



**AGENDA AND NOTICE OF A MEETING
Housing & Community Development Committee
Tuesday, May 16, 2023**

**Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Evanston, IL 60201 Room 2404
7:00 PM**

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, or by calling/texting 847-448-4311.

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

Zoom meeting link to join audio:

<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

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. APPROVAL OF MEETING MINUTES

- A. **Approval of meeting minutes from April 18, 2023.**
For Action

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3. PUBLIC COMMENT

4. NEW BUSINESS/OLD BUSINESS

- A. **Presentation of Residential Landlord Tenant Ordinance Updates for Consideration** 5 - 51
For Discussion
[Discussion of potential changes to the City's Landlord Tenant Ordinance - Attachment - Pdf](#)
- B. **Ordinance 49-O-23, Amending City Code Section 4-18-3 Concerning the Demolition Tax** 52 - 59
For Action
[Ordinance 49-O-23, Amending City Code Section 4-18-3 Concerning the Demolition Tax - Attachment - Pdf](#)
[49-O-23 Amending 4-18-3 Demolition Tax](#)
- C. **Staff Update: Small/Medium Landlord Assistance Program**
For Discussion

5. ADJOURNMENT

Agenda items and order are subject to change.

Questions can be sent to Marion Johnson, Housing & Grants Supervisor at marionjohnson@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, April 18, 2023 @ 7:00 PM

Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Evanston, IL 60201 Room 2404

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, and Juan Geracaris, Councilmember

COMMITTEE MEMBER ABSENT:

STAFF PRESENT:

- 1. **CALL TO ORDER/DECLARATION OF A QUORUM**
Chair Revelle called the meeting to order at 7:03 p.m.
- 2. **PUBLIC COMMENT**
No public comment.
- 3. **APPROVAL OF MEETING MINUTES**
 - A. Approval of minutes from March 21, 2023 meeting.

Motion to approve the minutes from the March 21, 2023 meeting.

Moved by Councilmember Reid
Seconded by Zolomij

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

Approved 5-0 on a recorded vote

- 4. **NEW BUSINESS/OLD BUSINESS**
 - A. Request from Reba Place Development Corporation of up to \$150,000 of CDBG Housing Rehab Assistance for 707-713 Seward, a 25-unit Affordable Rental Building

Martha Burns and Michelle Macklin from Reba Development Corp. were present to answer questions regarding the request for CDBG Housing Rehab assistance for 707-713 Seward. A 25-unit affordable rental building with long-term affordability. Burns explained they are in the process of building storage and a common/social room for tenants.

Staff recommends approval by the Housing and Community Development Committee of up to \$150,000 from the City's Community Development Block Grant (CDBG) Revolving Loan Fund to Reba Place Development Corporation to replace their roof. Funding would be provided as a deferred loan at 0% interest.

Moved by Councilmember Reid
Seconded by Zolomij

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

Approved 5-0 on a recorded vote

B. One Stop Shop Update

Bob Dean and Robbie Marcus were present to give an update to the One Stop Shop project. They talked about the scope, goals and progress in the requests for qualifications (RFQs) for contractors. They explained that this is an affordability preservation program that seeks to help eligible applicants with sustainability solutions. They also highlighted the work the One Stop Shop advisory and focus groups, which have gathered ideas around participant materials, contractor recruiting, and final program design.

C. Staff Updates

- Demolition Tax Increase: Topic will be discussed at next month's meeting. Further discussion is needed by the Committee, guidance is being sought with the Legal Team.

- Residential Landlord/Tenant Ordinance Changes: Changes to be discussed during next month's meeting. Staff will be seeking guidance and feedback on proposed changes.

-Small/Medium Landlord Assistance Program - Final details are being worked on with Legal. The launch of the program will be on Monday, May 1, 2023. Landlords will receive notification through the Landlord E-Newsletter and regular mail letter to eligible census tracts.

5. **ADJOURNMENT**

Chair Revelle called the meeting adjourned at 8:12 p.m.



Memorandum

To: Members of Housing & Community Development Committee
From: Lindsey Wade, Housing & Economic Development Analyst
CC: Marion Johnson, Housing & Grants Supervisor, Sarah Flax,
Community Development Director
Subject: Discussion of potential changes to the City's Landlord Tenant Ordinance
Date: May 16, 2023

Recommended Action:

Staff seeks direction from the Housing and Community Development Committee on whether the proposed updates being considered for Evanston's Landlord Tenant Ordinance should be incorporated into an amended ordinance or if further information and inquiry is required before a decision can be made.

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. However, Evanston is exempt from Cook County's RLTO provisions since it has a locally standing RLTO. Staff collaborated with multiple fair housing organizations since then to update the list for further conversation with the Housing and Community Development Committee (HCDC). In February 2023, staff presented the updated list to HCDC, and were directed to seek local landlord and community feedback on the items to update.

