

INCLUSIONARY HOUSING ORDINANCE SUBCOMMITTEE

Tuesday, July 24, 2018

7:00 PM

Lorraine H. Morton Civic Center, 2100 Ridge, Room 2404

- 1. CALL TO ORDER / DECLARATION OF QUORUM**
- 2. APPROVAL OF MEETING MINUTES** February 7, 2018
- 3. PUBLIC COMMENT**
- 4. DISCUSS REVISIONS TO INCLUSIONARY HOUSING ORDINANCE**
 - A. Onsite unit requirement
 - B. Income restrictions
 - C. Fee in lieu of onsite units
 - D. Developer incentives/bonuses
- 5. OTHER SOURCES OF REVENUE**
- 6. OLD/NEW BUSINESS**
- 7. ADJOURNMENT**

Next Meeting: TBD

Order & Agenda Items are subject to change. Information about the Inclusionary Housing Ordinance Subcommittee 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

INCLUSIONARY HOUSING ORDINANCE SUBCOMMITTEE

Wednesday, February 7, 2018, 6:00 P.M.

Lorraine H. Morton Civic Center, room 2404, Glacier Conference Room

Present: Ald. Rainey, Ald. Wilson, Rob Anthony, Lynn Robinson, Jolene Saul, Kent Swanson, Stacie Young

Absent: Ald. Fiske, Ald. Revelle

Presiding Member: Ald. Wilson

Staff: Sarah Flax, Housing and Grants Administrator; Savannah Clement, Housing Policy and Planning Analyst

Call to order

Chair Wilson called the meeting to order at 6:10 PM with a quorum present.

Approval of meeting minutes

Kent Swanson made a revision in the second line, on page 5 of packet, change “seller” to “buyer,” then moved approval as revised, Lynn Robinson seconded and the motion was approved unanimously.

Public comment

Ray Friedman, 2nd Ward, requested follow up on how many affordable units have been made available through IHO. There will be four units in the 824-828 Noyes building and 15 units in the Albion building, totaling 19 affordable units approved since the amended IHO went into effect on January 1, 2016.

Sue Loellbach, of Joining Forces for Affordable Housing and Connections for the Homeless, stated it’s hard to figure out how to update ordinance without an overall plan. She said there are other affordable housing tools to consider outside of the IHO.

Clare Kelly, resident, thinks it’s important to examine Albion and why they were not required to provide all units onsite. She wants to hear why everyone wants to be on Subcommittee.

Doug Sharp, Reclaim Evanston and 9th Ward, wants the fee in lieu raised to \$300,000. He also thinks there needs to be a broader plan with established goals. Mr. Sharp said there should be a moratorium on consideration of any new planned developments until a plan is in place.

Discuss affordable housing and inclusionary housing ordinance goals

Chair Wilson asked Sarah Flax to clarify what is meant by the term internal rate of return (IRR). She explained it is not the anticipated profit on a development project; it is a formula used by investors to evaluate a potential investment and compare against other investments. Ald. Rainey stressed the importance of a workshop on housing development with experts to explain all of the financing definitions. Kent Swanson explained that IRR is a calculation of risk and returns over the course of the time an investor anticipates owning a project.

Ald. Wilson solicited feedback on the affordable housing and inclusionary housing ordinance goals in the packet.

Kent Swanson asked about the goal of creating more affordable units. He asked if the City wants to affect more people and provide more units, or provide fewer but new units in expensive buildings. He asked if there is a way to incentivize or bring down the cost of building units.

Stacie Young discussed the possibility of using project-based subsidies for units in existing buildings in TOD and downtown areas as a way to get more units at a lower cost than units in the new construction. Kent noted the rents would likely be much cheaper in these buildings. Ald. Rainey said there are many beautiful units in Evanston that are much less expensive than the units in the brand new developments and cited some in her ward.

Rob Anthony said there is a misconception around how much a unit costs, because the cost to build a unit isn't the whole picture. The revenue generated by the unit needs to be considered as well. He feels inclusionary housing should be considered as zoning/building code to reflect community value, or public policy. New housing development should incorporate a range of income levels.

Ald. Rainey said the ordinance doesn't cover smaller developments. She thinks the current development boom in Evanston might be ending, particularly downtown. The City needs to look at other ways to generate revenue for affordable housing that would spread the cost to more than just residential developers.

Ald. Wilson asked Rob Anthony if he's had any success with acquiring condos as affordable housing. Rob explained there are challenges with the assessments and property taxes and ensuring all of the collective costs are affordable to buyer.

Stacie Young reiterated that the City could increase the IHO fee-in-lieu, and then use the revenue for project-based rental assistance in buildings that are in strong markets but have lower rents than new construction buildings.

Rob Anthony stated the IHO should be used to get affordable units onsite, and other fees, like impact fees, could be used for project- and tenant-based rental assistance.

Ald. Rainey and Ald. Wilson noted it is unlikely that will be many more planned development projects proposed to the City in the near future because of opposition to recently proposed projects. However, Ald. Wilson said smaller projects such as condo conversions will still be happening and those could provide opportunities for more rental and inclusionary units.

Kent Swanson noted the market is focused on rental due to higher demand and declining homeownership rates. Rental absorption rates have been strong and residential rental developments are economically viable.

Ald. Wilson suggested evaluating the demolition tax and the impact of teardowns on the housing supply.

Ald. Rainey raised the possibility of a Real Estate Transfer Tax (RETT) referendum to increase the tax for affordable housing. She said this could also be used to assess the community's commitment to and buy-in for funding affordable housing. In the past, the RETT increase referendum to fund pensions did not pass but more people may support it for affordable housing, as a human right and community value. She noted then everyone could share the burden of funding affordable housing. The RETT applies to all real estate transfers: residential, commercial, etc. Sarah Flax said staff would provide information on RETT revenues for the past several years. Ald. Rainey noted a referendum could not be on the March ballot but could be on the November ballot.

Discuss revisions to inclusionary housing ordinance

Rob Anthony brought up the IHO's impact on land value. He said the City could look at ways to offset costs for developers. Height and density bonuses have not been viewed favorably by the community. Kent Swanson noted that Evanston used to have more people in the 1960s and 1970s, so the infrastructure could handle more people.

Stacie Young said there needs to be more transparency and predictability in the ordinance. That would be fairer to developers and City staff. Kent agreed more certainty is a good thing.

Ald. Wilson said he is open to hearing ideas about other ways to incentivize onsite units. He also mentioned leveraging City-owned lots for affordable housing development.

Rob Anthony said the City should consider standardizing income restrictions on inclusionary units and fees-in-lieu across the city instead of having different requirements and thresholds in TOD vs non-TOD areas that have the effect of limiting

new housing for low income residents in TOD areas. Ald. Wilson said he would like to see the ordinance more equitably applied across the city. Sarah Flax explained the rationale for the different requirements in TOD and non-TOD areas was to provide opportunity for lower income people to live in higher income areas and avoid concentrating low income residents in areas that already have more low income residents.

Staff report: housing development finance workshop planning

Sarah Flax provided an update on the housing development financing workshop, recommending having a separate meeting open to the public. The workshop would cover both market rate development and affordable housing development financing, and would be video recorded and posted on the City's YouTube channel. Experts in market rate financing could be from the Urban Land Institute and/or development finance intermediaries; Enterprise and LISC are possible sources for experts in affordable housing finance. Ald. Wilson said we should also include a lender in the workshop. Kent suggested inviting Wintrust and Byline/First Bank and Trust to participate. The goal is to schedule the workshop before the March 7 IHO Subcommittee meeting.

Ald. Wilson said he envisions having a maximum of two more Subcommittee meetings.

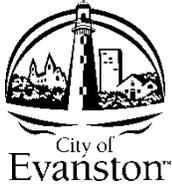
Rob Anthony asked about timing of other affordable housing activities. Staff will send the City Council packet and actions from January 29th meeting, as well as dates of when items will be going to committees. Rob asked about a broader affordable housing plan. Ald. Wilson and Ald. Rainey said they would like to have a plan, but also want to accomplish some short-term affordable housing goals in the interim.

Adjournment

Jolene Saul motioned for adjournment, Rob Anthony seconded, and the motion was unanimously approved. The meeting was adjourned at 7:25 p.m.

The next scheduled meeting of the commission is Wednesday, March 7, at 6:00 p.m. in room 2404.

Respectfully submitted,
Savannah Clement, Housing Policy and Planning Analyst



Memorandum

To: Members of the City Council IHO Subcommittee

From: Johanna Leonard, Community Development Director
Sarah Flax, Housing and Grants Administrator
Savannah Clement, Housing Policy and Planning Analyst

Subject: Inclusionary Housing Ordinance Revisions Discussion Guide

Date: July 20, 2018

Discussion:

At the October 30, 2017 special City Council meeting to discuss affordable housing, Council agreed to form a subcommittee to evaluate revisions to the City's Inclusionary Housing Ordinance (IHO) to more effectively generate on-site affordable units. In addition, the subcommittee will evaluate potential additional sources of revenues to fund other strategies to address affordable housing needs that are under consideration.

In order to address these and other issues, staff has provided a draft revised ordinance for the Subcommittee to review and discuss. The revisions proposed are designed to:

1. Make development bonuses more effective; the current bonus structure has not been providing developers the additional market rate units needed to offset costs on inclusionary dwelling units.
2. Decrease the difference between the fees in lieu of on-site affordable units and the cost to build on-site affordable units.
3. Simplify the requirements for on-site units and make consistent between TOD and non-TOD areas.

