 due to dissatisfaction with work in his alley. Staff and Cm. Burns explained to Carlis Sutton that funding for his alley is not funded by entitlement grants.

Tina Paden provided public comment to state discontent on the Small/Medium Landlord Assistance Program not being passed through to City Council approval.

**7. ADJOURNMENT**

Chair Revelle adjourned the meeting at 8:49 p.m.



## Memorandum

To: Members of Housing & Community Development Committee  
From: Marion Johnson, Housing & Grants Supervisor  
CC: Sarah Flax, Interim Community Development Director; Ana Elizarraga, Housing & Economic Development Analyst  
Subject: Funding Recommendation for the Housing Opportunity Development Corporation (HODC) Mixed-Use Project at 1805-1815 Church including 44 Units of Affordable Housing.  
Date: January 17, 2023

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Recommended Action:

Staff recommends approval of \$4,000,000 as gap financing for the HODC mixed-used project at 1805-1815 Church Street that will provide 44 much-needed affordable housing units and retail/commercial space.

Funding Source:

\$3,000,000 in West Evanston TIF funding, account 335.99.5870.62490. Approximately \$2,000,000 is available in this fund as of January 2023.

\$1,000,000 from the City's Affordable Housing Fund (AHF), account 250.21.5465.65530. The AHF currently has a cash balance of approximately \$2,000,000.

CARP:

Vulnerable Populations

Committee Action:

For Action

Summary:

The Evanston City Council adopted ordinance 4-O-21 on February 8, 2021 authorizing the City Manager to negotiate the disposition of three City-owned lots, 1805 Church Street and 1708-1710 Darrow Avenue to Mt. Pisgah Ministry Inc. to develop a mixed-use property with retail and rental housing that is affordable for working families, seniors, and persons with disabilities in partnership with Housing Opportunity Development Corporation (HODC). Mt. Pisgah, whose church is immediately west of the site and has had a goal of developing affordable housing at this site for many years, will develop a new and larger church on its two parcels.

In February 2022, the City of Evanston submitted a letter as part of HODC's application to the Illinois Housing Development Authority (IHDA) for Low Income Housing Tax Credits (LIHTC). The letter confirmed the receipt of a request from HODC for up to \$2,500,000 for this project, as well as the City's priorities to develop this land and create additional affordable housing, contingent on HODC receiving a LIHTC allocation, approval of the planned development, and City underwriting. Additionally, letters of support were provided in support of HODC's application by 5th Ward Councilmember Burns and Mayor Biss.

In May 2022, HODC received an allocation of \$13,498,650 in LIHTC equity that will provide the bulk of the financing for the project. Additional sources of funding include \$590,000 of equity in donation tax credits, \$3,301,843 of soft funds from IHDA, an estimated \$126,024 in equity from the ComEd Energy Efficiency Program, and \$489,722 in deferred developer fees. The total capital stack includes construction financing of \$22,530,544. Staff has underwritten the project following IHDA's tax credit underwriting standards. The permanent financing has debt service for the LIHTC equity only; there is no mortgage debt service.

HODC requests a total of \$4,000,000 in funding from the City of Evanston, with \$2,500,000 for the housing portion and \$1,500,000 for the retail/commercial space and parking. Staff recommends approval of this request from different sources in the amounts and with the terms outlined below:

- \$1,000,000 from the Affordable Housing Fund for the housing as a zero-interest, deferred loan, payable if the property is sold or is not maintained as primarily affordable following the 30-year LIHTC affordability period.
- \$1,500,000 of TIF for the housing as a grant, repayable if the property is sold or is not maintained as primarily affordable following the 30-year LIHTC affordability period.
- \$1,500,000 of TIF for the commercial/retail space and parking provided as a grant, repayable if the property is sold or is not maintained as primarily affordable for the 30-year LIHTC affordability period.

American Rescue Plan Act (ARPA) funding could be considered as an alternate source of funding to reduce TIF funding for the housing portion of the project with terms mirroring those for the Affordable Housing Funds. An ARPA funding update is scheduled for the City Council meeting on January 23, 2023, and will provide additional information on whether City Council can consider ARPA funds or not for this project.

The HODC project at 1805 Church is composed of 44 units of affordable housing with approximately 3,500 square feet of commercial/retail space. The 44 housing units would be restricted at the following income levels, following the LIHTC income restrictions:

- 6 units at 30% AMI (1 one-bedroom)
- 11 units at 50% AMI (2 one-bedroom, 6 two-bedroom, and 3 three-bedroom)
- 25 units at 60% AMI (2 one-bedroom, 15 two-bedroom, and 8 three-bedroom)
- 1 manager unit (1 two-bedroom)

Additionally, 11 of the units have been approved for Housing Authority of Cook County (HACC) Project-Based Vouchers. One of the one-bedroom units at 30% AMI and ten of the 50% AMI units (1 one-bedroom, and all two-bedroom and three-bedroom units) will include Project Based Vouchers (PBV) so residents will pay 30% of their income toward rent and utilities and the PBV will cover the remainder. Five of the 30% AMI one-bedroom units will also be

supportive housing utilizing the Illinois State Referral Network. Seven of the units will be accessible, 9 will be adaptable, 1 will be sensory, and all will be visitable. The development will target all low-income households of one to six-person families with units set aside for persons with disabilities and veterans. They are requesting a residency preference for Evanston residents and workers.