Since then, staff conducted community outreach through surveys, interviews, emails, and one-on-one chats. Although landlords expressed concerns about a number of the proposed changes, they also provided practical suggestions for some, as well as insight into how landlord-tenant relationships are navigated. Conversely, tenants and other community members were in support of the updates. Staff will present details on each of the items for consideration, including background information, and feedback received at the Housing and Community Development Committee meeting on Tuesday, May 16, 2023 and are seeking direction from the committee on whether or not to incorporate these items into the ordinance, or if further information and consideration is required. The presentation is attached.

Sources of Information

The COVID-19 pandemic put housing instability at the forefront of society, and the temporary protections implemented for tenants during this time highlighted the need for a more long-term, comprehensive eviction prevention strategy. Local housing data shows it is critical the City of Evanston consider adding modernized, systemic, low-cost, high-impact policies to its own Residential Landlord Tenant Ordinance, as adjacent communities and jurisdictions across the nation have already done. For example, our vacancy rate is less than 10% (American Community Survey 2021), and the average cost of rent has gone up by approximately 17% since 2022 (Zillow 2023). Eviction rates are also returning to pre-pandemic levels (Cook County Sheriff 2023). These metrics are consistent with other suburbs, with the State of Illinois, and with the entire country.

Staff cross-referenced the ordinance changes for consideration with two articles that described how to support a successful rental housing market in a post-pandemic society. The White House Blueprint for a Renters Bill of Rights (2023) listed five principles to guide local governments in crafting a fair housing market, and examples for implementation: “Safe, Quality, Accessible, and Affordable Housing; Clear and Fair Leases; Education, Enforcement, and Enhancement of Renter Rights; the Right to Organize; and Eviction Prevention, Diversion, and Relief” (White House 2023). These principles were mirrored in the article, “Home For Good: Strategies to Prevent Eviction and Promote Housing Stability” (Enterprise Community 2022), which provided a list of strategies that support landlords’ ability to maintain property, improve access to affordable housing, and bolster tenant rights. “Home for Good” also offered a tool to evaluate each strategy based on level of effort (amount of modification or review required), cost of implementation (taxpayer, private, nonprofit), and scale of impact (household, community, or system). The provisions in consideration for Evanston’s RLTO update were consistent with both these articles.

Community Outreach

Staff sought feedback from stakeholders on multiple platforms in various modes. First, staff surveyed landlords on their level of approval of each of the items being considered for the update to the Residential Landlord Tenant Ordinance (RLTO). Landlords registered with the City of Evanston received a 25-item internet questionnaire via email on March 15, 2023. Next, staff developed a dedicated RLTO webpage with links to the summary of RLTO considerations, the landlord survey, and later, Open Communities’ tenant survey. The webpage also instructed stakeholders to email comments to the Housing & grants Team, or sign up for public comment at HCDC. The link to the dedicated RLTO webpage was shared in the City of Evanston e-News on March 31, 2023. By April 30, 2023, the questionnaire received 38 responses.

Staff also hosted a 2-hour in-person feedback session on April 12, 2023, in which approximately 25 landlords were asked 14 open-ended questions about the items in small group interviews. Local landlords were invited to the feedback session via email through our landlord distribution list. Staff also held virtual discussions with landlord organizations Illinois Realtors and Chicagoland Apartment Association. Countless emails and public comments were also made by landlords in response to the RLTO considerations.

Finally, local fair housing organization, Open Communities, developed a ten-item online questionnaire to survey tenants on their support of the RLTO considerations and to offer them an opportunity to express any additional needs. The tenant questionnaire was shared via email

by Open Communities to their client network and to partner organizations. Staff also posted the link to the tenant questionnaire on the dedicated RLTO webpage. Staff received public comment and email from tenants as well.

Results of the online questionnaires and key comments from interviews and emails from landlords, tenants, and other community stakeholders will be shared in the presentation to the Housing and Community Development Committee at the meeting on Tuesday, May 16, 2023.

