CITY COUNCIL REGULAR MEETING
CITY OF EVANSTON, ILLINOIS
LORRAINE H. MORTON CIVIC CENTER
JAMES C. LYTLE COUNCIL CHAMBERS
Monday, February 4, 2019

7:00 p.m. or at the conclusion of the Human Services Committee meeting

ORDER OF BUSINESS

(I) Roll Call – Begin with Alderman Fleming

(II) Mayor Public Announcements

(III) City Manager Public Announcements

(IV) Communications: City Clerk

(V) Public Comment
Members of the public are welcome to speak at City Council meetings. As part of the Council agenda, a period for public comments shall be offered at the commencement of each regular Council meeting. Public comments will be noted in the City Council Minutes and become part of the official record. Those wishing to speak should sign their name and the agenda item or non-agenda topic to be addressed on a designated participation sheet. If there are five or fewer speakers, fifteen minutes shall be provided for Public Comment. If there are more than five speakers, a period of forty-five minutes shall be provided for all comment, and no individual shall speak longer than three minutes. The Mayor will allocate time among the speakers to ensure that Public Comment does not exceed forty-five minutes. The business of the City Council shall commence forty-five minutes after the beginning of Public Comment. Aldermen do not respond during Public Comment. Public Comment is intended to foster dialogue in a respectful and civil manner. Public comments are requested to be made with these guidelines in mind.
(VI) Consent Agenda and Report of Standing Committees:

Administration & Public Works - Alderman Rue Simmons
Planning & Development - Alderman Revelle
Human Services - Alderman Rue Simmons
Rules Committee - Alderman Braithwaite

SPECIAL ORDERS OF BUSINESS

(SP1) Affordable Housing Work Plan Progress to Date
Staff prepared a report updating City Council on activities to expand affordable options in Evanston, including: amendments to the Inclusionary Housing Ordinance, identification of sources of revenue for the Affordable Housing Fund, development of new income restricted rental units, creation of new housing opportunities through the rental of accessory dwelling units, and the Affordable Housing Plan Steering Committee.
For Action: Accept and Place on File

(SP2) Ordinance 1-O-19, Amending Rental Registration to Include Owner Occupancy with Rental of Accessory Dwelling Units in Zoning Districts with Single-Family Residence
At the request of Alderman Eleanor Revelle and the direction of the Planning and Development Committee on 12/10/2018, staff prepared Ordinance 1-O-19 Amending Title 5, Chapter 8, “Registration of Rental Residential Buildings” to Include Owner Occupancy Requirement With Rental of Accessory Dwelling Units in Single-Family Zoning Districts”. The following background information is provided to inform a discussion relating to owner-occupancy requirements as a condition of allowing rental of accessory dwelling units (ADUs)/coach houses to non-family members of the primary dwelling unit. Staff seeks further direction from City Council relating to the addition of any potential regulations to address this discussion item at future meetings.
For Introduction

(SP3) Resolution 10-R-19, Authorizing City Manager to Initiate a Request for Qualifications and Request for Proposal Process for the Repurposing of City-Owned Real Property Located at 506 South Boulevard
Staff is seeking City Council approval of Resolution 10-R-19 “Authorizing the City Manager to Initiate a Request for Qualifications and Request for Proposal Process for the redevelopment of City-Owned Real Property Located at 506 South Boulevard as a mixed income residential development. The parking lot is commonly known as “Lot 1”. The development will include a mix of public housing units for low income households who would pay 30% of their income toward rent with the remainder subsidized, units restricted for moderate and middle income households with incomes between 50% and 80% of the area median income, and market rate units. Unit sizes would range from studios to three bedrooms to address the need for housing for a range of household sizes, including families with children.
For Action
(SP4) Approval of Letter of Support to the Illinois Housing Development Authority for a 60-Unit Affordable Senior Housing Development by Evergreen Development/CJE at 1015 Howard Street