The proposed revisions to the Inclusionary Housing Ordinance are listed in order below:

§ 5-7-3. DEFINITIONS.

- Rental affordability period changed from 25 to 30 years
- "AFFORDABLE HOUSING, OWNER OCCUPIED": Changed the definition so that the housing payment costs should not exceed 31% of household income, rather than 33% - correcting a typographical error
- "CERTIFICATE OF QUALIFICATION" – deleted six month validity, added language regarding HUD Part 5 income verification methodology
- Added "CONTRACTED AGENCY" definition
- "COVERED DEVELOPMENT" definition changes:
 - The distinction between TOD and non-TOD areas was removed; all developments with five or more units are covered.

- Clarified that affordable housing developments are not eligible for development bonuses, fee waivers/deferrals, but are eligible for parking requirements
- In (B), added: “or that changes the size/configuration of dwelling units in an existing multi-family residential structure with no change of tenure.”
- “LOW INCOME HOUSEHOLD” definition changed to: “A household with a total income equal to or below 50% of the AMI.”
- “MIDDLE INCOME HOUSEHOLD” definition changed to: “A household with a total income above eighty percent (80%) but not exceeding one hundred twenty percent (120%) of the AMI.”
- “MODERATE INCOME HOUSEHOLD” added to definitions; reads as follows: “A household with a total income above 50% but not exceeding 80% of the AMI”
- “QUALIFIED HOUSEHOLD”: “developer or its designee” was replaced with “City’s contracted agency”

§ 5-7-4. REQUIREMENTS.

- (B) Calculation changes: For all fractional units less one half, a payment of one half the fee-in-lieu will be required.

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

- (A) *Certificate of Qualification*: “developer or its designee” was replaced with “City’s contracted agency”
- (B) *Eligibility*:
 - For-sale considerations: All for-sale units shall be sold to households earning at or below 120% AMI, or provide a mix of affordable units at or below 80%, 100%, or 120% AMI that achieve the equivalent reduction from 100% AMI as all units at 120% AMI.
 - Rental considerations: Eliminate TOD and non-TOD distinctions and require that all rental affordable units be at 60% AMI or below. An alternative option was added that states “a covered development may provide affordable units all at 60% AMI, or provide a mix of affordable units at or below 80% AMI that achieve the equivalent reduction from 100% AMI as all units at 60% AMI.”
- (D) *Waiting List*: Added language about the City’s contracted agency, preliminary income screening based on self-reported information, and the following last sentence: “The City’s contracted agency shall refer certified households drawn from the waitlist to developers of covered developments for rental or ownership units throughout the affordability period of the development following the Inclusionary Housing Policies and Procedures for Rental and Ownership Affordable Dwelling Units.”

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

- (E) *Interior Appearance and Finishes* changed to say, “Affordable dwelling units may have different interior finishes than market rate units, but shall be Contractor Grade or higher quality.”

- (G) *Unit Size* changed to “Unit Characteristics,” and now says, “Affordable dwelling units shall be indiscernible from market rate units from the exterior or common areas and shall be equal to or larger than the minimum size requirements in the building code in effect at the time of project approval.” The chart with minimum square feet per unit was removed.

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

- First paragraph changed to add: “Developments that receive variances or allowances above the base zoning must have a minimum of 5% affordable units onsite and may pay a fee in lieu of the remaining 5% of affordable units, with the exception of condominium developments. Condominium developments may choose to pay a fee in lieu of building each affordable dwelling unit required by Section 4 of this chapter at the per-unit rate shown below.”
- (A) Fee-in-lieu increases: “The fee in lieu amount per affordable dwelling unit shall be one hundred seventy-five thousand dollars (\$175,000) for units in a TOD area or one hundred and fifty thousand dollars (\$150,000) per affordable dwelling unit in a non-TOD are, with the exception of condominium developments that elect to pay fees in lieu of any onsite affordable units; the amount per affordable dwelling unit in this situation shall be 1.5 times the basic fee in lieu shown above. Fee in lieu rates will be adjusted annually based on the Consumer Price Index.”
- (C) Timing of fee-in-lieu payment changed to: “Unless otherwise preempted by law, any fee in lieu shall be paid with receipt of building permit.”

§ 5-7-9. ALTERNATIVE EQUIVALENT PROPOSAL.

- Added “...in the same or comparably zoned neighborhood...” to second sentence.
- Added “...or more on-site affordable units at higher income levels, such as 80% AMI” to second sentence
- Added after second sentence: “Any rental units must not exceed 80% AMI to qualify as affordable. Ownership units may not exceed 120% AMI to qualify as affordable units.”

§ 5-7-10. REDUCTION OF REQUIRMENTS.

- Section deleted

§ 5-7-11. AFFORDABILITY CONTROLS.

- (A) *Initial Sale Prices For Affordable Owner Occupied Dwelling Units.*
 - 2. Added: “renewable at each subsequent sale.”
- (B) *Rental Rates for Affordable Dwelling Units*
 - 1. Changed to say: “All of the affordable dwelling units within a covered development shall have affordable rental rates at 60% AMI. Rents for affordable units shall not exceed the gross rental rate schedule published annually by the Illinois Housing Development Authority, less any tenant-

- paid utilities based on the Housing Authority of Cook County utility schedule in effect at time of rent up.”
 - 2. Deleted
 - 3. “edition” replaced with “year”
 - 4. Affordability changed from 25 to 30 years
 - 5. Changed to read as follows: “A written 12-month lease is required at initial rent up for a new tenant household for all leased affordable dwelling units. Renewal leases may be less than 12 months based on mutual agreement between the landlord and tenant.”
- (C) *Procedure For Initial Sale or Lease to the General Public*. Added language about the centralized waitlist and the City’s contracted agency
- (D) *Agreement to Ensure Compliance During the Affordability Period*. Added sentence at the end, under “*Rental Compliance*,” that says: “The City’s contracted agency shall complete annual recertifications 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*. Added language ensuring sale prices are capped to maintain affordability for next buyer, and the “depreciated fair market” value of approved improvements.
- (G) Changed to say: “*Sale After First Affordability Period Ends*.”
 - 3. Deleted

§ 5-7-13. INCENTIVES FOR APPLICANTS.

- (B) *Fee Deferral*: Added language stating the fee deferral applies to the “proportional share of the common area associated with” the non-affordable dwelling units. Removed “other similar development review fees”
- (C) *Fee Waiver*: Added language stating the fee waiver applies to the “proportional share of the common area associated with” the affordable dwelling units. Removed “other similar development review fees”
- (D) *Bonuses*: See attached IHO bonus revisions charts and text below for consideration and discussion.
- (E) *Parking*: See attached IHO bonus revisions charts and text below for consideration and discussion.

IHO Bonuses Explanation

The zoning bonuses proposed for developments that meet the full on-site inclusionary housing requirement are designed to make on-site affordable housing more economically feasible to developers while allowing bulk and density increases that are appropriate and in context with surrounding developments. Bonuses apply to all zoning districts other than single family residential districts (R1-R3, R4a). For covered developments that provide 5% on-site affordable units, a floor area ratio (FAR) bonus of 1.0 is given (and 2.0 in D districts), as well as a density bonus of one additional market rate dwelling unit for each on-site affordable unit. In the downtown districts only, the density bonus is doubled to encourage more affordable housing within the downtown where high density is appropriate but housing is more costly. A parking bonus is also given to allow zero parking for the on-site affordable units.

Since multiple-family residential districts are not regulated by FAR and are instead regulated by building lot coverage and impervious surface coverage, a bonus of 15% is given to those requirements, which is a negligible impact since such developments are required to provide on-site storm water management. A height bonus is only given for multiple-family residential districts to allow one additional story (12 feet), which is the same height bonus eligible through the planned development process. Multiple family residential districts that utilize the IHO height bonus may not also utilize the planned development height bonus (site development allowance).

Covered developments that provide 10% on-site affordable units receive the same zoning bonuses, except that the density bonus is doubled for all zoning districts. Additionally, such developments that proceed as planned developments may exceed the maximum site development allowances listed within the Zoning Ordinance by a majority vote of the City Council, rather than the current regulation requiring a supermajority (2/3) vote of the City Council.

Non-covered developments are not eligible for any zoning bonuses except parking, which then follows the TOD parking requirement in applicable TOD areas, or the already established IHO parking requirement in non-TOD areas. Such developments are anticipated to have a substantial amount of affordable housing, which typically needs less parking. The regular 5% and 10% IHO bonuses stated above are not appropriate for non-covered developments since the bonuses could lead to inappropriate building design with little to no parking for buildings that are mostly or all inclusionary units.

These bonuses allow for more habitable area and dwelling units within existing or appropriately and moderately increased height and bulk zoning regulations to ensure developments maintain appropriate scale to surrounding structures while establishing a reasonable incentive to developers of both large and small developments. Moderate to large scale projects require planned development approval, so if any such development utilizes a bonus in a manner not appropriate to a specific site, the development could be reduced, modified, or fully denied by the City Council as a planned development.

Attachments:

- 60-O-15 Inclusionary Housing Ordinance with redlined revisions
- Proposed IHO Bonus revisions chart
- Proposed IHO Bonus revisions' impact on sample properties

10/29/2015
10/21/2015
6/8/2015
4/21/2015

60-O-15

AN ORDINANCE

Amending Portions of City Code Title 5, Chapter 7 to Expand the Application of the Inclusionary Housing Ordinance

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

SECTION 1: Legislative Statement.

