



**AGENDA AND NOTICE OF A MEETING
Housing & Community Development Committee
Tuesday, October 15, 2024**

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

Those wishing to make public comments may submit written comments or sign-up to provide in-person comment with the public comment form or by calling/texting 847-448-4311 by 5pm the day of the meeting.

The purpose of public comment is to enable members of the public to provide input on any topic on the agenda. The Committee may question the commenter, but a response is not required. The length of the public comment period will be **15 minutes**; the time allocated for each commenter is dependent on the number wishing to speak, but will not exceed **5 minutes per person**. The length of the public comment may be extended at the discretion of the Chairperson depending on the number of commenters and time needed to address the items on the agenda.

Public comment form: <https://forms.gle/juR6pAK1NMmWNQCJA>

To listen to the meeting, join the Zoom meeting online:

<https://us06web.zoom.us/j/89903481176>

Webinar ID: 899 0348 1176

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. APPROVAL OF MEETING MINUTES

- A. **Approval of meeting minutes from September 17, 2024.** 4 - 6
[Housing & Community Development Committee - Sep 17 2024 - Minutes - Pdf](#)

4. NEW BUSINESS/OLD BUSINESS

- A. **Green Homes Pilot Update** 7 - 10
For Action: Accept and Place on File
[Green Homes Pilot Update - Attachment - Pdf](#)
- B. **Community Partners for Affordable Housing (CPAH) Waitlist and IHO Information Report** 11 - 12
For Discussion
[City of Evanston Waitlist and IHO Information \(CPAH\) - 2024](#)
- C. **Metropolitan Tenants Organization (MTO) Landlord Tenants Services Report and Highlights Report** 13 - 15
For Discussion
[City of Evanston MTO Landlord Tenants Services Report and Highlights Q1-Q3 2024](#)
- D. **Approval to Repeal and Replace the Inclusionary Housing Ordinance** 16 - 56
For Action
[Approval to Repeal and Replace the Inclusionary Housing Ordinance - Attachment - Pdf](#)
- E. **HUD 2025-2029 Consolidated Plan Discussion**

5. STAFF REPORTS AND UPDATES

6. 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).



Housing & Community Development Committee

Tuesday, September 17, 2024 @ 7:00 PM

Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Evanston, IL 60201 Council Chambers

COMMITTEE MEMBER PRESENT: Hugo Rodriguez, Committee Member, Bobby Burns, Councilmember, Eleanor Revelle, Councilmember, Juan Geracaris, Councilmember, Chloe Thurston, Commission Member, Fran Sweeney, Committee Member, and Joanne Zolomij

COMMITTEE MEMBER ABSENT: Devon Reid, Councilmember

STAFF PRESENT: Elizabeth Williams, Planning Manager/Interim Housing Manager, Marion Johnson, Housing & Grants Supervisor, Ana Elizarraga, Housing & Economic Development Analyst, Uri Prachter, Senior Housing Planner

GUESTS PRESENT: Jen Fueer-Crystal, Senior Director of Housing and Youth Programs – Connections for The Homeless

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

T. Paden - T. Paden asked for more support for small landlords, minorities, and low-income families.

T. Connolly - T. Connolly share a statement from the Community Alliance for Better Government to include discussion on the Wesley buildings.

3. APPROVAL OF MEETING MINUTES

A. Approval of Meeting Minutes from the July 16, 2024 meeting

Motion to approve the minutes from the July 16, 2024 meeting.

Moved by Councilmember Geracaris
Seconded by Thurston

Ayes: Burns, Reville, Geracaris, Thurston, and Sweeney
Abstained: Rodriguez and Zolomij

Motion Passed 5-0 on a recorded vote

4. NEW BUSINESS/OLD BUSINESS

- A. Approval of \$250,000 of HOME Investment Partnerships Funding for the Tenant-Based Rental Assistance Program

Staff presented the application for renewal of funding for the HOME Tenant-Based Rental Assistance Program. Jen Feuer-Crystal, Senior Director of Housing and Youth Programs at Connections for The Homeless was present to answer questions from the committee.

Motion to recommend approval of \$250,000 of renewal funding for a new cohort of families in the Tenant-Based Rental Assistance program, administered by Connections for the Homeless.

Moved by Councilmember Geracaris
Seconded by Thurston

Ayes: Rodriguez, Reville, Geracaris, Thurston, Sweeney, and Zolomij
Abstained: Burns

Motion Passed 6-0 on a recorded vote

- B. Evanston Housing4All / Strategic Housing Plan - DRAFT Framework

Staff presented the DRAFT Framework for the Strategic Housing Plan and was available to answer Committee questions. The discussion focused on developing an actionable housing strategy, funding and partnerships. Timeline and feedback opportunities were discussed.

- C. Discussion: DRAFT Inclusionary Housing Ordinance (IHO)

The discussion focused on the 2024 update to the Inclusionary Housing Ordinance proposal, the revision schedule. Attention was given to the increase in minimum requirements, increased predictability for Inclusionary Housing unit providers, increased variety of units and increased protections of economic and racial diversity, and local and national program comparisons.

- D. 2025-2029 HUD Consolidated Plan Update and Discussion

Staff provided the 2025-2029 HUD Consolidated Plan update and explained citizen participation, the makeup of the consolidated plan, and approval before submittal to HUD.

5. STAFF REPORTS AND UPDATES

- FY 2024 HUD Grants were received.
- There are no updates for Urban Shelter CDBG Application, updates should be received within one or two weeks.

Draft

Housing & Community Development Committee
September 17, 2024

6. ADJOURNMENT

Chair Revelle adjourned the meeting at 10:08 p.m.



Memorandum

To: Members of Housing & Community Development Committee
From: Cara Pratt, Sustainability and Resilience Coordinator
Subject: Green Homes Pilot Update
Date: October 15, 2024

Recommended Action:

Staff recommends the Committee review the update and place it on file.

Funding Source:

ARPA

CARP:

Building Efficiency, Health Impacts of Extreme Heat, Vulnerable Populations

Committee Action:

For Action: Accept and Place on File

Summary:

The Center for Neighborhood Technology (CNT) is providing an update on the implementation of the ARPA-funded Green Homes Pilot. Attached is CNT's memo for the Committee to review.

Legislative History:

The first update was shared on February 20th, 2024.

Attachments:

[CNT Memo October 2024](#)



Date: October 15, 2024

To: City of Evanston Staff and Housing and Community Development Committee

From: Center for Neighborhood Technology

Re: Update on Evanston Green Homes Pilot Program

This memo provides an update to the Housing and Community Development Committee (HCDC) on the Green Homes pilot program. At the October 15 meeting, representatives from the Center for Neighborhood Technology (CNT) and Elevate will attend to discuss current project status, progress to date, as well as timeline.

Summary of Scope

Evanston Green Homes is an initiative that utilizes a \$1 million ARPA investment to implement a pilot program that funds home rehab projects that improve energy efficiency, water efficiency, climate resilience, and resident health. Improvements focus on existing affordable homes, both single-family and multi-family. The program is meant to comprehensively assess homes to determine what improvements are most valuable, then fund those improvements directly while leveraging other funding sources when possible. The program is a pilot, designed to test the effectiveness of this approach to advance both climate resilience and equity.

Status Update

As shared in the last update, the preliminary planning and process development work has been completed: CNT and Elevate, with participation by City staff, created a detailed operations guide laying out the policies and procedures of the pilot, as a necessary first step. With a significant change to the project team given the departure of Evanston Development Cooperative (EDC), this prompted modifications to the overall contract to align the redistribution of roles and responsibilities with the overall project goals and revised timeline; contract revisions are near final, pending a final review by Legal. As contract revisions are finalized, CNT and Elevate are preparing to re-engage our CBO partners as well as the resident advisory group to increase awareness of the program and ensure those who are interested and eligible can learn more and participate in the program if desired. Local aldermen have been engaged and have also offered their support to the program to ensure residents are informed and connected. For instance, Elevate hosted a community engagement session on 6/27/24 at the monthly hybrid 8th Ward meeting, in which there were approximately 25 attendees in-person and remote.

In addition to the communication materials previously developed to support resident sign-up and interactive website that accepts registrations/applications in real-time, the project team has also developed a Hardship Attestation Form and marketing materials to support ongoing outreach and engagement efforts. Finally, several building assessments have been completed, and are ongoing, which gives the project team a sense of the types of improvements that are most likely to come through the program as well as where there is greater interest by building/housing type and geography.

As related to building assessments and applications received to date, the following outcomes have been achieved:

Building Type	Total Buildings Assessed	Total Units Assessed	Total Upcoming Building Assessments	Total Upcoming Unit Assessments	Total Buildings Applied	Total Units Applied	Total Buildings Eligible	Total Units Eligible
SF	5	5	3	3	21	21	19	19
2-Flats	2	4	1	2	5	10	5	10
3-4 Flats	1	3	0	0	2	6	1	3
5+ MF	1	7	0	0	1	7	1	7
20+ MF	0	0	0	0	0	0	0	0
Total	9	19	4	5	29	44	26	39

It is worth noting that due to project delays, there has been very little expenditure of funding. To date, approximately \$92,000 of the \$1 million budget has been expended, including outreach and the development of policies and procedures Q1 through Q2. We anticipate spend-down to pick up in Q4, which will capture the additional outreach and engagement activities, building assessments, and admin associated with project team and contract changes. We continue to seek out funding opportunities that will support current project activities and future program expansion.

