

Memorandum

To: Housing and Homelessness Commissioners

From: Savannah Clement, Housing Policy and Planning Analyst

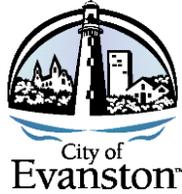
Subject: January 10, 2019 HHC Meeting Cover Memo

Date: January 8, 2018

Attached please find:

- The meeting agenda
- Item 1: Draft minutes of the November 1, 2018 & December 6, 2018 meetings for approval
- Item 2: Housing and Homelessness Commission Bylaws
- Item 4: Demolition fee and Affordable Housing Fund documents

We look forward to seeing you on January 10th.



HOUSING AND HOMELESSNESS COMMISSION

Thursday, January 10, 2019

7:00 PM

Lorraine H. Morton Civic Center, 2100 Ridge, Room 2403

- 1. CALL TO ORDER / DECLARATION OF QUORUM**
- 2. APPROVAL OF MEETING MINUTES** November 1, 2018 & December 6, 2018
- 3. PUBLIC COMMENT**
- 4. HOUSING & HOMELESSNESS COMMISSION BYLAWS**
- 6. DEMOLITION TAX DISCUSSION CONTINUED**
- 7. STAFF REPORTS**
- 8. CHAIR'S REPORT**
- 9. NEW/OTHER BUSINESS**
- 10. ADJOURNMENT**

Next Meeting: February 7, 2019 at 7:00 p.m. in room 2402

Order & Agenda Items are subject to change. Information about the Housing and Homelessness Commission is available at: www.cityofevanston.org/government/agendas-minutes. Questions may be directed to Savannah Clement at 847.448.8679.

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DRAFT

MEETING MINUTES

HOUSING AND HOMELESSNESS COMMISSION

Thursday, November 1, 2018, 7:00 P.M.
Lorraine H. Morton Civic Center, Room 2402

Present: Chair Ellen Cushing, Alderman Eleanor Revelle, Monika Bobo, Larry Donoghue, Moika Long, Renee Phillips

Absent: Vice-Chair Geri Palmer, Noelle Gilbreath, Mark Kruse

Staff: Savannah Clement, Housing Policy and Planning Analyst

Call to order

Chair Ellen Cushing called the meeting to order at 7:03 PM with a quorum present.

Approve minutes of October 4, 2018 meeting

Larry Donoghue moved for approval, and Alderman Revelle seconded, and the motion was approved 5-0. Chair Ellen Cushing suggested adding language about Affordable Housing Definition being outdated. Staff will include in the approved minutes.

Public comment

Doreen Price provided public comment on the amended Inclusionary Housing Ordinance.

Demolition Tax Increase Discussion Continued

Commissioners asked questions about the feasibility of demolition fees on commercial buildings. Alderman Revelle noted that both Palo Alto and Boston have fees based on square footage. Commissioners asked questions about whether Palo Alto's and Boston's fees were around tearing down residential to build commercial, or tearing down commercial to build commercial? Chair Ellen Cushing said that she received information stating that one reason commercial buildings don't currently pay demo fees is because they already have a higher tax rate to start with. Staff will check with the Law Department and Economic Development on the feasibility of implementing demolition fees on commercial teardowns.

Commissioners also discussed the possibility of applying the demolition fee to rehabs and additions. There was a question about when to collect the fee if basing it off of the difference in value between old structure and new. Staff will look into the City's building permit fee process and see if it makes sense to collect the demolition fee when residents are applying for a certificate of occupancy.

Commissioners asked what the primary purpose is for the demolition fee: discouraging teardowns of more moderately priced homes, or generating revenue for affordable housing. Commissioners agreed that both reasons should be the purpose.

Staff will research what went in place of five houses that were demolished in 2018.

Staff said the Commission could raise the demolition fee as a baseline. Then have a graduated fee based on the difference in value percentage between the structure demolished and the new structure built in its place. For example, if the new building is valued at 150% more than the structure torn down, then it'd have to pay a higher demo fee. The fee would go up the more the percentage increases.

Commissioners agreed to work on updating the Affordable Housing Fund description and create a better definition of demolition. Staff will create a Google doc for Affordable Housing Fund description revisions.

Staff Reports

Staff provided updates on the Inclusionary Housing Ordinance, Affordable Housing Plan Steering Committee, and other housing activities. Staff will send Commissioners the overall housing work updates memo and chart that was included in the October 29th City Council packet.

Chair's Report

No report.

New/Other Business

No new business.

Adjournment

Moika Long motioned to adjourn, Monika Bobo seconded, and the motion was unanimously approved. The meeting was adjourned at 8:17 p.m.

The next scheduled meeting of the commission is Thursday, November 1, at 7:00 p.m. in room 2402.

Respectfully submitted,
Savannah Clement, Housing Policy and Planning Analyst



DRAFT

MEETING MINUTES

HOUSING AND HOMELESSNESS COMMISSION

Thursday, December 6, 2018, 7:00 P.M.
Lorraine H. Morton Civic Center, Room 2402

Present: Chair Ellen Cushing, Larry Donoghue, Renee Phillips

Absent: Vice-Chair Geri Palmer, Alderman Eleanor Revelle, Monika Bobo, Noelle Gilbreath, Moika Long

Staff: Savannah Clement, Housing Policy and Planning Analyst

Call to order

Chair Ellen Cushing called the meeting to order at 7:05 PM with no quorum present.

Approve minutes of November 1, 2018 meeting

No action taken due to lack of quorum.

Public comment

No public comment.

Age-Friendly Evanston Housing Committee Application

Susan Cherco and Margaret Gergen, from the Age Friendly Evanston Task Force's Housing Committee, provided an overview of the feasibility study for a senior mixed income housing development. The Age Friendly Evanston Task Force completed several expert interviews to inform its action plan, including with an attorney. The attorney provided referrals for five groups that could do the senior affordable housing feasibility study. The Task Force's Housing Committee reviewed the firms that were referred to them, and decided to go with the firm located in the area (Glenview), Sawgrass Partners. Sawgrass Partners has substantial experience with feasibility studies. It worked on the feasibility study for Three Crowns Park, and other senior housing projects in the area. Additionally, Sawgrass offered a discounted rate to the Task Force.

Renee Phillips asked if the Task Force spoke with any clergy while conducting their expert interviews. Yes, the Housing Committee spoke with members of senior groups from different congregations. Susan Cherco and Margaret Gergen also explained that people who identify as LGBTQ will be able to live in the mixed income building.

Chair Ellen Cushing asked if Sawgrass Partners only does feasibility studies for senior housing. Ms. Cherco and Ms. Gergen said yes, that is Sawgrass' specialty.

Commissioners were not able to vote on the application due to a lack of quorum, but agreed that the application should receive a favorable funding recommendation.

Community Partners for Affordable Housing Proposal for Continued Management of the City's Inclusionary Housing Ordinance Waitlist

Amy Kaufman, Community Partners for Affordable Housing, provided overview of the Inclusionary Housing Ordinance (IHO) waitlist management work. CPAH has added over 150 people to the waitlist since January 2018. Amy Kaufman explained that waitlist management is very time consuming. Last proposal was two years ago.

Larry Donoghue asked how CPAH determined the cost of managing the waitlist. Amy Kaufman stated she and her colleagues tracked their time and calculated the costs based on a proportion of their salaries and overhead expenses.

Chair Ellen Cushing asked about the merger with CPAH and other organizations. Amy Kaufman explained that effective January 2019, CPAH will be merging with two other organizations: Affordable Housing Corporation of Lake County and Lake County Residential Development Corporation. Amy said that this will be a good thing, and will expand CPAH's capacity to do more work; all three organizations have their own areas of expertise.

Commissioners were not able to vote on the application due to a lack of quorum, but agreed that the application should receive a favorable funding recommendation.

Demolition Tax Discussion Continued

Discussion was tabled to the following meeting in January.

Staff Reports

Staff provided updates on the Affordable Housing Plan Steering Committee and other housing activities. Staff also informed the Commissioners that Mark Kruse had to resign from the Commission due to time constraints with his new job.