Staff recommends approval of a Letter of Support to the Illinois Housing Development Authority (IHDA) for a 60-Unit Affordable Senior Housing Development by Evergreen Real Estate Group/Council for Jewish Elderly at 1015 Howard Street. The letter commits up to $2,000,000 as gap financing for Evergreen’s request of $14,397,120 in Low Income Housing Tax Credit equity (LIHTC), $450,000 in donation tax credits, and $2,000,000 of soft funds from IHDA. Total capital stack includes construction financing of $12,450,000.00 that will convert to a $3,780,000 first mortgage. City funding is contingent on underwriting following receipt of a funding commitment from IHDA, and completion of the City’s full review and approval process of the planned development. Funding will be in the form of loans from the City’s federal HOME Investment Partnerships grant (Account 240.21.5440.65535) with a 2019 budget of $696,000; and the Affordable Housing Fund (250.21.5465.56111) with a 2019 budget of $2,525,000.

For Action

(VII) Call of the Wards
(Aldermen shall be called upon by the Mayor to announce or provide information about any Ward or City matter which an Alderman desires to bring before the Council.) {Council Rule 2.1(10)}

(VIII) Executive Session

(IX) Adjournment

MEETINGS SCHEDULED THROUGH FEBRUARY 15, 2019
Upcoming Aldermanic Committee Meetings

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Information is available about Evanston City Council meetings at: [www.cityofevanston.org/citycouncil](http://www.cityofevanston.org/citycouncil). Questions can be directed to the City Manager’s Office at 847-866-2936. The City is committed to ensuring accessibility for all citizens. If an accommodation is needed to participate in this meeting, please contact the City Manager’s Office 48 hours in advance so that arrangements can be made for the accommodation if possible.
Memorandum

To: Honorable Mayor and Members of the City Council

From: Johanna Leonard, Community Development Director
        Sarah Flax, Housing and Grants Manager
        Savannah Clement, Housing Policy and Planning Analyst
        Ashley Wiley, VISTA Housing Planner

Subject: Affordable Housing Work Plan Progress to Date

Date: February 4, 2019

Recommended Action:
This memorandum provides an update on activities that further the Council goal of expanding affordable options in Evanston, including: amendments to the Inclusionary Housing Ordinance, identification of sources of revenue for the Affordable Housing Fund, development of new income restricted rental units, creation of new housing opportunities through the rental of accessory dwelling units, and the Affordable Housing Plan Steering Committee.

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Summary:

Create New Housing Opportunities
Rental of Coach Houses/Accessory Dwelling Units
City Council approved the rental of coach houses to non-family members at its meeting on May 14, 2018 and a cross-departmental staff team developed a process to inspect, determine occupancy, and register coach houses/accessory dwelling units for rental. City Council approved the fee and fine schedule at its meeting on October 29, 2018. On December 10, the Planning and Development Committee directed staff to revise the Rental Registration ordinance to require owner occupancy of either the primary dwelling unit or ADU. This item is on tonight’s agenda as a separate item.
Comprehensive Code Updates for ADUs and Small Lot Housing
Staff will work with the Affordable Housing Plan Steering Committee to evaluate and
develop recommendations on how additional types of ADUs and small lot housing can
be used to address housing needs in Evanston and to help achieve the goals of the
City’s recently approved Climate Action and Resilience Plan (CARP). Changes to City
zoning code needed to implement any recommended strategies would be developed for
review by the Plan Commission and Planning and Development Committee.

Increase Affordable Units in Market Rate Developments
City Council approved revisions to the Inclusionary Housing Ordinance (IHO) that were
proposed by the IHO Subcommittee its meeting on October 29, 2018. The amended
ordinance, 107-O-18, went into effect January 1, 2019; the IHO webpage has been
updated with the new ordinance; staff is finalizing changes to the application form for
developers, which will be posted. Staff is working to update IHO forms for developers,
and will post all updated materials to the City’s website: www.cityofevanston.org/aho

Expand Revenues for Affordable Housing
The Housing and Homelessness Commission opened discussion on increasing the
demolition tax at its meeting on October 4, and will develop a recommendation for
consideration by the Planning and Development Committee and City Council in March
2019.