Contract Changes

As last reported, in order to complete the pilot program within the timeline attached to ARPA funding, the project team transitioned project implementation responsibilities from EDC to Elevate. The division of responsibilities is outlined below:

Program role	Brief description	Initial responsibility	Current responsibility
Administrative Manager	Main point of contact with City, manage program budget and administration, convene advisory group and focus groups, support program design	CNT	CNT
Program Coordinator	Develop and maintain operations guide, manage the intake process for residents and contractors, complete due diligence checks and verify eligibility, schedule building assessments, support the bidding process, lead the agreement execution process, make payments to the contractor	EDC	Elevate
Construction Manager	Participate in building assessments, develop project scopes, manage the bidding process, lead construction management	EDC	Elevate
Energy Manager	Lead building assessments, provide energy expertise, support bidding process and construction management	Elevate	Elevate

Date	8/22/2024	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 %	Local Pref
0-30%	100	62	69	32	29	11	6	309	30
31-50%	96	55	95	45	7	9		307	173
51-60%	80	65	23	11	2	2		183	73
61-80%	70	49	22	8	1	1	1	152	55
81-100%	36	17	4	1	2			60	20
Totals	382	248	213	97	41	23	7	1011	351
Number of HH added to list since last report				1/1/24	125				

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%	9.89%	6.13%	6.82%	3.17%	2.87%	1.09%	0.59%	30.56%
31-50%	9.50%	5.44%	9.40%	4.45%	0.69%	0.89%	0.00%	30.37%
51-60%	7.91%	6.43%	2.27%	1.09%	0.20%	0.20%	0.00%	18.10%
61-80%	6.92%	4.85%	2.18%	0.79%	0.10%	0.10%	0.10%	15.03%
81-100%	3.56%	1.68%	0.40%	0.10%	0.20%	0.00%	0.00%	5.93%
Totals	37.78%	24.53%	21.07%	9.59%	4.06%	2.27%	0.69%	100.00%

OCCUPANCY 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%	9	25	8	1	0	0	43
61-80%	4	4	5	1	0	0	14
81-100%	1	2	1	1	0	0	5
Totals	16	36	16	3	0	0	71

Existing units: in the process of being rented/upcoming in 2024 (income is certified)

	Studio	1 BR	2 BR	3 BR	4BR	5BR+	Total
0-30%							0
31-50%							0
51-60%	2	5					7
61-80%							0
81-100%							0
Totals	2	5	0	0	0	0	7

Existing TOTAL	18	41	16	3	0	0	78
% of total units	23.08%	52.56%	20.51%	3.85%	0.00%	0.00%	100.00%

Tenant Head and Co-Head of Household Demographics

	Number of HHs	% of HHs
American Indian/Alaska Native		
Asian	5	16
Black/African American	17	55
Hispanic	1	3
Native Hawaiian/Other Pacific Islander		0
White	6	19
Mixed Race	1	3
Other	1	3
Total	31	99

Qualification Process	Income Qualified	Pending Property Approval	Approved by Property	Denied by Property	Turned down by tenant
1712 Oak (Lodge)	7	1	2	1	2

IHO existing units by building

	50%	60%	80%	100%	120%	Total units	Renewed	Turn over	Type	Floating?
1712 Church (Lodge)		3				3	N/A		New/rehab	No
718 Main		12				12	N/A		New constr.	No
2035 Dodge			1			1	1		Rehab	No
100 Chicago			5			5	2		New constr.	No
2030 Greenwood		2				2	2		New constr.	No
2211 Maple		2				2	1	1	Existing constr.	No
1555 Ridge		3				3	3		New constr.	Yes
1500 Sherman (Albion)	3	6	6			15	13	2	New constr.	Yes
1727 Oak (Avidor)	4	13				17	15	2	New constr.	Yes
828 Noyes	2	2				4	4		New constr.	No
Total	9	43	12	0	0	64	41	5		

Affordable Units by building

1620 Central				2		2	2	0	New constr.	No
1571 Maple		1				1	0	1	New constr.	No
1717 Ridge					9	9	6	3	New constr.	No
1815 Ridge (Trulee)			2			2	1	1	New constr.	No
Total	0	1	2	2	9	14	9	5		

New upcoming units in the pipeline: 2024 and later

Income Level	Approved
0-50%	
51-60%	3
61-80%	
81-120%	1
Totals	4

Outreach Activities/Meetings

Outreach: Inclusionary rental information session at Robert Crown EPL branch in February -- room was full and extra chairs were brought in. Search tool Avail is up and running on our website for publicizing available units. Multiple meetings with property managers and developers to identify potential tenants, and create leads for available units. Oversee and follow up with referred qualified applicants. Flyers provided to property manager, the City, Library, schools, etc. and Facebook posts featuring specific units as well as the program itself. Waitlist update included mail, email and text methods of reaching those currently on the waiting list.

Summary Narrative:

Increases in number of households in each AMI category.
 Waiting list update outreach is complete. Several hundred households did not reply to the efforts including email, regular mail, and text.
 Those that did not reply and have not contacted us will be removed from the waiting list before the end of the year.
 There is an increase in the pre-applications and applications from those with a rent subsidy. That is helping with the need for units for those with income too low to qualify for an inclusionary unit. Those subsidies are often not housing vouchers, but from social service organizations.

CITY OF EVANSTON TENANT-LANDLORD SERVICES REPORT

2024

Call Count	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Total Monthly Calls	14	20	20	23	24	31	19	27	33				211
Total Quarterly Calls	54			78			79						
Quarterly Average	18			26			26						

Category	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total	% of total
Maintenance	9	3	11	6	11	10	7	9	14				80	26.58%
Eviction	5	3	1	2	15	0	3	2	3				34	11.30%
Notices	0	0	0	1	0	0	0	0	1				2	0.66%
Disturbance	1	4	5	3	7	8	2	1	3				34	11.30%
Security Deposits	0	0	0	2	1	3	0	2	2				10	3.32%
Lease	10	7	6	12	26	12	3	13	6				95	31.56%
Early Termination	5	3	3	3	13	2	2	0	3				34	11.30%
Pests	0	0	0	1	0	0	3	0	1				5	1.66%
Utilities	3	0	2	1	0	1	0	0	0				7	2.33%
Subleases	0	0	0	0	0	0	0	0	0				0	0.00%
Foreclosure Eviction	0	0	0	0	0	0	0	0	0				0	0.00%
Lock Out	0	0	0	0	0	0	0	0	0				0	0.00%

Mediation	2023	2024
Mediation Cases	0	0
Trainings	0	0

Call Source	% of total
Landlord Initiated	6.83%
Tenant Initiated	93.17%

Summary:

211 calls to MTO were recieved from Q1-Q3. 64 requests were received through Evanston 311, and 22 cases were routed through Evanston Text-For-Help. Topics included Lease: 95 cases. Maintenance: 80 cases, and Early Termination: 34 cases. Since last year, Eviction and Early Termination cases saw a drop in case volume by 96% and 75%, respectively. The large majority of calls (93.17%) are from tenants. The Average Days to Resolve cases is 3.1 days. Landlord/Tenant Information Webinars have been scheduled for Q4 of 2024 and Q1 of 2025 to report on Inclusionary Housing Ordinance updates.

Evanston Text-For-Help	2024
Texts Received	22

Average Days to Resolve 311 Requests*

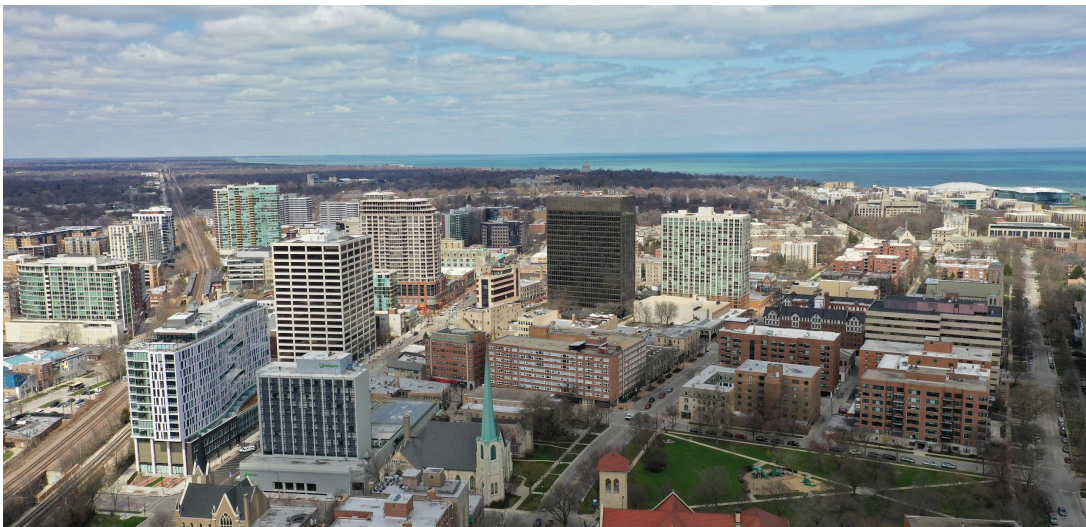
Evanston 311 Requests	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Total Requests	7	4	6	7	8	9	7	9	7				64
Business Days	2.5	4.0	3	3	3	2	2	4	4				3.1

*Evanston 311 Requests changed platform to QAlert, which limits call reporting to Average Days to Resolve a request, rather than Average Days to Respond. All calls receive an automatic response from the QAlert System.



Metropolitan Tenants Organization

2024 Q1 -Q3 Highlights



City of Evanston, Community Development
October, 2024

Satisfaction Survey Results

Results from a satisfaction survey sent out in Q2 of 2024 and received **20 responses**.

How did you contact the MTO Hotline?

- MTO Hotline (40%)
- Evanston 311 (40%)
- Evanston Text for Help (0%)
- Other - Word of Mouth (10%)

Did you receive the information you were looking for?

- Yes (60%)
- No (20%)
- Other (20%)*

*Two respondents wrote that their issues are still ongoing and there is still much to do.

How likely are you to recommend MTO to someone else you know experiencing landlord/tenant issues?

- Very Likely (40%)
 - Likely (20%)
 - Neutral (20%)
 - Unlikely (20%)
-

Highlights

- MTO tabled a Housing Resources event with the Reparations Committee at the Evanston Township High School on September 7, 2024.
- MTO community organizers are currently organizing in two buildings where they have met with tenants to address repair issues and other problems in the buildings
- MTO tabled a Housing Resource event at Norris Hall - Northwestern University on October 8, 2024.
- MTO will participate in two additional Northwestern University events about housing:
 - "Renting Declassified" 10/17/24
 - NU Off-Campus Housing Fair 11/7/24
- MTO/City of Evanston will facilitate a Tenants Rights and Renter's rights training for Evanston **tenants** and **renters** scheduled for Q4 of 2024 and Q1 of 2025.



Memorandum

To: Members of Housing & Community Development Committee
From: Uri Pachter, Senior Housing Planner
CC: Elizabeth Williams, Interim Housing and Grants Manager Sarah Flax,
Community Development Director Marion Johnson, Housing and
Grants Supervisor
Subject: Approval to Repeal and Replace the Inclusionary Housing Ordinance
Date: October 15, 2024

Recommended Action:

Staff recommends approval to recommend to City Council the repeal and replacement of the Inclusionary Housing Ordinance

CARP:

Building Efficiency, Vulnerable Populations

Committee Action:

For Action

Summary:

Staff recommends approval to recommend to City Council the repeal and replacement of the Inclusionary Housing Ordinance. Through feedback from local developers and subject matter experts, the new ordinance:

- Increases the minimum requirement from 10% to 15% [2024 City Council goal]
- Increases both predictability and flexibility for developers and providers of Inclusionary Housing
- Increases the variety of on-site units to better address Evanston's housing needs
- Reduces ambiguity and improves program administration, implementation, and efficacy
- Aims to increase protections against losing Evanston's racial and economic diversity

A detailed comparison of the current ordinance and the proposed ordinance is attached.