Chair's Report

No report.

New/Other Business

No new business.

Adjournment

The meeting was adjourned at 7:50 p.m.

The next scheduled meeting of the commission is Thursday, January 10, at 7:00 p.m. in room 2403.

Respectfully submitted,
Savannah Clement, Housing Policy and Planning Analyst

ADMINISTRATIVE RULES & PROCEDURES

EVANSTON
HOUSING & HOMELESSNESS
COMMISSION
ADMINISTRATIVE RULES & PROCEDURES

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**THE HOUSING AND HOMELESSNESS COMMISSION
OF THE CITY OF EVANSTON**

ADMINISTRATIVE PROCEDURES AND REGULATIONS

ARTICLE I

Name and Authority

- Section 1.** The name of this organization shall be “The Housing and Homelessness Commission of the City of Evanston, Illinois,” hereafter referred to as the “Commission.”
- Section 2.** The establishment of this Commission is provided for in Evanston City Code Title 2, Chapter 4, “Housing and Homelessness Commission.”
- Section 3.** The business of the Commission is conducted in accordance with the Illinois Open Meetings Act; applicable ordinances adopted by the Evanston City Council, including the Housing and Homelessness Ordinance 94-0-17, as amended; the Evanston Human Rights Ordinance 26-O-14, the Fair Housing Ordinance 8-O-12, Chapter 6 of the Municipal Code; City Code Section 1-10-1, et seq., and these Bylaws. Where Evanston ordinances conflict with these Bylaws, the former shall prevail pursuant to Evanston’s home rule authority.

ARTICLE II

Mission

- Section 1.** The Evanston Housing and Homelessness Commission is a public body established by City ordinance. The Commission’s mission is to protect and promote the public health, safety, and welfare of Evanston residents by providing for the planning, expansion, maintenance, conversion and rehabilitation of Evanston’s housing stock and to be responsive to needs for change in housing related matters to the end of maintaining a diverse residential environment and to conserve property values within the community and to combat homelessness. It is further found that the Commission is necessary to monitor and maintain compliance with fair housing and other protections afforded to any individual with a disability or who is a member of a protected class.
- Section 2.** The Commission is a policy and recommending body responsible for developing funding recommendations for agencies that request funding in the form of grants or loans from the City for programs that offer needed services for people who are homeless or at high risk of becoming homeless, affordable housing development and preservation, and other housing-related programs and services for Evanston

residents. These programs and services shall be accessible and responsive to community needs and shall be available to qualified low-, moderate- and middle-income Evanston residents.

Section 3. *Method of Funding:* The Commission provides funding recommendations on the City's federal entitlement grants – HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) – as well as the City's Affordable Housing Fund. Funding recommendations made by the Commission will be reviewed by Planning and Development or Human Services Committees and approved by City Council. Recommendations must be made for programs and services that align with City Council goals.

Section 4. The Commission shall promote human rights and fair housing, as well as access to safe, quality affordable housing for Evanston residents.

ARTICLE III

Membership

Section 1. Members

A. The Mayor shall appoint nine (9) Evanston residents to serve as members of the Commission.

B. In appointing new members to the Commission, the Mayor will consider knowledge, familiarity, and/or experience with local housing issues, homelessness and affordable housing issues, different housing populations in Evanston including seniors, the different types of housing stock in Evanston, renter and homeowner housing issues, and housing development and financing for public and private sectors. At least one (1) member of the Commission must be an alderman. All members must be residents of the City of Evanston. Term of Office: Commission members are appointed to three (3) year terms by the Mayor with the advice and consent of the City Council. Non-aldermanic members may serve for not more than two (2) full terms.

C. Vacancies and Removal

1. If a Commission member fails to attend two (2) regular Commission meetings without a reasonable cause in a calendar year, or otherwise neglects his or her duties as a Commission member, the Chairperson, with the assent of the Commission, may recommend to the Mayor that the seat be declared vacant.

2. Any vacancy shall be filled by the Mayor as soon as possible.

3. A member of the Commission may be removed by the Mayor for absenteeism, neglect of duty, misconduct or malfeasance in office, after

being given a written statement of the charges and an opportunity to refute them at a hearing with the Mayor.

Section 2. Powers and Duties

In carrying out its responsibilities, the Commission must:

- A. Evaluate and recommend tools to expand or maintain affordable housing to the Planning and Development Committee;
- B. Evaluate and recommend tools to expand or maintain housing programs and services for people experiencing homelessness to the Human Services Committee.
- C. Provide recommendations on the use of the City's Affordable Housing Fund dollars to the Planning and Development Committee;
- D. Provide recommendations on the use of the City's HOME Investment Partnerships Program ("HOME") funds to the Planning and Development Committee;
- E. Provide recommendations on the use of the City's Emergency Shelter Grant Program ("ESG") funds to the Human Services Committee;
- F. Provide guidance on the implementation of the City's Inclusionary Housing Ordinance;
- G. Submit an annual report to City Council on the goals, activities and accomplishments of the Commission; and
- H. Create subcommittees, as necessary, in furtherance of the Commission's purpose.

Section 3. Conflicts of Interest

All members of the Commission agree to abide by all duties and obligations imposed on Commission members in the City's Code of Ethics in City Code Title 1, Chapter 10, "Board of Ethics." The Board of Ethics' supplemental policy is intended to clarify and prevent the personal interests of Commission members from interfering with the performance of their duties or from resulting in personal or political gain at the expense of the Commission or Evanston taxpayers.

The Commission strives to maintain the highest ethical standards to avoid conflicts of interest. All members of the Commission shall act in good faith in all relationships touching upon their responsibilities to the Commission and shall avoid any conflict of interest.

For the purpose of this policy, the definitions found in the City of Evanston’s Code of Ethics in City Code Title 1, Chapter 10, “Board of Ethics,” shall apply.

Supplemental Policy:

- 1. Each member of the Commission shall disclose to the Commission in writing each City-funded entity to which the Commission member contributes a sum of money greater than one thousand dollars (\$1,000.00) in any calendar year.
- 2. Each member of the Commission shall recuse himself from voting on any matter in which that member has an apparent or actual conflict of interest.

Section 4. Expenses

All appointed members of the Commission shall serve as such without compensation. Expenses incurred by any member in the performance of official duties may be reimbursed in accordance with procedures established by the City of Evanston.

ARTICLE IV

Officers

Section 1. Elected Officers

The elected officers of the Commission shall consist of a Chairperson and a Vice-Chairperson.

Section 2. Election of Officers

- A. In January of each year, the Commission shall nominate candidates for the Chair and Vice-Chair positions.
- B. The Commission shall prepare a slate of candidates for each office, to be presented at the February meeting.
- C. Any Commission member may make additional nominations at the February meeting, with the consent of the nominee, prior to any vote.

- C. Commission members shall elect officers by voting upon the slate of candidates and any additional nominees by no later than the March meeting.

Section 3. Terms of Office

The Chairperson and Vice-Chairperson shall be elected for one-year terms from April 1 to March 31. No member shall serve more than three consecutive one-year terms in each office.

Section 4. Vacancies

A vacancy in any office shall be filled by a vote of the Commission at the next regular meeting following the occurrence of the vacancy. The officer is elected for the duration of the unexpired term.

Section 5. Duties of Officers

- A. The Chairperson shall assure that the policies, programs and orders of the Commission are carried out.
- B. The Chairperson shall preside at all meetings of the Commission. The Vice-Chairperson shall preside in the Chairperson's absence.
- C. The Chairperson shall be responsible for calling meetings of the Commission pursuant to the Open Meetings Act and for assuring an agenda for each meeting.
- D. The Chairperson may appoint committees to consist of two members for specific tasks.

