



AGENDA AND NOTICE OF A MEETING
Housing & Community Development Committee
Tuesday, February 21, 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>

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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 minutes from January 17, 2023** 4 - 7
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4. PUBLIC COMMENT

5. NEW BUSINESS/OLD BUSINESS

- A. **Discussion of potential changes to the City's Landlord Tenant Ordinance** 8 - 14
For Discussion
[Discussion of potential changes to the City's Landlord Tenant Ordinance - Attachment - Pdf](#)
- B. **Discussion of the Inclusionary Housing Ordinance Review and Updates** 15 - 21
For Discussion
[Discussion of the Inclusionary Housing Ordinance Review and Updates - Attachment - Pdf](#)
- C. **Discussion and Vote to Approve the 5th ward Alley Paving Selection** 22 - 24
For Action
[Discussion and Vote to Approve the 5th ward Alley Paving Selection - Attachment - Pdf](#)
- D. **Metropolitan Tenants Organization (MTO) Annual Report** 25
[2022 MTO Landlord Tenants Services Report](#)
- E. **Community Partners for Affordable Housing (CPAH) Annual Report** 26 - 27
[2022 CPAH Waitlist and IHO Information Report](#)

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.

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, January 17, 2023 @ 7:00 PM

Virtual on Zoom

**COMMITTEE MEMBER
PRESENT:**

Monika Bobo, Committee Member, Hugo Rodriguez, Committee Member, Loren Berlin, Committee Member, Joanne Zolomij, Committee Member, Bobby Burns, Councilmember, Devon Reid, Councilmember, Eleanor Revelle, Councilmember, Juan Geracaris, Councilmember, and Kathy Feingold

**COMMITTEE MEMBER
ABSENT:**

STAFF PRESENT:

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

GUESTS:

Richard Koeing, Housing Opportunity Development Corporation (HODC), Paul Zalmezak, City of Evanston

1. CALL TO ORDER/DECLARATION OF A QUORUM

Chair Revelle called the meeting to order at 7:03 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 Councilmember Geracaris

Seconded by Bobo

Ayes: Bobo, Councilmember Geracaris, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, and Councilmember Revelle

Approved 8-0 on a recorded vote

3. APPROVAL OF MEETING MINUTES

A. Approval of Meeting Minutes from December 13, 2022

Motion to approve the December 13, 2022 meeting minutes

Moved by Zolomij
Seconded by Rodriguez

Ayes: Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid,
Councilmember Revelle, and Councilmember Geracaris

Abstained Bobo
:

Approved 7-0 on a recorded vote

4. PUBLIC COMMENT

Tina Paden - Paden stated that landlords should be included in the decision making process of landlord-related items and that the Committee should advocate for small landlords.

Jonathan Teuber - Teuber stated he is highly in favor of the 1805 Church - Mt. Pisgah and is encouraged by the project.

Carlis Sutton - Sutton stated the is in favor of increasing the Small/Medium Landlord program to the 35-unit threshold. He went on to say that he is appalled and against the Housing Opportunity Development Corporation funding request.

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.

Staff outlined the Housing Opportunity Development Corporation's (HODC) mixed-used project including an explanation of the site and urban context, project renderings, and the HODC - Mr. Pisgah collaboration. Richard Koeing and Paul Zalmezak were present to answer questions from the Committee.

Motion to approve \$4,000,000 as gap financing for the HODC mixed-used project at 1805-1815 Church Street that will provide 44 affordable housing units and retail/commercial space.

Moved by Feingold
Seconded by Councilmember Geracaris

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

Approved 8-0 on a recorded vote

B. Discussion and Vote of Small/Medium Landlord Definition for Assistance

Staff presented additional information to the Committee on the determination of the maximum number of rental units to determine eligibility criterion for the Small/Medium Landlord Assistance program. Staff provided an update on the Rental Housing Financial Survey, and new-found research on number of units to inform the decision of changing the rental unit eligibility threshold.

[Discussion and Vote of Small/Medium Landlord Definition for Assistance - Attachment - Pdf](#)

Motion to discuss determination of the maximum number of rental units that will be an eligibility criterion for the Small/Medium Landlord Assistance Program.

Moved by Councilmember Reid
Seconded by Rodriguez

Ayes: Bobo, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, Councilmember Revelle, Councilmember Geracaris, and Feingold
Approved 9-0 on a recorded vote

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.

Moved by Councilmember Burns
Seconded by Berlin

Ayes: Bobo, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, Councilmember Revelle, Councilmember Geracaris, and Feingold
Approved 9-0 on a recorded vote

Motion to determine the rental unit eligibility threshold of the Small/Medium Residential Rental Provider program to 35 rental-units

Moved by Councilmember Reid
Seconded by Zolomij

Ayes: Bobo, Rodriguez, Berlin, Zolomij, Councilmember Burns, Councilmember Reid, Councilmember Revelle, Councilmember Geracaris, and Feingold
Approved 9-0 on a recorded vote

Draft

C. Landlord Tenant Ordinance Overview

Staff provided an overview of the proposed changes to the Landlord Tenant Ordinance presented to the Committee in 2021. As well as additional considerations for the Committee to discuss in upcoming meetings. Staff also provided a list of regulations and laws to consider for Committee member reference.

D. Update on CDBG Housing Rehab Loan Forgiveness

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 due to changes in IDHA eligible home value amounts and the subsequent need to utilize CDBG program income for housing, infrastructure and code enforcement. Staff explained that at this time, there exists no other source of funding as an alternative to CDBG Housing Rehab loan repayments.

6. STAFF UPDATES

No staff updates.

7. ADJOURNMENT

Chair Revelle adjourned the meeting at 9:12 p.m.