Background

The Housing and Community Development Committee held an introductory discussion on June 18, 2024 and a follow-up discussion reviewing the Draft Inclusionary Housing Ordinance on September 17, 2024. For additional details, reference the [June 18, 2024 memo](#) and the [September 17, 2024 memo](#).

As a reminder, zoning bonuses are no longer part of the ordinance - the Land Use Commission will consider zoning bonuses as part of the new zoning code. Before reaching City Council, this committee will have the opportunity to review the draft zoning code, including any Inclusionary Housing zoning bonuses. To ensure effective implementation, the ordinance will become effective in Q2 2025, concurrent with or after the new zoning code is adopted.

Input Opportunities

In addition to this committee, City Council, and public comment, the process has included input from 15 Evanston developers, asset managers, and attorneys, and 12 national and regional subject matter experts. This input has been summarized in the attached Research Conversations - Summary.

In advance of the October meeting, the City reached out to and encouraged feedback from:

- Developers with Inclusionary Housing experience in Evanston
- Housing and housing-adjacent organizations, both local and regional
- Developers, asset managers, and attorneys and national and regional experts who participated in earlier Research Conversations

As of Friday, October 11, the City received feedback from three individuals. Two developers with Inclusionary Housing experience in Evanston expressed support for the increased requirement to 15%, greater fairness to smaller developers, and the shift to a weighted average AMI. A national expert expressed general support for the new ordinance.

At the October meeting, staff will present any feedback communicated to the City after the meeting packet was finalized.

Proposed Ordinance

The proposed Inclusionary Housing Ordinance, the current Inclusionary Housing Ordinance, and a comparison of the two ordinances are attached.

Policies and Procedures

As noted in the ordinance comparison, the proposed ordinance expands the scope of the Policies and Procedures beyond leasing and eligibility to detailed program rules. This will both improve the readability of the ordinance and increase the City's ability to adapt the program within the framework mandated by the ordinance. An outline of the expanded Policies and Procedures is attached.

New Affordable Housing Landscape

The Cook County Affordable Housing Special Assessment Program (2022) has significantly changed the affordable housing landscape, with strong developer interest in property tax incentives in exchange for 15-35% on-site affordability. This is an attractive incentive for

Evanston developers to meet or exceed the proposed 15% Inclusionary Housing requirement.

Program Comparisons

To put the current ordinance and the proposed ordinance in context, attached are program comparison matrices of major U.S. cities and Chicagoland municipalities.

Schedule

Month	Entity / Audience	Action
June	HCDC	Introduction / Feedback
Ongoing	Community / Envision Evanston 2045	Feedback
May - June	Research Conversations	Feedback
September	HCDC	Draft Ordinance Review Feedback
October	HCDC	Ordinance Review Recommendation to City Council
Q4 2024	City Council	Ordinance Introduction + Action
Q1 2025	City Council	Envision Evanston 2045 / Zoning Code Introduction + Action
Q2 2025	-	Ordinance + Zoning Code Effective Date

Attachments:

[Comparison of Current and Proposed Ordinances](#)

[Research Conversations - Summary](#)

[5-7 Inclusionary Housing Ordinance - Proposed](#)

[5-7 Inclusionary Housing Ordinance - Current](#)

[Policies and Procedures - Outline](#)

[Inclusionary Housing Program Comparisons - National](#)

[Inclusionary Housing Program Comparisons - Chicagoland](#)

**Inclusionary Housing Ordinance Comparison
Current vs. Proposed**

Independent Updates	Current	Proposed	Rationale
General			
Application and Plan Process	Independent	Integrated	Streamline process
Application and Plan Fees	No	Yes	Align w/ zoning and permitting
Policies and Procedures	Limited to leasing, eligibility	Detailed program rules	Strengthen and clarify program
Annual Report to HCDC	No	Yes	Increase transparency
Affordability Requirements			
Fractional In-Lieu Fee	Rounded	Not rounded	Simplify, equalize requirement
Unit Size	Follow building code	Equal to overall unit mix	Align with current practice
Alternative Equivalent	Council Approval	Review + Council Approval	Increase predictability
Rental Affordability Period Start Date	By unit, occupancy	By development, lease-up	Simplify tracking
Maximum For-Sale Sales Price	Based on 100% AMI	Based on 90% AMI	Increase income eligibility
For-Sale Initial Sale Requirements	Unique agreement	Sell to land trust or nominal lein	Strengthen affordability
Incentives			
Fee Waiver Cap - Standard	None	35%	Maintain revenue source
Fee Waiver Cap - 50+% Affordable	10%	35%	Remove "penalty"
Zoning Bonuses	Yes	Yes - in Zoning Code	Align with zoning code update

Independent Updates	Current	Proposed	Rationale
Other			
Ordinance Applicability	Application submitted	Substantive progress required	Remove exceptions
In-Lieu Fees - Rate Freeze	Yes, 2 years	No	Align w/ permitting
Administration Spending Cap	Yes, technically	No	Remove unclear limitation
Enforcement - Fine	\$200 - \$500 / day	\$500 / day	Strengthen, simplify
Enforcement - Partial Fine Waiver	No	Yes	Acknowledge exceptions

Suite of Updates	Current	Proposed	Rationale
All Dwelling Units Covered	No	Yes	Remove exceptions
Minimum Units	5	7	Encourage smaller developers Align w/ AHSAP
Requirement	10%	15%	Meet Council goal
Requirement (Public Funding)	20%	30%	Maintain 2x ratio
Smaller Developments	Increased Requirement (5-7 units)	Decreased Requirement (7-14 units)	Encourage smaller developers Encourage "missing middle"
In Lieu Fee*, Per Unit	D, RP Rental: \$209,195 D, RP For-Sale: \$313,792 Other Rental: \$179,310 Other For-Sale: \$268,964	Studio: \$405,000 1 BR: \$481,000 2 BR: \$711,000 3 BR: \$1,070,000	Incentivize on-site units
Rental Income Limits	60% AMI	60% AMI, weighted, 80% AMI cap	Incentivize lower AMI units Increase flexibility, predictability
Lower AMI Requirement* (Rental)	No	12%: 50% AMI, weighted, 80% AMI cap 10%: 40% AMI, weighted, 80% AMI cap	Incentivize lower AMI units Increase flexibility, predictability
Lower AMI Requirement* (For-Sale)	No	12%: 80% AMI	Incentivize lower AMI units Increase flexibility, predictability
More Bedrooms Conversion*	No	1BR = 1.25 Studio 2BR = 1.5 1BR, 2 Studio 3BR = 1.75 2BR, 2.25 1BR, 2.75 Studio	Incentivize more bedrooms Increase flexibility, predictability
On-site Required - For Sale Rental, By Right Rental, Variance / Allowance	No No Yes, 5%	No No No	Incentivized strongly elsewhere Increase flexibility, predictability

*Based on projected reduced revenue from an Inclusionary Housing Unit over 30 years

**Research Conversations - Summary
Inclusionary Housing Ordinance Update
Spring - Summer 2024**

Evanston Developers / Asset Managers / Attorneys

Inclusionary Housing Development Process

- Overall positive feedback about the Inclusionary Housing pre-development process
- However, the combination of ordinance requirements and councilmember preferences makes the process very unpredictable and hard to navigate

In-Lieu Fees

- In-lieu fees are much less expensive than providing on-site units, incentivizing developers to pick this option
- If developing high-end, larger units, the in-lieu fee is the cost-effective option

AHSAP (Cook County Affordable Housing Special Assessment Program)

- Strong support for the program and its benefits
- Most developers are seeking the 20% incentive in one or more developments / providing 20% on-site units

Minimum requirement increase

- About half of the developers were not particularly concerned
- About half of the developers were concerned about the impacts on smaller developers and smaller developments

Incentives to offset the increase

- Lower ongoing expenses - fee waivers have a minimal impact on larger developments
- Lower pre-development costs so more money can go into the development

Envision Evanston

- An important process to get rid of inequitable zoning, the foundation of the IHO
- Zoning bonuses are not effective if the development is not approved

National / Regional Experts

Inclusionary Housing Development Process

- Provide both predictability and flexibility
- Streamline the development process for compliant developments
- Tighten ordinance language to remove exceptions, loopholes

In-Lieu Fees

- Absolute minimum should be \$350,000 / unit
- Base off of reduced developer revenue, not the cost of construction

AHSAP (Cook County Affordable Housing Special Assessment Program)

- Many developers are using the 20% option / providing 20% on-site units
- 15% and 35% options are attractive to smaller developments and rehab projects
- Disincentivizes larger units and/or units to lower AMI households due to program's minimum requirements

Minimum requirement increase

- Requiring more than 20% should include a subsidy and/or higher income caps
- Be mindful of recent developer cost increases - financing, labor, materials

Incentives to offset the increase

- Increased flexibility is an incentive

Envision Evanston

- Progressive zoning bonus(es) - incentivized to provide more than the minimum

Other

- Be clear about the goals and incent those options
- Make data-driven decisions

Conversation Participants

Evanston Developers

Mary Boehmler, Senior Associate, Trammell Crow Company
Charles Davidson, Founder and Principal, CDG
Paul Harb, Developer and Property Manager
Tom Meader, President and CEO, The Maeve Group
Michael McLean, Founding Partner, Condor Partners
Justin Pelej, Executive Vice President, Focus Development
David Wallach, CEO, Blue Paint Development

Evanston Asset Managers

Deanna Geram, Property Manager, The Maeve Group
Michael Karel, Regional Property Manager, Greystar
Zack Ktsanes, Director of Asset Management, LG Group
Samantha Lehman, Property Manager, Lehman Realty
Amanda Mooney, Property Manager, F3
Emily Van Bel, Chicago Operating Officer, The Maeve Group

Evanston Attorneys

Katie Jahnke Dale, Partner, DLA Piper
Alisa Arnoff, Partner, Scalabrino & Arnoff

Regional Experts

Emily Bloom-Carlin, Senior Program Officer, Preservation Compact
Ranadip Bose, Partner, SB Friedman
Maggie Cassidy, Director, Preservation Compact
Sarah Duda, Deputy Director, Institute for Housing Studies
Daniel Kay Hertz, Housing Director, Impact For Equity
Fran Lefor Rood, Senior Vice President, SB Friedman
Ricardo Lopez, Director of ARO Program, Chicago Department of Housing
Diana Martinez, Planner, Chicago Department of Housing
Stacie Young, President and CEO, Community Investment Corporation

National Experts

Claudia Aiken, Director of New Research Partnerships, Housing Solutions Lab
Colby Sledge, Local Policy Principal, Grounded Solutions Network
Jess Wunsch, Director of City Engagement, Housing Solutions Lab

CHAPTER 7 INCLUSIONARY HOUSING

5-7-1. TITLE.