ARTICLE V

Meetings

Section 1. Regular and Special Meetings

- A. Regular meetings shall be held on the first Thursday of each month at 7:00 P.M. in the Civic Center, 2100 Ridge Avenue, unless such day shall be a legal holiday observed by the City or another conflict exists, in which case the regular meeting shall be held at such other time as the Commission may decide.
- B. Special meetings shall be held upon the request of the members of the Commission.
- C. Notice of all regular and special meetings of the Commission shall be communicated to the members at least one week before the meeting by action at a previous meeting, or by mail, email, or by telephone.

- D. Meetings shall be open to the public in accordance with the ordinance of the City of Evanston and the Open Meetings Act.
- E. Notice of all regular and special meetings of the Commission shall be communicated to the public by publication of an agenda in accordance with the Open Meetings Act.

Section 2. Quorum

A majority of the members of the Commission constitutes a quorum for the transaction of business.

Section 3. Voting

At any meeting at which a quorum is present, the affirmative vote of the majority of the members present shall carry any issue. The Chairperson is a voting member of the Commission and may vote on any issue.

Section 4. Parliamentary Procedure

Unless inconsistent with these Bylaws or otherwise decided by the Commission, all meetings shall be conducted in accordance with *Robert's Rules of Order Newly Revised* (Tenth Edition).

ARTICLE VI

Agencies Requesting Funding

Section 1. Guidelines for Applicants Requesting Funds from the Affordable Housing Fund, HOME Program, and/or the Emergency Solutions Grant

Non-profit agencies are eligible to apply for funding for affordable housing and other social housing- and homelessness-related programs that serve at-risk Evanston residents. Individuals may not apply to the Commission for direct assistance. All applicants shall submit an application for funding to the City of Evanston. A representative of each agency shall be required to attend public meetings associated with the funding process. City staff will review applications and make recommendations to the Commission for funding. The Commission shall review the application and make its recommendation for funding for consideration by the Planning and Development Committee and City Council.

ARTICLE VII

Amendments

Section 1. These Bylaws may be amended at any meeting of the Commission by the affirmative vote of a majority of members in office. Written notice of proposed

amendment(s) shall be given to all members at least two weeks prior to the meeting at which the amendment(s) is/are to be considered.

Section 2. Any proposed amendment(s) to the Bylaws shall be included in the meeting packet at which they will be voted upon.

Section 3. The City Manager shall be advised of any changes in these Bylaws.

Section 4. The Commission shall review its Bylaws annually.

Notes from HHC meeting November 1, 2018

1) Check with Economic Development to get thoughts on possibility of **imposing a fee on non-residential demolition** and check with the legal department re: implication of demolition tax on non-residential properties

2) Continue research on **Definition of Demolition**

Clarification on how it is defined and what it means in practical terms

- can a demolition tax only be imposed on tear downs vs. major rehab vs. conversions
- how can we ensure that we are capturing all of the demolitions
- which City Department is following up to make sure demolition tax is being enforced and homeowners or developers are not avoiding payment because of “misinterpretation” of what a “demolition” is?

Does it have to be “tear down”?

Presumably for affordable housing fund purposes, it has to be consistent with the definition of demolition that triggers the necessity for a “demolition permit”?

3) **Continued Research on which local municipalities** have demolition tax

Aside from Highland Park, Lake Forest, and Evanston, are there other local communities that have a residential affordable housing demolition tax

4) What have been the **legal challenges** to this type of tax

5) **Possible updates to Ordinance** – for continued discussion

- Provision that offer a **rebate for developers** who replaced a single-family house with affordable housing and/or who develop an accessory dwelling to that property that would qualify as affordable housing
- Provision that **requires placement of Affordable Housing**, e.g. if the proposed demolition (or conversion/rehab) activities involve affordable dwelling units, replacement of the affordable dwelling units shall be provided on a one for one basis
 - Q: how would we determine when an “affordable house or unit” is being demolished (conversion/rehab) --- what would be the definition and how would it vary neighborhood to neighborhood
- Provision for **exemptions**:

For example, **Highland Park** ordinance states that the demolition tax can be **waived** under some circumstances:

- When the permit applicant has entered into an agreement with the Housing Commission to provide affordable housing in the new structure;

- When the applicant has owned the property for at least five years prior to the demolition and covenants to own the property for the next five years;
- When the demolition is necessary due to a natural disaster; or if the property owner is low or moderate-income and qualifies for a medical exception.

Similarly, **Lake Forest** has a **waiver** provision:

- The applicant and City enter into an agreement relating to the creation of additional affordable homes through the demolition and rebuilding process.
- The applicant is the record title-holder on the property for at least three years prior to and following the demolition. In this instance, the applicant must pay the tax and notify the City of his/her intent to seek a rebate. After the three-year post-permit period, the applicant may apply for the rebate.
- Demolition becomes necessary because of factors beyond the owner's control

6. Continued discussion and research of how to structure the fee

Square Footage discussion:

What if fee takes into account the new structure that will be built rather than the one that will be demolished, adding additional fee for demolitions that result in a new home that is significantly larger than the original home (example of structure: fee increase as the size difference between the current and proposed home increases)

- potential problem with this approach: everyone would pay the same no matter what neighborhood they lived in so it doesn't take into account the housing costs/home values of different neighborhoods. So, if you take two homes of same in two different areas of Evanston that have same square footage increase in new home --- depending on the area in Evanston, one home value may have significantly increased whereas another had a modest increase in value yet both homeowners pay the same demolition tax.

Property Value Discussion:

Would using property value discourage the redevelopment of structures that would be costlier to rehab than to rebuild

Using a property value measure could be more equitable as it will take into account the different housing prices/values across the city of Evanston vs. square footage method or straight fee method

7. Next HHC meeting – continued discussion on Demolition tax and begin discussion on updating the Affordable Housing Fund purposes and definitions

- Questions to help shape the discussion will be sent via Google Docs

Demolition Fee Increase Research and Considerations

At its meeting on October 4, 2018, the Housing and Homelessness Commission discussed ideas and considerations for raising the City's demolition tax. The Commission also agreed to call the tax a fee.

Before the next HHC meeting on November 1, 2018, Commissioners are asked to provide research and thoughts on the following questions and considerations:

- Should the fee apply to non-residential buildings?
 - Monika: I think this is more appropriate for the Economic Development Commission. Demolition & redevelopment of non-residential buildings are required and completed under different circumstances. Additionally, none of the Commissioners (HHC Commissioners) have the expertise to analyze this aspect of redevelopment.
 - Alderman Revelle: My immediate thought is to say "yes," but Monika has made a good point: the Economic Development Committee should consider this. (What is the experience of other communities that apply demolition fees to non-residential properties?)
 - Ellen: Haven't found any demolition fees that apply to non-residential buildings but there are several California communities that apply linkage fees to non-residential properties, such as LA, see article in *Curbed LA* at <https://la.curbed.com/2017/12/13/16772046/linkage-fees-los-angeles-affordable-housing>
 - Also see Los Angeles City Memo on Affordable Housing Linkage Fee <https://planning.lacity.org/ordinances/docs/ahlf/ImplementationMemo.pdf>
- Should the fee be structured so that certain property values have different fees in order to discourage tearing down affordable housing? The fee could vary depending on the value of the property being torn down and built - the higher the difference in value, the higher the fee?
 - Ellen: This does seem relevant. One of the issues we need to address is the purpose or purposes of the Demolition Tax - is it to preserve existing housing stock or solely as an affordable housing revenue source, or is it to keep developers from building McMansions or all of the above. And if a revenue source only, what can be done to make it a more sustainable and significant funding source. In some communities, a demolition tax was passed because of the drastic impacts of demolition epidemic (Portland and Austin). Questions to consider: In Evanston, is there a relationship between demolition and loss of affordable housing or are we imposing this tax solely as a source of funding for affordable housing? Do teardowns threaten the city's housing stock? As larger homes are getting built, are middle and low-income residents getting pushed out? Are we trying to preserve the historic character of Evanston or promote sustainability through the re-use of period homes and buildings?
 - Here is a summary of what two local municipalities have done:

Lake Forest – residential only. Goal is to offset costs of demolition incurred by city, including loss of affordable housing. \$12,000 per single-family home and \$6,000 per unit for multifamily properties, or no less than \$12,000. Raised approximately \$30k-40k per year (based upon 2014 stats I think). The City of Lake Forest issues an average of eight permits per year, with 12 permits being issued (in 2014). Half of the revenue from the tax is allocated to the City's capital fund to support infrastructure projects, and half is allocated to the Affordable Housing Trust Fund to finance affordable housing initiatives. Full or partial waiver of the fee is considered when:

- The applicant and City enter into an agreement relating to the creation of additional affordable homes through the demolition and rebuilding process.
- The applicant is the record title-holder on the property for at least three years prior to and following the demolition. In this instance, the applicant must pay the tax and notify the City of his/her intent to seek a rebate. After the three-year post-permit period, the applicant may apply for the rebate.
- Demolition becomes necessary because of factors beyond the owner's control

Highland Park - Highland – residential only. Goal is to mitigate the loss of affordable housing from demolition and allocating the revenue to the City's Affordable Housing Trust Fund, which is used to help finance various affordable housing initiatives in the city.