Memorandum

To: Members of Housing & Community Development Committee
From: Lindsey Wade, Housing & Economic Development Analyst
CC: Sarah Flax, Interim Director of Community Development, Marion Johnson, Housing & Grants Supervisor
Subject: Discussion of potential changes to the City's Landlord Tenant Ordinance
Date: February 21, 2023

Recommended Action:

Staff seeks direction from the Housing and Community Development Committee regarding updates to be made to the Residential Landlord Tenant Ordinance (RLTO).

Committee Action:

For Discussion

Summary:

In April 2021, the Housing and Homelessness Commission (HHC) discussed potential items and policies to consider for updates to the City of Evanston's Residential Landlord Tenant Ordinance (RLTO) in advance of the new Cook County RLTO, which took effect in June 2021. Staff has collaborated with the Metropolitan Tenants Organization and Law Center for Better Housing (formerly Lawyers Committee for Better Housing), as well as Open Communities and Chicago Area Fair Housing Alliance (CAFHA) to update the list for this conversation. Following initial input from HCDC, staff will seek additional feedback from local landlords and community members, and provide the proposed revisions to the ordinance at a future HCDC meeting for discussion, and approval as applicable.

Cook County and Chicago's RLTO

The new Cook County RLTO took effect in June 2021, but as one of only three municipalities with its own standing RLTO, Evanston is exempt from Cook County's RLTO. We compared Evanston's RLTO with Cook County's RLTO, and to the City of Chicago respectively. Analysis showed there are various easily implementable solutions that could benefit tenants as well as housing providers. Changes to be considered include the following:

- Move-in and application fees must be reasonable and defined

- Limit late fees to \$10 for monthly rent of \$1000 or less, and to 5% for rents over \$1000
- Specify that security deposits cannot be renamed to avoid existing security deposit provisions and remove requirement to pay interests on security deposits
- Add disclosure requirements for utility costs and foreclosure
- Provide a consistent 10-day period for tenants to cure/remedy material noncompliance, replacing the 48 hours vs. 30 days for owner-occupied vs. non-owner-occupied buildings
- Add a one-time right to Pay and Stay that lasts to court judgment
- Implement a graduated increase on notice of lease non-renewal; 60 days for tenancy of 1-3 years and 120 days for tenancy of more than 3 years
- Prohibit the collection of attorney fees from tenants in eviction proceedings
- Attach an approved plain-language summary of the RLTO to lease
- Provide new tenants with information on bedbug detection, reporting, and removal

A summary comparison sheet of the above changes is attached.

Additionally, the below items are suggested for discussion by the committee. These items were developed through referrals from council members and through conversations with local community organizations.

Just Cause Eviction Provisions

Currently, Evanston landlords do not need to provide any reason to evict a tenant once their lease has ended. Just Cause eviction policies promote residential stability and reduce displacement by limiting the grounds upon which a landlord may evict or not renew a tenant's lease. [Various municipalities](#), such as New York City, San Francisco, Seattle, Minneapolis and Portland, have enacted a Just Cause ordinance in various forms. Many policies apply only to rent-regulated units, affordable housing, or specific types of tenancy (month-to-month); a Just Cause ordinance is currently under consideration in the [City of Chicago](#). Models of the Just Cause ordinance include provisions such as graduated increased notice for lease non-renewal and rent increases, relocation assistance, and rental registration. Requiring landlords to compensate tenants being displaced without cause can discourage landlords from taking such actions while at the same time helping to mitigate the burden imposed on tenants. However, these types of protections can also increase the cost of evictions for landlords, and limit landlords' control over their property while potentially having a greater financial impact on smaller landlords.

Cause to Evict

Currently, there are no provisions against the non-renewal of a lease. Under a Just Cause ordinance, landlords wishing to evict their tenants would be required to provide evidence that shows they have justifiable reason to evict, such as nonpayment of rent or material noncompliance. The proposed Just Cause ordinance in Chicago defines just cause to evict as: nonpayment of rent, material noncompliance, tenant's refusal to renew, occupancy by owner or relative, condo conversion, significant repairs, and removal or demolition of property.

Any cause to evict that does not fall under tenant fault would require that landlords provide sufficient notice prior to eviction, relocation assistance, and graduated notice of non-renewal and rent increases.

Relocation Assistance

Relocation assistance is meant to cover a displaced tenant's cost of moving such as moving expenses, security deposits, first month's rent, and increased cost of new housing. In Minneapolis, landlords of affordable housing properties are required to pay the tenant three times the monthly rent if they choose to sell the building. In the city of Portland, landlords increasing the rent by more than 10% are required to pay a relocation fee to the tenant if they choose not to renew, or if the landlord is evicting without cause. Relocation assistance amounts in Portland vary based on the size of the unit, starting at \$2900 for a studio apartment. Chicago's proposed Just Cause ordinance suggests that for any eviction not caused by tenant fault, landlords would pay five times the median area income rent to tenants they evict for condo conversion, demolition, to make significant repairs, or if the rent is increased by more than 20%, with an additional fee if the household contains minors, disabled persons, or persons over the age of 55. Provisions specific to small landlords (defined as owning 6 units or less) would reduce relocation assistance requirements and provide financial assistance from the City of Chicago to help cover these costs. The City of Evanston currently requires relocation assistance for lower-income tenants being evicted due to condominium conversion, covering moving expenses of up to \$300 or an amount equal to one month's rent, whichever is greater. (Evanston's Inclusionary Housing Ordinance covers deconversions of condo to rental or vice versa of buildings with five or more units and requires that 10% of units be affordable to households at 60% AMI for rental and 100% AMI for ownership, or payment of a fee-in-lieu. This should be taken into consideration if relocation assistance were to be considered.