The proposed 3,500-square-foot ground-floor commercial space (required by zoning) will provide at least two storefronts for local businesses. The developer, in collaboration with the City's Economic Development team, will work with the community to identify local minority or female-owned businesses. TIF funding has been identified as an eligible source of funding and will provide the necessary economic development tool to help finance the project. The project is a collaboration with the Mt. Pisgah Ministry which will be relocating and rebuilding their church on the site immediately to the east at the corner of Church Street and Darrow Avenue and is financed separately.

Costs have increased significantly over the past year and the developer's contractors estimate another 8% increase in 2023. For this project, one of the major cost drivers is the compact site requires two floors of under-building parking; each parking level costs about \$1,000,000 for a total of \$2 million. In addition, the West Evanston Master Plan requires this site to have ground-floor retail which accounts for about 3,500 square feet of building area or another \$600,000 in construction costs. The budget also includes fire separation requirements between the parking and residences, an added elevator floor, and additional first-floor height compared to a similar size building due to parking and retail for another \$500,000 in costs.

This project addresses the following needs in Evanston identified through the City's affordable housing planning process, as well as in its Consolidated Plan:

- Increases the supply of affordable housing by providing 44 new units for households with incomes from 30% AMI to 60% AMI. Additionally, 25% of units will have Project Based Vouchers (PBV) from the Housing Authority of Cook County and the Illinois State Referral Network, so residents will only pay 30% of their income for their housing and the PBVs will cover the remainder.
- Expands the supply of accessible units; 7 units (16%) will be fully accessible; 1 unit will be designed for persons with sensory impairments; 9 more units will be adaptable, in compliance with HUD Section 504 requirements and Fair Housing. All units will be visitable.
- Adds retail/commercial space for aspiring and established local businesses and amenities for residents.

The following table conservatively summarizes the planned TIF expenditures through the end of the life of the TIF in 2028. The projected balance at the end of the TIF lifecycle remains after the HODC investment and the planned infrastructure expenditures, including lead service line replacement, sidewalk installation, water main upgrades, and Mason Park improvements/expansion. Additional property acquisition for housing and economic development purposes with TIF funding **is not possible** without an act of the state legislature extending its life for twelve additional years. Alternatively, the City Council could identify other funding sources for public infrastructure projects, but this is not advisable considering the TIF was created in part to help upgrade infrastructure in west Evanston. City staff will determine the

feasibility of issuing municipal bonds for the proposed infrastructure to smooth fund balances/expenditures.

Staff recommends using City funds for construction draws on a flexible schedule in the early-to middle of construction based on the availability of LIHTC, and to reduce construction loan expenses where possible. Most City funding is anticipated to be paid out in 2024. Disbursements would be made for construction draws beginning in Q4 2023 but not more than monthly, with 10% retainage paid at project completion/first TCO for the housing units.

This project is in partnership with Housing Opportunity Development Corporation (HODC) and Mt. Pisgah Ministry, with HODC contributing much of the project financing, which addresses one of the biggest challenges to the development of affordable housing. In addition, the entire project will be on the property tax rolls and will add an estimated \$80,000 in new property tax revenue annually, about 20% of which will be the City's portion. The project will also activate the vacant 1805 Church site and further the City's goals to redevelop vacant lots into affordable housing. Additionally, the project will add opportunities for economic development in this area with the creation of retail and commercial space.

Legislative History:

- The Land Use Commission reviewed the HODC project at its January 11, 2023 meeting
- The City Council adopted Ordinance 4-O-21 on February 8, 2021, authorizing the City Manager to negotiate the disposition of the property located at 1805 Church.

Attachments:

[Funding Sources Mt Pisgah HODC](#)

[Expenses Mt Pisgah HODC](#)

[Uses Mt Pisgah HODC](#)

[CashFlow Mt Pisgah HODC](#)

## Applicant Sources

### Construction Period Sources

Construction period debt Including equity bridge loans	Lien Position	Amount	Interest Rate	Construction Term (Years)	Construction Debt Service	Comments
Wintrust	1	\$12,000,000	4.00%	1.00	\$480,000	
IHDA	2	\$3,300,000	0.00%	1.00	\$0	
Evanston	2	\$2,500,000	0.00%	1.00	\$0	
					\$0	
					\$0	
					\$0	
					\$0	
<b>Total</b>		<b>\$17,800,000</b>			<b>\$480,000</b>	

Construction period grants Grants available during construction	Amount	Comments
ComEd	\$126,024	
TIF	\$1,500,000	
<b>Total</b>	<b>\$1,626,024</b>	

Construction period equity Equity available during construction	Type	Amount	Comments
NEF	LIHTC	\$2,024,798	
Donation	IAHTC	\$590,000	
Deferred fee	fee	\$489,722	
<b>Total</b>		<b>\$3,104,520</b>	

**Total Construction Period Sources\*** **\$22,530,544**

\* It is not a requirement for Total Construction Period Sources to equal Total Permanent Sources.