Demolition, defined as the removal or destruction of 50 percent or more of the structure, is measured by a removal of any combination of interior and/or exterior elements. The tax is \$10,000 for a single-family home and \$3,000 per unit or \$10,000, whichever is more, for multi-unit buildings.

The demolition tax can be waived under some circumstances:

- When the permit applicant has entered into an agreement with the Housing Commission to provide affordable housing in the new structure;
- When the applicant has owned the property for at least five years prior to the demolition and covenants to own the property for the next five years;
- When the demolition is necessary due to a natural disaster; or if the property owner is low or moderate-income and qualifies for a medical exception.

To date the City has raised more than \$3.3 million for the Affordable Housing Trust Fund through the demolition tax as of 2014 because of number of teardowns

- 2014 (thru June 2014): 18 = \$134,587
- 2013: 22 = \$170,257
- 2012: 16 = \$129,172
- 2011: 7 = \$60,169

- Ellen: Portland, Oregon proposal: In 2016 the Mayor of Portland proposed a \$25,000 tax on developers who tear down livable single-family homes, plus \$25 for every year the house has been standing. He later revised those guidelines to offer a rebate for developers who replaced a single-family house with affordable housing or multiple new homes, in order to promote density and affordability. Ultimately, he did not think he had Council support, so tabled the proposal.
 - Ellen: Although not exactly on point, Newport Beach, California has an ordinance entitled “Replacement of Affordable Housing single family homes or units” which states that if the proposed conversion or demolition activities involve affordable dwelling units, replacement of the affordable dwelling units shall be provided on a one for one basis, unless the Director determines that replacement is not feasible.
 - Larry: To respond to Ellen’s questions, I think the most useful purpose for a demolition fee is to slow the removal of affordable housing from the market. From what I’ve heard and read about the AH issue, preservation of the existing housing stock is really important. I like the use of square footage, mentioned below, as a way to accomplish that
- Should the fee look at square footage? Would square footage be used instead of property value? The City does not currently track square footage of buildings, so that may pose a challenge.
 - Monika: I think square footage should be used rather than property value. Using property value would likely discourage the redevelopment of structures that are more costly to rehab than to rebuild.
 - Alderman Revelle: I suggest that the fee take into account the new structure that will be built rather than the one that will be demolished. Let’s consider a variation on the Marin County approach: A basic demolition fee (an increase in the current \$10,000) plus an additional fee for demolitions that result in a new home that is significantly larger than the original home (e.g., 500 sq’ or more larger? 1,000 sq’ or more larger?).
 - Ellen: I like Eleanor’s idea - wondering how that would square with the concern that linkage fees are not allowed.
 - Larry: I also like Eleanor’s idea. Could the additional fee for significantly larger homes be set to increase as the size difference between the current and proposed homes increases? McMansions replacing modest homes would have a higher demolition fee. Rehabs of modest homes would have a lower demolition fee.
- Should the fee take into account the neighborhood or location of structure? For example, should the fee be higher if the property is located adjacent to a school or church? Should the impact of the construction on the surrounding area be taken into account? Would taxing the impact of the construction be considered an “impact fee”? Other municipalities have impact fees, but City Council has also learned that Illinois has very strict laws on implementing impact fees.

- Monika: Varying the fee by neighborhood worries me. Are we going to charge higher in high wealth areas? This will come across as an extra tax on the rich. Alternatively, if we charge a higher fee in middle-income and low-income areas, we are making it harder to redevelop the areas that are more likely to have a redevelopment need. Taking the local amenities into account is a more viable strategy, but a specific recommendation should be made for the Commission to consider. My immediate concern is what if the demolition is structured as to not have an impact on schools (because the demolition is completed during summer break) or churches (because the demolition is completed on a weekday) - in these instances, why should we charge additional fees?
- Alderman Revelle: I share Monika's reluctance to vary the fee depending on the neighborhood. I think it would be hard to predict the different situations where this would be applicable and the possible unintended consequences.
- Ellen: I agree. This seems to be more of an issue of costs incurred by the city because of construction projects and, I am guessing that there are other ways for the city to re-coup those costs.
- Staff will provide information on the last five to ten demolitions, including information on the the structure torn down, and the new structure that went in place (if possible).
- Other: The demolition fee should increase on a regular schedule. (Alderman Revelle)

EVANSTON

FEE AND PAYMENT BY CAP

File Date: 1/1/2018 to 10/24/2018

CAP Type: Building / Demolition / Building / NA

CAP Number	File Date	CAP Type	Site Address	Assessed Fees	Invoiced Fees	Payments	Balance Due	Not Applied
18DEMO-0003	01/12/2018	Building/Demolition/Building/NA	1413 FLORENCE AVE <i>G</i>	\$200.00	\$200.00	\$200.00	\$0.00	\$0.00
18DEMO-0006	01/23/2018	Building/Demolition/Building/NA	811 EMERSON ST <i>C</i>	\$21,050.00	\$21,050.00	\$21,050.00	\$0.00	\$0.00
18DEMO-0009	02/08/2018	Building/Demolition/Building/NA	1008 FLORENCE AVE <i>G</i>	\$130.00	\$130.00	\$130.00	\$0.00	\$0.00
18DEMO-0015	03/06/2018	Building/Demolition/Building/NA	3315 DARTMOUTH PL <i>R</i>	\$11,150.00	\$11,150.00	\$11,150.00	\$0.00	\$0.00
18DEMO-0016	03/07/2018	Building/Demolition/Building/NA	2521 THAYER ST <i>G</i>	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00
18DEMO-0018	03/15/2018	Building/Demolition/Building/NA	1022 BRUMMEL ST <i>G</i>	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00
18DEMO-0022	04/04/2018	Building/Demolition/Building/NA	1623 SOUTH BLVD <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0024	04/10/2018	Building/Demolition/Building/NA	2500 JACKSON AVE <i>G</i>	\$110.00	\$110.00	\$110.00	\$0.00	\$0.00
18DEMO-0029	05/03/2018	Building/Demolition/Building/NA	1325 ROSALIE ST <i>G</i>	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0030	05/08/2018	Building/Demolition/Building/NA	1305 PITNER AVE <i>R</i>	\$2,745.00	\$2,745.00	\$2,745.00	\$0.00	\$0.00
18DEMO-0031	05/09/2018	Building/Demolition/Building/NA	1520 DEMPSTER ST <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0032	05/09/2018	Building/Demolition/Building/NA	2530 CENTRAL PARK AVE <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0034	05/11/2018	Building/Demolition/Building/NA	1740 BROWN AVE <i>G</i>	\$110.00	\$110.00	\$0.00	\$110.00	\$0.00
18DEMO-0035	05/11/2018	Building/Demolition/Building/NA	721 CASE ST <i>G</i>	\$88.00	\$88.00	\$88.00	\$0.00	\$0.00
18DEMO-0039	05/23/2018	Building/Demolition/Building/NA	1136 FLORENCE AVE <i>R</i>	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	\$0.00
18DEMO-0040	05/24/2018	Building/Demolition/Building/NA	555 MICHIGAN AVE <i>R</i>	\$11,150.00	\$11,150.00	\$11,150.00	\$0.00	\$0.00
18DEMO-0041	05/24/2018	Building/Demolition/Building/NA	2525 CHURCH ST <i>C</i>	\$11,950.00	\$11,950.00	\$11,950.00	\$0.00	\$0.00
18DEMO-0042	05/25/2018	Building/Demolition/Building/NA	818 COLFAX ST <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0046	06/11/2018	Building/Demolition/Building/NA	611 RIDGE AVE <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0048	06/15/2018	Building/Demolition/Building/NA	2108 BRUMMEL ST <i>G</i>	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0049	06/15/2018	Building/Demolition/Building/NA	2731 SIMPSON ST <i>G</i>	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0051	06/19/2018	Building/Demolition/Building/NA	1727 LEE ST <i>G</i>	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00