Create Pathways to Homeownership
City Council approved ordinance 5-O-19 authorizing the City Manager to negotiate the
sale of 1729 Dodge Avenue to Evanston Township High School on January 14, 2019. This property will be the site for the single family home currently under construction by students in Geometry in Construction. Ordinance 6-O-19 approving the sale of this property to ETHS will be on the City Council agenda on February 25, 2019. Staff is finalizing acquisition of a vacant residential parcel as the site for the house that will be constructed in GIC in the 2019-2020 school year.

Expand Development of Income Restricted Rental Units
Leveraging External Resources to Develop Rental for Low Income Residents
City Council is requested to take action that authorizes the City Manager to execute a
letter of support to the Illinois Housing Development Authority for a 60-Unit Affordable
Senior Housing Development by Evergreen Development/CJE at 1015 Howard Street. This item is on tonight’s agenda as a separate item.

Leveraging City-Owned Land for Affordable Housing Development
City Council is requested to approve Resolution 10-R-19 Authorizing the City Manager
to Initiate a Request for Qualifications and Request for Proposal Process for the
redevelopment of City-Owned Real Property Located at 506 South Boulevard. This item
is on tonight’s agenda as a separate item.

Expand Programs to Overcome Barriers to Rental for Low Income Residents
Landlord-Tenant Services
On September 17, City Council approved a 12-month contract that began on October 1,
2018 with the Metropolitan Tenants Organization (MTO) and Lawyers Committee for
Better Housing (LCBH). MTO is providing guidance and advice to Evanston tenants and
landlords relating to their rights and responsibilities through its hotline, Evanston’s 311 system, and in-person consultations at the Evanston Public Library (1703 Orrington Ave) on Fridays from 2:00 to 6:00 p.m. MTO will also provide trainings for both landlords and tenants on their rights and responsibilities in 2019. In addition, MTO will provide mediation services and conduct tenant organizing in problem buildings as needed. MTO is partnering with LCBH to refer some cases for legal consultation and representation. The collaboration with LCBH will provide legal representation for low-income tenants in eviction cases and illegal lockouts.

Assessment of Fair Housing
City Council approved an intergovernmental agreement for the Cook County Assessment of Fair Housing (AFH) at its meeting October 29, 2018. HUD issued a Notification on January 5, 2018 delaying the submission of AFHs until October 31, 2020. While Evanston may not be required to submit an AFH to HUD before the submission of its 2020-2024 Consolidated Plan, it still has a responsibility to identify barriers to, and affirmatively further, fair housing. This Cook County wide collaboration will assess the current state of fair housing issues and develop community-informed and evidence-based goals and strategies to address the identified issues more effectively than if the City were to undertake such an assessment independently. In addition, it is more cost effective. The City’s share is $13,000, significantly less than the $24,990 spent on the 2014 Analysis of Impediments to Fair Housing Choice. The AFH will inform the development of both the 2020-2024 Consolidated Plan and the Affordable Housing Plan. Staff expects to begin work on the AFH in Q1 2019 based on communication from Cook County, which is the lead agency for the AFH.

Comprehensive Housing Plan
Affordable Housing Plan Steering Committee
The first meeting of the Steering Committee was scheduled for January 29, 2019 but was canceled due to severe weather. The meeting is being rescheduled. As noted above, the findings and goals of the Assessment of Fair Housing, 2020-2024 Consolidated Plan, and Climate Action and Resilience Plan will be integral components of the City’s Affordable Housing Plan. The AHP Steering Committee will work closely with the Housing and Homeless Commission to engage residents and stakeholders in its development.

Community Engagement and Education on Accessory Dwelling Units
The Metropolitan Mayors Caucus (MMC) held one of its “Granny Flat Academy” sessions at Northwestern University on January 16, 2019. The purpose of these events is to engage and educate residents and stakeholders in suburban Chicago about how ADUs can be used to address different housing needs. MMC received a grant from AARP for three workshops in the Chicago suburbs. Presenters included Eli Spevak, a subject matter expert from Portland, OR, staff from the Chicago Metropolitan Agency for Planning, and the Mayor of Bull Valley. City staff worked with MMC to have one session in Evanston as part of the public engagement process for the Affordable Housing Plan.