### Permanent Sources

Permanent debt	Lien Position	Amount	Term (Years)	Amort (Years)	Rate	Annual D/S	Comments
IHDA	1		30			\$2,400	
Evanston	2	\$2,500,000	30			\$0	
						\$0	
						\$0	
						\$0	
						\$0	
<b>Total</b>		<b>\$2,500,000</b>				<b>\$2,400</b>	

Grants	Amount	Comments
ComEd	\$126,024	
TIF	\$1,500,000	
<b>Total</b>	<b>\$1,626,024</b>	

Equity	Type	Amount	Allocation	Raise Rate	Comments
NEF	LIHTC	\$13,498,650	150,000	\$0.90000	
Donation	IAHTC	\$590,000			
<b>Total</b>		<b>\$14,088,650</b>			

	Amount
Deferred Developer Fee	\$490,480
Financial Gap (If applying for IHDA soft funds to fill the financial gap, check cell D61)	\$3,301,843
<b>Total Permanent Sources</b>	<b>\$22,006,997</b>

25% of Total Developer Fee	75% of Cash Flow (years 1-12)
\$490,480	\$491,889
Deferred Fee as a % of Total Dev Fee	Deferred Fee as a % of Total Cash Flow (years 1-15)
25.0%	67.7%

**Applicant Expenses**

Type	Description	% EGI	Application	Units		Applicant Comments
				Application	Per Unit	
Management	<b>Management Fee</b>	<b>6.0%</b>	<b>\$24,868</b>		<b>565</b>	HODC
Administrative	<b>Administrative Salaries</b>	<b>0.0%</b>	<b>\$0</b>		<b>0</b>	
Administrative	Office Expense		3,500		80	
Administrative	Legal		2,000		45	
Administrative	Accounting		10,000		227	
Administrative	Telephone		1,800		41	
Administrative	Monitoring Fee		2,200		50	
Administrative	Marketing		200		5	
Administrative	Software		4,400		100	
Administrative	<b>Other Administrative</b>	<b>5.8%</b>	<b>\$24,100</b>		<b>548</b>	
Operating	<b>Operating Expense Salaries</b>	<b>16.9%</b>	<b>\$70,000</b>		<b>1,591</b>	
Operating	Janitorial Supplies		1,500		34	
Operating	Exterminating		3,600		82	
Operating	Rubbish Removal		4,000		91	
Operating	Security Expense		3,600		82	
Operating	Snow Removal		2,400		55	
Operating					0	
Operating	<b>Other Operating</b>	<b>3.6%</b>	<b>\$15,100</b>		<b>343</b>	
Maintenance	<b>Maintenance Salaries</b>	<b>9.7%</b>	<b>\$40,000</b>		<b>909</b>	
Maintenance	Grounds and Pool Maintenance		1,800		41	
Maintenance	Elevator		6,000		136	
Maintenance	HVAC		2,000		45	
Maintenance	Plumbing and Electrical Maintenance		2,000		45	
Maintenance	Painting/Decorating, Carpeting		2,500		57	
Maintenance	Miscellaneous				0	
Maintenance					0	
Maintenance	<b>Other Maintenance</b>	<b>3.5%</b>	<b>\$14,300</b>		<b>325</b>	
Utilities	Electricity		6,000		136	Common areas
Utilities	Gas		7,200		164	
Utilities	Oil		0		0	
Utilities	Water & Sewer		17,600		400	
Utilities						
Utilities	<b>Utilities</b>	<b>7.4%</b>	<b>\$30,800</b>		<b>700</b>	
T/I	Real Estate Taxes		79,200		1,800	
T/I	Other Taxes				0	
T/I	Insurance		26,400		600	
T/I					0	
T/I	<b>Subtotal</b>	<b>25.5%</b>	<b>\$105,600</b>		<b>2,400</b>	
Reserves	Replacement		15,400		350	
Reserves	Operating				0	
Reserves	FF&E				0	
Reserves	Debt Service				0	
Reserves	Transition				0	
Reserves	Medicaid Payment Delay				0	
Reserves						
Reserves	<b>Reserves</b>	<b>3.7%</b>	<b>\$15,400</b>		<b>350</b>	
Total	<b>Total Annual Operating Expenses</b>	<b>82.1%</b>	<b>\$340,168</b>		<b>7,731</b>	
Total	<b>Operating Expense Range</b>		<b>\$245,568</b>		<b>5,581</b>	
Fees	Syndicator/Investor Asset Mgmt. Fee		4,400		100	

**Salaried Staff**

Type	Position	Application	Per Unit	Comments
Administrative			0	
Administrative			0	
Administrative			0	
Administrative			0	
Administrative	<b>Administrative Salaries</b>	<b>\$0</b>	<b>0</b>	
Operating	Property Manager	50,000	1,136	1 FTE
Operating	Service Coordinator	20,000	455	0.5 FTE
Operating			0	
Operating			0	
Operating	<b>Operating Salaries</b>	<b>\$70,000</b>	<b>1,591</b>	
Maintenance	Maintenance Staff	40,000	909	1 FTE
Maintenance			0	
Maintenance			0	
Maintenance			0	
Maintenance	<b>Maintenance Salaries</b>	<b>\$40,000</b>	<b>909</b>	

**Applicant Uses**

Check (X) here if 4% determination request:

Check (X) here if identify of interest:

Buyer and Seller:

Owner and General Contractor:

Note: If multiple costs are included in line items, please include a breakdown of individual costs in the comments section.