*half
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replaced
if for
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*permit
re
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with
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*G = Garage
R = Residential
C = Commercial*

EVANSTON

FEE AND PAYMENT BY CAP

File Date: 1/1/2018 to 10/24/2018

CAP Type: Building / Demolition / Building / NA

CAP Number	File Date	CAP Type	Site Address	Assessed Fees	Invoiced Fees	Payments	Balance Due	Not Applied
18DEMO-0053	06/21/2018	Building/Demolition/Building/NA	2640 LINCOLNWOOD DR G	\$140.00	\$140.00	\$140.00	\$0.00	\$0.00
18DEMO-0054	06/21/2018	Building/Demolition/Building/NA	830 RIDGE TER G	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00
18DEMO-0055	06/27/2018	Building/Demolition/Building/NA	2412 LAWDALE AVE G	\$110.00	\$110.00	\$110.00	\$0.00	\$0.00
18DEMO-0056	06/27/2018	Building/Demolition/Building/NA	2221 FORESTVIEW RD G	\$135.00	\$135.00	\$135.00	\$0.00	\$0.00
18DEMO-0057	07/03/2018	Building/Demolition/Building/NA	2441 PROSPECT AVE G	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0058	07/05/2018	Building/Demolition/Building/NA	2503 EASTWOOD AVE R	\$5,950.00	\$5,950.00	\$5,950.00	\$0.00	\$0.00
18DEMO-0059	07/06/2018	Building/Demolition/Building/NA	1940 WESLEY AVE G	\$160.00	\$160.00	\$160.00	\$0.00	\$0.00
18DEMO-0060	07/11/2018	Building/Demolition/Building/NA	3320 HAYES ST G	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0061	07/11/2018	Building/Demolition/Building/NA	2125 OAKTON ST G	\$110.00	\$110.00	\$110.00	\$0.00	\$0.00
18DEMO-0067	07/27/2018	Building/Demolition/Building/NA	2737 ASBURY AVE G	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00
18DEMO-0070	08/01/2018	Building/Demolition/Building/NA	1450 SHERMAN AVE C	\$3,600.00	\$3,600.00	\$3,600.00	\$0.00	\$0.00
18DEMO-0071	08/01/2018	Building/Demolition/Building/NA	1508 SHERMAN AVE C	\$3,500.00	\$3,500.00	\$3,500.00	\$0.00	\$0.00
18DEMO-0072	08/01/2018	Building/Demolition/Building/NA	1502 SHERMAN AVE C	\$3,100.00	\$3,100.00	\$3,100.00	\$0.00	\$0.00
18DEMO-0073	08/01/2018	Building/Demolition/Building/NA	1506 SHERMAN AVE C	\$2,450.00	\$2,450.00	\$2,450.00	\$0.00	\$0.00
18DEMO-0075	08/08/2018	Building/Demolition/Building/NA	2000 GREEN BAY RD C	\$850.00	\$850.00	\$850.00	\$0.00	\$0.00
18DEMO-0076	08/10/2018	Building/Demolition/Building/NA	312 ASBURY AVE G	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0078	08/10/2018	Building/Demolition/Building/NA	3121 HARTZELL ST G	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00
18DEMO-0079	08/10/2018	Building/Demolition/Building/NA	1040 ELMWOOD AVE G	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00
18DEMO-0081	08/16/2018	Building/Demolition/Building/NA	1801 GREY AVE G	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
18DEMO-0082	08/16/2018	Building/Demolition/Building/NA	1200 JUDSON AVE G	\$120.00	\$120.00	\$120.00	\$0.00	\$0.00
18DEMO-0083	08/23/2018	Building/Demolition/Building/NA	2728 GRANT ST G	\$150.00	\$150.00	\$150.00	\$0.00	\$0.00
18DEMO-0085	08/28/2018	Building/Demolition/Building/NA	1512 CRAIN ST G	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0088	09/06/2018	Building/Demolition/Building/NA	1726 BRUMMEL ST G	\$80.00	\$80.00	\$80.00	\$0.00	\$0.00

for reduced fee by - FD St. A's

Albion

EVANSTON

FEE AND PAYMENT BY CAP

File Date: 1/1/2018 to 10/24/2018

CAP Type: Building / Demolition / Building / NA

CAP Number	File Date	CAP Type	Site Address	Assessed Fees	Invoiced Fees	Payments	Balance Due	Not Applied
18DEMO-0089	09/06/2018	Building/Demolition/Building/NA	1829 LEMAR AVE R	\$11,050.00	\$11,050.00	\$11,050.00	\$0.00	\$0.00
18DEMO-0090	09/11/2018	Building/Demolition/Building/NA	2022 LAKE ST G	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
18DEMO-0095	09/27/2018	Building/Demolition/Building/NA	710 MADISON ST G	\$130.00	\$130.00	\$130.00	\$0.00	\$0.00
18DEMO-0097	10/19/2018	Building/Demolition/Building/NA	2414 HARTZELL ST G	\$70.00	\$70.00	\$70.00	\$0.00	\$0.00
18DEMO-0099	10/23/2018	Building/Demolition/Building/NA	2102 DARROW AVE G	\$90.00	\$90.00	\$90.00	\$0.00	\$0.00
TOTALS:				\$102,378.00	\$102,278.00	\$102,168.00	\$110.00	\$0.00

Number of CAP's: 50

At its meeting on November 1st, 2018, the Housing and Homelessness Commission agreed to begin making suggested revisions to the City's Affordable Housing Fund description. Staff said the goal is to remove "demolition tax" from the title, and instead add it as a source of revenue for the Fund. Ideally, the City would have more than one revenue source for the Fund at some point in the future. The revised description should also align with the City's revised Inclusionary Housing Ordinance.

Commissioners can provide ideas and suggestions for revisions in the document below:

CHAPTER 18 - AFFORDABLE HOUSING DEMOLITION TAX AND AFFORDABLE HOUSING FUND

SECTION:

4-18-1. - PURPOSE.

The purpose of this Chapter is to provide a source of funding for the creation, maintenance, and improvement of safe and decent affordable housing in the City of Evanston in order to enhance preservation and maintenance of the City's cultural and economic diversity.

(Ord. No. 139-0-05; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-1)), 1-23-2012)

4-18-2. - DEFINITIONS.