Graduated Notice of Lease Nonrenewal and Rent Increase

The City of Evanston's RLTO currently states that tenants will be given 30-day notice of lease non-renewal – shorter than Cook County's and Chicago's RLTOs. A graduated notice would provide additional time to long-tenured tenants who often have additional challenges moving and finding new housing. Graduated notice requirements for non-renewal are already in place with the Chicago Fair Housing Ordinance (see bulleted list above). Notice of rent increase would proceed similarly under Chicago's proposed Just Cause ordinance:

- Increase of <5%: 30 days notice.
 - Increase of 5%-10%: 60 days notice.
 - Increases of 10% -15%: 90 days notice
 - Any amount thereafter requires 120 days notice.
- Landlords increasing their rent by 20% or more would be expected to pay the tenant relocation assistance if they choose not to renew their lease.

Rental Registration

Finally, the proposed Just Cause ordinance for the City of Chicago requires that all rental dwelling units be registered, providing a new source of funding for the ordinance enforcement and relocation assistance mitigation funds for small landlords. Registration for all rental dwelling units is already required in the City of Evanston and staff has recommended moving to licensing to more effectively achieve City goals of maintaining decent and safe rental housing, particularly for vulnerable residents who are lower-income or have barriers to renting such as poor credit history.

Security Deposit Turnaround Time

The City of Evanston's RLTO stands out as having one of the fastest turnaround times of security deposits. Evanston landlords have 21 days to deliver the security deposit back to the

tenant upon the termination of tenancy, once all rent due and cost for damages have been applied. By comparison, the Cook County RLTO provides that tenants receive their security deposit within 30 days of termination of the lease agreement, and the City of Chicago's RLTO requires landlords to return the security deposit within 45 days of terminating the lease agreement.

Attorney Fees

Currently, the City of Evanston's RLTO states that tenants are liable to pay the landlord's attorney fees due to noncompliance with the lease and failure to pay rent. To better align with the City of Chicago's RLTO, the committee might consider updating the language in the RLTO that in eviction proceedings, tenants will not be liable for the landlord's attorney fees.

Low-Barrier, Compliant Tenant Screening

The existence of several ordinances related to landlord and tenants rights such as the RLTO, the [Fair Housing Ordinance](#) including the Just Housing Amendment, as well as other local ordinances can be difficult to understand, stay informed on, and comply with for both tenants and landlords. To increase adoption and compliance, the City of Evanston could explore ways to improve awareness by the inclusion of plain language references materials, lease riders, clear references to related ordinances, or exploring the provision of a compliant tenant application screening service to be made available to landlords.

For example, the recent Just Housing amendment to Evanston's Fair Housing Ordinance bars landlords from inquiring about, considering or requiring disclosure of covered criminal history when considering an application until the individual has been determined qualified for renting. Considering that commonly used online tenant screening tools do not often comply with local ordinances, providing an easily accessible and compliant screening service through an online platform or local partner could help landlords comply while reducing barriers for tenants. Landlords would still have the option to use their own process. While this could have a meaningful impact on both tenants and landlords (particularly small landlords), such a project would require extensive planning, sustained staff bandwidth, as well as a potential funding source.

Landlord Mitigation Fund/Landlord Engagement Program

A landlord mitigation fund would allow landlords renting to specialized populations with barriers to renting, such as tenants with lower income-to-rent ratio, tenants outside of usual screening requirements, voucher holders, or supportive housing program participants, to be reimbursed for damages to their unit or for unpaid rent that surpasses the security deposit value. Landlords engaging in providing affordable housing would be provided with a direct means to contact the mitigation resource. While this can be a very effective way to increase the supply and access to housing, a sustainable source of funding would need to be identified for such a project. Further research would be needed to identify the scale of the funding required.

First Right of Refusal

First Right of Refusal provides tenants with an opportunity to make an offer to purchase the building they reside in prior to it going on the market, should the owner choose to sell the property. Currently [per Evanston code](#), tenants of condominium units get 120 days prior to the unit being listed to make an offer on their unit.

Right to Organize

Tenants may benefit from forming associations recognized by building management to address issues that are important to them. The White House released a [report](#) last month explaining the impact tenant associations have on the civic engagement of otherwise marginalized populations. Tenant associations are currently supported by HUD's public housing projects.

Legislative History:

Just Housing amendments to the Fair Housing Ordinance in October 2022

Attachments:

[RLTO Updates Summary](#)

**Updating the Evanston Residential Landlord and Tenant Ordinance
(February 2023)**

Current Provision	Proposed Provision	Explanation
No limitation on move-in fees.	Defines move-in fees and requires that they be reasonably related to actual expenses.	Some landlords have increased move-in fees above the amount reasonably related to the costs to the landlord or moving in, perhaps to avoid security deposit requirements. Brings Evanston in line with Cook County RTLO.
No limitation on late fees.	Limit late fees to \$10 on monthly rent of \$1000 or less; 5% per \$1000 monthly rent thereafter.	Late fees make catching up on late rent difficult for modest income tenants. Proposed formula consistent with Cook County RTLO.
Contains security deposit protections but does not prevent renaming deposit to avoid requirements. 5-3- 5-1.	Specify that security deposits may not be renamed to avoid requirements.	Unfortunately, some landlords seek to avoid duly approved ordinance requirements by changing the terms. This provision brings ordinance in line with Cook County RTLO.
States the landlord will pay interest on the security deposit to the tenant based on the interest rate used by Chicago. 5-3-5-1	Remove the requirement for landlords to pay interest on the security deposit.	The cost of landlords' time in calculating interest payments and disbursing payments in such small amounts is not worth the benefit this provision provides to tenants.
Contains some disclosure requirements. 5-3- 5-2.	Add disclosure requirements for utility costs and foreclosure.	Tenants are at a disadvantage without knowing important issues about a potential rental, such as utility costs and whether a foreclosure has been filed.
Thirty day period to cure unless 3 or fewer units, then 48 hours. 5-3-6-1.	Even out wide divide between 30 days and 48 hours to 10 days for all.	While 48 hours is too short for tenants to effect a cure, 30 days is quite long. Ten days' notice is consistent with Chicago and Cook County.