Type	Description	Reference %	Cost	Units	Basis	Comments
				44		
Per unit						
Acquisition	Land		590,000	13,409		donation
Acquisition	Building			0		
Acquisition	Existing Debt			0		
Acquisition	Holding Costs			0		
Acquisition				0		
Acquisition				0		
<b>Subtotal</b>	<b>Acquisition</b>		<b>590,000</b>	<b>13,409</b>		
Hard Costs	Residential: New Construction	99.0%	16,043,782	364,631	16,043,782	
Hard Costs	Residential: Rehabilitation	0.0%	0	0	0	
Hard Costs	Other: Commercial, Service, Offsite	0.0%	0	0	0	
Other Costs	Other GC Costs	1.0%	162,058	3,683	162,058	
<b>Subtotal</b>	<b>Grand Total Construction Costs</b>		<b>16,205,841</b>	<b>368,315</b>		
Con. Soft costs	Permits		300,000	6,818	300,000	
Con. Soft costs	Impact Fees			0		
Con. Soft costs	Environmental Remediation			0		
Con. Soft costs	Environmental Contingency	0.0%		0		
<b>Contingency</b>	<b>Construction Contingency</b>	<b>5.0%</b>	<b>714,074</b>	<b>16,229</b>	<b>178,519</b>	
Soft costs	Furniture Fixtures & Equipment (FF&E)		60,000	1,364	60,000	furnishings, camera, laundry
Soft costs	Architect: Design	3.40%	388,940	8,840	388,940	
Soft costs	Architect: Supervision		162,058	3,683	162,058	
Soft costs	Civil Engineering	0.4%	60,000	1,364	60,000	
Soft costs	"Green" Certification Fees		22,000	500	22,000	
Soft costs	Legal		100,000	2,273	100,000	
Soft costs	Accounting/Cost Certification		30,000	682	30,000	
Soft costs	Survey		10,000	227	10,000	
Soft costs	Appraisal		9,000	205	9,000	
Soft costs	Environmental Report		10,000	227	10,000	
Soft costs	Soil Tests		8,000	182	8,000	
Soft costs	Market Study		10,000	227	10,000	
Soft costs	3rd Party Cost Estimate/PNA			0		
Soft costs	Title and Recording		25,000	568	25,000	
Soft costs	Relocation			0		
Soft costs	Marketing		20,000	455		
Soft costs	Initial Non-Marketing Rent Up Costs		32,000	727	32,000	
Soft costs	dry utilities, utility connections, traffic study		60,000	1,364	60,000	
Soft costs				0		
Soft costs				0		
<b>Subtotal</b>	<b>Soft Costs</b>		<b>1,306,998</b>	<b>29,705</b>		
Financing	IHDA Preliminary Project Assessment Fee			0		
Financing	IHDA Application Fee		4,000	91		
Financing	4% Determination Fee (Tax-Exempt Bonds Only)			0		
Financing	9% Reservation Fee		150,000	3,409		
Financing	P&P Bond/ Construction /LOC /Working Capital/Latent Defects LOC Fee			0		
Financing	IHDA Loan Origination		29,500	670	29,500	IAHTC
Financing	IHDA Forward Commitment Extension Fee			0		
Financing	IHDA Legal Fees			0		
Financing	IHDA Plan and Cost Review Fee			0		
Financing	IHDA Conversion Fee			0		
Financing	Other Loan Origination		120,000	2,727	120,000	
Financing	Other Lender Legal Fees		115,000	2,614		
Financing	Lender's Inspecting Architect			0		
Financing	Bank Escrow Fee			0		
Financing	Bond Issuance Fee			0		
Financing	Bond Inducement Fee			0		
Financing	Bond Counsel Fee			0		
Financing	Underwriter Takedown, Management, and Expenses			0		
Financing	Co-Bond Counsel Fee			0		
Financing	Issuer's Counsel Fee			0		