For the purposes of administering this Chapter:

<p>AFFORDABLE HOUSING FUND.</p>	<p>The fund established by City Council which can only receive and expend monies dedicated to the creation, preservation, maintenance, and improvement of affordable housing for households whose income is one hundred percent (100%) or less of area median income, with no less than sixty percent (60%) of all monies reserved for households that earn less than eighty percent (80%) of area median income. The City Manager or his/her designee may implement programs including, but not limited to: down payment and/or rental assistance; building rehabilitation and/or construction loans; property acquisition and disposition; and grants to nonprofit organizations that serve households that earn less than one hundred percent (100%) of area median income. Said programs shall be administered in accord with guidelines generated by the Evanston Housing and Homelessness Commission, reviewed by the Planning and Development Committee and/or Human Services Committee of the City Council, and approved by the City Council.</p>
<p>AFFORDABLE HOUSING, OWNER OCCUPIED.</p>	<p>Decent, safe, sanitary housing that is affordable to "relevant 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 three percent (33%) of the relevant household's gross annual household income (the total income of all adults over eighteen (18) years of age in the household).</p>
<p>AFFORDABLE HOUSING, RENTAL.</p>	<p>Decent, safe, sanitary housing that is affordable to "relevant households" as defined herein. The cost (including a utility allotment and adjustment for household size) of rental dwelling units shall not exceed thirty percent (30%) of the relevant household's gross annual household income (the total income of all</p>

	adults over eighteen (18) years of age in said household).
APPLICANT.	Any individual who applies for a building demolition permit under this code.
AREA MEDIAN INCOME.	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.
DEMOLITION.	The removal or destruction of a structure or building in whole or in part to the extent of fifty percent (50%) or more of such structure or building as it existed prior to the commencement of such act or process.
DEMOLITION STRUCTURE.	The building or structure to be demolished.
DIRECTOR.	The director of the Evanston Community and Economic Development Department.
DWELLING UNIT.	A room or group of contiguous rooms that include facilities used or intended to be used for living, sleeping, cooking and eating, and that are arranged, designed, or intended for use exclusively as living quarters.
RELEVANT HOUSEHOLD.	A low or moderate income household whose total income does not exceed the relevant percent of median income for the Chicago primary metropolitan statistical area Chicago area, as established and defined in the annual schedule published by the secretary of housing and urban development, and adjusted for household size. A low income household has income that does not exceed eighty percent (80%) of HUD area median income. A moderate income household has income that does not exceed one hundred percent (100%) of the HUD area median income.
REPLACEMENT STRUCTURE.	Any building or structure replacing the demolition structure.
RESIDENTIAL STRUCTURE.	Any building or structure containing dwelling units.
RESIDENTIAL STRUCTURE,	A detached residential building containing three (3) or more dwelling units, including what is commonly known as an apartment building, but not including

MULTI-FAMILY.	group, row, or townhouses, excluding a hotel, motel, boarding house, rooming house, dormitory, nursing home, mobile home, institution, or retirement home or community.
RESIDENTIAL STRUCTURE, SINGLE-FAMILY ATTACHED (Group, Row, Or Townhouses).	Three (3) or more dwelling units joined side by side.
RESIDENTIAL STRUCTURE, SINGLE-FAMILY ATTACHED, TWO-FAMILY.	A residential building containing not more than two (2) dwelling units entirely surrounded by open space on the same lot.
RESIDENTIAL STRUCTURE, SINGLE-FAMILY DETACHED.	A residential building containing not more than one dwelling unit entirely surrounded by open space on the same lot.

(Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-1)), 1-23-2012; Ord. No. 61-O-12, § 2, 10-8-2012)

4-18-3. - TAX IMPOSED.

(A) Amount Of Tax. Any person granted a permit under this code for demolition of a residential structure shall pay an affordable housing demolition tax of: 1) ten thousand dollars (\$10,000.00) for the demolition of any single-family detached residential structure, or 2) for the demolition of any multi-family, single-family attached, or two-family residential structure, either ten thousand dollars (\$10,000.00) or three thousand dollars (\$3,000.00) for each unit in the structure, whichever amount is more. The tax imposed pursuant to this Subsection shall be in addition to the demolition permit fee established from time to time by the City Council and all other applicable fees and charges. Payment of the tax, unless deferred as provided in Section 4 of this Chapter, shall be due upon issuance of a demolition permit by the department, and is a condition to the validity of the permit. The City shall have a lien against the property which was the subject of the demolition permit until applicable tax obligations imposed by this Chapter are satisfied. The funds received by the City for the amount imposed pursuant to this Subsection shall be dedicated to achievement of the affordable housing goals and objectives as set forth in Section 1 of this Chapter. The demolition tax funds received pursuant to the tax imposed by this Chapter shall be deposited directly into the affordable housing fund.

(Ord. No. 40-0-07)

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

(Ord. No. 139-0-05)

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-3)), 1-23-2012)

4-18-4. - TAX DEFERRAL OPTION.

- (A) A person who has been the record title holder or beneficiary of a land trust (collectively, "record title holder") and occupant of a residential structure for three (3) consecutive years, and who files or causes to be filed an application for a demolition permit for that structure, may opt for deferral of the tax, as provided in this Subsection 4-18-4(A) or (B). In the event the demolition permit is for a multi-unit structure, the person may only defer that portion of the demolition tax attributable to his/her own dwelling unit. The demolition permit fee must be paid at the time of application. The person shall make application for deferral of the tax to the Director on a form provided for that purpose and available from the Building Permit Desk. To qualify for the deferral, the person shall provide documentation to establish that all real estate taxes on the subject property have been paid in full as of the date of application for the permit; that any and all City liens and judgments recorded on the subject property have been satisfied; and that the person has been the record title holder and occupant of the subject structure for three (3) consecutive years prior to the date of application for the permit. Documentation the Director may require to establish the person's qualification for the tax deferral option may include, but shall not be limited to, income tax records and proof of voter registration. If the Director determines that the person qualifies for the deferral option, he/she shall cause a lien to be recorded against the property with the Cook County Recorder in the amount of the tax to be deferred, to which shall be added the applicable recordation fee. Except as provided in Section 4-18-4(C), the lien shall not bear interest. The Director may, upon written request of the person, subordinate the lien to any mortgage the person may have or seek on the property. Among the factors the Director may consider in determining whether or not to grant the subordination request is whether the value of the property is adequate to ensure payment of the City's lien, and that all real estate taxes have been paid.
- (B) Deferral of the Tax in the case of Recycling/Reuse of Materials. Any applicant who applies for a demolition permit and seeks to defer the demolition tax by reason that the materials generated by the demolition of a structure will be recycled and/or reused, may apply for a deferral of the tax. Evidence of such recycling/reuse shall be furnished to the Director in writing, and the Director shall determine if the applicant qualifies for this deferral option. All requirements for the application for the deferral and the release of lien as provided for in this Section 4-18-4 of this chapter shall apply.

- (C) Deferral of the Tax in the case that the subject property is no longer a buildable parcel. Any applicant who applies for a demolition permit and seeks to defer the demolition tax by reason that the lot/parcel in question is no longer buildable under the City's ordinance may apply for a deferral of the tax. Evidence of such change in property characteristics must be furnished to the Director in writing and the Director shall determine if the applicant qualifies for this deferral option. All requirements for the application for the deferral and the release of lien as provided for in this Section 4-18-4 of this chapter shall apply.
- (D) Release of lien.
- (1) A person who exercised the tax deferral option provided for in Section 4-18-4(A), (B), or (C) and who has been the record title holder and occupant for three (3) consecutive years after issuance of a Final Certificate of Occupancy for the replacement structure may apply for release of the lien by making application therefor to the Director on a form provided for that purpose and available from the Building Permit Desk. Documentation the Director may require to establish the person's qualification for the release of lien may include, but shall not be limited to, income tax records and proof of voter registration for the years in question. If the Director determines that the person qualifies for the release, he/she shall provide the person with a recordable release of lien no later than thirty (30) days after he/she determines that the person qualifies for the release.
 - (2) A person who exercised the tax deferral option provided for in Section 4-18-4(A), (B) or (C) who sells the subject property prior to the expiration of the three (3)-consecutive-year period after issuance of the Final Certificate of Occupancy shall, as a condition to the City's release of the lien, pay the tax due, to which shall be added interest at the annualized Money Market Index rate published by the Government Finance Officers Association.

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 62-0-11, § 2, 8-8-2011; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-4)), 1-23-2012)

4-18-5. - STABILITY INCENTIVE.

When the tax was paid at the time of permit issuance as provided for in subsection 3(A) of this chapter, a person who has been the record title owner and occupant of a residential property demolished subsequent to the effective date of this chapter ("preexisting structure") for all of the three (3) years immediately preceding the date of the application for demolition ("prepermit period"), and remains the record titleholder and occupant of the property for three (3) consecutive years beginning immediately after the date on which the certificate of occupancy for the new residential structure is issued, may qualify for a monetary stability incentive in an amount equal to the demolition tax paid on the issuance of the permit for demolition of the preexisting structure, provided, however, that only persons whose real estate taxes on the property are paid in full at the time of application for stability incentive may apply for the incentive.