At the time of the passage of this ordinance, the City of Evanston observed a noticeable decline in the diversity of the City's housing stock as a result of increasing property values and housing costs, and a reduction in the availability of affordable housing. With the exception of housing subsidized by the City or other affordable housing providers, privately developed new residential housing that is being built in the City is generally not affordable to low and moderate income households.

The City determined that, without intervention, the trend toward increasing housing prices would result in an inadequate supply of affordable housing for City residents and local employees, which would have a negative impact on the sustainability of the City, including employers' abilities to maintain a local workforce, and would otherwise be detrimental to the public health, safety and welfare of the City and its residents.

The City has an existing inclusionary housing ordinance within the City Code of 2012, as amended (herein the "City Code"). Adding additional restrictions will bring

more developments within the purview of this affordable housing ordinance and will better address the housing development issue at hand.

The court in *Southwestern Ill. Dev. Auth. v. National City Environmental* found “that a lack of decent housing contributes to urban blight, crime, anti-social behavior, disease, a higher need for public assistance, reduced tax revenues, and the migration of workers and their families away from areas which fail to offer adequate, decent, affordable housing”. 199 Ill.2d 225 at 261 (2002). There is a compelling and legitimate public interest in 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 and moderate income households or to make a payment in accordance to the terms of this Chapter. The requirements provided in the ordinance will allow the City to maintain a diverse population, provide affordable housing for those who work or live in the City, and will promote the public health, safety, and welfare of the residents of the City of Evanston.

SECTION 2: Title 5, Chapter 7, “Inclusionary Housing,” of the City Code is hereby further amended to read as follows:

5-7-1. TITLE.

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

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 and moderate 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 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 and moderate income households and working families.

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 twenty-five <u>thirty</u> (25 <u>30</u>) 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 three percent (33 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.— <u>Based on income eligibility using HUD Part 5 verification process. Certificates of qualification shall be valid for six (6) months.</u>
<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.
<u><i>CONTRACTED AGENCY</i></u>	<u>An organization with which the City contracts and has a written agreement to manage the centralized waitlist for affordable dwelling units and to income certify households for those units.</u>

<i>COVERED DEVELOPMENT.</i>	A development containing five (5) or more dwelling units in a TOD area or a development containing ten (10) or more dwelling units outside a TOD area, on contiguous land under common ownership or control by an applicant at one location within the city, when such dwelling units are to be sold or leased to owner-occupants or <u>leased to</u> tenants. The term "covered development" and the regulations contained in this chapter shall not apply to a development that is designed to provide <u>primarily</u> affordable dwelling units.—; <u>Developments that provide primarily affordable units are not eligible for the development bonuses and fee waivers/deferrals; but are eligible for the same parking requirements as covered developments.</u> The term "covered development" includes, without limitation, the following:
	(A) A development that is new residential construction or new mixed use construction with a residential component.
	(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—, <u>or that changes the size/configuration of dwelling units in an existing multi-family residential structure with no change in tenure.</u>
	(C) A development that will change the use of an existing building from nonresidential to residential.
	(D) A development built in phases.
<i>DEPARTMENT.</i>	The Evanston Community Development Department or any successor agency, unless otherwise indicated.
<i>DEVELOPER.</i>	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.
<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>	For homebuyers: a household with a total income equal to or below eighty percent (80%) of the AMI. For renters: a <u>A</u> household with a total income equal to or below 50% of the AMI in TOD areas, and equal to or below 60% of the AMI in all other areas.
<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>	For homebuyers: a <u>A</u> household with a total income <u>between above</u> eighty percent (80%) <u>and but not exceeding</u> one hundred twenty percent (120%) of the AMI in TOD areas, and between 80% and 120% of the AMI in all other areas. For renters: a household with a total income between 50% and 60% of the AMI in TOD areas, and between 60% and 80% of the AMI in all other areas.
<i>PROPERTY, RECEIVING PUBLIC FUNDING</i>	<p>Any residential development or development containing a residential component, existing or new, that receives or has received any public funds.</p> <p>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.</p> <p>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>
<i>PROPERTY, PRIVATELY FUNDED.</i>	Any residential development or development containing a residential component, current or new, that does not and has not received any public funds.

<i>QUALIFIED HOUSEHOLD.</i>	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 developer <u>City's contracted agency or its designee</u> per section 5-7-6 of this chapter.
<i>TRANSIT ORIENTED DEVELOPMENT or TOD</i>	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.
<i>TOD AREA</i>	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.
<i>TRANSIT STATION</i>	The area including the platform which supports transit usage and that is owned and/or operated by the transit agency.

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 Ordinance results in a fraction, the following rules apply:
1. Fractions of one-half and more are counted as a whole.
 2. Fractions less than one-half are disregarded in the onsite unit calculation but apply to the fee-in-lieu calculation.
 3. The above two rules are also applied in the computation of ~~numbers of dwelling units.~~ Fees-in-lieu with any fraction of a unit less than one half calculated at half the per unit fee in lieu for all covered developments.
- (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.

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.

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

- (A) *Certificate Of Qualification.* The ~~developer, or its designee, contracted agency~~ shall issue a certificate of qualification to any household ~~the developer, or its designee, whose income~~ has verified ~~meets 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. ~~TOD Area: For covered developments in a TOD Area, 50% of All affordable~~ units must be sold to households ~~earning up to 100% AMI and 50% of the units sold to households at 80% AMI, both adjusted for household size whose incomes do not exceed 120% AMI adjusted for household size.~~
 - b. ~~Alternatively, a covered development may provide a mix of affordable units for households whose incomes do not exceed 80%, 100%, and 120% AMI that achieve the equivalent reduction in affordability from 100% AMI as with all units at 120% AMI, all adjusted for household size.~~ ~~Outside of TOD Area: For covered developments outside TOD area, 50% of units must be sold to households earning up to 120% AMI and 50% of the units sold to households at eighty percent (80%) AMI, both 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.
 - a. ~~TOD Area: For covered developments in a TOD Area, 50% of all affordable~~ units must be leased to households ~~earning up to whose incomes do not exceed~~ 60% AMI ~~adjusted for household size. and~~

~~50% of the units leased to households at 50% AMI, both adjusted for household size.~~

b. ~~Outside of TOD Area: For~~ Alternatively, a covered development may provide a mix of affordable units for households whose incomes do not exceed 30%, 50%, 60% and 80% AMI that achieve the equivalent reduction in affordability from 100% AMI as with all units at 60% AMI, all adjusted for household size. ~~outside a TOD Area, 50% of units must be leased to households earning up to 80% AMI and 50% of the units leased to households at 60% AMI, both 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.* The ~~City may create, or authorize the creation, of~~ waiting lists of households for affordable housing units in developed and managed by the contracted agency in advance of the construction of those units in order to prioritize households pursuant to Section 5-7-6 (C), ~~After the affordable units within the covered development are fully occupied, households~~ Households may complete a preliminary income screening based on self-reported income and request 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."

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 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.

(E) *Interior Appearance and Finishes.* Affordable dwelling units ~~shall~~ may have ~~the same~~ different interior appearance and finishes ~~as basic market rate dwelling units~~ than market rate units, but the interior finish materials shall be Contractor Grade or higher.

(F) *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 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.

(G) *Unit Size Characteristics.* Affordable dwelling units shall be ~~similar to~~ 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. with a comparable number of bedrooms and subject to the following minimum standards for square footage size of the affordable dwelling unit:

Studio	500 square feet
1 Bedroom	750 square feet
2 Bedroom	900 square feet
3 Bedroom	1,200 square feet

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.

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

In a covered development that is aAs of right, an applicant may pay a fee in lieu of building each affordable dwelling unit required by Section 4 of this chapter for

the covered development. Developments that receive variances or allowances above the base zoning must have a minimum of 5% affordable units onsite and may pay a fee in lieu of the remaining 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 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 (\$~~100~~175,000) for units in a TOD area or seventy-five one hundred fifty thousand (\$~~75~~150,000) per affordable dwelling unit in a non-TOD area. 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 1.5 times the fee in lieu shown above for either TOD or non-TOD area. The fee in lieu ~~is subject to annual review and revision by the city council. 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 time of receipt of building permits. prior to the issuance of a temporary certificate of occupancy for any dwelling unit in the covered development.
- (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 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.

5-7-9. ALTERNATIVE EQUIVALENT PROPOSAL.

An applicant may propose to meet the requirements of Section 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 30% AMI, or more affordable units at higher income levels such as 80% AMI. To qualify as

affordable units, rental units shall not exceed 80% AMI and ownership units shall not exceed 120% 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.

~~5-7-10. REDUCTION OF REQUIREMENTS.~~

~~*Reduction.* If the applicant presents clear and convincing financial evidence to the City Council that full compliance with Section 4 of this chapter, payment in lieu as per Section 8 of this chapter, or alternative equivalent action as per Section 9 of this chapter, or any combination thereof would render the development financially infeasible, the applicant may seek a reduction in the required number of affordable dwelling units and/or payment in lieu as to render the project financially feasible. If such a reduction is requested, a detailed explanation shall be provided which demonstrates the financial infeasibility of full compliance with the requirements of this chapter.~~

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:

Unit Size	Income Level for Household Size
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 (80%, 100% or 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. Fifty percent (50%) One hundred percent (100%) of the affordable dwelling units within covered developments in TOD shall have affordable rental rates at 50% AMI and the remaining fifty percent (50%) of affordable dwelling units shall have affordable rental rates at 30%, 50%, 60% or 80% AMI according to their Affordable Housing Agreement, pursuant to 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 Housing Authority of Cook County utility schedule in effect at the time of the lease agreement. If an uneven number of total affordable units are in the development, the additional affordable unit shall be at 50% of the AMI.~~

~~2.1. Fifty percent (50%) of the affordable dwelling units within a covered development that is not in a TOD area shall have affordable rental rates at 60% AMI and the remaining 50% of affordable dwelling units shall have affordable rental rates at 80% AMI, pursuant to the annual rental rate schedule published by the Illinois Housing Development authority. If an uneven number of total affordable units are in the development, the additional affordable unit shall be at 60% of the AMI.~~

3. 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.
4. 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 ~~twenty-five~~thirty (2530) years, after which the affordability requirements of this chapter cease to control the unit.
5. A written 12-month lease is required for all leased affordable dwelling units, ~~except for units in an assisted living residence.~~ Renewal leases may be less than 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 waiting list shall make application for a "certificate of qualification" on a form provided by the ~~Director~~contracted agency. If the ~~developer, or its designee~~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 ~~he or she~~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 ~~developer, or its designee, 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 8 and 9 of this chapter respectively.