<p>Ten day period to cure non-payment. 5-3-6-1.</p>	<p>Add a one-time right to pay and stay that lasts to court judgment.</p>	<p>Ten days' notice is insufficient for low income tenants to access rental assistance. Making the provision applicable only one time balances the needs of landlords to be paid. If the landlord has filed a court case, the tenant is required to pay filing fees. Included in Chicago Fair Notice Ord. and Cook County RTLO.</p>
<p>Notice of lease non-renewal requires 30 day notice. 5-3-8-3.</p>	<p>Increase notice to 60 days for tenancy of 1-3 years and 120 days for tenancy of more than 3 years.</p>	<p>Thirty days' notice is insufficient for tenants any tenants, especially tenants who have lived in the property for a long period – longer notice is important for families with children, seniors, and people using Housing Choice Vouchers. Included in Chicago Fair Notice Ord.</p>
<p>Landlord may collect attorney fees from tenant if lease is terminated for breach of rental agreement. 5-3-6-4</p>	<p>Prohibit the collection of attorney fees from tenants in eviction proceedings.</p>	<p>Placing the burden of attorney fees onto tenants being evicted further disadvantages them in obtaining stable housing in the future. Limit landlord collections in evictions to unpaid rent and late fees. Although whichever party wins a court ruling usually collects payment for attorney fees from the other party, Chicago's RLTO and Cook County's RLTO exclude evictions from this rule.</p>
<p>Attach full ordinance to lease. (5-3-10)</p>	<p>Attach approved summary.</p>	<p>More likely that landlords and tenants will understand a plain language summary (to be drafted by City staff).</p>
<p>No provisions regarding bed bugs.</p>	<p>Provide new tenants with information on bed bug detection, reporting, and removal.</p>	<p>Although the City of Evanston has an ordinance on nuisances and information on the public health website about bed bugs, other local RLTOs have established specific instructions on the detection, reporting, and removal of bed bugs. Tenants should be prepared with this information.</p>



Memorandum

To: Members of Housing & Community Development Committee
From: Marion Johnson, Housing & Grants Supervisor
CC: Melissa Klotz, Zoning Administrator; Elizabeth Williams, Planning and Zoning Manager; Sarah Flax, Interim Community Development Director
Subject: Discussion of the Inclusionary Housing Ordinance Review and Updates
Date: February 21, 2023

Recommended Action:

Staff seeks direction from the Housing and Community Development Committee (HCDC) regarding updates to the Inclusionary Housing Ordinance (IHO).

CARP:

Vulnerable Populations

Committee Action:

For Discussion

Summary:

The Inclusionary Housing Ordinance (IHO) was first implemented in 2007 and has been amended twice, with effective dates of January 1, 2016, and January 1, 2019, respectively. The current ordinance requires that 10% of housing units in new market-rate developments, as well as conversions of existing buildings from rental to ownership and vice-versa, be affordable to households with incomes $\leq 60\%$ of the Area Median Income (AMI) for rental, and $\leq 100\%$ AMI for ownership projects. The inclusionary requirement increases to 20% of units for projects with public funding. Residential and mixed-use developments with 5 or more units that receive any zoning relief must comply with the IHO by providing at least 5% on-site affordable units and paying fees-in-lieu for the remaining 5%. Higher bonuses and parking reductions are used to incentivize more on-site affordable units. To date, the IHO has produced more than 62 affordable units, with an additional 38 units in approved projects, some of which are finalizing financing or other pre-construction details and others are under construction.

The 2018 ordinance requires a regular review and updates in order to stay aligned with current market conditions and community needs. After a review of the current IHO and recent residential projects, Community Development staff has identified the following ways to update

to the ordinance to more effectively incentivize on-site units and address changes in the market::

- Increase the base affordability requirements to take advantage of the recent State of Illinois affordable housing property tax incentives for buildings with on-site inclusionary units, similar to Chicago's updated Affordable Requirements Ordinance (ARO)
- Simplify the formula for calculating IHO bonuses and on-site unit requirements to provide clarity for prospective developers and transparency for community members
- Review the zoning and parking bonuses to align with the evolving community needs and market trends
- Review and adjust the requirements for smaller projects to mitigate the disproportionate financial impact of IHO compliance
- Consider ways that non-covered developments, including commercial, new single family, as well as additions and renovations could contribute to addressing affordable housing needs, as well as evaluating ways to minimize evasion of paying the demolition tax by properties undergoing extensive renovations Review the affordability period requirements
- Update the non-compliance enforcement policies to ensure sustained benefits from the ordinance
- Consider the nexus between affordable housing and public benefits provided in conjunction with proposed planned developments

State of Illinois Affordable Housing Property Tax Incentive

The omnibus legislation HB 2621, signed into law on July 29 2021 to create and preserve affordable rental homes across Illinois, established new property tax incentives for owners of affordable properties with 7 or more units. These incentives are designed with 3 tiers. The tier levels are designed to provide property tax reductions to incentivize owners to charge affordable rents in different types of markets. Tier 1 and tier 2 apply to all areas, while tier 3 is available to low affordability areas "*where 40% or less of the total housing stock for a municipality is affordable, as determined by the Illinois Housing Development Authority (IHDA)*". Evanston is currently a low-affordability area and would qualify for this tier.