Attachments:

[RLTO Considerations Presentation](#)



Residential Landlord-Tenant Ordinance Updates

Housing & Community Development Committee
May 16, 2023

Introduction

43% of Evanston rents

Vacancy rate is 9%

(American Community Survey Estimates 2021)

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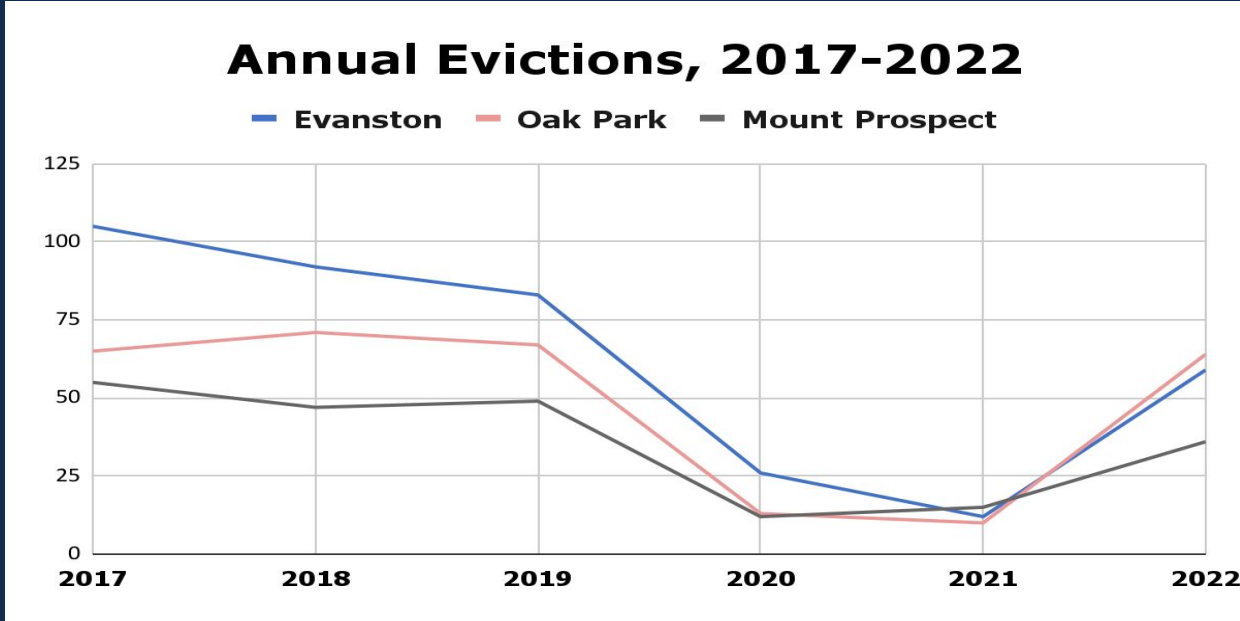
Rent is up **17%** since 2022

2023 Evanston Rent Average: **\$1875**
(Zillow 2023)

—

Eviction is reaching pre-Pandemic Levels

(Cook County Sheriff's Office 2023)



Racial & Economic Disparities Persist

Only 1 out of 5 renters are Black, but Black renters make up 1 out of 3 evictions.
([Eviction Lab 2021](#))

- Evanston is losing its Black population ([U.S. Census](#))
 - 2000: 22.5%
 - 2010: 18.1%
 - 2020: 16.1%
- High housing cost disproportionately affects Black and Hispanic/Latino Households ([COE Affordable Housing White Paper 2017](#))
 - % of household incomes below 80% AMI
 - 64% of Black/African American households
 - 58% of Hispanic/Latino households

2023 RLTO Update

Goals

- Modernize fair housing practices
- Promote housing stability
- Leverage policy tools
- Implement high-impact, low-cost solutions

Policy Resources

[White House Blueprint for a Renter's Bill of Rights](#)
(Biden-Harris Administration, 1/2023)

[Home For Good: Strategies to Prevent Eviction and Promote Housing Stability](#)
(Enterprise Community 9/2022)

- Accessible & Affordable Housing
 - Fair Screening Processes
 - Prohibition of hidden/illegal fees
- Clear & Fair Leases
 - Transparent & Safe Security Deposits
 - Limit Late Fees
 - Period to Cure
 - Sufficient Notice
- Enforcement & Enhancement of Rights
 - Protection of DV Survivors
 - First Right of Refusal
 - Right to Organize
- Eviction Prevention, Diversion, & Relief
 - Disincentivize Eviction
 - Right to Pay and Stay
 - Just Cause Eviction
 - Relocation Assistance
 - Financial Incentives for Landlords

Community Engagement

Outreach to Landlords and Tenants

- [Website](#)
 - Links to Surveys
 - Summary of Considerations
 - Public Comment Instructions
 - Contact Information
- Survey (online)
 - [38 landlord responses](#)
 - [405+ tenant responses \(Open Communities\)](#)
- Interviews
 - 25 feedback session attendees
 - Multiple phone calls
- Email
- Public Comment



4 in 5
online survey respondents
were small/medium
landlords

Landlords: Overall Themes



- Discretionary decisions
- Small landlord exceptions
- Ownership rights

“Landlords do not evict or non-renew tenants who pay the rent and abide by the lease.”