This Chapter is titled and referred to as the INCLUSIONARY HOUSING ORDINANCE.

5-7-2. PURPOSE AND INTENT.

This Chapter aims to increase housing choice for low- and moderate-income households in Evanston by requiring covered developments to provide Inclusionary Housing units, i.e. affordable to low- and moderate-income households.

Except for housing subsidized by the City and/or other public entities, new or rehabbed housing in Evanston is generally not affordable to low- and moderate-income households. The City recognizes that, without intervention, this will result in an inadequate supply of attainable housing and will reduce Evanston's racial and economic diversity.

Since there is limited land for new residential development, a reasonable proportion should be developed into for-sale and rental units affordable to low- and moderate-income households. The Inclusionary Housing Ordinance is not the only way the City seeks to address housing needs in Evanston; it is one of many tools in the City's toolkit to minimize displacement and preserve and increase the supply of housing affordable to low- and moderate-income households.

5-7-3. DEFINITIONS.

To administer this Chapter, these definitions will apply:

APPLICANT.	Any person, firm, corporation, partnership, limited liability company, association, joint venture, or any entity or combination of entities whose application to the Department includes a covered development according to this Chapter.
APPROVED COMMUNITY LAND TRUST.	A private, non-profit corporation that the City will create or authorize to acquire and own land for the benefit of the City and low- and moderate-income households.
AREA MEDIAN INCOME (AMI).	The median income level for the Chicago-Joliet-Naperville, IL HUD Metro FMR Area, adjusted for household size, as established annually by the U.S. Department of Housing and Urban Development.
CONTRACTED AGENCY.	An organization with which the City contracts and has a written agreement to manage components of this Chapter that may include, but are not limited to, the centralized wait list and/or tenant annual income certification.
COVERED DEVELOPMENT.	A development or concurrent developments containing seven (7) or more covered units under common ownership or control by an applicant.
COVERED UNIT.	Any dwelling unit including, but not limited to, an accessory dwelling unit, live/work unit, and age-restricted unit, that is either: 1. A new dwelling unit in a newly constructed development or a new dwelling unit in an existing development

	<p>2. A dwelling unit in an existing development that has increased or decreased in size and/or number of bedrooms.</p> <p>3. A dwelling unit in an existing development where the development has changed tenure (from rental to for-sale or for-sale to rental)</p>
DEPARTMENT.	The City of Evanston Community Development Department or any successor agency.
INCLUSIONARY HOUSING PROVIDER	Any person, firm, corporation, partnership, limited liability company, association, joint venture, or any entity or combination of entities that owns a covered development with Inclusionary Housing rental units.
INCLUSIONARY HOUSING UNIT.	A for-sale or rental dwelling unit in a covered development that is affordable to income-qualified households and sold or rented only to income-certified households.
INCOME CERTIFIED HOUSEHOLD.	A household that meets the eligibility criteria to rent or purchase a specific Inclusionary Housing unit, as stipulated by the Policies and Procedures.
MAJORITY AFFORDABLE DEVELOPMENT.	A covered development where greater than 50% of all covered units are affordable according to the requirements of this Chapter.
MARKET-RATE UNIT.	A dwelling unit in a covered development that is not an Inclusionary Housing unit.
POLICIES AND PROCEDURES.	A document(s), authorized by the City Manager or their designee, that provides additional detail to effectively implement, administer and enforce this ordinance.
PUBLICLY- FUNDED.	Any covered development, that receives or has received any grant, loan, or subsidy from any Federal, State, or local agency or instrumentality, including, but not limited to, the sale of property below market value, purchase money financing, construction financing, permanent financing, or Low-Income Housing Tax Credit allocations or bond proceeds. Public funding does not include a loan from a government-sponsored enterprise (i.e. Fannie Mae, Freddie Mac), a Housing Choice Voucher rent subsidy, or a property tax exemption or abatement.

5-7-4. REQUIREMENTS – GENERAL.

- A. General Requirement: A covered development, containing a minimum of seven (7) covered units is required to meet their Inclusionary Housing Requirement.
- B. 7-14 Covered Units. The following are the Inclusionary Housing Requirements for covered developments with less than 15 covered units, with a weighted average of maximum gross rents at or below 60% AMI:
 - a. 7-9 covered units: 1.0 Inclusionary Housing Requirement

-
- b. 10-13 covered units: 1.5 Inclusionary Housing Requirement
 - c. 14 covered units: 2.0 Inclusionary Housing Requirement
 - C. 15+ Covered Units. Fifteen percent (15%) of covered units in a covered development of fifteen (15) or more covered units are required to be Inclusionary Housing units with a weighted average of maximum gross rents at or below 60% AMI. The resulting number of units, without rounding, will be the covered development's Inclusionary Housing Requirement.
 - D. Publicly-Funded Developments. The Inclusionary Housing Requirement for a publicly-funded development is twice (2 times) the requirement in 5-7-4 B or C.
 - E. Meeting the Inclusionary Housing Requirement. 100% of the Inclusionary Housing Requirement must be provided by the applicant. There are three ways to do so:
 - a. Option A: Provide the Inclusionary Housing Requirement on-site, rounded up to the nearest whole number.
 - b. Option B: Provide a portion of the Inclusionary Housing Requirement on-site and pay the remaining portion of the requirement as an in-lieu fee to the Affordable Housing Fund.
 - c. Option C: Pay 100% of the Inclusionary Housing Requirement as an in-lieu fee to the Affordable Housing Fund.

5-7-5. REQUIREMENTS – APPROVED OPTIONS.

To increase flexibility for applicants and to incentivize providing units with more bedrooms and units affordable to lower-income households, the Inclusionary Housing Requirement can be met using the following approved options. An applicant may both decrease the weighted average and increase the number of bedrooms to satisfy the Inclusionary Housing Requirement. Any remaining portion of the Inclusionary Housing Requirement must be paid at the full rate, as calculated in 5-7-4 B, C, or D.

A. Lower-Income Households.

- a. Rental Units: Maximum gross rent tiers will not exceed 80% AMI and must be a multiple of 10% AMI. Applicants must select from one of the following options:
 - i. 60% AMI: 15% of covered units at a weighted average rent at or below 60% AMI
 - ii. 50% AMI: 12% of covered units at a weighted average rent at or below 50% AMI
 - iii. 40% AMI: 10% of covered units at a weighted average rent at or below 40% AMI
- b. For-Sale Units: Sales price will not exceed the maximum price as stipulated by the Policies and Procedures. Applicants must select from one of the following options:
 - i. 100% AMI: 15% of covered units at a sales price affordable to households at or below 100% AMI
 - ii. 80% AMI: 12% of covered units at a sales price affordable to households at or below 80% AMI

B. More Bedrooms.

- a. One-Bedroom = 1.25 Studio

- b. Two-Bedroom = 2 Studios or 1.5 One-Bedrooms
- c. Three Bedroom = 2.75 Studios, 2.25 One-Bedrooms, or 1.75 Two-Bedrooms
- d. Four-Bedroom = 3.75 Studios, 3 One Bedrooms, 2.25 Two-Bedrooms, or 1.5 Three-Bedrooms

5-7-6. REQUIREMENTS – IN-LIEU FEE.

If selecting Option B or Option C to fulfill the Inclusionary Housing Requirement, per Section 5-7-4 E, the covered development’s in-lieu fee must be calculated. In the case of Option B, the unrounded remaining Inclusionary Housing Requirement, or in the case of Option C, the full, unrounded Inclusionary Housing Requirement is converted into a unit mix, as specified in Section 5-7-7 and as stipulated by the Policies and Procedures.

A. Calculation.

- a. In-lieu fees are as follows and are adjusted annually based on the Consumer Price Index, per the Policies and Procedures:

Studio	1 BR	2 BR	3 BR	4 BR
\$405,000	\$481,000	\$711,000	\$1,070,000	\$1,429,000

- b. If a fractional unit is required, the corresponding calculation uses the in-lieu fee for the most prevalent number of bedrooms. If the most prevalent is shared between multiple unit types, the unit type with the most bedrooms is used.
- c. In-lieu fees are calculated by the Department as part of the Inclusionary Housing Plan and building permit application process. In-lieu fees may be estimated by the Department separate from the above but are only estimates and subject to change.

- B. Payment. In-lieu fees are paid by the applicant as part of the permit application process and before being granted a building permit.

5-7-7. REQUIREMENTS – UNIT ATTRIBUTES AND DISTRIBUTION.

A. Unit Size.

- a. Number of Bedrooms. The unit mix of Inclusionary Housing units will be in equal proportion to the overall unit mix of covered units within the covered development, as stipulated by the Policies and Procedures.
- b. Area. Inclusionary Housing units will be equal to or larger than the smallest covered, market-rate units with the equivalent number of bedrooms within the covered development.

- B. Location. Inclusionary Housing units will be dispersed among the covered, market-rate dwelling units.

C. Appearance and Components.

- a. Exterior. The exterior appearance of Inclusionary Housing units will not differ from the covered, market-rate units in the covered development.

-
- b. Interior. Inclusionary Housing units may have different interior appearance and finishes to covered, market-rate units as long as the materials, appliances, and building systems are durable, of good and new quality, and consistent with the current standards for new housing.
 - c. Energy Efficiency. Standard components of Inclusionary Housing units related to energy efficiency, including, but not limited to, mechanical equipment and plumbing, insulation, windows, and heating and cooling systems, will not differ from the covered, market-rate units in the covered development.
- D. Phased Construction. In a multiphase development, Inclusionary Housing units will be frontloaded in the initial phase(s) or each phase will include an equal proportion of Inclusionary Housing units to covered, market-rate units.

5-7-8. REQUIREMENTS – ALTERNATIVE EQUIVALENT PROPOSAL.

- A. Alternative Equivalent Proposal. An applicant may propose to meet the Inclusionary Housing Requirement by an alternative equivalent action. A proposal for an alternative equivalent action may include, but is not limited to:
 - a. The construction of Inclusionary Housing units off-site of the covered development
 - b. The acquisition and conversion of existing market-rate dwelling units to Inclusionary Housing units
 - c. The donation of property to the City of Evanston
- B. A proposal must articulate how the alternative action will increase affordable housing opportunities in the City to an equal or greater extent than the covered development's Inclusionary Housing Requirement.
- C. The proposal is subject to:
 - a. An equivalent action analysis by the Department, as stipulated by the Policies and Procedures, resulting in a determination of either "lesser extent / not recommended" or "equal or greater extent / recommended".
 - b. An administrative fee, as stipulated by the Policies and Procedures.
 - c. City Council approval.

5-7-9. INCENTIVES.