Application for the stability incentive payment shall be made to the director on a form provided for that purpose and available from the building permit desk. The person must provide the director of Community and Economic Development with such documentation as he/she may require to establish that the owner qualifies for the payment under the requirements of this section. Such documentation may include, but is not limited to, income tax returns and proof of voter registration for the years in question. The city shall pay qualifying persons an amount equal to the demolition tax, if any, imposed pursuant to this chapter on the issuance of the permit for the preexisting structure, less the amount of any liens recorded by the city against the subject property, including, but not limited to, liens for judgments entered in cases adjudicated in the city's Division Of Administrative Adjudication, no later than thirty (30) days after the Director of Community and Economic Development determines that an owner qualifies for the stability incentive.

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-5)), 1-23-2012)

4-18-6. - SEVERABILITY.

The provisions, sections, and subsections 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. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-6)), 1-23-2012)

CHAPTER 18 - AFFORDABLE HOUSING ~~DEMOLITION TAX AND AFFORDABLE HOUSING~~-FUND

SECTION:

4-18-1. - PURPOSE.

The purpose of ~~this Chapter~~ the Affordable Housing Fund is to provide funding for the planning, expansion, maintenance, conservation, and rehabilitation of Evanston's housing stock and to be responsive to needs for change in housing-related matters to the end of maintaining a diverse residential environment and to conserve property values within the community and to combat homelessness. ~~provide a source of funding for the creation, maintenance, and improvement of safe and decent affordable housing in the City of Evanston in order to enhance preservation and maintenance of the City's cultural and economic diversity.~~

(Ord. No. 139-0-05; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-1)), 1-23-2012)

4-18-2. - DEFINITIONS.

For the purposes of administering this Chapter:

AFFORDABLE HOUSING FUND.	<p>The fund established by City Council which can only receive and expend monies dedicated to the creation, preservation, maintenance, and improvement of affordable housing for households whose income is one hundred <u>twenty</u> percent (100<u>120</u>%) or less of area median income, <u>Priority uses with no less than sixty percent (60%) of all monies reserved for households that earn less than eighty percent (80%) of area median income will be based on the City's Consolidated Plan that identifies housing needs and strategies to address them and is approved by City Council.</u> The City Manager or his/her designee may implement programs<u>activities</u> including, but not limited to:</p> <p><u>Housing development projects funded by loans or grants including, but not limited to, acquisition, pre-development costs; construction of new housing units; rehabilitation of existing units; adaptive re-use of non-residential buildings for housing; construction or renovation of shelters and/or transitional housing.</u></p> <p><u>Housing programs and services funded by grants that are implemented by nonprofits or City staff that serve households whose incomes do not exceed 120% of the area median income including, but not limited to: grants or loans to homebuyers in the form of down payment and/or closing cost assistance; homebuyer/credit counseling; home maintenance and management for new homeowners; rental assistance; landlord-tenant services; landlord training and education; building rehabilitation and/or construction loans; property acquisition and disposition; homesharing programs; and case management and other needed services to enable households to access housing or shelter and/or</u></p>
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	<p><u>maintain their housing and grants to nonprofit organizations that serve households that earn less than one hundred percent (100%) of area median income.</u></p> <p><u>Funds may also be used to fund staffing and other costs required to administer and manage funded activities, monitor compliance with affordable housing requirements, and assess and report outcomes and effectiveness at meeting City housing related goals.</u></p> <p>Said <u>projects and</u> programs shall be administered in accord with guidelines generated by the Evanston Housing and Homelessness Commission, reviewed by the Planning and Development Committee and/or Human Services Committee of the City Council, and approved by the City Council.</p>
AFFORDABLE HOUSING, OWNER OCCUPIED.	Decent, safe, sanitary housing that is affordable to "relevant households" as defined herein. The cost of the mortgage <u>payment principal and interest</u> and relevant expenses (a calculation of property taxes, homeowner's insurance, <u>private mortgage insurance</u> and, when applicable, condominium or homeowner association fees) of owner occupied dwelling units shall not exceed thirty <u>three one</u> percent (<u>3331</u> %) of the relevant household's gross annual household income (the total income of all adults over eighteen (18) years of age in the household).
AFFORDABLE HOUSING, RENTAL.	Decent, safe, sanitary housing that is affordable to "relevant households" as defined herein. The cost (including a utility allotment and adjustment for household size) of rental dwelling units shall not exceed thirty percent (30%) of the relevant household's gross annual household income (the total income of all adults over eighteen (18) years of age in said household).
<u>APPLICANT.</u>	<u>Any individual who applies for a building demolition permit under this code.</u>
AREA MEDIAN INCOME.	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.
<u>DEMOLITION.</u>	<u>The removal or destruction of a structure or building in whole or in part to the extent of fifty percent (50%) or more of such structure or building as it existed prior to the commencement of such act or process.</u>
<u>DEMOLITION</u>	<u>The building or structure to be demolished.</u>

Comment [FS1]: Move to Demolition Tax section

Comment [FS2]: Move to Demolition tax section

Comment [FS3]: Move to demolition tax section

STRUCTURE.	
DIRECTOR.	The director of the Evanston Community and Economic Development Department <u>or his/her designee, or of any successor agency, unless otherwise indicated.</u>
DWELLING UNIT.	A room or group of contiguous rooms that include facilities used or intended to be used for living, sleeping, cooking and eating, and that are arranged, designed, or intended for use <u>exclusively as living quarters.</u>
RELEVANT HOUSEHOLD.	A low or , moderate, <u>or middle</u> income household whose total income does not exceed the relevant percent of median income for the Chicago primary metropolitan statistical area Chicago area, as established and defined in the annual schedule published by the secretary of housing and urban development, and adjusted for household size. A low income household has income that does not exceed <u>eighty-fifty percent (8050%)</u> of HUD area median income; a moderate income household has income that does not exceed <u>eighty percent (80%) of HUD area median income, and a middle income household has income that does not exceed</u> one hundred <u>twenty</u> percent (100120 %) of the HUD area median income.
REPLACEMENT STRUCTURE.	Any building or <u>structure</u> replacing the demolition structure.
RESIDENTIAL STRUCTURE.	Any building or structure containing dwelling units.
RESIDENTIAL STRUCTURE, MULTI-FAMILY.	A detached residential building containing three (3) or more dwelling units, including what is commonly known as an apartment building, but not including group, row, or townhouses, excluding a hotel, motel, boarding house, rooming house, dormitory, nursing home, mobile home, or institution, or retirement home or community.
RESIDENTIAL STRUCTURE, SINGLE-FAMILY ATTACHED (Group, Row, Or Townhouses).	Three (3) or more dwelling units joined side by side.
RESIDENTIAL	A residential building containing not more than two (2) dwelling units entirely

Comment [FS4]: Separate definitions for Community Development Department and Director?

Comment [FS5]: Expand to include live-work spaces?

Comment [FS6]: Move to demolition tax section

STRUCTURE, SINGLE-FAMILY ATTACHED, TWO- FAMILY.	surrounded by open space on the same lot.
RESIDENTIAL STRUCTURE, SINGLE-FAMILY DETACHED.	A residential building containing not more than one dwelling unit entirely surrounded by open space on the same lot.

(Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-1)), 1-23-2012; Ord. No. 61-O-12, § 2, 10-8-2012)

SOURCES OF FUNDING FOR THE AFFORDABLE HOUSING FUND

DEMOLITION TAX (or Fee?)