- Technicalities or regulations
- Business costs
- COVID-19 losses

“Landlords are in recovery mode from COVID, when they made multiple deferments, payment plans, and waived fees.”

Tenants: Overall Themes



- Responsive landlords
- Cost transparency
- Fair notice/eviction

“The biggest struggle is the cost of move-in fees, which were super high, and that there was no room for negotiation in a rent increase for next year.”



- Rent burdened
- Hidden/illegal fees
- Inaccessibility

“30 days makes it very difficult to find a place to move to when there is so little housing available in the city right now. No fault eviction is very unfair to tenants who pay their rent on time and take care of their space.”

Accessible & Affordable Housing

Problem: Common Screening Tools Inaccurate and Non-compliant

- Screens out over 50% of Evanstonians
 - Over half all households in Evanston cost burdened, i.e. pay over 30% of monthly income to rent ([Evanston Now 2023, American Community Survey 2021](#))
 - Consider seniors, single-parent households with multiple children
 - “People know how to get their needs met and can live in places that are half their income or even more by supplementing in other ways.”--Connections for the Homeless
 - “I have friends who have had trouble finding somewhere to live in their preferred location due to the required rent-to-income ratios and very high security deposits.”--Evanston Tenant

Solution: Encourage Fair & Compliant Screening

- Solution
 - Develop tool to encourage landlords to “Screen In”
- Best Practices:
 - “Screening In”--implemented in [Portland \(see brochure\)](#), [State of Indiana](#), & others
 - Lower or eliminate blanket rent to income ratio requirements
 - Consider all sources of income, besides wages, along w/ subsidies
 - Child Support, SNAP benefits, TANF, support from friends/family
 - Lower or eliminate blanket credit score requirements
 - Consider age and type of debt and way score against other attributes
 - Consider lapse of time and whether or not a judgment of eviction passed
 - WH Renters Bill of Rights acknowledges inaccuracies, inconsistencies, and disparities in background and credit checks
 - Working with FCC on improving

Problem: Exorbitant Hidden Fees

- Move-in fees, admin fees, and application fees unregulated
 - No consistent process of determination identified by landlords
 - Preferred by landlords over Security Deposit due to SD regulations
 - Landlords assume these fees are more affordable to tenant than SD
- Prevent low-income people from accessing housing
 - Greatest complaint out of 405 tenant survey responses
 - Charitable organizations don't cover
 - Non-refundable
 - No resources for move out



Solution: Define all Up-Front Costs

- Limit move-in fees, application fees, and admin fees to the amount of costs incurred by the landlord
 - Provide estimate of fees up front
 - Actual cost of screening service (application)
 - Reasonable costs added for time (admin)
 - Costs of security, damage (move-in)
 - Not change the name of a fee or deposit to get around these rules
- Recommended by WH Bill of Renters Rights
 - Promotes fairness and transparency
- Defining move-in fees effect in Cook County

Clear & Fair Leases

Summary Attachments & Disclosures

- Problem
 - Tenants need to assess level of risk and affordability and raise concerns w/ LL
- Solution
 - Provide a plain language summary of the RLTO
 - Disclose foreclosure activity and estimated utility costs
 - Landlords need instructions on how to obtain utility costs
 - Provide a brochure on bed bug detection, reporting, and removal
 - Landlords disagree with extermination as responsibility
 - In effect in Chicago and Cook County

Prevent Renaming of Security Deposits & Eliminate Interest Requirements

- Problem:
 - Landlords admittedly rename security deposit to avoid following provisions
 - Admin cost of calculating SD interest outweighs benefit to tenant
- Solution
 - Prevent renaming to avoid regulations
 - i.e. landlord may not avoid coverage of SD by labeling the fee or charge as anything other than a security deposit
 - Remove requirement to pay interest on SD if interest rate is below a certain threshold
 - Interest rates are currently low, but on the rise
- Best Practices:
 - Recommended in WH Bill of Renters Rights
 - Encourages landlords to return security deposits
 - Interest rates are currently and historically very low



Problem: Excessive Late Fees

- Lack of regulation results in daily or weekly fees
 - Some tenants charged \$50 per day
- Prices tenants out of otherwise affordable housing
 - Forces tenants to make sacrifices to food or other necessities
 - Minor disruption in income turns into major debt for tenant
 - Sometimes results in eviction
- Landlords believe late fees incentivize timely payment, but that's a myth
 - Fixed incomes
 - Timing of paycheck
- Should be proportional to fees incurred by late mortgage or water payment