Financing	Issuer's Financial Advisor Fee		0	
Financing	Trustee/Custodian/Fiscal Agent Fee		0	
Financing	Credit Enhancement Fee		0	
Financing	MIP Deposit		0	
Financing	Bond Admin Fee		0	
Financing	Rating Agency Fee		0	
Financing	Miscellaneous Bond Fee		0	
Financing	HACC app	3,000	68	3,000
Financing			0	
<b>Subtotal</b>	<b>Financing</b>	<b>421,500</b>	<b>9,580</b>	
Interim	Construction / Bridge loan interest	480,000	10,909	480,000
Interim	MIP / Credit Enhancement during construction		0	
Interim	Servicing fees during construction		0	
Interim	Real Estate Taxes During Construction		0	
Interim	Insurance During Construction	60,000	1,364	60,000
Interim		0	0	0
<b>Subtotal</b>	<b>Interim</b>	<b>540,000</b>	<b>12,273</b>	
Syndication	Syndication legal		0	
Syndication	Partnership organizational expense		0	
Syndication	Other Syndication fees		0	
<b>Subtotal</b>	<b>Syndication</b>	<b>0</b>	<b>0</b>	
Reserves	Real Estate Tax Reserve	55.0%	43,560	990
Reserves	Insurance Reserve	105.0%	27,720	630
Reserves	Replacement Reserve		33,000	750
Reserves	Existing Reserves			0
Reserves	Operating Reserve		162,384	3,691
Reserves	Debt Service Reserve			0
Reserves	Furniture, Fixtures and Equipment Reserve			0
Reserves	Transition Reserve			0
Reserves	Interest Reserve			0
Reserves	Bond Reserve			0
Reserves				0
Reserves				0
<b>Subtotal</b>	<b>Reserves</b>	<b>266,664</b>	<b>6,061</b>	
Developer Fee	Developer Fee (inclusive of consultants, managers, etc.)		1,961,921	44,589
Developer Fee	Less Identity of Interest Between Buyer and Seller		0	0
Developer Fee	Less Identity of Interest Between Owner and GC		0	0
Developer Fee	<b>Total Developer Fee</b>	<b>10.20%</b>	<b>1,961,921</b>	<b>44,589</b>
<b>Total</b>	<b>Grand Total</b>	<b>22,006,997</b>	<b>500,159</b>	<b>20,325,778</b>

#### Tax Credit Calculation

	4% - Acq.	4%	9%	Total
Eligible Basis	0		20,325,778	20,325,778
- Historic Tax Credits				0
- Deductions				0
X Boost (if eligible)	100.0000%	130.0000%	100.0000%	
= Eligible Basis	0		20,325,778	20,325,778
X Applicable Fraction	100.0000%	100.0000%	100.0000%	
= Qualified Basis	0		20,325,778	20,325,778
X Applicable Percentage (IRS published monthly rate)	4.0000%	4.0000%	9.0000%	
= Tax Credit Amount	0		1,829,320	1,829,320