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 First 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 as determined pursuant to subsection (~~GE~~) of this section. 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:

Years of Ownership	Share to Affordable Housing Fund
11 to 15 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.

~~3. If an affordable dwelling unit is sold through a foreclosure or other court ordered sale, the affordable restrictions are extinguished, but any remaining net profit shall be returned to the department and deposited into the affordable housing fund.~~

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.

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 shall be for plan review, and building permit fees ~~or other similar development review fees~~ 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 ~~all~~ plan review, and building permit fees ~~or other similar development review 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:* ~~See memo and charts for proposed bonuses for onsite units 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:~~

Development Bonus	In TOD Area	Outside TOD Area
Density	20% bonus	10% bonus
Height	10% bonus	5% bonus
FAR	10% bonus	5% bonus

- (E) *Parking:* ~~See memo and charts for proposed parking requirements for onsite units. Parking requirements provided in Title 6 are hereby amended for covered developments that provide on-site affordable units, the parking requirements for entire development provided in Title 6, Zoning Code, shall be reduced to:~~

Parking Requirements	In TOD Areas	Outside TOD Area
0-1 Bedroom	0.5 parking spaces	0.75 parking spaces
2 Bedrooms	1 parking space	1.25 parking spaces
3+ Bedrooms	1.25 parking spaces	1.5 parking spaces

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.

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.

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.

SECTION 3: The findings in this Ordinance, and the Legislative Record, are declared to be prima facie evidence of the law of the City of Evanston, and shall be received in evidence as provided by the Illinois Compiled Statutes, and the courts of the State of Illinois.

SECTION 4: If any provision of this ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

SECTION 5: In the event of any conflict between the terms and conditions of this Ordinance 60-O-15 and the terms of the Zoning Ordinance, Ordinance 60-O-15 shall supersede, prevail and dictate the law of the City of Evanston until such time as the Zoning Ordinance is amended to address the regulations set forth herein. All other regulations not addressed within this Ordinance 60-O-15 shall remain in full force and effect in the City Code.

SECTION 6: This ordinance shall become effective on January 1, ~~2016~~2019. All completed applications for building permit, for developments needing no zoning relief, and all completed applications for a variance or special use permit, received after January 1, ~~2016~~2019 shall be subject to all provisions contained herein.

Those completed applications received prior to January 1, ~~2016-2019~~ shall be subject to the provisions of the preceding City Code provisions and exempted from the amended and additional provisions provided herein.

Introduced: _____,
~~2015~~2018

Approved: _____, 2015

Adopted: _____,
~~2015~~2018

~~Elizabeth B. Tisdahl~~Stephen M. Hagerty,
Mayor

Attest:

Approved as to form:

~~Rodney Greene~~Devon Reid, City Clerk

~~W. Grant Farrar~~Michelle Masoncup,
Corporation Counsel

**City of Evanston
Current and Proposed IHO Bonuses**

	B2 base zoning	B2 IHO bonuses	PD in B2	C1a base zoning	C1a IHO bonuses	PD in C1a	D3 base zoning	D3 IHO bonuses	PD in D3	R5 base zoning	R5 IHO bonuses	PD in R5
Covered development - rental, owner, conversion, adaptive reuse	5	5	5	5	5	5	5	5	5	5	5	5
Require minimum of 5% affordable units on site with variance/allowance		NA	X		NA	X		NA	X		NA	X
Require minimum 10% affordable units onsite to exceed site development allowances; super majority not required		X	X		X	X		X	X		X	X
Fee in lieu of on-site unit (non-TOD/TOD)	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K	\$150K/\$175K
Proportional fee in lieu for fractional affordable unit	X	X	X	X	X	X	X	X	X	X	X	X
Current Bonus - FAR or BLC	2	10% 5%	1	4	10% 5%	1.5	4.5	10% 5%	3.5	45% BLC	NA	15% BLC
Current Bonus - Impervious surface	NA	NA	NA	NA	NA	NA	NA	NA	NA	60%	NA	NA
Current Bonus - Density	400/DU	20% 10%	20%	350/DU	20% 10%	40%	300/DU	20% 10%	no max	k for 4DU+800/D	20% 10%	25%
Current Bonus - Height	45'	10% 5%	12'	67'	10% 5%	30'	85' (+40' parking)	10% 5%	85' or 220' max	50'	10% 5%	12'
Current Bonus - Parking	NA	.55/BR other	NA	TOD .55/BR	.55/BR other	NA	TOD .55/BR	.55/BR other	NA	NA	.55/BR other	NA
FAR or BLC bonus with 5% affordable units onsite		1			1			2			15%	
Impervious surface bonus with 5% affordable units onsite		NA			NA			NA			15%	
Density bonus with 5% affordable units onsite		1 per IDU			1 per IDU			2 per IDU			1 per IDU	
Height bonus with 5% affordable units onsite		0'			0'			0'			12'	
Parking reduction with 5% affordable units onsite		IDUs no parking			IDUs no parking			IDUs no parking			IDUs no parking	
FAR or BLC bonus with 10% affordable units onsite		1			1			2			15%	
Impervious surface bonus with 10% affordable units onsite		NA			NA			NA			15%	
Density bonus with 10% affordable units onsite		2 per IDU			2 per IDU			4 per IDU			2 per IDU	
Height bonus with 10% affordable units onsite		0'			0'			0'			12'	
Parking reduction with 10% affordable units onsite		IDUs no parking			IDUs no parking			IDUs no parking			IDUs no parking	
Planned Development maximums			no max			no max			no max			no max

City of Evanston
IHO Bonuses Impact - Sample Properties

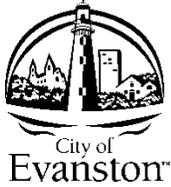
Address	Zoning District	Permitted Density	5% IHO bonus to Permitted Density	10% IHO bonus to Permitted Density	Dwelling Units Proposed	5% IHO bonus to Requested Density	10% IHO bonus to Requested Density	PD Site Development Allowance	Permitted Height	Height with 5% or 10% IHO bonus	Height Proposed	PD Height Site Development Allowance	Permitted FAR or BLC	FAR or BLC 5% or 10% IHO bonus	PD FAR or BLC Site Development Allowance	FAR or BLC Proposed	Parking Required	Parking IHO bonus (for 5% IHO)	Parking Proposed
1727 Oak	D3	117	117 (6 IDU) + 12 = 129	117 (12 IDU) + 48 = 165	169	(8 IDU) so 169 - 16 bonus = 153	(17 IDU) so 169 - 68 bonus = 101	no max	85	0	155	+ 85 = 170	4.5	2	+ 3.5 = 10	4.24	122	-17.6 + 35.2 = 139.6	139
601 Davis	D2	93	93 (6 IDU) + 10 = 103	93 (9 IDU) + 36 = 129	318	(16 IDU) so 318 - 32 bonus = 286	(32 IDU) so 318 - 128 bonus = 190	no max	85	0	313	+ 43 = 128	4.5	2	+ 1.25 = 7.75	12.25	267	-16.5 + 33 = 283.5	176
128-132 Chicago	B3	63	63 (3 IDU) + 3 = 66	63 (6 IDU) + 12 = 75	26	(1 IDU) so 26 - 1 bonus = 25	(3 IDU) so 26 - 6 bonus = 20	+ 25% = 80	85	0	72	+12 = 97	3	1	+ 1 = 5	1.45	37	- 1.1 + 1.1 = 37	30
Albion	D4	93	93 (6 IDU) + 10 = 103	93 (9 IDU) + 36 = 129	273	(14 IDU) so 273 - 14 bonus = 259	(27 IDU) so 273 - 108 bonus = 165	no max	105	0	145	+ 40 = 145	5.4	2	+ .6 = 8	5.99	187	-14.3 + 28.6 = 211.3	200
910 Custer	MUE	32	32 (2 IDU) + 2 = 34	32 (3 IDU) + 6 = 38	40	(2 IDU) so 40 - 2 bonus = 38	(4 IDU) so 40 - 8 bonus = 32	+ 25% = 41	40	0	44.2	+ 15 = 55	0.45	1	+ .1 = 1.55	1.18	60	- 3 + 1.5 = 58.5	80
3233-3249 Central	R4	10	10 (1 IDU) + 1 = 11	10 (1 IDU) + 2 = 12	12	(1 IDU) so 12 - 1 bonus = 11	(1 IDU) so 12 - 2 bonus = 10	NA	35	+ 12 = 47	31.7	NA	40%	15% = 55% total	NA	46.50%	18	0 (no IDU)	18
831 Emerson	C1a	120	120 (6 IDU) + 6 = 126	120 (12 IDU) + 24 = 144	242	(12 IDU) so 242 - 12 bonus = 230	(24 IDU) so 242 - 48 bonus = 194	+ 40% = 184	67	0	103	+ 30 = 97	4	1	+ 1.5 = 6.5	4.66	358	- 13.2 + 13.2 = 358	175
824-828 Noyes	B1	8	8 (0 IDU) = 8	8 (1 IDU) + 2 = 10	44	(2 IDU) so 44 - 2 bonus = 42	(4 IDU) so 44 - 8 bonus = 36	+ 20% = 10	40	0	52	+ 12 = 52	2	1	+ 1 = 4	2.2	39	- 2.2 + 2.2 = 39	35
910 Hinman Ave.	R5	7	7 (0 IDU) = 7	7 (1 IDU) + 1 = 8	7	7 (0 IDU) = 7	(1 IDU) so 7 - 1 bonus = 6	NA	50	+ 12 = 62	43	NA	45%	15% = 60% total	NA	56.30%	10	0 (no IDU)	11
609 South Blvd.	MXE	12	12 (1 IDU) + 1 = 13	12 (1 IDU) + 2 = 14	16	(1 IDU) so 16 - 1 bonus = 15	(2 IDU) so 16 - 4 bonus = 12	NA	41	0	NA	NA	1.5	1	NA	1.3	21	-1.1 + 2.2 = 22.1	16