Solution: Limit Late Fees

- Limit late fees to percentage of rent or rent range; and to once per month
 - \$10 on monthly rent of \$1000 or less; 5% per \$1000 monthly rent thereafter
 - \$0-\$1000=\$10 late fee, \$1001-\$1500=\$35 late fee, \$1501-\$2000=\$60 late fee
 - Landlords prefer fixed rate or range over calculating percentages
 - Progressive late fees allow highest rents to pay highest fees
 - Supported by WH Bill of Renters Rights
 - Similar model in effect in Chicago & Cook County
- State law:
 - \$20 or 20% rent “reasonable”, 5 day min. grace period, must be listed in lease
- Also implemented in various forms nationally
 - Washington, D.C.--5% of monthly rent
 - NYC and State of Colorado--Cannot exceed \$50 or 5% of rent--whichever is less

Make the Period to Cure Consistent

- Problem
 - Tenants/landlords have 48 hours to cure in a owner-occupied building; 30 days for all others
 - 48 hours too short
 - i.e. Rehoming pets, family members
 - Evanston standalone on this
 - 30 days too long
 - i.e. Removing personal items from common areas
- Solution
 - Make the “period to cure” consistent across the board–10 days for both the tenant and the landlord
 - Many landlords approve of 10 days, while others still prefer 30
 - Capacity for city to enforce?
 - WH Renter’s Bill of Rights, Home for Good roadmap suggests 10+ days for tenants
 - In effect in Chicago and Cook County



Problem: Insufficient Notice on Non-Renewals/Rent Increases

- Large increases can price a tenant out of their unit
 - Single father of 3 had 30 days to find new unit after being priced out due to increase
 - Resulted in displacement of children's schools
- Searching for a new home can take 3 months or more, even with safety net
 - Rents up \$395/month more than last year
 - Long-term tenants have to new market rates

Solution: Implement Graduated Notice Based on Tenancy Length/Rent Increase

- Provide increasing notice to tenants based on how long they've lived in the unit
 - 60 days notice for 1-2 years
 - 120 days notice for 3 or more years
- Provide increasing notice to tenants based on how much the rent is being increased
 - 0-5%=60 days
 - 6-10%= 90 days
 - 11%+= 120 days
- Landlords prefer one flat period for notice
 - Many support 90 days, followed by 60 days and 45 days
 - Increases and non-renewals are issued at same time
 - Increases based on tax assessments/utility cost/general cost of living
 - Over 5% increase considered high



Best Practices: Fair Notice Based on Tenancy Length/Rent Increase

- Graduated notice in effect in Chicago (Fair Notice Ordinance)
- Other Graduated Notice Localities & Models
 - Colorado, Delaware, Vermont, Miami Dade County: 60 days' notice
 - Oregon: 90 days notice
 - New York: 90 days for 2+ years tenancy
 - California: 90 days' notice for increases over 10%
- Frequently coupled with Just Cause Ordinance
 - Relocation assistance required if tenant given insufficient notice

Enforcement & Enhancement of Rights

Prohibit Retaliation from Landlords Against Survivors of DV

- Problem:
 - Victims of gendered violence may need to change their locks or flee their homes to stay safe from domestic violence
- Solution:
 - Prohibit retaliation against DV survivors for exercising right to change locks or terminate lease
 - Examples include eviction, lease non-renewal, or failing to return the tenant's security deposit
 - Landlords want to receive key to new lock within 48 hours
- Best Practices:
 - Incorporates and adds visibility to pre-existing Illinois Safe Homes Act

First Right of Refusal

- Problem:
 - Sale of buildings often results in increase of rent or condo conversion
- Solution:
 - Provide tenants with the First Right of Refusal to purchase their building
 - Provide notice of intent to sell
 - Provide sufficient amount of time for tenant(s) to make an offer
 - Landlords are comfortable with making informal offers but not with legal requirement
- Best Practices:
 - Helps preserve naturally occurring affordable housing
 - Shared control of housing stock, promotes homeownership
 - Mitigates impact of displacement
 - [Condo conversion developers required by law](#) to furnish tenants with sale price within 30 days
 - Similar to federal Tenant Opportunity to Purchase Act
 - Tenants in multi-family buildings notified of intent to sell
 - Tenants may respond by organizing to purchase as a group; or
 - Pass first right of refusal onto another entity, i.e. nonprofit developer
 - Currently piloted in Chicago's Woodlawn neighborhood

Bolster Right to Organize

- Problem
 - Tenants currently have the right to organize, but need more support to do this
- Solution
 - Prevent retaliation from landlords with:
 - The right to provide leaflets and post materials in common areas
 - The right to use common areas to organize meetings
 - Landlords concerned this will impede business
- Best Practices
 - WH Renters Bill of Rights supports
 - Tenant associations can increase efficiency of finding resolutions to community problems
 - Currently required in HUD subsidized public housing