#### Tax Credit Election

20% @ 50% AMI	
40% @ 60% AMI	X
Average Income Test @ 57%	

Tab: G\_Uses

Print Date: 1/12/2023

Applicant Cash Flow

		Trend	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40		
Income	Rent	2%	408,272	414,397	422,685	431,139	439,782	448,557	457,528	466,679	476,012	485,533	495,243	505,148	515,251	525,566	536,087	546,789	557,724	568,873	580,256	591,882	603,667	615,773	628,088	640,650	653,463	666,532	679,863	693,460	707,329	721,476	735,905	750,624	765,636	780,943	796,549	812,460	828,749	845,330	862,211	879,473		
Income	Rent in Excess of Limits	2%	40,020	40,820	41,637	42,470	43,319	44,185	45,069	45,970	46,890	47,828	48,784	49,760	50,755	51,770	52,806	53,862	54,939	56,038	57,158	58,302	59,468	60,657	61,870	63,108	64,370	65,657	66,969	68,307	69,671	71,061	72,478	73,921	75,390	76,886	78,409	79,958	81,533	83,135	84,764	86,419	88,101	
Income	Parking	2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Income	Laundry	2%	4,224	4,308	4,395	4,483	4,572	4,664	4,757	4,852	4,949	5,048	5,149	5,252	5,357	5,464	5,573	5,685	5,799	5,915	6,033	6,154	6,277	6,402	6,530	6,661	6,794	6,930	7,069	7,210	7,354	7,501	7,651	7,804	7,960	8,120	8,282	8,448	8,616	8,789	8,965	9,144		
Income	Vending	2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Income	Other	2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Income	Gross Residential		450,516	459,526	468,717	478,091	487,653	497,406	507,354	517,501	527,851	538,408	549,176	560,160	571,363	582,790	594,446	606,335	618,462	630,831	643,448	656,317	669,443	682,832	696,489	710,419	724,627	739,119	753,902	768,980	784,359	800,046	816,047	832,368	849,016	865,996	883,316	900,982	919,002	937,382	956,130	975,252		
Vacancy	Residential Vacancy	8%	(35,941)	(36,152)	(37,497)	(38,247)	(39,012)	(39,722)	(40,588)	(41,400)	(42,228)	(43,073)	(43,944)	(44,833)	(45,750)	(46,623)	(47,555)	(48,507)	(49,471)	(50,468)	(51,476)	(52,505)	(53,555)	(54,627)	(55,719)	(56,833)	(57,970)	(59,130)	(60,317)	(61,518)	(62,749)	(64,004)	(65,284)	(66,599)	(67,921)	(69,289)	(70,655)	(72,079)	(73,501)	(74,951)	(76,450)	(77,920)		
Income	Residential EGI		414,475	422,784	431,219	439,844	448,641	457,614	466,766	476,191	485,683	495,336	505,242	515,347	525,624	536,167	546,891	557,828	568,985	580,365	591,972	603,811	615,888	628,205	640,769	653,585	666,657	679,990	693,590	707,461	721,611	736,043	750,764	765,778	781,094	796,716	812,651	828,904	845,482	862,391	879,639	897,232		
Income	Commercial	2%	40,000	40,800	41,616	42,448	43,297	44,163	45,047	45,947	46,866	47,804	48,760	49,735	50,730	51,744	52,779	53,835	54,911	56,007	57,124	58,272	59,451	60,661	61,893	63,148	64,427	65,731	67,061	68,418	69,803	71,216	72,658	74,130	75,632	77,165	78,729	80,324	81,951	83,611	85,296	87,007	88,744	90,507
Vacancy	Commercial Vacancy	100%	(40,000)	(40,800)	(41,616)	(42,448)	(43,297)	(44,163)	(45,047)	(45,947)	(46,866)	(47,804)	(48,760)	(49,735)	(50,730)	(51,744)	(52,779)	(53,835)	(54,911)	(56,007)	(57,124)	(58,272)	(59,451)	(60,661)	(61,893)	(63,148)	(64,427)	(65,731)	(67,061)	(68,418)	(69,803)	(71,216)	(72,658)	(74,130)	(75,632)	(77,165)	(78,729)	(80,324)	(81,951)	(83,611)	(85,296)	(87,007)	(88,744)	(90,507)
Income	Commercial EGI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Management	Management Fee	6%	24,868	25,366	25,873	26,391	26,918	27,457	28,006	28,566	29,137	29,720	30,315	30,921	31,539	32,170	32,813	33,470	34,139	34,822	35,518	36,229	36,953	37,692	38,446	39,215	39,999	40,799	41,615	42,448	43,297	44,163	45,046	45,947	46,866	47,803	48,759	49,734	50,729	51,743	52,778	53,834		
Administrative	Administrative Salaries	3%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Administrative	Other Administrative	3%	24,100	24,823	25,568	26,335	27,125	27,939	28,777	29,640	30,529	31,445	32,388	33,360	34,361	35,392	36,453	37,547	38,673	39,834	41,029	42,259	43,527	44,833	46,178	47,563	48,990	50,460	51,974	53,533	55,139	56,793	58,497	60,252	62,059	63,921	65,839	67,814	69,849	71,944	74,102	76,325		
Operating	Operating Expense Salaries	3%	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,076	96,896	99,803	102,797	105,881	109,058	112,329	115,699	119,170	122,745	126,428	130,214	134,127	138,165	142,330	146,624	150,951	155,409	160,000	165,726	171,590	177,595	183,743	190,038	196,484	203,085	209,846	216,770	223,862	231,127	238,569	
Operating	Other Operating	3%	15,100	15,553	16,020	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175	22,940	23,725	24,531	25,358	26,207	27,079	28,078	29,105	30,161	31,247	32,365	33,515	34,698	35,915	37,167	38,454	39,776	41,134	42,528	43,959	45,428	46,935	48,480	49,964	51,487	53,049		
Maintenance	Maintenance Salaries	3%	40,000	41,200	42,438	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,747	55,339	57,030	58,741	60,504	62,318	64,188	66,114	68,097	70,140	72,244	74,412	76,644	78,943	81,312	83,751	86,264	88,852	91,517	94,260	97,083	100,000	103,000	106,090	109,276	112,554	115,931	119,409	122,987	126,661		
Maintenance	Other Maintenance	3%	14,300	14,729	15,171	15,626	16,095	16,578	17,075	17,587	18,115	18,658	19,218	19,795	20,388	21,000	21,638	22,279	22,945	23,636	24,345	25,075	25,827	26,602	27,400	28,222	29,069	29,941	30,839	31,764	32,717	33,699	34,710	35,751	36,824	37,928	39,064	40,238	41,445	42,689	43,969	45,288		
Utilities	Electricity	3%	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521	10,837	11,162	11,497	11,842	12,197	12,562	12,940	13,328	13,728	14,139	14,564	15,000	15,450	15,914	16,391	16,883	17,391	17,911	18,449	19,002		
Utilities	Gas	3%	7,200	7,416	7,638	7,868	8,104	8,347	8,597	8,854	9,121	9,394	9,676	9,966	10,265	10,573	10,891	11,217	11,554	11,901	12,258	12,625	13,004	13,394	13,796	14,210	14,636	15,075	15,527	15,993	16,474	16,969	17,478	18,001	18,541	19,097	19,670	20,260	20,868	21,494	22,138	22,803		
Utilities	Oil	3%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Utilities	Water & Sewer	3%	17,600	18,128	18,672	19,232	19,809	20,403	21,015	21,646	22,295	22,964	23,653	24,363	25,093	25,844	26,622	27,429	28,263	29,124	29,983	30,882	31,788	32,741	33,723	34,735	35,777	36,850	37,964	39,109	40,286	41,474	42,720	44,001	45,321	46,681	48,082	49,524	51,010	52,540	54,116	55,740		
Utilities	Other Utilities	3%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Utilities	Subtotal: Utilities		38,800	39,724	40,676	41,656	42,666	43,706	44,777	45,880	46,917	48,000	49,113	50,256	51,439	52,662	53,925	55,228	56,571	57,954	59,377	60,840	62,343	63,886	65,469	67,092	68,755	70,458	72,201	73,984	75,807	77,670	79,573	81,516	83,499	85,522	87,595	89,708	91,861	94,054	96,287	98,560		
T/I	Real Estate Taxes	4%	79,200	82,368	85,663	89,089	92,653	96,359	100,213	104,222	108,391	112,726	117,235	121,928	126,806	131,874	137,149	142,635	148,340	154,274	160,445	166,862	173,537	180,478	187,698	195,205	203,014	211,134	219,580	228,373	237,497													