Bonuses apply to all Districts except R1, R2, R3, R4a.

IHO Bonuses 5%:
FAR 1.0 and 2.0 for D districts
BLC & ISC 15%
Density 1 per IDU (2 per IDU in Ds)
Height 12' residential only and when not a PD
Parking IDUs no parking

IHO Bonuses 10%: (only change is to density, and supermajority vote not required when exceeding maximum Site Development Allowances)
FAR 1.0 and 2.0 for D districts
BLC & ISC 15%
Density 2 per IDU (4 per IDU in Ds)
Height 12' residential only and when not a PD
Parking IDUs no parking

For non-covered developments that exceed the on-site affordability requirements of covered developments, parking requirements are: TOD (.55 per bedroom) or non-TOD (.75/1BR, 1.25/2BR, 1.5/3BR)



Memorandum

To: Members of the City Council IHO Subcommittee

From: Johanna Leonard, Community Development Director
Sarah Flax, Housing and Grants Administrator
Savannah Clement, Housing Policy and Planning Analyst

Subject: Additional possible sources of revenue for Affordable Housing Fund

Date: July 20, 2018

Summary:

In addition to recommending revisions to the Inclusionary Housing Ordinance to improve its effectiveness at generating affordable units, the IHO Subcommittee is tasked with evaluating ways to generate additional revenue for the Affordable Housing Fund from other sources to fund strategies to address affordable housing needs. Currently, Affordable Housing Fund revenues are from the demolition tax on residential properties and developer contributions from projects that were approved before and after the 2016 amended Inclusionary Housing Ordinance. Staff has provided information on several potential options below for consideration by the Subcommittee.

Impact/Linkage Fee on Development Not Covered by the IHO

Several municipalities utilize impact/linkage fees to generate revenue for affordable housing. In most cases, a dollar amount is charged per square foot. For example, in Marin County, CA, an amount is charged per square foot on residential units that are greater than 2,000 square feet. Impact and linkage fees can be applied to both new residential and commercial construction, as well as additions to existing structures; see attached chart with examples of impact and linkage fees from other municipalities

Because a substantial amount of construction in the City of Evanston is rehab of existing buildings, a more equitable way to fund affordable housing could be an impact fee based on construction value, similar to building permit fees. For example, the City could increase the fees by a specified amount or percentage and the revenues could be deposited in the Affordable Housing Fund. Stamford, CT, uses a similar method by allocating five percent of revenue from building permit fees to the City's Housing Development Fund.

The City's revenue from building permits varies from year to year. From 2014-2017, the City received an average of \$7.3 million each year from building permits. There are several different types of permits and fees, and fees are calculated differently

depending on the valuation of the project. Ordinance 125-O-17 provides in depth guidance on the City's permit fee schedule (attached). If, for example, the City raised the permit fees by 5% across the board that would result in \$365,000 of additional revenue each year for the Affordable Housing Fund (based on the \$7.3 million average). This fee could be waived on IHO covered developments; developments that comply fully with 10% of units on-site at specified rates already have a pro rata share of permit fees waived on the affordable units and deferred until first TCO on market rate units.

Increase Demolition Tax

Currently, the City charges \$10,000 when a housing unit is demolished or \$3,000 per unit for multi-family structures, whichever is greater. This tax is one of the existing funding sources for the Affordable Housing Fund. Still, demolitions in Evanston are infrequent and do not generate a lot of revenue. Over the past several years, the City has received an average of approximately \$50,000 per year from demolitions. The demolition tax has not been increased since it was developed in 2006. The City could increase it in order to produce a modicum of additional revenue from this source

Hotel/Motel Tax

The City could examine raising the hotel/motel tax, which is presently set at 7.5%. The revenue from this tax used to fund the Economic Development Fund but now goes into the General Fund. If the City increased the tax, the additional revenue generated could be used to partially fund the Affordable Housing Fund.

Short-term Rental/Airbnb Tax

San Diego recently instituted an affordable housing fee of \$3.96 for whole home short-term rentals and \$2.73 for those renting out a room in their homes while they are present. This is in addition to a \$949 annual licensing fee for whole home short-term rentals that will be used to fund new code enforcement positions.

Attachments:

- Examples of impact and linkage fees from other municipalities
- Affordable Housing Fund 2017 Revenues and Expenses, 2018 Commitments
- Revenue from building permits 2014-2017
- 125-O-17 Permit Fee Schedule

Municipal Impact/Linkage Fees

Program	Impact/Linkage Fees
Marin County, CA	Applies to all new single-family homes greater than 2,000 square feet; and teardowns and major remodels (additions) that result in over 500 square feet of new space <u>and</u> a total conditioned floor area of greater than 2,000 square feet. Only floor area exceeding 2,000 square feet is subject to the fee. Fees are waived or reduced when a second unit is included as part of the proposed project. Fee per square foot is \$5 for floor areas between 2,000 and 3,000 square feet and \$10 per square foot for buildings bigger than 3,000 square feet. If new 2 nd unit or agricultural worker unit is provided onsite, the fee is \$5 per square foot over 3,000 square feet.
Los Angeles, CA	\$3-15 per square foot fee depending on use and income area for commercial and residential developers that goes into a Housing Impact Trust Fund for affordable housing needs
Boulder, CO	\$4-15 per square foot fee on non-residential developments to be used divided among municipal, police, fire, affordable housing and transportation services. Residential impact fee developments based on size of project for developments 799 + square feet.
Palo Alto, CA	\$20-60 per square foot fee depending on use for commercial developments. \$50 per square foot fee for market-rate residential construction.
Seattle, WA	\$5-17 per square foot fee for commercial developments or provide affordable housing on or off site equivalent to 5-10.6% of chargeable commercial space
Boston, MA	\$8 per square foot fee for commercial developments of which at least half must be invested in neighborhoods that have less than the citywide average of affordable housing

CITY OF EVANSTON AFFORDABLE HOUSING FUND
2017 Revenues & Expense and 2018 Commitments
January 16, 2018 (unaudited)

AHF Cash Balance - December 31, 2017	
Cash	\$ 1,138,352.94
Investments	\$ 369,293.94
Total Cash*	\$ 1,507,646.88

Revenues	2017 Budget	FY2017 Actual	FY2018 Budget
Loan Repayment	\$ 5,600.00	\$ 8,055.51	\$ 5,600.00
Demolition Tax	\$ 50,000.00	\$ 97,000.00	\$ 50,000.00
Developer Contribution**	\$ 125,000.00	\$ 325,000.00	\$ 325,000.00
Investment income/interest	\$ 230.00	\$ 5,622.88	\$ 230.00
Total Income	\$ 180,830.00	\$ 435,678.39	\$ 380,830.00

Expenses	2017 Committed Expenses	2017 Expended estimated	2018 Budget
Staff salaries & benefits	\$ 63,452.00	\$ 63,452.00	\$ 92,963.00
HMIS grant	\$ 18,500.00	\$ 18,500.00	\$ 18,500.00
Landlord-Tenant Services	\$ 40,500.00	\$ 40,500.00	\$ 41,000.00
IHO Waitlist Management	\$ 20,778.00	\$ 10,389.00	\$ 31,389.00
CPAH 2-unit rental project	\$ 314,491.00	\$ 165,000.00	\$ 149,491.00
Handyman Program	\$ 50,000.00	\$ 21,187.64	\$ 28,812.36
Senior Bridge housing	\$ 10,000.00	\$ -	\$ 10,000.00
Emergency Hotel Stays	\$ 17,500.00	\$ 3,797.50	\$ 13,702.50
2005 Grey Ave acquisition	\$ 48,000.00	\$ 47,007.97	\$ -
Title searches - NCB properti	\$ 8,000.00	\$ 6,246.95	\$ 5,000.00
Other program costs	\$ 2,500.00	\$ 642.34	\$ 28,442.14
Total Expenses	\$ 593,721.00	\$ 376,723.40	\$ 419,300.00

*Includes \$305,627.96, the City's share of the assets of the Evanston Housing Corporation that was dissolved in 2017.

**Resolution 40-R-15 designated the \$400,000 donation to AHF from 1571 Maple Ave development for acquisition of housing units in the City's downtown districts as affordable rental by a non-profit housing developer. First payment of \$200,000 was received in 2017 and the second payment is anticipated in 2018.