Eviction Prevention, Diversion, & Relief

One-Time Right to Pay and Stay

- Problem
 - 10 days not enough to access resources to pay rent debt
 - Emergency Rental Assistance, help from family and friends
- Solution
 - Add a one-time right to pay and stay that lasts to the court judgment
 - If a case has been filed, the tenant is required to pay filing fees
 - Does not lengthen eviction process—might shorten
 - i.e. tenant could pay debt on first court date and eliminate future court dates
- Best Practices
 - Recommended by WH Renters Bill of Rights
 - In effect in Chicago, Cook County, and 10+ other jurisdictions nationwide
 - If eviction is:
 - about money, LL should want to be paid
 - other legitimate basis, LL could provide multiple termination notices
 - for discriminatory/retaliatory reasons, should not proceed

Collection of Attorney Fees

- Problem
 - Imbalance in power and representation in eviction proceedings
- Solution
 - Prohibit collection of attorney fees from tenants in eviction proceedings
 - Tenant to pay service costs and filing fees
 - Mitigates representation disparity between landlords and tenants
 - Promotes efficient resolution–benefiting both parties
 - Eviction costs “financially crushing” to landlords
 - Especially small landlords
 - Some landlords just want vacancy for a new tenant
 - Reduces financial impact on tenant
- Best Practices
 - In effect in Chicago & Cook County
 - Right to Counsel Ordinance in Portland and Philadelphia

Problem: Unjust Non-Renewal/Eviction

- Staff from fair housing organizations witness impact on families w/ fixed incomes, seniors, individuals w/ disabilities, & families in Evanston schools
 - Family of 5 given no-fault non-renewal, price of the unit increased from \$2,081 to \$2,810. Household had kids with autism & finding a place that would accommodate their family was extremely challenging.
 - A senior with cancer given a no-fault non-renewal notice. Client had to push off her cancer treatment in order to focus on moving.
 - 82 year old veteran recovering from stroke given a no-fault non-renewal notice for apartment he's lived in since 2005, struggling to find another apartment that he can afford on his social security income
 - *"I turned 82 years old on April 14th of 2023. I have been in the same apartment for 18 years, with the last 3 years with a new management group. I have been a model tenant. I have no drug, or alcohol problem and no criminal record. I'm an Air Force veteran. After I requested a repair to a broken faucet. My management company decided they do not want to renew my lease. Now I am expected to move within a month, which will be costly and traumatic."*

Solution: Define Fair Reasons to Non-Renew

- Limits grounds for eviction or lease non renewal
 - Nonpayment
 - Material noncompliance/lease violation
 - Occupancy by owner/relative
 - Sale of building
 - Gut rehab
- Protection from arbitrary, retaliatory or discriminatory evictions
 - Language barriers
 - Cultural differences
 - Interpersonal inconveniences
 - Disability or requests for accommodations
 - Family status
- Applies to buildings of 6 or more units

Solution: Define Fair Reasons to Non-Renew

- Best Practices
 - Local governments urged by federal government, policy researchers, and local human service organizations to implement
 - Recommended in WH Renters Bill of Rights & Home for Good
 - Required for federally subsidized housing, including LIHTC
 - Enacted in 11+ different cities and states
 - [Portland](#)
 - [San Diego](#)
 - [Washington D.C.](#)
 - [Seattle](#)
 - [New Jersey](#)
 - [New Hampshire](#)
 - [Oregon](#)
 - [Washington State](#)
 - In committee in Chicago since 9/2021

Background: Just Cause

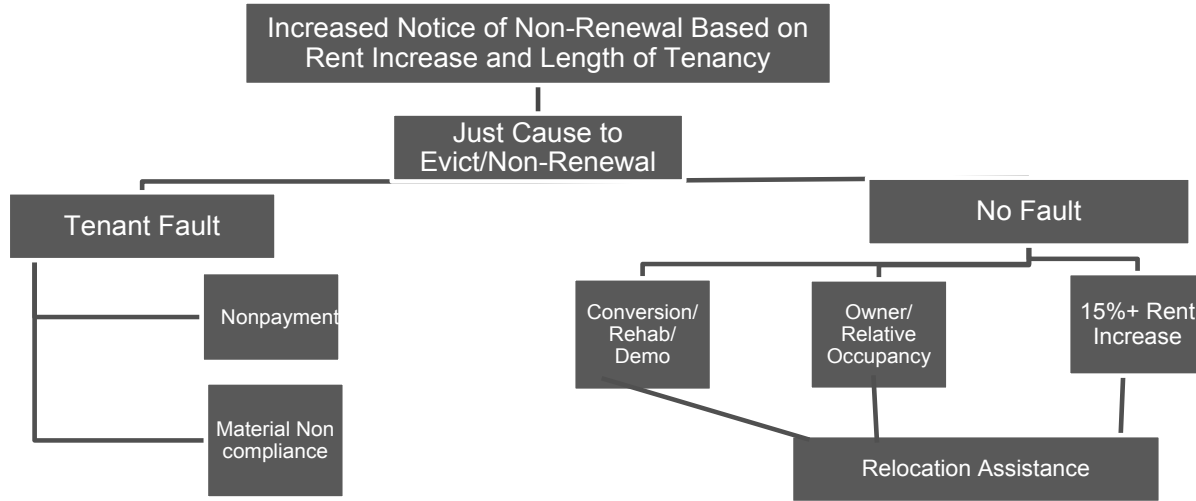
Stabilization and reduction of displacement