4-18-3. - ~~TAX IMPOSED.~~

Comment [FS7]: Check with Legal about use of fee instead of tax

(A) Amount Of Tax. Any person granted a permit under this code for demolition of a residential structure shall pay an affordable housing demolition tax of: 1) ten thousand dollars (\$10,000.00) for the demolition of any single-family detached residential structure, or 2) for the demolition of any multi-family, single-family attached, or two-family residential structure, either ten thousand dollars (\$10,000.00) or three thousand dollars (\$3,000.00) for each unit in the structure, whichever amount is more. The tax imposed pursuant to this Subsection shall be in addition to the demolition permit fee established from time to time by the City Council and all other applicable fees and charges. Payment of the tax, unless deferred as provided in Section 4 of this Chapter, shall be due upon issuance of a demolition permit by the department, and is a condition to the validity of the permit. The City shall have a lien against the property which was the subject of the demolition permit until applicable tax obligations imposed by this Chapter are satisfied. The funds received by the City for the amount imposed pursuant to this Subsection shall be dedicated to achievement of the affordable housing goals and objectives as set forth in Section 1 of this Chapter. The demolition tax funds received pursuant to the tax imposed by this Chapter shall be deposited directly into the affordable housing fund.

(Ord. No. 40-0-07)

(B) Specific Applicability Rules. Notwithstanding the general requirement set forth in Subsection (A) of this Section, the tax shall not apply under the following circumstances. This Subsection, however, shall not affect an applicant's obligation to pay the demolition permit fee.

1. If the applicant and the City enter into an agreement for the provision of "affordable housing" as defined in Section 2 of this Chapter in conjunction with the demolition that would otherwise be the subject of Subsection (A) of this Section. Any such agreement shall require prior City Council approval and shall specifically set forth the applicability of this Subsection.

2. If the Director determines, pursuant to regulations enacted by the City Council, that the building or structure replacing the building or structure that is the subject of the demolition permit constitutes "affordable housing" as defined in Section 2 of this Chapter.
 3. If the director or any other city department head, or their respective designees, orders a demolition for any reason, including, but not limited to, nuisance, public safety, or fire hazard, this tax shall not apply, regardless of whether the demolition work is performed by a public or private entity.
- (C) General Applicability: Imposition of the tax provided for by subsection (A) of this section shall not apply to any demolition for which a perfected application for the demolition permit was on file with the city on or before the effective date hereof.

(Ord. No. 139-0-05)

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-3)), 1-23-2012)

4-18-4. - TAX DEFERRAL OPTION.

- (A) A person who has been the record title holder or beneficiary of a land trust (collectively, "record title holder") and occupant of a residential structure for three (3) consecutive years, and who files or causes to be filed an application for a demolition permit for that structure, may opt for deferral of the tax, as provided in this Subsection 4-18-4(A) or (B). In the event the demolition permit is for a multi-unit structure, the person may only defer that portion of the demolition tax attributable to his/her own dwelling unit. The demolition permit fee must be paid at the time of application. The person shall make application for deferral of the tax to the Director on a form provided for that purpose and available from the Building Permit Desk. To qualify for the deferral, the person shall provide documentation to establish that all real estate taxes on the subject property have been paid in full as of the date of application for the permit; that any and all City liens and judgments recorded on the subject property have been satisfied; and that the person has been the record title holder and occupant of the subject structure for three (3) consecutive years prior to the date of application for the permit. Documentation the Director may require to establish the person's qualification for the tax deferral option may include, but shall not be limited to, income tax records and proof of voter registration. If the Director determines that the person qualifies for the deferral option, he/she shall cause a lien to be recorded against the property with the Cook County Recorder in the amount of the tax to be deferred, to which shall be added the applicable recordation fee. Except as provided in Section 4-18-4(C), the lien shall not bear interest. The Director may, upon written request of the person, subordinate the lien to any mortgage the person may have or seek on the property. Among the factors the Director may consider in determining whether or not to grant the subordination request is whether the value of the property is adequate to ensure payment of the City's lien, and that all real estate taxes have been paid.
- (B) **Deferral of the Tax in the case of Recycling/Reuse of Materials.** Any applicant who applies for a demolition permit and seeks to defer the demolition tax by reason that the materials generated by the demolition of a structure will be recycled and/or reused, may apply for a deferral of the tax. Evidence of such recycling/reuse shall be furnished to the Director in writing, and the Director shall determine if the applicant qualifies for this deferral option. All requirements for the application for the deferral and the release of lien as provided for in this Section 4-18-4 of this chapter shall apply.
- (C) Deferral of the Tax in the case that the subject property is no longer a buildable parcel. Any applicant who applies for a demolition permit and seeks to defer the demolition tax by reason that the lot/parcel in question is no longer buildable under the City's ordinance may apply for a deferral of the tax. Evidence of such change in property characteristics must be furnished to the Director in writing and the Director shall determine if the applicant qualifies for this deferral option. All requirements for the application for the deferral and the release of lien as provided for in this Section 4-18-4 of this chapter shall apply.

Comment [F58]: Review with Legal in light of Cook County requirements for diversion of demolition materials from landfills.

(D) Release of lien.

- (1) A person who exercised the tax deferral option provided for in Section 4-18-4(A), (B), or (C) and who has been the record title holder and occupant for three (3) consecutive years after issuance of a Final Certificate of Occupancy for the replacement structure may apply for release of the lien by making application therefor to the Director on a form provided for that purpose and available from the Building Permit Desk. Documentation the Director may require to establish the person's qualification for the release of lien may include, but shall not be limited to, income tax records and proof of voter registration for the years in question. If the Director determines that the person qualifies for the release, he/she shall provide the person with a recordable release of lien no later than thirty (30) days after he/she determines that the person qualifies for the release.
- (2) A person who exercised the tax deferral option provided for in Section 4-18-4(A), (B) or (C) who sells the subject property prior to the expiration of the three (3)-consecutive-year period after issuance of the Final Certificate of Occupancy shall, as a condition to the City's release of the lien, pay the tax due, to which shall be added interest at the annualized Money Market Index rate published by the Government Finance Officers Association.

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 62-0-11, § 2, 8-8-2011; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-4)), 1-23-2012)

4-18-5. - STABILITY INCENTIVE.

When the tax was paid at the time of permit issuance as provided for in subsection 3(A) of this chapter, a person who has been the record title owner and occupant of a residential property demolished subsequent to the effective date of this chapter ("preexisting structure") for all of the three (3) years immediately preceding the date of the application for demolition ("prepermit period"), and remains the record titleholder and occupant of the property for three (3) consecutive years beginning immediately after the date on which the certificate of occupancy for the new residential structure is issued, may qualify for a monetary stability incentive in an amount equal to the demolition tax paid on the issuance of the permit for demolition of the preexisting structure, provided, however, that only persons whose real estate taxes on the property are paid in full at the time of application for stability incentive may apply for the incentive.

Application for the stability incentive payment shall be made to the director on a form provided for that purpose and available from the building permit desk. The person must provide the director of Community ~~and Economic~~ Development with such documentation as he/she may require to establish that the owner qualifies for the payment under the requirements of this section. Such documentation may include, but is not limited to, income tax returns and proof of voter registration for the years in question. The city shall pay qualifying persons an amount equal to the demolition tax, if any, imposed pursuant to this chapter on the issuance of the permit for the preexisting structure, less the amount of any liens recorded by the city against the subject property, including, but not limited to, liens for judgments entered in cases adjudicated in the city's Division Of Administrative Adjudication, no later than thirty (30) days after the Director of Community ~~and Economic~~ Development determines that an owner qualifies for the stability incentive.

(Ord. No. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-5)), 1-23-2012)

4-18-6. - SEVERABILITY.

The provisions, sections, and subsections 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. 139-0-05; Ord. No. 40-0-07; Ord. No. 8-0-12, (48-0-11(exh. A, § 4-18-6)), 1-23-2012)

DEVELOPER CONTRIBUTIONS

Including, but not limited to, fees in lieu paid in compliance with the Inclusionary Housing Ordinance, fees for affordable housing negotiated in planned development agreements, and impact fees that may be assessed on development projects not covered by the inclusionary housing ordinance.

OTHER

Including, but not limited to, real estate transfer tax fees, hotel/motel taxes, a percentage of property taxes, or other sources as approved by City Council.