Attachments:
Affordable Housing Activities Summary chart
| Quarterly Updates on City Council Goal: Expand Affordable Housing Options in Evanston |
|---------------------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-------------------|
| Goal                             | Activity                     | 10/30/17 Meeting | 01/29/18 Meeting | 04/30/18 Meeting | 07/30/18 Meeting | 10/29/18 Meeting |
| Create new housing opportunities | Allow rental of existing coach houses to non-family members | X               | X               | X               | X               | X               |
|                                 | Comprehensive review of zoning code to allow for the creation and rental of new accessory dwelling units | X               | X               | X               | X               |
|                                 | Amend occupancy standards (3-Related) | X               | X               |                 |                 |
|                                 | Support new initiatives in housing construction and funding | X               |                 | X               |                 |
|                                 | Explore expansion of alternate housing forms including rooming houses and co-housing | X               | X               | X               |                 |
| Increase affordable units in market rate developments | Amend the Inclusionary Housing Ordinance to incentivize onsite units more effectively | X               | X               | X               |                 |
| Expand revenues for affordable housing | Increase the IHO fee-in-lieu | X               | X               | X               |                 |
| Create pathways to homeownership | Leverage external resources for homebuyer assistance | X               |                 |                 |                 |
| Expand development of income-restricted rental units | Leverage external resources to develop housing for low income and special needs residents | X               |                 |                 |                 |
|                                 | Leverage external resources to develop housing for low income and special needs residents | X               |                 |                 |                 |
|                                 | Leverage City-owned land for affordable housing development | X               | X               | X               |                 |
| Preserve affordable housing | Landlord Rehabilitation Assistance Program | X               | X               | X               |                 |
| Maintain and expand rent subsidies for low-income households | Handyman Program | X               |                 |                 |                 |
|                                 | Evanston Rental Assistance Program | X               | X               |                 |                 |
|                                 | HOME Tenant-Based Rental Assistance | X               | X               |                 |                 |
| Review changes to General and Emergency Assistance Programs | X               |                 |                 |                 |
| Expand programs to overcome barriers to rental for low income households | Landlord-Tenant education and assistance | X               |                 |                 |                 |
|                                 | PILOT Landlord Mitigation Fund | X               |                 |                 |                 |
|                                 | Explore rehab program for landlords that rent to low-income Households, households receiving subsidies, or other barriers | X               |                 |                 |                 |
| Comprehensive Housing Plan | Assessment of Fair Housing | X               |                 |                 |                 |
|                                 | Scope of work for Housing and Homelessness Commission | X               | X               | X               |                 |
|                                 | Community Outreach and Education | X               |                 |                 |                 |
Memorandum

To: Members of the Planning and Development Committee

From: Johanna Leonard, Community Development Director
Sarah Flax, Housing and Grants Manager

Subject: Ordinance 1-O-19, Amending Title 5, Chapter 8, “Registration of Rental Residential Buildings” to Include Owner Occupancy Requirement With Rental of Accessory Dwelling Units in Single-Family Zoning Districts

Date: February 4, 2019

Summary:
At the request of Alderman Eleanor Revelle and the direction of the Planning and Development Committee on 12/10/2018, staff prepared Ordinance 1-O-19 Amending Title 5, Chapter 8, “Registration of Rental Residential Buildings” to Include Owner Occupancy Requirement With Rental of Accessory Dwelling Units in Single-Family Zoning Districts. The following background information is provided to inform a discussion relating to owner-occupancy requirements as a condition of allowing rental of accessory dwelling units (ADUs)/coach houses to non-family members of the primary dwelling unit. Staff seeks further direction from City Council relating to the addition of any potential regulations to address this discussion item at future meetings.

Background:
This memorandum provides a summary of the concerns and justifications for extending an owner-occupancy requirement as well as staff’s research on potential issues that require further direction if an owner-occupancy requirement is established.