2014-2017 Permit Fees by Permit Types for New Building Construction or Remodeling Existing Building

Permit Type	Year 2014	Year 2015	Year 2016	Year 2017	Total	Percent	Average	Percent	
Accessory Structure	\$ 42,732.27	\$ 74,816.89	\$ 42,183.22	\$ 45,414.82	\$ 205,147.20	0.70%	\$ 51,286.80	0.70%	0.70%
Addition Commercial	\$ 134,928.10	\$ 80,231.28	\$ 1,835,869.96	\$ 1,214,307.44	\$ 3,265,336.78	11.15%	\$ 816,334.20	11.15%	16.45%
Addition Residential	\$ 642,907.58	\$ 310,800.22	\$ 190,414.28	\$ 406,996.00	\$ 1,551,118.08	5.30%	\$ 387,779.52	5.30%	
New Commercial	\$ 4,095,453.49	\$ 1,657,451.13	\$ 4,590,915.41	\$ 2,486,767.51	\$ 12,830,587.54	43.81%	\$ 3,207,646.89	43.81%	49.40%
New Residential	\$ 1,109,571.88	\$ 245,687.89	\$ 185,199.95	\$ 95,753.68	\$ 1,636,213.40	5.59%	\$ 409,053.35	5.59%	
Remodel Exterior	\$ 730,658.43	\$ 474,763.79	\$ 623,954.24	\$ 372,147.11	\$ 2,201,523.57	7.52%	\$ 550,380.89	7.52%	
Remodel Interior Only - Commercial	N/A	N/A	N/A	\$ 263,266.43	\$ 263,266.43	0.90%	\$ 65,816.61	0.90%	33.45%
Remodel Interior Only	\$ 1,166,262.80	\$ 2,315,525.42	\$ 1,425,216.85	\$ 1,861,426.70	\$ 6,768,431.77	23.11%	\$ 1,692,107.94	23.11%	
Remodel Kitchen-Bath	\$ 134,443.41	\$ 107,460.87	\$ 153,978.85	\$ 168,009.83	\$ 563,892.96	1.93%	\$ 140,973.24	1.93%	
Total Permit Fees Collected	\$ 8,056,957.96	\$ 5,266,737.49	\$ 9,047,732.76	\$ 6,914,089.52	\$ 29,285,517.73	100.00%	\$ 7,321,379.43	100.00%	100.00%

10/23/2017

125-O-17

AN ORDINANCE

**Amending Ordinance 138-O-14 Regarding the City of Evanston
Permit Fee Schedule**

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

SECTION 1: Ordinance 138-O-14, which established certain fees relating to permits, licenses, and review or inspection procedures, is hereby deleted in its entirety and the Permit Fee Schedule, attached hereto as Exhibit A and incorporated herein by reference, hereby substituted in lieu thereof.

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

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

SECTION 4: This ordinance will be in full force and effect on January 1, 2018.

Introduced: Nov 20, 2017

Approved:

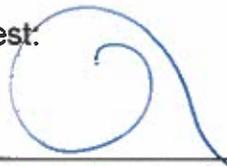
Adopted: Nov 27, 2017

December 4, 2017


Stephen H. Hagerty, Mayor

Attest.

Approved as to form:


Devon Reid, City Clerk


W. Grant Farrar, Corporation Counsel

EXHIBIT A

PERMIT FEE SCHEDULE

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I. BUILDING PERMIT FEES:

A. **BASIS OF BUILDING PERMIT FEES:** For the purpose of determining a basis for computing building permit fees, the established cost of construction shall be determined by the Director of Community Development as follows:

1. The Director of Community Development will accept an estimate furnished to him by the applicant for the permit at the time of the application.

2. In every instance where a building permit is issued with a construction valuation of one hundred thousand dollars (\$100,000.00) or more, the property owner and general contractor shall provide to the City at the conclusion of construction a sworn contractor's statement indicating the full and final construction cost of the project, less land cost. Upon presentation of said sworn statement, any permit fees due the City for costs over and above the cost-valuation submitted as construction valuation on the permit application form shall be immediately paid to the City. In cases of a construction cost less than the estimated valuation, the City shall refund the difference to the property owner or general contractor.

3. In cases of estimated construction valuation of less than one hundred thousand dollars (\$100,000.00), the property owner and general contractor shall submit a sworn contractor's statement upon the written request of the Director of Community Development.

4. In cases of dispute of valuation, the owner shall produce, upon request of the Director of Community Development, copies of all contracts, change orders, and final waivers of lien for the subject building which may be submitted, at the discretion of the Director, to an architectural firm for review and a written cost opinion. Fees for the said review are to be paid by the property owner. Upon completion of the review, the Director shall render a final ruling as to fees due or to be refunded.

5. No final Certificate of Occupancy shall be issued until said sworn statement is submitted, and permit fees adjusted accordingly, and such fees and all costs, e.g., those relating to valuation disputes, are paid.

6. The plan review fee will be assessed on refunded permits or withdrawn projects.

7. The following fee structure includes first and second plan reviews. If a third and any subsequent review is required prior to permit issuance, a fee of ten percent (10%) of the original fee shall apply to the final cost per additional review. A post permit plan review shall be assessed at one hundred percent (100%) of the original fee.

B. **FEES FOR BUILDING PERMITS:** The Fee to be charged for permits authorized by the City Code shall be paid to the City Collector and shall be paid as provided

PERMIT FEE SCHEDULE

herein. No permit or amendment thereto shall be issued without the fee being paid. Pursuant to Section 105.5 of the 2012 International Building Code as amended by City Code Section 4-2-2, a building permit shall, without further action by the City, automatically expire and be rendered null, void and of no further force or effect, if the permit holder does not begin work authorized by the permit within one-hundred and eighty (180) calendar days of permit issuance, unless an extension is granted in accordance with Subsection 2 of Section 105.5 of the 2012 International Building Code as amended by City Code Section 4-2-2. A fee of fifty percent (50%) of the original cost of permit shall be charged for reinstatement of permit; provided, however, that in no case shall a permit be issued or renewed for a fee less than fifty dollars (\$50.00).

1. The fee for cost of work valuation of less than or equal to one million dollars (\$1,000,000.00) shall be as follows:

Building Permit Fees (Title 4, Chapter 2):

Estimated Construction Cost	Permit Fees
1 - 100	\$ 28.00
101 - 1,000	\$ 48.00
1,001 - 2,000	\$ 64.00
2,001 - 4,000	\$ 88.00
4,001 - 6,000	\$ 124.00
6,001 - 8,000	\$ 160.00
8,001 - 10,000	\$ 196.00
10,001 - 12,000	\$ 230.00
12,001 - 16,000	\$ 293.00
16,001 - 20,000	\$ 357.00

The fee shall be three hundred fifty-seven dollars (\$357.00) plus thirteen dollars and fifty cents (\$13.50) for each additional one thousand dollars (\$1,000.00), or part of one thousand dollars (\$1,000.00), of cost of work valuation over twenty thousand dollars (\$20,000.00) until one million dollars (\$1,000,000.00).

2. The fee for cost of work valuation greater than one million dollars (\$1,000,000.00) shall be seventeen dollars and fifty cents (\$17.50) for each one thousand dollars (\$1,000.00), or part of one thousand dollars (\$1,000.00), of cost of work over one dollar (\$1.00).

C. **FENCE FEES:** The fee for a permit to erect or install a fence shall be computed at the rate of twenty dollars (\$20.00) for the first one hundred lineal feet (100') or fraction thereof plus six dollars (\$6.00) for each additional one hundred feet (100') or fraction thereof.

II. ZONING AND PLAN REVIEW FEES

A. Plan review fee shall be based upon building floor area, computed in square feet from the exterior dimensions of length and width of each floor, including all basements, cellars, garages, and storage areas. A minimum non-refundable fee of twenty-five dollars (\$25.00) shall be charged at the time of submission for all residential projects. A minimum non-refundable fee of one-hundred dollars (\$100.00) shall be charged at the time of submission for all commercial projects. These fees shall be credited towards the final cost of plan reviews.

B. PLAN REVIEW FEES:

Work Value	Plan Review Fee
\$ 0 - \$ 9,999	\$ 25.00
\$ 10,000 - \$ 49,999	\$ 50.00
\$ 50,000 - \$ 99,999	\$ 90.00
\$ 100,000 - \$ 149,999	\$ 150.00
\$ 150,000 - \$ 199,999	\$ 200.00
\$ 200,000 - \$ 499,999	\$ 0.002310 *
\$ 500,000 - \$ 999,999	\$ 0.002156 *
\$ 1,000,000 - \$ 1,499,999	\$ 0.001848 *
\$ 1,500,000 - \$ 1,999,999	\$ 0.001386 *
\$ 2,000,000 - \$ 2,999,999	\$ 0.001232 *
\$ 3,000,000 - \$ 3,999,999	\$ 0.001078 *
\$ 4,000,000 - \$ 4,999,999	\$ 0.000924 *
\$ 5,000,000 - \$ 9,999,999	\$ 0.000770 *
\$10,000,000 - and above	\$ 0.000616 *

* Where a fee multiplier is given, the Plan Review Fee is computed as the product of the appropriate fee multiplier and the work value.