Protection from arbitrary, retaliatory or discriminatory evictions

Currently implemented in multiple cities nationwide in various forms and degrees



Background: Just Cause



Applies only to buildings of 7 or more units

Problem: Expense of No-Fault Non-Renewal

- *“We were in one of the buildings (5 buildings, 164 units total) recently sold to a developer, who received or will receive non-renewal/notice to vacate communication from the new owners. We weren’t given the opportunity to pay more, though now that they’ve increased the rent 20% (I looked at the listing with it’s *minimal* cosmetic improvements) I would have thought twice. But after 10 years to be summarily forced out and into a market flooded with other people/households in the same boat, was tremendously upsetting and stressful.”*

Solution: Relocation Assistance

- Landlords would pay relocation costs to tenants forced to move due to sale of the property, rehab, or a major rent increase.
 - Small landlords would be excluded
 - Current condo ordinance: \$300 or one month's rent—whichever greater; paid to tenants at 80% AMI or below moving due to condo conversion
 - Disincentivizes landlords from no-fault evictions and offsets the costs of moving
 - Some landlords feel this is justified for major rehab/condo conversion or major rent increase
- Relocation assistance criteria and amounts vary from city to city and ordinance to ordinance
- Best Practices
 - Portland: Landlords pay if tenant evicted without cause or if rent is increased more than 10% and tenant decides not to renew
 - Chicago: (Proposed) Tenants receiving non-renewal notices for gut rehab, owner/relative occupancy, sale of the building, or those who choose not to renew due to rent increase over 15%, receive 3x monthly rent

City Mitigation Fund

- Problem
 - Landlords don't want risk of renting to individuals with low credit scores, less than 3x rent, eviction history, etc.
- Solution
 - Build a City Mitigation Fund for landlords renting to tenants who don't meet standard screening criteria to be reimbursed for damages to their unit or for unpaid rent that surpasses the security deposit value
 - No current funding source identified for this.
- Best Practices:
 - Currently implemented locally and nationally
 - Lake County, IDHS, City of Chicago Flexible Housing Program, Chicago Rents/Expedited Housing Initiative by All Chicago
 - City of Orlando, Portland, Gresham, and Multnomah County (OR), City of Seattle & King County, Denver, CO Metro area, Fargo, ND, Eau Claire, WI

Model: City Mitigation Fund

Low vacancy rate + high rents + chronic homelessness = landlord mitigation fund

Landlords renting subsidized tenants are documented

These landlords are connected w/ Mitigation Resource

Mitigation Resource offers support and access to funds

Allows landlords to intentionally and meaningfully engage in stabilizing affordable housing

Coordinated regional strategy to promote housing rather than individually targeted



Additional Landlord Suggestions/Issues

- Require renters insurance—not recommended
- Remove the requirement to store tenants “abandoned” items
- Change the heat requirements minimum: night=66 /daytime=68
- Need assistance with evicting non-tenants/people doubling up
- Clarify when security deposits should be mailed and what to do if tenant provides no forwarding address

Thank you





Memorandum

To: Members of Housing & Community Development Committee
From: Sarah Flax, Interim Director of Community Development
CC: Marion Johnson, Housing & Grants Supervisor; Ana Elizarraga, Housing & Economic Development Analyst; Lindsey Wade, Housing & Economic Development Analyst
Subject: Ordinance 49-O-23, Amending City Code Section 4-18-3 Concerning the Demolition Tax
Date: May 16, 2023

Recommended Action:

The Equity and Empowerment Commission recommends consideration by the Housing and Community Development Committee of Ordinance 49-O-23, amending City Code Section 4-18-3, the Demolition Tax Code, to increase the amount of the Demolition Tax and to recommend its approval to City Council.

CARP:

Vulnerable Populations

Committee Action:

For Action

Summary:

At the March 21, 2023 Housing and Community Development Committee meeting, Karla Thomas, Chair of the Equity and Empowerment Commission presented a recommendation from the Commission to increase the amount of the demolition tax. to generate additional revenues to address the City's housing needs. Demolition taxes are deposited in the City's Affordable Housing Fund for this purpose. Changes include:

- Raising the tax for demolishing any single-unit residence structure to \$20,000.
- For multi-unit structures, raising the tax on the first unit to \$20,000, plus \$4,000 for each additional two to five units, and \$7,500 per unit for each additional unit above five. E.g., the tax for demolishing a two-unit property would be \$24,000, a five-unit property would be \$36,000, and a 10-unit property would be \$73,500.