The rationale for requiring owner occupancy of either the primary dwelling unit or the ADU is to maintain the character of single-family residential neighborhoods where most homes are owner-occupied. In addition, an owner-occupied property (the real estate asset) is generally believed to be maintained at a higher level than a rental property. A benefit of allowing rental of either the ADU or the primary dwelling unit to non-family members is to generate income for the property owner in order to afford property taxes and maintenance costs. AARP’s Accessory Dwelling Units, Model State Act and Local Ordinance Code, developed by the American Planning Association, includes the following relating to owner occupancy in local code:
10. Occupancy Standards – Owner of Premises

Note: some neighbors are concerned that allowing ADUs will cause deterioration of neighborhood properties because landlord speculators will buy up houses with ADUs and rent out both units (MRSCW 1995, 28). The fear is that tenants will not maintain the units. A popular way to allay these fears is to require the owner of the lot to reside on the premises – the majority of ADU ordinances contain this requirement (APA 1996). There is evidence that owner occupancy does lead to better maintenance of the premises (Verrips 1983, 70). Not surprisingly, neighbors tend to want the adjacent premises with ADUs to be owner-occupied (Town of Babylon, New York 1979, 2). In order for owner occupancy to be most effective in fulfilling the purposes of ADUs, it is important to allow the owner to live in either unit....Communities often allow homeowners to reside in either the principal unit or the ADU (APA 1996).

Considerations: The AARP Model Code was published in 2000 with citations dating back to at least 1979. The main concern that the owner occupancy requirement sought to address was that investor-owned properties where both the principal unit and ADU are rented will be poorly maintained and a detriment to the neighborhood. However, research on ADUs since its publication date shows that this is generally unfounded. Portland, OR has allowed rental of both the primary unit and ADU since 1996 and reports that there are no more maintenance issues with investor-owned properties with ADUs where both units are rented than with owner-occupied properties with a rental unit. ADU subject matter expert Eli Spevak, who presented at the Metropolitan Mayors Caucus' Granny Flat Academies that was funded by AARP, reported that in municipalities without owner-occupancy requirements of either the primary unit or ADU, over 70% of were owner-occupied. In addition, 15-20% of ADUs are occupied by family members of the primary unit out of choice, even when not required by code.

Mr. Spevak did note that owner-occupancy continues to be required in many ordinances as a tool to get rental of either unit approved. However, he recommends the following standards in the model code on his website accessorydwellings.org:

**Occupancy and Use.** Occupancy and use standards for an ADU shall be the same as those applicable to a primary dwelling on the same site.

Comment: ADU codes that place more restrictions on tenure (ownership vs. rental), short-term rental, affordability and/or home business than would apply to a primary dwelling on the same lot result in less ADU construction. Owner-occupancy requirements make properties with ADUs unsuitable for income-based valuation by appraisers, constraining their value and making them more difficult to finance. Affordable housing restrictions on ADUs sound appealing, except that deed restrictions and tenant income screenings are (unsurprisingly) obstacles for mom-and-pop landlords (fortunately, ADUs provide a surprising amount of market-based affordable housing without subsidy or use restriction). An in-depth discussion of how these restrictions limit ADU development is provided in ADUs and Don'ts.
Compliance

In addition to making financing of ADUs more difficult, an owner-occupancy requirement also presents compliance challenges. The following language from the AARP model code is provided as the optimal provision for maintaining compliance with this requirement:

A lot or parcel of land containing an ADU shall be occupied by the owner of the premises, and the owner may live in either the ADU or the principal dwelling unit. Within 30 days of securing approval for construction of an ADU, the owner shall record against the deed to the subject property, a deed restriction running in favor to her municipality limiting occupancy of their the principal dwelling unit or the ADU to the owner of the property. Proof that such a restriction has been recorded shall be provided to the Zoning Administrator prior to issuance of the occupancy permit for the ACU (adopted from WOCD 1994, Application Procedures).

Staff in Legal, Property Standards and Community Development has concerns about using a deed restriction, including how “owner-occupant” should be defined. AARP’s model code provides the following definition:

ix. “Owner-occupant” means an owner who has legal residency on the premises of a dwelling unit that contains an ADU, who resides in the home at least six months of the year, and whose portion of the dwelling is not occupied when the owner is not present.