The affordability requirement is set at or below 60% of AMI for this program, aligned with the affordability requirement for Evanston's IHO for rental developments.

- Tier 1 requires 15% of affordable units for 10 years, renewable twice
- Tier 2 requires 35% of affordable units for 10 years, renewable twice
- Tier 3 requires 20% of affordable units for 30 years

Integrating the thresholds for these tax incentives could ensure that the community can leverage the benefits of these external incentives to maximize the production of additional affordable units.

Chicago Affordable Requirement Ordinance (ARO)

Chicago's [Affordable Requirements Ordinance \(ARO\)](#) requires residential developments with 10 or more units that receive City Council approval for an entitlement, a city land purchase, or financial assistance to provide a portion of the units as affordable housing. The latest revision,

updated in April 2021, set a complex, tiered, and geographical approach to their requirements. At a high level and looking at areas most comparable to Evanston, it set the affordability requirements for rental at 20% of units for HHs \leq 60% AMI.

The 2021 ARO expands off-site options and encourages the production of family-sized units. Owner-occupied affordable units range from 80% to 120% of AMI, with a variety of options for the percentage of affordable units and income levels to achieve the requirements. Units covered under the ARO are required to remain affordable for a period of 30 years.

Current IHO and simplification of process

Experiences reviewing proposed developments with the current IHO have shown that the current zoning bonus and calculation structure causes confusion for both developers and community members reviewing proposed developments. The bonus structure was initially created by working backwards from previously approved developments to develop the appropriate bonus levels. Since the zoning bonuses have now been in place through multiple new developments and have proved effective, updates can and should simplify the calculations with a forward-facing calculation method. This would ensure clarity and predictability for all.

The existing IHO calculations start from the total number of units proposed in the project to arrive at a number of required IHO units and associated allowable bonus units. (Example: A project located downtown with 140 units would comprise 100 units, including the required 10 affordable units (since that is 10% of 100), and would receive 4 “bonus” market rate units per IHO unit for a total of 40 “bonus” units. The end result is 10 affordable units in a 140-unit building, which is 10% affordable *before* zoning bonuses and only 7% affordable *after* zoning bonuses are included).

Existing rules include different parking requirements, floor area ratio (FAR), and density bonuses for different zoning districts, as well as in Transit Oriented Development areas. A simplification of the IHO rules would help clarify the process and render it more predictable, which can help reduce development costs and facilitate the review process, resulting in a shorter review and approval schedule and reduced costs based on the time value of money, thereby that will furthering the goal of more affordable housing in Evanston.

The proposed IHO calculations would focus on simplicity, increasing the production of affordable units by raising the affordable unit requirement by leveraging the new State of IL property tax incentives.

Two affordability tiers would be available, for buildings of 7 units or more:

- 15% affordable unit requirement
- 20% affordable unit requirement which would benefit from additional allowances such as height allowances (set based on the zoning district) and reduced parking requirements.

Developments under 7 units could pay a prorated fee in lieu or propose an alternative proposal for an on-site or off-site unit to meet IHO requirements.

Attachment 1 provides a comparison of the current and proposed development “bonuses” for these two tiers. The proposal is based on a review of approved relief granted by the City Council that were subject to the IHO over the last several years. In addition, it provides a more

predictable process for obtaining approval of projects that are subject to the IHO. As it relates to density, the proposed IHO bonus chart would eliminate a density cap and instead rely on the height and setback requirements of the zone to establish the limits of the building envelope and allow the market to direct how many units could be supported. Similarly, proposed parking allowances are in keeping with the number of stalls approved by the City Council for recent planned developments and parking variations.

Reducing the cost of housing

A single unit of structured parking can add [an average of \\$50,000](#) in per-unit costs. Costs increase significantly when parking is underground or requires multiple levels of structure. Parking requirement reductions have been [identified as one way](#) to meaningfully reduce the cost of housing. Where consumers are willing to pay for parking, [developers will choose to build parking](#) to attract their target tenants or owners and stay financially viable. Reducing parking requirements would provide the flexibility for new developments to adapt parking supply to the market and reduce the cost of construction. Further reduction/elimination of parking requirements for downtown developments (for 20% bonuses only) encourages the use of existing parking garages as-needed, rather than by dictating parking leases to meet zoning requirements that are unnecessary and ultimately result in empty parking stalls. Reducing parking requirements would also attract community members who rely on other modes of transportation (by choice or due to financial constraints) and provide an opportunity to access more affordable housing while minimizing increased traffic and the impact of new developments on the existing infrastructure.

Additional considerations

As part of this work, additional items will be reviewed to be included in the IHO proposal to the Committee. These would include non-compliance enforcement mechanisms, alternative equivalents, public benefits definition, fees in lieu and affordability period review, incentives for larger units, and applications to non-covered developments.

Legislative History:

The Inclusionary Housing Ordinance was last revised and approved by City Council on October 29, 2018.