For a compliant covered development that provides on-site Inclusionary Housing units, the City will provide the following incentives:

- A. Fee Waiver: City-required building permit fees for the Inclusionary Housing units and a proportional share of the common areas will be waived, capped at 35% of building permit fees, as stipulated in the Policies and Procedures. No waiver from payment of any other fees will be provided, including but not limited to right-of-way fees, demolition fees, or fees related to the commercial portion(s) of the covered development.
- B. Fee Deferral: The remaining City-required building permit fees will be deferred for payment until the application for the first temporary certificate of occupancy for a covered, market-rate unit. No deferral

from payment of any other fees will be provided, including but not limited to right-of-way fees, demolition fees, and fees related to the commercial portion(s) of the development.

- C. Zoning Incentives: Any zoning bonuses for covered developments that provide Inclusionary Housing units on-site are addressed in Title 6 – Zoning.

5-7-10. COMPLIANCE – SUBMISSIONS.

- A. Inclusionary Housing Application. The applicant will submit an Inclusionary Housing Application, provided by the Department, concurrent with submitting a zoning analysis application. The application is a preliminary proposal of how the applicant will fulfill the requirements of this Chapter.
 - a. The zoning analysis will not be deemed complete until the Department has marked the Inclusionary Housing Application as compliant.
 - b. The Application fee and detailed requirements are stipulated in the Policies and Procedures.
- B. Inclusionary Housing Plan. The applicant will submit an Inclusionary Housing Plan, provided by the Department, concurrent with submitting a building permit application. The Plan is the applicant's final commitment to fulfill the requirements of this Chapter.
 - a. The building permit application will not be deemed complete until the Department has approved the Inclusionary Housing Plan.
 - b. The Plan fee and detailed requirements are stipulated in the Policies and Procedures.
- C. Annual Rental Compliance Report. The Inclusionary Housing provider, or its designee, will submit an annual rental compliance report to the Department or the contracted agency as stipulated in the Policies and Procedures.
- D. Majority Affordable Development. A majority affordable development will comply with the requirements and will benefit from the incentives of this Chapter unless otherwise stipulated in the Policies and Procedures.

5-7-11. COMPLIANCE – AFFORDABILITY CONTROLS.

- A. Rental Units.
 - a. Affordability Period. A rental Inclusionary Housing unit is required to comply with this Chapter for thirty (30) years. The affordability period begins when all Inclusionary Housing units at the covered development have had at least one signed lease.
 - b. Income-Certified Household. The Inclusionary Housing provider will only rent an Inclusionary Housing unit to an income-certified household, as stipulated in the Policies and Procedures.
- B. For-Sale Units
 - a. Affordability Period. A for-sale Inclusionary Housing unit is required to comply with this Chapter in perpetuity or as long as allowable by law. The affordability period begins at the initial sale.
 - b. Availability. A for-sale Inclusionary Housing unit must be made available for sale, as stipulated in the Policies and Procedures, at or before any covered, market-rate units are available for sale.

-
- c. Initial Sale. The initial sale of a for-sale Inclusionary Housing unit must be made in one of the following ways:
 - i. Directly to an income-certified household, as stipulated in the Policies and Procedures. Any sale directly to an income-certified household requires a nominal lien that would trigger a release upon a subsequent sale.
 - ii. In a double transfer - to an approved community land trust and subsequently to an income-certified household, as stipulated in the Policies and Procedures.
 - d. Maximum Sale Price. The maximum sale price for a for-sale Inclusionary Housing unit will be calculated by the Department based on the characteristics of the unit and current housing costs to ensure affordability to income-certified households, as stipulated in the Policies and Procedures.

5-7-12. HOUSEHOLD ELIGIBILITY

- A. Income Certification. The Department or contracted agency will certify households for specific Inclusionary Housing Units, as stipulated in the Policies and Procedures.
- B. Primary Residence. An Inclusionary Housing unit, both rental and for-sale, must be used by the income-certified household as their primary residence.
- C. Local Preference. Priority for an Inclusionary Housing unit will be given to income-certified households who are Evanston residents, attend school or work in Evanston, and/or lived in Evanston in the past three (3) years. Additional details are stipulated in the Policies and Procedures.

5-7-13. ENFORCEMENT.

- A. Noncompliance.
 - a. Any applicant, Inclusionary Housing provider, agent, successor, or assignee who does not comply with the provisions of this Chapter will be fined five hundred dollars (\$500) for each offense.
 - b. Each day the violation or failure to comply is not remedied after notification will constitute a separate offense.
 - c. The City Manager or their designee may waive a portion of the fine if substantive progress is being made to remedy the noncompliance. Additional details are stipulated in the Policies and Procedures.
- B. Fines. Noncompliance fines will be paid into the Affordable Housing Fund.
- C. Legal Action. The City may institute an injunction, mandamus, or any other appropriate legal actions or proceedings for the enforcement of this Chapter.

5-7-14. ADMINISTRATION.

- A. Policies and Procedures.
 - a. To effectively implement, administer, and enforce this ordinance, the Department, with the City Manager or their designee's authorization, will create a document(s), Policies and Procedures, with additional detail, defined protocol, and clear processes.

-
- b. When amended, the Policies and Procedures document(s) will be effective 30 days after the City Manager or their designee's authorization.

B. Effective Date and Applicability

- a. An applicant beginning the zoning analysis process after the effective date of this Chapter is required to comply with the Chapter.
- b. An applicant beginning the zoning analysis process before the effective date of this Chapter is not required to comply with the Chapter, rather the Chapter effective at that time.
- c. An applicant that begins the zoning analysis process before the effective date of this Chapter and does not make substantive progress on their application, as stipulated by the Policies and Procedures, must resubmit and therefore is required to comply with the Chapter.

C. Data Tracking and Annual Report

- a. The Department will track key Inclusionary Housing metrics and, on an annual basis, prepare an annual report to be shared with the Housing and Community Development Committee and placed on file.
- b. The annual report will also include any recommendations, if applicable, for any changes to this Chapter to better achieve the City's housing goals.

CHAPTER 7 - INCLUSIONARY HOUSING

5-7-1. - TITLE.

This Chapter shall be titled and referred to as the *INCLUSIONARY HOUSING ORDINANCE*.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-1)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-2. - PURPOSE AND INTENT.

The purpose of this Chapter is to promote the public health, safety, and welfare of the residents of Evanston by requiring residential developments or developments which contain a residential component to include a certain percentage of dwelling units in a proposed development to be priced affordably for low-income, moderate-income, and middle-income households or to make a payment in accordance with the terms of this Chapter. Based upon the review and consideration of reports and analyses of the housing situation in the City, it is apparent that the diversity of the City's housing stock has declined as a result of increasing property values and housing costs, and a reduction in the availability of affordable housing; and that, with the exception of housing subsidized by the City, the privately developed new residential housing that is being built in the City generally is not affordable to low and moderate income households. The City recognizes the need to provide affordable owner occupied and rental housing to low-income, moderate-income, and middle-income households in order to maintain a diverse population, and to provide owner occupied and rental housing for those who live or work in the City. Without intervention, the trend toward increasing housing prices and rental rates will result in an inadequate supply of owner occupied and rental affordable housing units for City residents and local employees, which will have a negative impact upon the ability of local employers to maintain an adequate local work force, and will otherwise be detrimental to the public health, safety, and welfare of the City and its residents. Since the remaining land appropriate for new residential development within the City is limited, it is essential that a reasonable proportion of such land be developed into owner occupied dwelling units and rental units that are affordable to low-income, moderate-income, and middle-income households, including working families.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-2)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-3. - DEFINITIONS.

For the purposes of administering this Chapter, these definitions shall apply:

<i>AFFORDABILITY PERIOD, OWNER OCCUPIED.</i>	The time during which the affordability restrictions imposed by this Chapter shall apply to owner occupied affordable dwelling units. Owner occupied affordable dwelling units covered by this Chapter shall remain affordable in perpetuity or as long as allowable by law. The affordability period begins at the time of first occupancy of the affected unit.
<i>AFFORDABILITY PERIOD, RENTAL.</i>	The time during which the affordability restrictions imposed by this Chapter shall apply to leased affordable dwelling units. Leased affordable dwelling units covered by this Chapter shall remain affordable for a period of thirty (30) years, after which the requirements of this Chapter cease to be controlling. The affordability period begins at the time of first occupancy of the affected affordable dwelling unit.
<i>AFFORDABLE DWELLING UNIT.</i>	All owner occupied or leased dwelling units in a covered development as defined herein.
<i>AFFORDABLE HOUSING AGREEMENT.</i>	The document signed by the purchaser or lessee of an affordable dwelling unit at the time of sale or lease, along with such other legal documents as may be required, detailing the affordability requirements of the affordable dwelling unit.
<i>AFFORDABLE HOUSING, OWNER OCCUPIED.</i>	Decent, safe, sanitary housing that is: a) affordable to "households that meet AMI parameters" as set forth in this Chapter; and b) to be sold only to "qualified households" as defined herein. The cost of the mortgage payment and relevant expenses (a calculation of property taxes, homeowner's insurance, and, when applicable, condominium or homeowner association fees) of owner occupied dwelling units shall not exceed thirty-one percent (31%) of the household's gross annual household income (the total income of all adults over eighteen (18) years of age in the household).

<i>AFFORDABLE HOUSING, RENTAL.</i>	Decent, safe, sanitary housing that is: a) affordable to households with AMI parameters set forth in this Chapter; and b) to be leased only to "qualified households" as defined herein.
<i>APPLICANT.</i>	Any developer who applies to the Department to receive approval of a covered development pursuant to this Chapter.
<i>AREA MEDIAN INCOME (AMI).</i>	The median income level for the Chicago primary metropolitan statistical area, as established and defined in the annual schedule published by the secretary of the United States Department of Housing and Urban Development and adjusted for household size.
<i>CERTIFICATE OF QUALIFICATION.</i>	A certificate establishing a qualified household's eligibility to purchase or lease an affordable dwelling unit based on income eligibility using the HUD Part 5 verification process and asset limits, per the City's wait list policies and procedures.
<i>COMMUNITY LAND TRUST.</i>	A private, not for profit corporation which the City may create or authorize organized exclusively for charitable, cultural, or other purposes to acquire and own land for the benefit of the City and low to middle income persons, including the creation and preservation of affordable housing.
<i>CONSUMER PRICE INDEX.</i>	Consumer price index for all urban consumers as published annually by the United States Department of Labor, bureau of labor statistics.
<i>CONTRACTED AGENCY.</i>	An organization with which the City contracts and has a written agreement to manage the centralized wait list for affordable dwelling units and to income certify households for those units.