C. ZONING ANALYSIS FEE:

For zoning analyses of proposed construction of 0-10,000 square feet, the fee shall be one-hundred ten dollars (\$110.00). For proposed construction of more than 10,000 square feet, the fee shall be one hundred sixty-five dollars (\$165.00). Said fee(s) shall not apply to City proposals. The fee for a zoning analysis on a revised proposal shall be the same as the fee for the initial proposal. The fee for zoning analyses done pursuant to an application for a building permit for which a permit is subsequently issued may be deducted from the building permit fee.

D. CONSULTANT PLAN EXAMINATION:

Fees hereby established shall not be applied to plan reviews to be conducted by agencies other than the Department of Community Development when such review is

PERMIT FEE SCHEDULE

recommended by the Director. The applicant will pay to the City of Evanston such fees, as set by that agency and approved by the City Council.

E. MINIMUM INSPECTION/ REINSPECTION FEES:

The minimum charge for any required trade (structural, mechanical, electrical or plumbing inspection) shall be forty-five dollars (\$45.00). There shall be a minimum reinspection fee of forty-five dollars (\$45.00) for each subsequent inspection. A minimum fee for missed inspection for any required trade or failure to cancel a scheduled inspection within twenty-four hours (24) of the inspection shall be forty-five dollars (\$45.00) for each inspector.

F. CERTIFICATE OF OCCUPANCY:

The fee for a final Certificate of Occupancy for residential buildings shall be twenty dollars (\$20.00) for each residential dwelling unit. The fee to be charged for all other uses shall be fifty dollars (\$50.00). The fee to be charged for a Certificate of Occupancy for part of a residential building (Temporary Certificate of Occupancy) shall be twenty dollars (\$20.00) in addition to the fee for the final Certificate of Occupancy. A Temporary Certificate of Occupancy for a portion of any commercial and/or institutional industrial building shall be one hundred twenty-five dollars (\$125.00) for thirty (30) days.

G. ZONING BOARD OF APPEALS FEES:

Any application for a special use, a variation, or a unique use, shall be accompanied by a fee according to the following schedule:

Special and Unique Use Application Fees

Planned Development or Planned Development Amendment	\$6,000.00
Planned Development Major Adjustment	\$2,200.00
Planned Development Minor Adjustment or Amendment for Extension	\$1,000.00
Zoning Analysis	\$1,000.00
Hospital Uses	\$1,211.00
Drive-in Uses	\$1,500.00
Special or Unique Uses	\$660.00

PERMIT FEE SCHEDULE

Substitution for an existing special use \$ 440.00

Variation Application Fees

All major and family necessity variations for single family and two family dwellings	\$385.00
All major and family necessity variations for uses other than single family and two family dwellings	\$660.00
All minor and fence variations	\$275.00
All major variations sought after commencement of construction	\$1,650.00

The specified fee shall be applicable to each special use or variation included in an application except that any application for variations for an owner occupied residence within the R1, R2, or R3 Districts shall require only the applicable fee for a single variation and any applicable fee for a special use.

H. ZONING AMENDMENT FEES:

Any petition for amendment to the text or map of the Zoning Ordinance shall be accompanied by a fee of one thousand one hundred dollars (\$1,100.00).

I. FEES FOR REQUEST FOR CERTIFICATES OF ZONING COMPLIANCE:

Any application for a Certificate of Zoning Compliance pursuant to Section 6-3-2 of the Zoning Ordinance shall be accompanied by the following fees.

Major Home Occupation Permits	\$110.00
Administrative Interpretations, Temporary Uses and all other requests for Certificates of Zoning Compliance for proposed projects or existing buildings of 0-10,000 square feet.	\$ 110.00
Administrative Interpretations, Temporary Uses and all other requests for Certificates of Zoning Compliance for proposed projects or existing buildings of more than 10,000 square feet.	\$ 165.00

Notwithstanding the previous schedule, in instances where the application for a Certificate of Zoning Compliance is accompanied by a request for a zoning analysis the fee provisions of II C, "Zoning Analysis Fee" shall supersede the fee provisions of this item II J.

J. PLAT APPROVAL FEES:

PERMIT FEE SCHEDULE

Fees for City Council approval of plats of subdivision or consolidation shall be three hundred thirty dollars (\$330.00) per plat.

K. ZONING FEE WAIVER:

Notwithstanding the fee schedule set forth in II.G and II.H supra, the City Council shall have the authority to waive in whole or in part any fee or deposit for any hearing before the Zoning Administrator, Plan Commission or Zoning Board of Appeals, for referrals by any governmental agency, or for any other party when such fee would present hardship. An applicant for such a hardship waiver must present his request in writing to the Committee of the Whole outlining the degree of such hardship. Consideration may be given, among other reasons, to the extent to which the hardship was created by Council action, and the financial state of the applicant.

L. APPEALS:

Any appeal of an order or final decision made by the Zoning Administrator shall be accompanied by a fee of two hundred seventy-five dollars (\$275.00).

III. ELECTRICAL PERMIT FEES:

A. BASIS FOR FEES:

Electrical fees shall be computed according to circuits and amperes. The term "circuit" as used in the current National Electrical Code, shall mean any set of branch wiring conductors which have been extended from a distribution center, and which may be utilized for the transmission of electrical energy. A minimum inspection fee in accordance with Section II-E hereof shall also be added.

1. In all use groups as defined in the current Adopted Electrical Code of the City of Evanston, the inspection fee for each nominal 15-ampere or 20-ampere two-wire branch circuit, including fixtures, sockets or receptacles shall be:

B. ELECTRICAL PERMIT FEES: (Title 4, Chapter 7)

Circuits	15 Amperes	20 Amperes	30 Amperes	40 Amperes	50 Amperes
1	\$ 12.00	\$ 15.00	\$ 24.00	\$ 30.00	\$ 36.00
2	\$ 22.00	\$ 29.00	\$ 44.00	\$ 58.00	\$ 66.00
3	\$ 30.00	\$ 41.00	\$ 60.00	\$ 82.00	\$ 90.00
4	\$ 40.00	\$ 53.00	\$ 80.00	\$106.00	\$120.00
5	\$ 48.00	\$ 65.00	\$ 96.00	\$130.00	\$144.00
6	\$ 56.00	\$ 75.00	\$112.00	\$150.00	\$168.00
7	\$ 64.00	\$ 84.00	\$128.00	\$168.00	\$192.00
8	\$ 69.00	\$ 94.00	\$138.00	\$188.00	\$207.00
9	\$ 78.00	\$101.00	\$156.00	\$202.00	\$234.00

PERMIT FEE SCHEDULE

Circuits	15 Amperes	20 Amperes	30 Amperes	40 Amperes	50 Amperes
10	\$ 84.00	\$110.00	\$168.00	\$220.00	\$252.00
11	\$ 89.00	\$118.00	\$178.00	\$236.00	\$267.00
12	\$ 95.00	\$124.00	\$190.00	\$248.00	\$285.00
13	\$ 98.00	\$132.00	\$196.00	\$264.00	\$294.00
14	\$103.00	\$140.00	\$206.00	\$280.00	\$309.00
15	\$110.00	\$146.00	\$220.00	\$292.00	\$330.00
16	\$115.00	\$152.00	\$222.00	\$304.00	\$333.00
17	\$118.00	\$157.00	\$236.00	\$314.00	\$354.00
18	\$123.00	\$165.00	\$246.00	\$330.00	\$369.00
19	\$125.00	\$171.00	\$250.00	\$342.00	\$375.00
20	\$128.00	\$176.00	\$256.00	\$352.00	\$384.00
21	\$130.00	\$182.00	\$260.00	\$364.00	\$390.00
22	\$133.00	\$189.00	\$266.00	\$378.00	\$399.00
23	\$134.00	\$198.00	\$268.00	\$396.00	\$402.00
24	\$138.00	\$204.00	\$276.00	\$408.00	\$414.00
25	\$143.00	\$210.00	\$286.00	\$420.00	\$429.00

Additional 15 or 20 amperes:

26-50 \$ 9.00 each additional circuit
 51-75 \$ 8.00 each additional circuit
 76-100 \$ 6.00 each additional circuit
 over 100 \$ 4.00 each additional circuit

Additional 30 or 40 amperes:

26-50 \$18.00 each additional circuit
 51-75 \$16.00 each additional circuit
 76-100 \$12.00 each additional circuit
 over 100 \$ 8.00 each additional circuit

Additional 50 amperes:

26-50 \$27.00 each additional circuit
 51-75 \$24.00 each additional circuit
 76-100 \$18.00 each additional circuit
 over 100 \$12.00 each additional circuit

C. The Inspection fee for the inspection of each electric motor or current-consuming device shall be as follows:

One HP or larger \$ 19.00
 Each additional motor \$ 8.00
 Heating device \$ 19.00
 Each additional heating device \$ 8.00 + .55 per KW

PERMIT FEE SCHEDULE

D. The fees for the inspection of electrical interior communication systems and burglar and shall be as follows:

Low voltage burglar, communication systems \$ 30.00

The plan review fees for low voltage fire alarms are conducted by agencies other than the Department of Community Development. The applicant will pay fees as set by that agency. The plan review fees are in addition to the permit fees set forth in this ordinance.

E. Permit fees for new services shall be as follows:

60-ampere service \$ 21.00
each additional meter \$ 12.00

100-ampere service \$ 30.00
each additional meter \$ 12.00

200-ampere service \$ 38.00
each additional meter \$ 12.00

400-ampere service \$ 45.00
each additional meter \$ 12.00

600-ampere service \$ 80.00
each additional meter \$ 12.00

800-ampere service \$ 120.00
each additional meter \$ 12.00

1000-ampere service \$ 150.00
each additional meter \$ 12.00

1200-ampere service \$ 200.00
each additional meter \$ 12.00

1400-ampere service \$ 240.00
each additional meter \$ 12.00

1600-ampere service \$ 260.00
each additional meter \$ 12.00

1800-ampere service \$ 300.00
each additional meter \$ 12.00

For service ampere rating other than those \$ 20.00
listed, fee will be for each additional 100
amperes or fraction

PERMIT FEE SCHEDULE

1. Feeders: Feeders installed or increased in amperage on a separate installation shall be the same as service fees above.