The demolition tax will continue to be adjusted annually on January 1st based on the Consumer Price Index. No changes to the waivers or deferrals of the demolition tax were recommended.

All Demolition Taxes collected will be deposited in the City's Affordable Housing Fund and used to address housing-related needs of individuals and households with incomes that do not exceed 100% of the area median.

Legislative History:

The Housing and Community Development Committee voted unanimously to have the Demolition Tax Ordinance amended to include the Equity and Empowerment Commission's recommendation to increase the Demolition Tax for the committee to consider and develop a recommendation for City Council.

Attachments:

[49-O-23 Amending 4-18-3 Demolition Tax](#)

49-O-23

AN ORDINANCE

Amending City Code Section 4-18-3 Concerning the Demolition Tax

WHEREAS, the City of Evanston Code currently imposes a housing demolition tax for the demolition of a residential structure within the City; and

WHEREAS, the housing demolition tax is adjusted each year based on the Consumer Price Index and was last amended by ordinance in 2019; and

WHEREAS, the Evanston City Council believes it is in the best interests of the City to amend the Code to increase the housing demolition tax in order to add these funds to the City's affordable housing fund.

NOW BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: Section 4-18-4 "Tax Imposed" of the Evanston City Code of 2012, as amended, is hereby amended as follows:

4-18-3. – TAX IMPOSED.

(A) *Amount of Tax.* Any person granted a permit under this code for demolition of a residential structure shall pay an affordable housing demolition tax of: 1) ~~fifteen~~ twenty thousand dollars (\$~~15~~ 20,000.00) for the demolition of any single-family detached residential structure, or 2) for the demolition of any multi-family, single-family attached, or two-family residential structure, either ~~fifteen~~ twenty thousand dollars (\$~~15~~ 20,000.00) plus four thousand dollars (\$4,000.00) for each additional unit above the first unit for two (2) to five (5) unit buildings or seven thousand five hundred dollars (\$7,500.00) for each unit in the structure for buildings above five (5) units. ~~five thousand dollars (\$5,000.00) for each unit in the structure, whichever amount is more.~~ The demolition tax will be adjusted annually on January 1st based on the Consumer Price Index. The tax imposed pursuant to this Subsection shall be in addition to the demolition permit fee established from time to time by the City Council and all other applicable fees and charges. Payment of the tax, unless deferred as provided in Section 4-18-4 of this Chapter, shall be due upon issuance of a demolition permit by the department, and is a condition to the validity of the

permit. The City shall have a lien against the property which was the subject of the demolition permit until applicable tax obligations imposed by this Chapter are satisfied. The funds received by the City for the amount imposed pursuant to this Subsection shall be dedicated to achievement of the affordable housing goals and objectives as set forth in Section 4-18-1 of this Chapter. The demolition tax funds received pursuant to the tax imposed by this Chapter shall be deposited directly into the affordable housing fund.

- (B) *Specific Applicability Rules.* Notwithstanding the general requirement set forth in Subsection (A) of this Section, the tax shall not apply under the following circumstances. This Subsection, however, shall not affect an applicant's obligation to pay the demolition permit fee.
1. If the applicant and the City enter into an agreement for the provision of "affordable housing" as defined in Section 4-18-2 of this Chapter in conjunction with the demolition that would otherwise be the subject of Subsection (A) of this Section. Any such agreement shall require prior City Council approval and shall specifically set forth the applicability of this Subsection.
 2. If the Director determines, pursuant to regulations enacted by the City Council, that the building or structure replacing the building or structure that is the subject of the demolition permit constitutes "affordable housing" as defined in Section 4-18-2 of this Chapter.
 3. If the Director or any other City department head, or their respective designees, orders a demolition for any reason, including, but not limited to, nuisance, public safety, or fire hazard, this tax shall not apply, regardless of whether the demolition work is performed by a public or private entity.
- (C) *General Applicability.* Imposition of the tax provided for by Subsection (A) of this Section shall not apply to any demolition for which a perfected application for the demolition permit was on file with the City on or before the effective date hereof.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: If any provision of this ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

SECTION 4: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

SECTION 5: This ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: _____, 2023

Approved:

Adopted: _____, 2023

_____, 2023

Daniel Biss, Mayor

Attest:

Approved as to form:

Stephanie Mendoza, City Clerk

Nicholas E. Cummings, Corporation Counsel

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