Attachments:

[Existing vs. Proposed IHO Bonuses v2](#)

[Affordable Housing Property Tax Incentive Chart](#)

Existing IHO Bonuses

5% On-Site Affordable Housing or 10% On-Site Housing with Public Financing

	Downtown D & RP Districts	Commercial B, C, M & O Districts	Residential R, T & U Districts
Density	+2 per Inclusionary Dwelling Unit	+1 per Inclusionary Dwelling Unit	+1 per Inclusionary Dwelling Unit
FAR	+2	+1	--
Parking	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units
	.55 spaces per bedroom	.55 spaces per bedroom	.55 spaces per bedroom
Height (stories)	--	--	+12' (not eligible for PDs)
Building Lot Coverage & Impervious Coverage	--	--	+15%

10% On-Site Affordable Housing or 20% On-Site Housing with Public Financing

	Downtown D & RP Districts	Commercial B, C, M & O Districts	Residential R, T & U Districts
Density	+4 per Inclusionary Dwelling Unit	+2 per Inclusionary Dwelling Unit	+2 per Inclusionary Dwelling Unit
FAR	+2	+1	--
Parking	No parking for Inclusionary Dwelling Units	No parking for Inclusionary Dwelling Units	No parking for Inclusionary Dwelling Units
	.55 spaces per bedroom	.55 spaces per bedroom	.55 spaces per bedroom
Height (stories)	--	--	+12' (not eligible for Planned Developments)
Building Lot Coverage & Impervious Coverage	--	--	+15%
Site Development Allowances for Planned Developments	Majority vote of City Council required to exceed Site Development Allowances for Planned Developments (instead of Supermajority vote)		

Proposed IHO Bonuses

15% Affordable Housing Units On-Site

= indicates change from current 10% on-site bonuses

	Downtown D & RP Districts	Commercial B, C, M & O Districts	Residential R, T & U Districts
Density	no density requirement	no density requirement	no density requirement
FAR	+2	+1	--
Parking	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units
	.5 spaces per dwelling unit (multifamily only)	.5 spaces per dwelling unit (multifamily only)	.5 spaces per dwelling unit (multifamily only)
Height (stories)	--	--	--
Building Lot Coverage & Impervious Coverage	--	--	+15%
Site Development Allowances	Majority vote of City Council required to exceed Site Development Allowances for Planned Developments (instead of Supermajority vote)		

20% Affordable Housing Units On-Site

	Downtown D & RP Districts	Commercial B, C, M & O Districts	Residential R, T & U Districts
Density	no density requirement	no density requirement	no density requirement
FAR	+2	+1	--
Parking	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units	no parking for Inclusionary Dwelling Units
	no parking requirement for non-affordable units	no parking requirement in TOD; 0.5 stall/DU outside TOD	no parking requirement in TOD; 0.5 stall/DU outside TOD
Height (stories)	+4 floors; not eligible for parking floor deductions	+2 floors	+1 floor
Building Lot Coverage & Impervious Coverage	--	--	+15%
Site Development Allowances	Majority vote of City Council required to exceed Site Development Allowances for Planned Developments (instead of Supermajority vote)		

New Rental Property Tax Relief!

Incentive for Multifamily Owners in High and Low Cost Markets

Summary of Incentives

	Tier 1	Tier 2	Tier 3 (Only available in downtown Chicago and some suburbs)
Required Affordability	15%	35%	20%
Affordability Level	60% of Area Median Income (AMI)	60% of AMI	60% of AMI
Tax Incentive	25% of assessed value	35% of assessed value	Years 1-3: 100% of the difference between the value of the property one year before the affordable units are occupied and post-construction assessed value Years 4-6: 80% of the difference Years 7-9: 60% of the difference Years 10-12: 40% of the difference Years 13-30: 20% of the difference
Qualifying Activity	New construction and rehab costing \$8/sq ft and improvements of two primary building systems	New construction and rehab costing \$12.50/sq ft and improvements of two primary building systems	New construction and rehab costing \$60/sq ft and improvements of five primary building systems
Minimum Building Size	7 units	7 units	7 units
Duration	10 years, with two renewable 10 year periods for a total of 30 years	10 years, with two renewable 10 year periods for a total of 30 years	30 years

 **Preservation Compact**



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: Discussion and Vote to Approve the 5th ward Alley Paving Selection
Date: February 21, 2023

Recommended Action:

Staff recommends the Housing and Community Development Committee (HCDC) approve the paving of the alley North of Simpson and East of Ashland as part of the CDBG-funded infrastructure improvement projects.

CARP:

N/A

Committee Action:

For Action

Summary:

Each year City engineering staff submits an application for CDBG funds to pave alleys within CDBG-eligible areas. Historically, the wards have been cycled through in a regular rotation.

Annual Alley Selections by Ward

Below is a list of recent year selections for alley paving:

2017: 8th Ward
2018: 5th Ward
2019: 9th Ward
2020: 2nd Ward
2021: 8th Ward
2022: 5th Ward
2023: 9th Ward, 8th Ward

2024: 2nd Ward

At its August 2022 meeting, the HCDC approved the selection of one alley in the 9th ward and one alley in the 8th ward for 2023 paving. Additionally, the HCDC also agreed on the repaving of a 2nd Ward alley located at North of Lake Street and East of Darrow Avenue. Funding requests for the two (2) 2023 projects were reviewed and approved by the HCDC for CDBG funding in December 2022.

2024 Alley Paving Selection

As agreed upon with the Committee at their last meeting, City Staff is requesting feedback on the prioritization of the next CDBG-funded alley to be considered for paving in 2024 if funding allows.

Based on feedback from 5th Ward Councilmember Burns - as well as Public Works Agency's Operations and Engineering staff's review of the CDBG-eligible alleys within the 5th Ward - staff recommends the alley North of Simpson and East of Ashland Avenue for improvement. Factoring into this recommendation is the condition and constructability of the alley. Prominent truck traffic related to the commercial businesses on the adjacent block contributes to alley deterioration due to high usage.

The chart below lists alleys that could be considered as an alternative. Based on feedback from City engineers, the remaining alleys located West of Green Bay Road are all fairly small and have similar characteristics.