2. New wires: Changing, moving, or altering any wiring apparatus, machinery or device in any way where new wires of a different size or, of a greater or lesser length, are installed, shall be classed as new work and a fee covering such work shall be required in accordance with the foregoing fee schedules.

IV. PLUMBING PERMIT FEES:

The fees for permits for the installation, alteration or extension of a plumbing system shall be:

- 1. Replacement of fixtures * \$ 10.00 each
- 2. New installation of fixtures * \$ 15.00 each
- 3. Water service or any alterations - \$ 25.00
each unit or floor
- 4. Hot water heaters, new or \$ 25.00 each
replacement

* Definition of Fixture: Any device having either a water supply or drain connected to the plumbing system.

A minimum inspection fee in accordance with Section II-E hereof shall also be added.

V. WATER & SEWER - PERMITS:

The fee to be charged for sewer installation and repairs shall be as follows:

- Sewer repair \$ 45.00
- Water Service repair \$ 45.00
- Swimming pools \$ 40.00
- Sewer tap per 1.0 inch \$ 7.00
- Sewer Installation - first 50 \$ 45.00
- Each additional 50 feet (or fraction thereof) \$ 15.00
- Basins - per basin \$ 45.00

VI. GAS PIPING - PERMITS:

The fee for permits for installation of gas piping shall be twenty-five dollars (\$25.00) for the first (25) lineal feet, plus ten dollars (\$10.00) for (25) lineal feet or fraction thereof.

VII. LAWN SPRINKLERS - PERMITS:

The permit fee for lawn sprinkling systems shall be thirty dollars (\$30.00) plus one dollar (\$1.00) per head.

PERMIT FEE SCHEDULE

VIII. FIRE PLAN REVIEW FEES:

The following fee structure shall include the first plan review, a re-review, permit and system acceptance testing. If a third review and subsequent review is required, a fee of fifty percent (50%) of the original fee shall be applied to the final cost.

The permit fees for fire related systems are as follows:

Sprinkler System Permit and Plan Review Fee

1 to 5 heads	\$100.00
6 to 20 heads	\$200.00
21 to 100 heads	\$350.00
101 to 200 heads	\$500.00
201 to 300 heads	\$600.00
Over 300 heads	\$700.00 + \$1 per sprinkler head over 300

Fire Pump Review and Permit Fees (If not part of system)

Flat Fee of \$200.00

Standpipe Fees (If not part of system)

Flat Fee of \$200.00

Gas Suppression Systems

1 to 50 pounds	\$225.00
51 to 100 pounds	\$350.00
101 to 200 pounds	\$450.00
Over 200 pounds	\$600 plus \$.50 cents per pounds over 200

Fire Alarm System Permit Fee and Plan Review Fee

1 to 10 devices	\$200.00
11 to 25 devices	\$300.00
26 to 50 devices	\$425.00
51 to 75 devices	\$550.00
Over 75 devices	\$700.00 plus \$5 per device

Wet Chemical Kitchen Hood Suppression System

Per hood \$225.00

IX. MECHANICAL PERMIT FEES:

A. Fee based on mechanical contract price:

Value of Contract More Than	Less Than	Fee
\$ 0.00	\$ 500.00	\$ 20.00
\$ 501.00	\$ 1,000.00	\$ 30.00
\$ 1,001.00	\$ 3,000.00	\$ 45.00
\$ 3,001.00	\$ 5,000.00	\$ 60.00
\$ 51001.00	\$10,000.00	\$112.00
\$10,001.00	\$25,000.00	\$256.00
\$25,001.00	\$50,000.00	\$500.00
Above \$50,000.00 add \$ 10.00 per \$ 1,000.00		

- B. New or Replacement Furnace or A/C Unit: \$40.00
- C. New or Replacement Boiler: \$40.00
- D. New or Replacement Process Equipment: \$40.00

X. LIFT FEES:

- A. ELEVATORS (NEW AND EXISTING):
 - 1. Five stories and under: \$70.00 each elevator per year (two semi-annual inspections).
 - 2. Over five stories: \$120.00 each elevator per year (two semi-annual inspections).
- B. ESCALATORS: \$70.00 each escalator per year (two semi-annual inspections).
- C. HELICOPTER USAGE FOR CONSTRUCTION: Five hundred dollar (\$500.00) fee plus any costs incurred by the City for public safety.

XI. BUILDING MOVING PERMIT:

The fees will be assessed at the cost of city services.

XII. BUILDING DEMOLITION PERMITS:

The fee for demolition permits shall be computed on the cubic volume of the building or structure to be demolished as follows:

PERMIT FEE SCHEDULE

Fifty dollar (\$50.00) basic fee plus fifty dollars (\$50.00) for each one thousand (1,000) cubic feet of volume for commercial and residential structures and fifty dollar (\$50.00) basic fee plus ten dollars (\$10.00) for each additional cubic foot of volume for accessory structures. The cubic volume shall include the basement and/or cellar.

BONDS (Demolition Permit): No demolition contractor shall perform work within the City unless, prior thereto he shall have filed in the Office of the City Clerk liability and surety of performance bonds in the sum of \$150,000 to \$300,000 in a form approved by the Corporation Counsel, upon sureties approved by the City Clerk. Any permits will be conditioned upon the applicant's prior indemnification of the City from all claims arising out of work performed in the City by virtue of any permit issued to the demolition contractor, or by the Department of Community Development, and conditioned upon the restoration of any portion of public right-of-ways or excavations made by the permittee or at its direction to a safe and presentable condition. Such restorations shall be maintained in good order for a reasonable period thereafter.

XIII. DRIVEWAY PERMITS:

The fee for driveway permits shall be twenty-five dollars (\$25.00) for residential buildings and fifty dollars (\$50.00) for all other driveways. "Residential buildings" are defined in the Zoning Ordinance.

XIV. SIGNS, AWNINGS, AND CANOPIES:

A. SIGN PERMIT FEES:

1. Non-illuminated Signs (unless temporary): \$21.00
2. Illuminated Signs & Scoreboards: \$25.00 plus \$0.20 per sq. ft. of gross surface area of each face thereof.
3. Temporary Signs: \$20.00
4. Marquees, Fixed Canopies and Fixed Awnings: \$26.00 plus \$0.26 per sq. ft. of plan area.
5. Retractable Canopies, Fixed Awnings, and Retractable Awnings: \$26.00 plus \$0.26 per sq. ft. of plan area.

B. ANNUAL SIGN INSPECTION FEE:

Signs, Awnings with signage, and Canopies: Any sign, awning with signage, or canopy with signage, having a total surface area less than or equal to twenty-six square feet is subject an eleven dollar (\$11.00) annual fee. The annual fee for any sign, awning with signage, or canopy with signage, having a total surface area more than twenty-six square feet is seventeen dollars (\$17.00).

Illuminated Signs, Awnings and Canopies: Any illuminated sign, awning or canopy is subject to an annual surcharge of three dollars (\$3.00) is addition to any fee based upon surface area.

PERMIT FEE SCHEDULE

- C. APPEALS FOR VARIATION FROM SIGN ORDINANCE: \$175.00
- D. SIGN PENALTY FEES:

If the annual sign fees are not paid within (60) days of date of renewal, the City of Evanston reserves the right to double the annual fees. If the annual fee is not paid within (120) days of the date renewal, the annual fee will be tripled.

XV. MISCELLANEOUS PERMITS AND LICENSES:

A. STATIONARY ENGINEERS AND WATER TENDERS LICENSE: The fee to be charged for the original license and for the annual renewal license shall be as follows:

Stationary Engineer \$ 50.00 annually

- B. CONTRACTORS REGISTRATION/LICENSE FEES:

The fee to be charged for the original license and for the annual renewal license shall be as follows:

Building Contractors \$ 100.00
Building General Contractors \$ 125.00

- C. TANK PERMITS:

The fee for installation of tanks to be used for the storage or handling of flammable liquids and chemicals shall be eleven dollars (\$11.00) for each one thousand (1,000) gallons of capacity. The minimum fee for a tank removal is twenty-two dollars (\$22.00).

XVI. TENT PERMIT FEES: \$30.00

XVII. ANNUAL PERMIT FEES:

A. The fees to be charged for annual permits issued for a twelve (12) month period for minor repairs and additions to existing installations shall be as follows:

Electrical	\$400.00
Plumbing	\$400.00
Carpentry	\$400.00

XVIII. PENALTY FEES:

If work is commenced without a permit having been obtained, the permit fee shall be increased by seventy-five percent (75%) or two hundred fifty dollars (\$250.00), whichever is greater.

XIX. WAIVER OF BUILDING PERMIT FEES:

Notwithstanding the fees set forth in Sections I, III, IV, V, VI, VII, IX, and X hereof, the City Council shall have the authority to waive in whole or in part any fees or deposit for any building permit for any governmental agency, or for any other party when such fee would present a substantial hardship. An applicant for such a hardship waiver must present his request in writing to the Planning & Development Committee outlining the degree of such hardship. Consideration may be given, among other reasons, to the extent to which the hardship was created by the Council action, and the financial state of the applicant.