This definition does not adequately define “owner-occupant” for properties that are placed in a trust for estate planning or other reasons, or if one of the owners of a property held in an LLC would qualify as an owner-occupant. This was an issue when the City was considering approval of new bed and breakfast properties owned by Jennifer Pritzker/Tawani Enterprises.

Staff has concerns about how effective an owner-occupancy requirement would be, as well as how it would be enforced and monitored. AARP model code includes the following guidance:

Many communities monitor ADU’s to ensure that the owner still lives on the premises. A variety of methods are used to do this monitoring (see Section 6), including registration of occupants, certification of occupancy, and annual licensing of rental units with annual inspections.

Other communities require ADU owners to record the requirements of the ADU ordinance as deed restrictions, particularly the owner-occupancy requirement. The deed restrictions accompany the title of the property and give notice to all subsequent buyers of the occupancy requirement. Both the optimal and favorable provisions below require this registration.
Experts estimate that for every legally rented ADU, there are 3-5 that are being rented illegally. Additional requirements are likely to reduce the number of owners who will come forward and register their properties through the process developed to identify and inspect ADUs for legal rental. The inspection process will identify life safety violations that will have to be corrected and also set maximum occupancy load for ADUs that are not currently being rented and for those that are being rented out illegally. An owner-occupancy requirement could potentially deter registration and inspection among property owners who are renting an ADU illegally, particularly if they already rent the primary dwelling unit, thus defeating one of the goals of legalizing rental to non-family members of the primary dwelling unit.

The City’s rental registration requires annual renewal for all rented units. Currently owner-occupied two-flats already provide compliance challenges because the owner-occupant does not have to register the second unit if it is occupied by a family member. Affidavits of occupancy result in limited compliance with these properties. Property Standards staffing levels do not allow for annual inspections of all rented dwelling units and it is difficult to determine familial status based on City definition of relationship by blood, adoption or marriage in any rental situation. Conversely, by requiring all occupants to be listed on the lease, it is possible to determine if occupancy is at or below the maximum occupancy load for a unit based on its square footage and room configuration.

Recording an owner-occupancy on the property deed is another disincentive to registering ADUs for rental because it makes income-based property valuation unsuitable, as noted above. In addition, developing the document and recording it is estimated to cost $75 at minimum if done by the City. This cost would have to be passed on to the property owner, increasing disincentive to register their unit. Also, if a subsequent buyer does not plan to rent out the ADU, they would likely ask that the restriction be released. This creates additional administrative expense from staff time to prepare the release and the cost of recording the release.

Alternative means to address rentals that are detrimental to the neighborhood: Evanston has a Nuisance Property Ordinance that can be an effective means of addressing problem rental properties, whether single-family, multi-family or ADUs. In addition, since many of Evanston’s single-family homes in R1 and R2 zoning districts are owner occupied, particularly in Wards 6 and 7, allowing rental of both the primary unit and ADU will have little to no impact on the character of these neighborhoods. However, requiring owner-occupancy of either the primary unit or ADU will continue to provide barriers to achieving the City’s goal of integrating smaller, more affordable housing and rental housing in high cost neighborhoods and perpetuate long-standing patterns of economic and racial/ethnic segregation.

There are similar concerns about maintaining the character of neighborhoods between the rental of ADUs and vacation rental licensing, and consideration could be made of the recently approved changes to the latter process as a model for ADU rental registrations. The City’s newly adopted code for vacation licensing includes the following procedures for owner-occupied units and investor units: Owner-occupied units
are reviewed and approved administratively by staff from the Community Development and Health & Human Services Departments. Investor units are also reviewed by the Planning & Development Committee and subject to City Council approval. However, this would also serve as a significant disincentive to registering and is not recommended.

Legislative History:
City Council approved Ordinance 47-O-18, amending the Zoning Ordinance to modify the definition of a Coach House to allow the rental of accessory dwelling units to individuals who are not members of the family living in the primary dwelling unit on May 14, 2018. Staff has developed the process to register and inspect existing ADUs/coach houses for rental to non-family members. On November 19, 2018, City Council approved the fee and fine schedule for this process, and established a 90-day amnesty period that ends April 1, 2019 during which all unregistered dwelling units currently being rented, including ADUs/coach houses, could be registered without incurring fines. Information about the new rental registration process and fee schedule was to be launched by January 1, 2019.