Attached is a map identifying all the remaining unimproved alleys with a light yellow overlay showing the CDBG-eligible low/moderate income areas.

While approval does not guarantee or allocate CDBG funding for the alley paving, it does provide recorded prioritization through the end of the current Consolidated Plan, reducing the likelihood of alleys becoming ineligible due to low/moderate income map fluctuations.

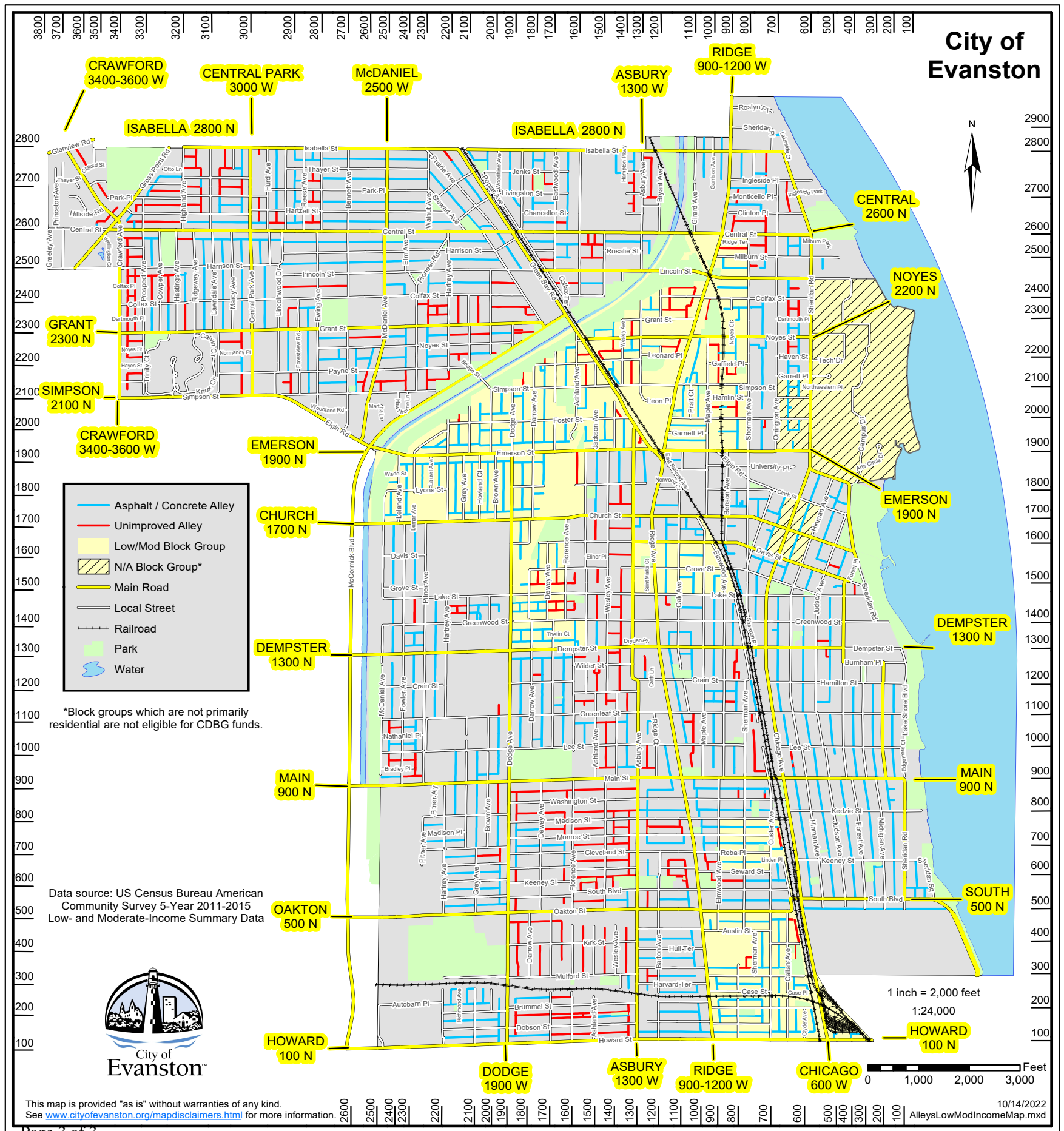
Legislative History:

The Housing and Community Development Committee (HCDC) approved the selection of one (1) alley in the 9th ward and one (1) alley in the 8th ward for 2023 paving along with a 2nd Ward alley for 2024 paving at the August 16, 2022, HCDC meeting. Funding requests for the two (2) 2023 alley projects were approved by the HCDC for CDBG funding at the December 13, 2022 meeting.

Attachments:

[AlleysLowModIncomeMap_clipped](#)

Alley Materials & Low/Moderate Income Census Block Groups



Date

2/15/2023

CITY OF EVANSTON TENANT-LANDLORD SERVICES REPORT - 2022

Category	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total	% of total
Maintenance	0	5	6	5	5	0	5	9	4	6	12	3	60	15.50%
Eviction	20	9	7	5	7	4	5	4	5	7	6	5	84	21.71%
Notices	0	0	3	0	1	3	2	2	0	1	2	0	14	3.62%
Disturbance	1	4	2	1	1	5	0	4	0	6	3	1	28	7.24%
Security Deposits	0	2	1	0	2	1	1	0	2	1	2	0	12	3.10%
Lease	8	13	17	7	6	10	8	9	3	6	10	3	100	25.84%
Early Termination	5	0	6	9	7	2	3	7	3	9	5	3	59	15.25%
Pests	1	0	1	0	2	0	0	0	0	0	0	0	4	1.03%
Utilities	3	0	2	4	1	1	0	4	1	2	1	3	22	5.68%
Subleases	0	0	0	0	0	1	0	0	0	0	0	0	1	0.26%
Foreclosure Eviction	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Lock Out	0	0	0	0	0	0	0	0	0	0	1	2	3	0.78%
Total	38	33	45	31	32	27	24	39	18	38	42	20	387	