<p><i>COVERED DEVELOPMENT.</i></p>	<p>A development containing five (5) or more dwelling units on contiguous land under common ownership or control by an applicant at one (1) location within the City, when such dwelling units are to be sold to owner-occupants or leased to tenants. The term "covered development" may apply to a development that is designed to provide primarily affordable dwelling units; Developments that provide primarily affordable units are eligible for the development bonuses and fee waivers/deferrals for up to ten percent (10%) of the on-site affordable units, but are not eligible for bonuses on affordable units beyond the ten percent (10%). However, primarily affordable housing developments are eligible for the same parking reductions as covered developments. The term "covered development" includes, without limitation, the following:</p>
	<p>(A) A development that is new residential construction or new mixed use construction with a residential component.</p>
	<p>(B) A development that is the renovation, repurposing or reconstruction of an existing multiple-family residential structure that changes the use from rental to owner occupied units or vice versa, or that changes the number of bedrooms in dwelling units without a change in tenure.</p>
	<p>(C) A development that will change the use of an existing building from nonresidential to residential.</p>
	<p>(D) A development built in phases.</p>
<p><i>DEPARTMENT.</i></p>	<p>The Evanston Community Development Department or any successor agency, unless otherwise indicated.</p>
<p><i>DEVELOPER.</i></p>	<p>Any person, firm, corporation, partnership, limited liability company, association, joint venture, or any entity or combination of entities that develops dwelling units, but does not include any governmental entity.</p>

<i>DIRECTOR.</i>	The Director of the City of Evanston Community Development Department or his/her designee.
<i>HOUSING PROVIDER.</i>	A nonprofit entity designated by the City to own affordable dwelling units.
<i>INCLUSIONARY HOUSING PLAN.</i>	The plan submitted as part of a development application which details the development's compliance with the affordable housing requirements of this Chapter.
<i>LOW INCOME HOUSEHOLD.</i>	A household with a total income equal to or below fifty percent (50%) of the AMI.
<i>MARKET RATE DWELLING UNITS.</i>	All owner occupied or rental dwelling units in a covered development that are not affordable dwelling units as defined herein.
<i>MIDDLE INCOME HOUSEHOLD.</i>	A household with a total income above eighty percent (80%) of the AMI but not exceeding one hundred twenty percent (120%) of the AMI.
<i>MODERATE INCOME HOUSEHOLD.</i>	A household with a total income above fifty percent (50%) of the AMI but not exceeding eighty percent (80%) of the AMI.
<i>PRIMARILY AFFORDABLE HOUSING DEVELOPMENT.</i>	A residential multi-family building that may have the physical characteristics of a covered development, but will have affordability restrictions that exceed the requirements of this ordinance. This may include a development in which all of the units are restricted to households earning at or below the median income.

<p><i>PROPERTY, RECEIVING PUBLIC FUNDING.</i></p>	<p>Any residential development or development containing a residential component, existing or new, that receives or has received any public funds. Public funding is any grant, loan, or subsidy from any Federal, State or local agency or instrumentality, including, but not limited to, the disposition of real property for less than market value, purchase money financing, construction financing, permanent financing, the utilization of bond proceeds and allocations of low income housing tax credits. Public funding shall not include the receipt of rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or an exemption or abatement of real property taxes or other such other programs of full or partial exemption from or abatement of real property taxation.</p>
<p><i>PROPERTY, PRIVATELY FUNDED.</i></p>	<p>Any residential development or development containing a residential component, current or new, that does not and has not received any public funds.</p>
<p><i>QUALIFIED HOUSEHOLD.</i></p>	<p>A household whose income has been verified as meeting the AMI parameters for a household as detailed in this Chapter and has received a certificate of qualification from the City's contracted agency per Section <u>5-7-6</u> of this Chapter.</p>
<p><i>TRANSIT ORIENTED DEVELOPMENT or TOD.</i></p>	<p>A development pattern created around a transit station that is characterized by higher density, mixed uses, pedestrian environment, reduced parking, and a direct and convenient access to the transit station.</p>
<p><i>TOD AREA.</i></p>	<p>The area that has the designation for an identified transit station and the area around it. The area provides for development that is compatible with and supportive of public transit and a pedestrian-oriented environment.</p>

<i>TRANSIT STATION.</i>	The area including the platform which supports transit usage and that is owned and/or operated by the transit agency.
-------------------------	---

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-3)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-4. - REQUIREMENTS.

- (A) *General Requirement:* For privately funded developments, ten percent (10%) of the total number of dwelling units in a covered development shall be affordable dwelling units. For properties receiving public funds, twenty percent (20%) of the total number of dwelling units in a covered development shall be affordable dwelling units.
- (B) *Calculation:* To calculate the number of affordable dwelling units required in a covered development, the total number of proposed dwelling units shall be multiplied by ten or if applicable, twenty percent (10%/20%). When a requirement of this Chapter results in a fraction, the following rules apply:
 1. Fractions of one-half ($\frac{1}{2}$) and more are counted as a whole.
 2. Fractions less than one-half ($\frac{1}{2}$) are disregarded in the onsite unit calculation but apply to the fee-in-lieu calculation.
 3. The above two (2) rules are also applied in the computation of fees-in-lieu with any fraction of a unit less than one-half ($\frac{1}{2}$) calculated at half the per unit fee in lieu.
- (C) *TOD Areas:* A TOD area may or may not be divided into zones of varying development intensity, as described in this Section. Central Street, downtown, Chicago Avenue, etc. The initial boundaries and zones of each TOD area are described in Appendix A.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-4)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-5. - COMPLIANCE PROCEDURES.

- (A) *Application.* The applicant for approval of a covered development shall file an application for approval of the affordable dwelling unit component of the development on a form provided by the Community Development Department and submit it with the application for approval of the development. The application for development shall not be considered complete without the information required by this Chapter for the affordable dwelling unit component. The application shall require, and the applicant shall provide, among other things, general information about the

nature and scope of the covered development, as well as other documents and information as this Chapter and the Department may require. The application shall include the inclusionary housing plan referred to under Subsection (B) of this Section.

(B) *Inclusionary Housing Plan.* The applicant shall submit an inclusionary housing plan on or before time of submission of a building permit that outlines and specifies the covered development's compliance with each of the applicable requirements of this Chapter. The inclusionary housing plan shall specifically contain, as a minimum, the following information regarding the covered development:

1. A general description of the covered development.
2. The total number of market rate dwelling units and affordable dwelling units in the covered development.
3. The number of bedrooms in each market rate dwelling unit and each affordable dwelling unit.
4. The square footage of each market rate dwelling unit and each affordable dwelling unit.
5. The general location of each affordable dwelling unit within the covered development.
6. The pricing schedule for each affordable dwelling unit and each market rate dwelling unit.
7. The phasing and construction schedule for each market rate dwelling unit and each affordable dwelling unit.
8. Documentation and plans regarding the exterior and interior appearances, materials, and finishes of the covered development and each of its dwelling units.
9. A description of the marketing plan that the applicant proposes to utilize and implement to promote the sale of the affordable dwelling units within the covered development.
10. Any proposal to make a cash payment, per Section 5-7-8 of this Chapter, or alternative equivalent action, per Section 5-7-9 of this Chapter, in lieu of providing affordable dwelling units.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-5)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-6. - ELIGIBILITY AND PREFERENCE OF HOUSEHOLDS FOR AFFORDABLE DWELLING UNITS.

(A) *Certificate of Qualification.* The contracted agency shall issue a certificate of qualification to any household whose income has been verified as meeting the AMI threshold requirements for a "relevant household" as set forth in this Chapter.

(B) *Eligibility.*

1. The affordable dwelling units within a covered development which are for-sale shall be sold only to owner-occupant qualified households whose primary residence shall be said affordable dwelling unit.

- a. All affordable units must be sold to households whose incomes do not exceed one hundred percent (100%) AMI adjusted for household size.
2. The affordable dwelling units within a covered development for rent shall be leased only to tenants with qualified households whose primary residence shall be said affordable dwelling unit.

For covered developments all affordable units must be leased to households whose incomes do not exceed sixty percent (60%) AMI adjusted for household size.

- (C) *Preference.* Priority for affordable dwelling units will be given first to qualified households who currently live in Evanston, or who have lived in Evanston with a member of a household currently living in Evanston, or to households in which the head of the household or the spouse or domestic partner works in Evanston.
- (D) *Waiting List.* A waiting list will be created, developed, and managed by a third party contractor, in advance of the construction of the units to prioritize households pursuant to Section 5-7-6(C). Households may complete a preliminary income screening based on self-reported income to be placed on a waiting list for rental and ownership units. The waiting list will be prioritized with current Evanston residents or with individuals who have lived in Evanston with a member of a household currently living in Evanston, or to households in which the head of the household or the spouse or domestic partner works in Evanston. The contracted agency shall refer certified households drawn from the waiting list to developers of covered developments for rental or ownership units throughout the affordability period of the development according to the "Inclusionary Housing Policies and Procedures for Rental and Ownership Affordable Dwelling Units."

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-6)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-7. - DISTRIBUTION AND ATTRIBUTES OF ON-SITE AFFORDABLE DWELLING UNITS.

- (A) *Location of Affordable Dwelling Units.* Affordable dwelling units shall be dispersed among the market rate dwelling units throughout the covered development.
- (B) *Phasing of Construction.* In a multiphase d development, all phases shall include a proportion of affordable dwelling units throughout the covered development. The affordable dwelling units shall never be the last units to be built in any covered development.
- (C) *Exterior Appearance.* The exterior appearance of the affordable dwelling units in any covered development shall be visually compatible with the market rate dwelling units in the covered development. External building materials and finishes shall be substantially the same in type and quality for affordable dwelling units as for market rate dwelling units.
- (D)

Interior Appearance and Finishes. Affordable dwelling units may have different interior appearance and finishes than market rate units, but the interior finish materials shall be contractor grade or higher.

- (E) *Mix of Bedroom Types of Affordable Units.* The bedroom mix of affordable dwelling units shall be in equal proportion to the bedroom mix of the market rate dwelling units within the covered development. If the bedroom mix creates more options than the number of affordable dwelling units to be built, the affordable dwelling units shall be built with the greater number of bedrooms; e.g., if the bedroom mix provides for four (4) options: efficiency, one (1) bedroom, two (2) bedroom, or three (3) bedroom; but only three (3) affordable dwelling units are to be built, then a one bedroom, a two (2) bedroom, and a three (3) bedroom unit shall be built.
- (F) *Reserved.*
- (G) *Unit Characteristics.* Affordable dwelling units shall be indiscernible from market rate dwelling units from the exterior and common areas and shall be equal to or larger in size than the minimum requirements in the building code in effect at the time of project approval.
- (H) *Energy Efficiency.* Standard components related to energy efficiency, including, but not limited to, mechanical equipment and plumbing, insulation, windows, and heating and cooling systems, shall be the same in market rate dwelling units and affordable dwelling units.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-7)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-8. - CASH PAYMENT IN LIEU OF PROVIDING AFFORDABLE DWELLING UNITS.