## Memorandum

To: Members of Housing & Community Development Committee  
From: Ana Elizarraga, Housing & Economic Development Analyst  
CC: Marion Johnson, Housing & Grants Supervisor, Sarah Flax, Interim  
Community Development Director  
Subject: Discussion and Vote of Small/Medium Landlord Definition for Assistance  
Date: January 17, 2023

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Recommended Action:

Staff provides additional information to inform the Committee's discussion and determination of the maximum number of rental units that will be an eligibility criterion for the Small/Medium Landlord Assistance Program.

Funding Source:

American Rescue Plan Act, 170.99.1700.55251

Committee Action:

For Action

Summary:

Staff collected additional data on the number of rental units, and the number and size of property owners/landlords in the three census tracts targeted for assistance as a possible source of data to inform the program structure. In addition, national data were sought due to limitations of local data. The challenge is that most of the data are collected by property and not by ownership, so do not provide conclusive evidence from which to determine a unit threshold for landlord eligibility.

The definition of mom-and-pop or very small landlord as owning 1-4 units is widely used but there is much less consistency when defining a small or medium landlord. Based on local and national data, the decision of including landlords owning up to 25 or 35 units may be made based on the share of medium landlords that the committee wants to include as potentially eligible for the assistance program. The 35-unit threshold was based in part on the understanding that large landlords primarily own larger buildings and had greater ability to reduce expenses related to COVID-19. These savings were unlikely to be seen in smaller buildings that are predominant in the selected census tracts. The decision was also driven by the local survey data which did not show a correlation between loss of income due to COVID

due to owning fewer units or that owning more units decreased the scale of the loss. Additionally, a higher threshold could include more landlords whose livelihood is primarily from rental income.

Based on this information, staff recommends a unit threshold of 35. The difference in the number of landlords that would be added appears to be minimal and the funding cap per landlord/owner combined with the requirement of documenting lost income for units in the targeted census tracts limits the funding they could receive. Details are provided below to inform the Committee’s discussion and conclusion.

The number of rental units can be easily determined based on rental registrations. In total, there are approximately 3,100 rental units registered in the identified census tracts.

However, the ownership of buildings cannot be accurately determined using the existing data. The number of landlords can be roughly estimated at 650. Below is the unit ownership distribution within these areas. The data obtained show that the vast majority of the units in the selected tracts are owned by very small landlords (< 5 units), and that the landlords owning up to 25 or 35 units are a very small minority in relation to the total.

Units Owned	Individual Landlords	Other Landlord Types (LLC, LLP, LP, CORP, 501c3)	Total Landlords
1-5	539	26	565
6-10	21	12	33
11-15	17	10	27
16-25	5	5	10
26-35	6	2	8
35+	5	2	7
	593	57	650

**National Trends**

Nationally, the Rental Housing Finance Survey (RHFS) from the U.S. Census originally used for this project was recently updated. The survey shows similar data as before, with 45% of rental units owned by mom-and-pop landlords (1-4 units) and 33% of units being owned by large landlords owning 150+ units, with the vast majority of these large landlords being structured as LLC/LLP/LP. While this data does not provide a clear threshold on the definition of small or medium landlord, it does highlight that the vast majority of landlord ownership is at either end of the range (1-4 units and 150+ units).

**Other sources**

A study from the American Bar Foundation, [“The Impact of COVID-19 on Small Rental Property Management: Insights from a Chicago Case Study.”](#) examined small-scale landlords’ business practices and how their approaches to property management changed during the pandemic. It focused on mom-and-pop landlords who owned fewer than 6 units.

A recent [study in Philadelphia from the Urban Land Institute](#) focused on preserving naturally occurring affordable housing (NOAH) and stated "While there are a few large property management companies operating in the City of Philadelphia (the City), many NOAH units are located within small multi-family structures and single-family rowhouses and are owned by landlords who own ten properties or fewer. This large population of small landlords is key to

the City's naturally occurring affordable housing market, yet many remain outside of the City's oversight and are difficult to find, track, and support".

Several rental assistance programs targeted to small landlords were analyzed by Local Housing Solution/NYU Furman Center. They showed eligibility criteria set at either 10-20 units maximum and lessons learned highlighted the challenges encountered by smaller landlords to provide required paperwork, the need for assistance by staff to fully complete the applications, the importance of the simplicity in program design to ensure a broad enough pool of eligible applicants. Program administrators also stated a preference for reviewing all applications before awarding grants to ensure smaller and less prepared landlords could still receive funds.