Quarterly total	116	90	81	100
Quarterly Averages	39	30	27	33

	2019	2020	2021	2022
Mediation cases			1	
Trainings	3	3	2	1

		% of total
Landlord initiated	14	3.62%
Tenant initiated	373	96.38%

Summary:

The volume of calls is slightly lower than 2021 (-7.69%). The top reasons for calls are: Leases #1, Evictions #2, Maintenance #3. This top 3 tends to be stable over the last few years. The largest growth in call volume was for questions related to Notices, with a surge of 180% - 5 calls in 2021 vs. 14 calls in 2022. 100 Lease questions were received, topics included in the category are rent increases and lease renewals rules. The large majority of calls (96.38%) is still from tenants.

Date 1/1/2023

CITY OF EVANSTON WAITLIST AND IHO UNITS REPORT

Key Requires subsidy Majority Subsidy IHO units

WAITLIST INFORMATION

Total HH's on waitlist by HH size and AMI % (income is self reported)									
	HH 1	HH2	HH 3	HH 4	HH 5	HH 6	HH 7	Total Per AMI %	Local Pref
0-30%	27	26	18	13	8	8	8	108	27
31-50%	143	98	84	43	19	7	2	396	148
51-60%	28	24	9	3	2	1	0	67	31
61-80%	35	25	10	0	3	0	1	74	33
81-100%	19	11	1	3	0	0	0	34	12
Totals	252	184	122	62	32	16	11	679	251
Number of HH added to list since last report				7/1/22	119				

Total HH's on waitlist by HH size and AMI % in percentage of total (income is self reported)								
	HH 1	HH2	HH 3	HH 4	HH 5	HH 6	HH 7	Total
0-30%	3.98%	3.83%	2.65%	1.91%	1.18%	1.18%	1.18%	15.91%
31-50%	21.06%	14.43%	12.37%	6.33%	2.80%	1.03%	0.29%	58.32%
51-60%	4.12%	3.53%	1.33%	0.44%	0.29%	0.15%	0.00%	9.87%
61-80%	5.15%	3.68%	1.47%	0.00%	0.44%	0.00%	0.15%	10.90%
81-100%	2.80%	1.62%	0.15%	0.44%	0.00%	0.00%	0.00%	5.01%
Totals	37.11%	27.10%	17.97%	9.13%	4.71%	2.36%	1.62%	100.00%

UNITS INFORMATION

Existing units : occupied/renewed (income is certified)							
	Studio	1BR	2BR	3BR	4BR	5BR+	Total
0-30%	0	0	0	0	0	0	0
31-50%	2	5	2	0	0	0	9
51-60%	5	17	1	1	0	0	24
61-80%	3	2	2	0	0	0	7
81-100%	0	2	0	0	0	0	2
Totals	10	26	5	1	0	0	42

Existing units: in the process of being rented/upcoming in 2022 (income is certified)							
	Studio	1 BR	2 BR	3 BR	4BR	5BR+	Total
0-30%	0	0	0	0	0	0	0
31-50%	0	0	0	0	0	0	0
51-60%	1	1	0	0	0	0	2
61-80%	0	0	0	0	0	0	0
81-100%	2	0	0	1	0	0	3
Totals	3	1	0	1	0	0	5

Existing TOTAL	13	27	5	2	0	0	47
% of total units	27.66%	57.45%	10.64%	4.26%	0.00%	0.00%	100.00%

Demographics by unit income level	50% AMI	60% AMI	80% AMI	100% AMI	Total	% of total
American Indian/Alaska Native	0	0	0	0	0	0.00%
Asian	0	0	2	1	3	8.82%
Black/African American	6	11	1	0	18	52.94%
Native Hawaiian/Other Pacific Islander	0	0	0	0	0	0.00%
White	1	8	3	1	13	38.24%
Other	0	0	0	0	0	0.00%

Total	7	19	6	2	34
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Hispanic	0	0	2	2	4	11.76%
Not Hispanic	7	19	4	0	30	88.24%

Qualification Process	Income Qualified	Pending Property Approval	Approved by Property	Denied by Property	Turned down by tenant
1815 Ridge (Trulee)	2	0	2	0	0
1555 Ridge	3		3		
100 Chicago	Not yet started.				
2035 Dodge	Not yet started.				

IHO existing units by building

	50%	60%	80%	100%	Total units	Renewed	Turn over	Type	Floating?
2211 Maple		2			2			Existing constr.	No
1555 Ridge		3			3			New constr.	Yes
1815 Ridge (Trulee)			2		2			New constr.	No
1500 Sherman (Albion)	3	6	6		15	N/A	N/A	New constr.	Yes
1727 Oak (Avidor)	4	5	8		17	N/A	N/A	New constr.	Yes
828 Noyes	2	2			4	4	0	New constr.	No
1620 Central				2	2	2	1	New constr.	No
1571 Maple		1			1	1	0	New constr.	No
1822 Lyons			1		1	N/A	N/A	Rehab/Conversion	No
Total	9	14	15	2	47	7	1		

New upcoming units in the pipeline: 2022 and later

Income Level	Approved
0-50%	0
51-60%	31
61-80%	0
81-120%	
Totals	31

Outreach Activities/Meetings

Outreach efforts completed with 7 different local organizations including the library. Outreach will continue this year as a few more units become available.