In a covered development that is as of right, an applicant may pay a fee in lieu of building each affordable dwelling unit required by Section 5-7-4 of this Chapter for the covered development. Developments that receive variances or allowances above the base zoning must have a minimum of five percent (5%) affordable units onsite and may pay a fee in lieu of the remaining five percent (5%) of affordable units at the per unit rate below. Condominium developments only may choose to pay a fee in lieu of building each affordable dwelling unit required by Section 5-7-4 of this Chapter at the per-unit rate shown below:

- (A) The fee in lieu amount per affordable dwelling unit shall be either one hundred seventy-five thousand dollars (\$175,000.00) for units in all Downtown and Research Park zoning districts or one hundred fifty thousand (\$150,000.00) per affordable dwelling unit in all other zoning districts. For condominium developments only that elect to pay the fee in lieu of all onsite units, the fee in lieu per affordable dwelling unit shall be one and one-half (1.5) times the fee in lieu shown above for either Downtown or non-Downtown zoning districts. The fee in lieu will be adjusted annually based on the Consumer Price Index.
- (B) All cash payments received pursuant to this Chapter shall be deposited directly into the affordable housing fund.
- (C)

Unless otherwise preempted by law, any fee in lieu shall be paid at the same time as building permits.

- (D) The in-lieu fee will be calculated at the time the applicant submits an application for a building permit to the Community Development Department. The fee, as calculated, will be valid for two (2) years following the date it is calculated by the Community Development Department and cannot be reduced within the two-year period for reduction in number of units.

(Ord. No. 40-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-8)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-9. - ALTERNATIVE EQUIVALENT PROPOSAL.

An applicant may propose to meet the requirements of Section 5-7-4 of this Chapter by an alternative equivalent action, subject to the review and approval by the City Council. A proposal for an alternative equivalent action may include, but is not limited to, the construction of affordable dwelling units on another site in the same neighborhood or a comparably zoned neighborhood, or acquisition and enforcement of affordability restrictions on existing market rate dwelling units so as to render them affordable dwelling units, or fewer on-site affordable units at prices affordable to households at lower income levels, such as thirty percent (30%) AMI, or more affordable units at higher income levels such as eighty percent (80%) AMI. The income levels for affordable units must be a level for which the Illinois Housing Development Authority publishes annual rent and income limits. To qualify as affordable units, rental units shall not exceed eighty percent (80%) AMI and ownership units shall not exceed one hundred percent (100%) AMI, both adjusted for household size. Any proposal shall show how the alternative proposed will increase affordable housing opportunities in the City to an equal or greater extent than compliance with the express requirements of this Chapter. Such proposals for alternatives shall be considered on a case by case basis by the City Council and may be approved at the City Council's sole discretion, if the City Council determines that such alternative will increase affordable housing opportunities in the City to an equal or greater extent than compliance with the express requirements of this Chapter.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-9)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-10. - RESERVED.

Editor's note— Ord. No. 107-O-18, § 1, adopted October 29, 2018, repealed the former Section 5-7-10 in its entirety, which pertained to the reduction or waiver of requirements, and derived from Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-10)), adopted January 23, 2012, and Ord. No. 60-O-15, § 2, adopted November 23, 2015.

5-7-11. - AFFORDABILITY CONTROLS.

- (A) *Initial Sale Prices For Affordable Owner Occupied Dwelling Units.*

1. Every affordable owner occupied dwelling unit required to be established under this Chapter shall be offered for sale or to a good faith purchaser to be used for his or her own primary residence.
2. The affordability period with affordable owner occupied dwelling units shall be for ninety-nine (99) years, renewable at each subsequent sale.
3. In calculating the sales prices of affordable dwelling units, the following relationship between unit size and household size shall be used to determine the income figure at which affordable housing payments are calculated:

<u>Unit Size</u>	<u>Income Level For Household Size</u>
Efficiency	1 Person
1 Bedroom	2 Persons
2 Bedrooms	3 Persons
3 Bedrooms	4 Persons
4 Bedrooms	5 Persons

4. Prices for the sale units shall be calculated on the basis of:
 - a. Housing payments at or below thirty-one percent (31%) of the household income for a household at the designated income eligibility level (eighty percent (80%), one hundred percent (100%) or one hundred twenty percent (120%) of AMI) at the household size corresponding to the size of the unit;
 - b. An available fixed rate thirty (30) year mortgage, consistent with the average rate published from time to time by Freddie Mac;
 - c. A down payment of no more than five percent (5%) of the purchase price;
 - d. A calculation of property taxes;

- e. A calculation of homeowner's insurance;
- f. A calculation of condominium or homeowner association fees; and
- g. A calculation of private mortgage insurance, if applicable.

(B) *Rental Rates for Affordable Dwelling Units.*

1. One hundred percent (100%) of the affordable dwelling units within covered developments shall have affordable rental rates at sixty percent (60%) AMI according to their Affordable Housing Agreement, that shall not exceed the annual gross rental rate schedule published by the Illinois Housing Development Authority, less any tenant-paid utilities based on the City's wait list policies and procedures.
2. If the most recent edition of the Illinois Housing Development Authority report indicates a lower AMI than the previous edition, the maximum allowable rent shall be adjusted accordingly.
3. The affordability period of an affected leased unit begins at the time of the first occupancy of an affordable unit in the covered development and continues for thirty (30) years, after which the affordability requirements of this Chapter cease to control the unit.
4. A written twelve (12) month lease is required for all leased affordable dwelling units. Renewal leases may be less than twelve (12) months based on mutual agreement between the landlord and tenant. Final lease agreements are the responsibility of the landlord and the prospective tenant. Tenants are responsible for application fees, security deposits and the full amount of the rent as stated on the lease. All lease provisions shall comply with applicable laws and regulations. The landlord shall maintain copies of all leases entered into with a certified household (including an income certification) and distribute a copy to the City upon request.

(C) *Procedure For Initial Sale or Lease to the General Public.*

1. Sixty (60) days prior to offering any affordable dwelling unit for sale or rent, the applicant shall notify the Department in writing of such offering. The notice shall set forth the number, size, price, and location of affordable dwelling units offered, and shall provide a description of each dwelling unit's finishes and availability. The notice shall also include a copy of the inclusionary housing plan, and any such additional information the Director may reasonably require in order to establish compliance with this Chapter.
2. The prospective purchaser or lessee from the centralized wait list shall make application for a "certificate of qualification" on a form provided by the contracted agency. If the contracted agency determines an applicant is qualified pursuant to the requirements of this Chapter to purchase or lease an affordable dwelling unit, he/she shall issue a "certificate of qualification" to that applicant. An applicant must provide documents to verify that their household satisfies these requirements, including an affidavit that the affordable dwelling unit will be his or her

primary residence and evidence of income, household size, and residency or employment in Evanston. The contracted agency shall determine whether or not the prospective purchaser or lessee satisfies the requirements of this Chapter within ten (10) business days after receiving the completed application. The developer shall, upon request by the Director, furnish documentation to the City to demonstrate compliance with this Section (C).

3. The developer shall not sell or lease any affordable dwelling units without a valid certificate of qualification from the contracted agency for the prospective purchaser/lessee.

(D) *Agreement to Ensure Compliance During the Affordability Period.* Prior to issuance of a building permit for any covered development or conveyance of title of any dwelling unit in any covered development, the applicant shall have entered into an agreement with the City regarding the specific requirements and restrictions imposed by the City Council upon the approved development. The applicant shall agree to execute any and all documents deemed necessary by the City, including, without limitation, deed restrictions, restrictive covenants, and other related instruments, to ensure the continued affordability of the affordable dwelling units in accordance with this Chapter. The agreement shall set forth the commitments and obligations of the City and the applicant, and shall incorporate, among other documents, the inclusionary housing plan. If applicable, the agreement shall also detail the fee in lieu or alternative equivalent action of providing on-site affordable dwelling units as set forth in Sections 5-7-8 and 5-7-9 of this Chapter respectively.

(E) *Rental Compliance.* The developer, or its designee, shall submit an annual compliance report describing each affordable unit in detail including but not limited to changes in tenancy, turnovers, and income certifications for all new tenants upon request of the Director. The contracted agency shall complete annual re-certifications of tenants renting affordable units according to the "Inclusionary Housing Policies and Procedures for Rental and Ownership Affordable Dwelling Units."

(F) *Control of Resale Prices.* The maximum sales price, with the exception of foreclosure sales, permitted on resale of an affordable dwelling unit shall be based on the following formula:

1. The original purchase price plus:
 - a. An inflation adjustment of the original purchase price calculated in accordance with the CPI, using the year of the prior sale as the base year, and capped in order to maintain affordability to a buyer at the same income level;
 - b. Allowances for closing costs and sales commissions paid by the seller; and
 - c. The fair market value of approved improvements made to the unit between the date of original sale and the date of resale, up to an average of five thousand dollars (\$5,000.00) per year, capped in order to maintain affordability to a buyer at the same income level. "Approved improvements" are capital improvements which add value to the home,

prolong its useful life or adapt it to new uses. Repairs to maintain the home in good condition are not allowable capital improvements. A list of general allowable capital improvements shall be included in the affordability documents signed by the purchaser.

(G) *First Sale After Affordability Period Ends.*

1. This Subsection (G) shall apply in the event an affordability period in perpetuity is unlawful or becomes unlawful. Upon the first sale of an affordable dwelling unit after the affordability period ends, the seller shall pay to the City out of the sale proceeds a percentage of the difference between the actual sales price and the current affordable resale price shown in the table below. Such sums shall be deposited into the affordable housing fund. The percentage is based upon the number of years the seller owned and occupied the unit, as follows:

<u>Years of Ownership</u>	<u>Share to Affordable Housing Fund</u>
10+ Years	50 Percent
6 to 10 Years	60 Percent
1 to 5 Years	70 Percent

2. The Director shall determine whether the price and terms of a resale covered by the preceding paragraph meet the requirements of this Chapter. Upon a finding of compliance, the Director shall terminate the affordable housing controls and execute a recordable release of all applicable mortgages and restrictions.

(Ord. No. 32-0-07; Ord. No. 40-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-11)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-12. - COMMUNITY LAND TRUST.

The City may create or authorize a community land trust to effectuate the purposes of this Chapter. Any established or designated land trusts must be staffed by paid employees and be sufficiently operational, subject to the discretion of the City.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-12)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-13. - INCENTIVES FOR APPLICANTS.