#### Background Information

Data gathered and analyzed by the Small Landlord Taskforce - formed to research and design the Small/Medium Landlord Assistance Program - found that mom-and-pop landlords were most commonly defined as owning 1-4 units, with small landlords owning a maximum of 10 to 25 units, and medium landlords owning a maximum of 25 to 50 units. The task force settled on a definition of small to medium landlords as owning a maximum of 35 units based on national and local trends. The taskforce presented the information to the Housing and Community Development Committee (HCDC) meeting on November 15, 2022. Following the discussion, the number of units owned was reduced to 25 to focus the resources on landlords who owned a smaller number of units.

The HCDC agreed to concentrate the program geographically to census tracts where naturally occurring affordable housing is more prevalent. Staff identified census tracts 8092, 8102, and 8103.01 as the highest priority areas for this program where COVID-19 would likely impact property owners.



## Memorandum

To: Members of Housing & Community Development Committee  
From: Marion Johnson, Housing & Grants Supervisor  
CC: Ana Elizarraga, Housing and Economic Development Analyst, Sarah Flax, Interim Community Development Director  
Subject: Update on CDBG Housing Rehab Loan Forgiveness  
Date: January 17, 2023

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Recommended Action:

Staff provides additional information to inform the Committee's discussion and consideration of changing the term of CDBG Housing Rehab loans from deferred to forgivable. Staff is unable to recommend moving to forgivable loans at this time for the reasons outlined below.

Funding Source:

CDBG 215.21.5187.XXXX and CDBG RL 220.21.5280.XXXX

CARP:

Vulnerable Populations

Committee Action:

For Discussion

Summary:

The Housing Rehabilitation program provides financing and construction management services to maintain and improve the quality of Evanston's housing stock occupied by low and moderate-income households. It is funded by the Community Development Block Grant (CDBG). Currently, the rehabs are financed using 0% interest deferred loans with a maximum of \$50,000 for single-family and 2-flat properties and a maximum of \$20,000 per unit in buildings with three or more units. Eligibility is based on the household income of occupants; ≤80% of the Area Median Income (AMI) is the income threshold. An income-eligible HH must occupy a single-unit property, but only one unit in a 2-flat must have an income-eligible HH. In buildings with three or more units, 51% must be occupied by income-eligible HHs. The assessed value of owner-occupied homes cannot exceed \$331,000, consistent with funding from the Illinois Housing Development Authority (IHDA) that is secured by Community Partners for Affordable Housing, who provides construction management for our rehab program, and is braided with CDBG to expand financial resources for the rehab program.

The City funds Housing Rehab with CDBG annual entitlement and Revolving Loan (CDBG loan repayments) dollars in the amounts recommended by the Housing and Community Development Committee (HCDC) and approved by City Council as part of the annual Action Plan. Approximately \$150,000 of entitlement funds has been allocated for construction management and program administration in the last five years. Revolving Loan revenue used for actual construction has averaged \$120,000 over the last ten years but varies from \$45,000 to \$208,000 from year-to-year and can't be predicted accurately because loans are repaid at sale/title transfer. The current Revolving Loan fund balance is approximately \$275,000.

At its December 2022 meeting, the Committee deferred voting on a 1 - 2-year pilot to test using forgivable instead of deferred loans to expand the ability of low/moderate income residents to build equity and inter-generational wealth and to make the program more accessible to homeowners with rehab needs who will not take on a deferred loan. Moving the CDBG program to a forgivable loan would also make the loan terms consistent with funding from the Illinois Housing Development Authority (IHDA) that Community Partners for Affordable Housing (CPAH) secured that expands resources for rehabs and has the same income restrictions as CDBG.

In December 2022, CPAH secured funding from IHDA from a new program to rehab owner-occupied properties using 10-year forgivable rehab loans that would expand the capacity of our rehab program. CPAH is awaiting further guidelines around this new program. However, IHDA recently reduced the home value cap for its existing owner-occupied rehab funding from \$331,000 to \$276,000. It is very likely that this program will follow the requirements of IHDA's existing programs which will limit the ability to use IHDA funding in Evanston due to rapidly increasing property values. As of 2022, the Cook County Tax Assessor's estimated median market value in Evanston is \$540,000 for single-family homes, \$252,000 for condos, and \$510,000 for small apartment buildings. Staff is currently evaluating whether to increase the home value cap for the CDBG-funded housing rehab loans to address this challenge.

However, the larger issue is that a large percentage of housing rehab projects would have to be CDBG funded. The 2023 program goal is to complete 9 housing rehab projects at an approximate total cost of \$315,000, based on historical trends. A pilot program using forgivable loans would expend a large share of the existing CDBG funds (entitlement and revolving loan) for housing rehab while foregoing any future repayments. Repayment of existing rehab loans would replenish the Revolving Loan Fund in the near term, but our ability to fund housing rehabs in the future would be reduced unless other sources could be secured.

While loan forgiveness would increase the benefits for low/moderate homeowners, without an additional source of funding, it could greatly reduce our rehab program's capacity to improve the housing stock in Evanston over time, which is a key goal of this program. At this time, staff is unable to recommend moving to forgivable loans