For any covered development project that complies with the requirements of this Chapter, the City shall follow the procedures described below and provide the described incentives:

- (A) *Expedited Application Process*: All applications shall be processed by all City departments before other residential land use applications regardless of the original submittal date.
- (B) *Fee Deferral*: All City required fees related to the covered development for plan review and building permits for the non-affordable dwelling units and a proportional share of the common areas associated with those units, which are not subject to a fee waiver per Subsection 5-7-13(C), shall be deferred for payment until the issuance of the first temporary certificate of occupancy for a non-affordable dwelling unit. The project applicant shall not receive a fee deferral from payment for any other City fees associated with the covered development, including but not limited to right-of-way fees, demolition fees, and fees related to the commercial portion(s) of the development.
- (C) *Fee Waiver*: All projects with a covered development which must comply with the requirements of this Inclusionary Housing Ordinance shall be exempt from plan review and building permit fees for the affordable units and a proportional share of the common areas associated with those units. Whenever a project includes a combination of affordable and market rate housing units, fees shall be pro-rated appropriately as determined by the Director and no fees associated with the commercial portion shall be deferred, if applicable. The project applicant shall not receive a waiver from payment of any other fees associated with the covered development, including but not limited to right-of-way fees, demolition fees, or fees related to the commercial portion(s) of the covered development.
- (D) *Bonuses*: Density, height, and FAR (floor area ratio) requirements provided in Title 6 are hereby amended for covered developments that provide on-site affordable units, the development is entitled to the following 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	+2.0	+1.0	—

Parking	No parking for Inclusionary Dwelling Unit	No parking for Inclusionary Dwelling Unit	No parking for Inclusionary Dwelling Unit
Height	—	—	+12' (not eligible for Planned Developments)
Building Lot Coverage and Impervious Surface 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	+2.0	+1.0	—
Parking	No parking for Inclusionary Dwelling Units	No parking for Inclusionary Dwelling Units	No parking for Inclusionary Dwelling Units
Height	—	—	+12' (not eligible for Planned Developments)

Building Lot Coverage & Impervious Surface Coverage	—	—	+15%
Site Development Allowances for Planned Developments	Majority vote of City Council required to exceed maximum Site Development Allowances for Planned Developments (instead of Supermajority vote)		

(D) *Parking:* Parking requirements provided in Title 6 are hereby amended for covered developments and primarily affordable non-covered developments in non-TOD areas that provide on-site affordable units, the parking requirements for the entire development provided in Title 6, Zoning Code, shall be reduced to:

Parking Requirements	In TOD Areas	Outside TOD Area
0-1 Bedroom	0.55 parking spaces	0.75 parking spaces
2 Bedrooms	1.1 parking spaces	1.25 parking spaces
3+ Bedrooms	1.65 parking spaces	1.5 parking spaces

(Ord. No. 32-0-07; Ord. No. 8-0-12, (48-0-11(exh. B, § 5-7-13)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-14. - ENFORCEMENT.

- (A) The provisions of this Chapter shall apply to all agents, successors and assignees of an applicant.
- (B) The City may institute injunction, mandamus, or any other appropriate legal actions or proceedings for the enforcement of this Chapter. In addition, any person, firm, or entity, whether as principal, agent, employee or otherwise, who violates, disobeys, omits, neglects, or refuses to comply with or resists the enforcement of any of the provisions of this Chapter shall be fined not

less than two hundred dollars (\$200.00) nor more than five hundred dollars (\$500.00) for each offense. Each day such violation or failure to comply is permitted to exist after notification thereof shall constitute a separate offense.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-14)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-15. - ADMINISTRATION.

In order to ensure compliance with the provisions of this Chapter, the City may utilize a maximum of fifteen percent (15%) each year of funds from the affordable housing fund for administration.

(Ord. No. 40-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-15)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

5-7-16. - SEVERABILITY.

The provisions and sections of this Chapter shall be deemed separable, and the invalidity of any portion of this Chapter shall not affect the validity of the remainder.

(Ord. No. 32-0-07; Ord. No. 8-O-12, (48-O-11(exh. B, § 5-7-16)), 1-23-2012; Ord. No. 60-O-15, § 2, 11-23-2015; Ord. No. 107-O-18, § 1, 10-29-2018)

**Policies and Procedures - OUTLINE
Inclusionary Housing Ordinance Update**

- I. Purpose
- II. Definitions
 - A. Income certified household
 - B. Majority affordable development
- III. Requirements
 - A. General
 - B. Approved options
 - C. In-lieu fee
 - D. Unit attributes and distribution
 - 1. Inclusionary Housing unit mix calculation
 - E. Alternative equivalent proposal
 - 1. Equivalent action analysis and administrative fee
- IV. Incentives
 - A. Fee waiver
- V. Compliance
 - A. Submissions
 - 1. Application requirements and administrative fee
 - 2. Plan requirements and administrative fee
 - 3. Annual rental compliance report
 - B. Affordability controls
 - 1. Initial sale requirements
 - 2. Maximum sale price
- VI. Household eligibility
 - A. Local preference
 - B. Pre-application and waiting list
 - C. Income certification and eligibility
 - D. Income recertification
- VII. Enforcement
 - A. Partial waiver
- VIII. Administration
 - A. Effective date and applicability

**Inclusionary Housing Program Comparisons
National Matrix**

Local Government	Min Units	Req	On-Site Req	Rental				For-Sale			
				Aff. Period	AMI	In-Lieu Fee	1BR Fee ¹	Aff. Period	AMI	In-Lieu Fee	1BR Fee
Boston MA	7	17-20%	No	30-50	50-60%	\$365-675 / IH SF	\$506,250	30-50	80-100%	\$300-850 / IH SF	\$637,500
Boulder CO	1	25%	No	∞	50-80%	\$47 / All SF	\$188,000	∞	100-120%	\$47 / All SF	\$188,000
Berkeley CA	1	20%	No	∞	50-80%	\$39-56 / All SF	\$281,250	∞	80%	\$39-56 / All SF	\$281,250
Minneapolis MN	20	10-20%	No	20-30	60%	\$15-22 / All SF	\$110,000	30	80%	\$15-22 / All SF	\$220,000
Newark NJ	15	20%	No	30	40-80%	\$180,000 / IH Unit	\$180,000	30	40-80%	\$180,000 / IH Unit	\$180,000
San Francisco CA	10	15%	No	∞	65-130%	\$250 / 20-30% All SF	\$499,320	∞	100-150%	\$250 / 20-33% All SF	\$549,252
Chicago IL	10	10-20%	Yes	30	30-60%	\$62,138-217,482 / IH Unit	\$217,482	30	80 - 120%	\$62,138-217,482 / IH Unit	\$217,482
San Jose CA	10	15-20%	No	99	50-100%	\$22-50 / All SF	\$333,266	99	120%	\$29 / All SF	\$193,800

¹ 750 SF apartment in a 100-unit building in a downtown or downtown-like zoning district

				Rental				For-Sale			
Local Government	Min Units	Req	On-Site Req	Aff. Period	AMI	In-Lieu Fee	1BR Fee	Aff. Period	AMI	In-Lieu Fee	1BR Fee
Portland ME	10	25%	No	10-30	80%	\$177,559 / IH Unit	\$177,559	10-30	80%	\$177,559 / IH Unit	\$177,559
Seattle WA	1	2-11%	No	75	40-60%	\$8-46 / All SF	\$416,909	75	80%	\$8-46 / All SF	\$416,909
Montgomery County MD	11	13-15%	Yes	99	65-70%	None	-	30	70%	None	-
Portland OR	20	10-20%	No	99	60-80%	\$23-27 / All SF	\$270,000	99	60-80%	\$23-27 / All SF	\$270,000
New York NY	11	20-30%	No	∞	40-115%	\$190-1,215 / All SF	-	∞	40-135%	\$190-1,215 / All SF	-
Summary	1-20	2-30%	No / Yes	10 - ∞	30-130%	Various	\$110,000 - \$506,250	10 - ∞	40-150%	Various	\$180,000 - \$637,500
Evanston, Current	5	10%	Yes	30	60%	\$179,310-209,195 / IH Unit	\$209,195	∞	100%	\$179,310-313,792 / IH Unit	\$313,792
Evanston, Proposed	7	15%	No	30	60%	\$405,000-1,429,000 / IH Unit	\$481,000	∞	100%	\$405,000-1,429,000 / IH Unit	\$481,000

**Inclusionary Housing Program Comparisons
Chicagoland Matrix**

				Rental				For-Sale			
Local Government	Min Units	Req	On-Site Req	Aff. Period	AMI	In-Lieu Fee	1BR Fee ¹	Aff. Period	AMI	In-Lieu Fee	1BR Fee
Skokie	11	5-10%	No	25	60-80%	\$100,000-150,000 / IH Unit	\$100,000	-	60-80%	\$100,000-150,000 / IH Unit	\$100,000
Northbrook	6	15%	No	∞	50-100%	\$125,000 / IH Unit	\$125,000	∞	80-120%	\$125,000 / IH Unit	\$125,000
Chicago	10	10-20%	Yes	30	30-60%	\$62,138-217,482 / IH Unit	\$217,482	30	80-120%	\$62,138-217,482 / IH Unit	\$217,482
Arlington Heights	10	5-10%	No	∞	60%	\$29,300-87,900 / IH Unit	\$87,900	∞	80%	\$87,900 / IH Unit	\$87,900
Highland Park	5	20%	No	∞	50-120%	\$185,400 / IH Unit (SF only)	-	∞	65-100%	\$185,400 / IH Unit (SF only)	-
Oak Park	25	10%	No	30	60%	\$100,000 / IH Unit	\$100,000	∞	120%	\$100,000 / IH Unit	\$100,000

¹ 750 SF apartment in a 100-unit building in a downtown or downtown-like zoning district

				Rental				For-Sale			
Local Government	Min Units	Req	On-Site Req	Aff. Period	AMI	In-Lieu Fee	1BR Fee	Aff. Period	AMI	In-Lieu Fee	1BR Fee
St. Charles	1	5-10%	No	∞	60%	\$20,982-52,454 / IH Unit	\$52,454	15	80%	\$20,982-52,454 / IH Unit	\$52,454
Lake Forest	5	15%	No	∞	60-80%	Not Available	-	∞	80-120%	Not Available	-
Summary	1-25	5-20%	No / Yes	25 - ∞	30-120%	Various	\$52,454 - \$217,482	15 - ∞	65-120%	Various	\$52,454 - \$217,482
Evanston, Current	5	10%	Yes	30	60%	\$179,310-209,195 / IH Unit	\$209,195	∞	100%	\$179,310-313,792 / IH Unit	\$313,792
Evanston, Proposed	7	15%	No	30	60%	\$405,000-1,429,000 / IH Unit	\$481,000	∞	100%	\$405,000-1,429,000 / IH Unit	\$481,000