Attachments:
- Ordinance 1-O-19, Amending Title 5, Chapter 8, “Registration of Rental Residential Buildings” to Include Owner Occupancy Requirement With Rental of Accessory Dwelling Units in Single-Family Zoning Districts
- Ordinance 47-O-18, Amending the Definition of “Coach House,” in City Code Section 6-18-3 of the Evanston City Code
- Ordinance 137-O-18, Amending Portions of Title 5, Chapter 9, “Vacation Rentals”
AN ORDINANCE

Amending Title 5, Chapter 8, “Registration of Rental Residential Buildings” to Include Owner Occupancy Requirement With Rental of Accessory Dwelling Units in Single-Family Zoning Districts

WHEREAS, the City of Evanston is a home-rule municipality pursuant to Article VII of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of government, the City has the authority to adopt ordinances and to promulgate rules and regulations that protect the public health, safety, and welfare of its residents; and

WHEREAS, requiring the annual registration of rental residential buildings is an effective way to compile a complete list of addresses of rental residential buildings, as well as the identities and contact information of the owners and managers of said buildings;

2012 International Fuel Gas Code, and current edition of the Illinois Accessibility Code; and

WHEREAS, collecting information regarding rental residential buildings by requiring the registration thereof will allow the City to notify to the owners of such buildings more efficiently and effectively of any alleged violations of the aforementioned Codes; and

WHEREAS, requiring fees for the initial inspection and registration of existing dwelling units being registered for the first time, and the annual renewal registration of rental residential buildings, pursuant to the City’s home rule authority, is an effective way to recover some of the administrative costs,

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

SECTION 1: Title 5, Chapter 8 "Registration of Rental Residential Buildings" of the City Code of 2012 is amended to read as follows:

5-8-1: PURPOSE:

The purpose of this Chapter is to promote the public health, safety, and welfare, and to establish maximum occupancy load of dwelling units the by requiring the registration and inspection of all existing buildings within the City of Evanston that contain dwelling units being rented for the first time as permanent housing, and annual renewal registration of all dwelling units continuing to be rented to promote more comprehensive inspections thereof, and more efficient notice of such inspections to the owners thereof.

5-8-2: DEFINITIONS:

For the purpose of this Chapter, unless the context requires otherwise, the following terms shall have the following meanings:
ACCESSORY DWELLING UNIT OR ADU: a dwelling unit that is accessory to the primary use of the principal structure. Accessory dwelling units may be detached from the principal structure or included in the principal structure, as allowed in Title 6, Zoning Code.

BUILDING: A structure, or part thereof, enclosing space designed or used for dwelling units offered for rent.

DEPARTMENT: The City of Evanston Health and Human Services Department, or any City department responsible for the inspection or residential buildings.

DIRECTOR: The Director of Health and Human Services or his or her designee.

DWELLING UNIT: A single unit of one (1) or more contiguous rooms containing individual cooking, sleeping, and sanitary facilities for one (1) or more persons.

OWNER: Any person, agent, operator, firm or corporation having a legal or equitable interest in real property; or recorded in the official records of the state, county, or municipality as holding the title to the real property; or otherwise having control of the real property, including the guardian of any such person, or the executor or administrator of the estate of any such person. Throughout this Chapter, the singular shall include the plural.

PERMANENT RENTAL HOUSING: Any dwelling unit, including accessory dwelling units, rented for a period of 30 days or more.

5-8-3: INITIAL INSPECTION AND REGISTRATION REQUIRED:

(A) The owner of any dwelling unit being registered for permanent rental for the first time shall file a registration statement for each such dwelling unit with the Department on forms provided by the Department for such purposes; provided, however, that the registration of a vacant building pursuant to Title 4, Chapter 20 of the City Code shall satisfy the registration requirement of this Chapter. Any such registration statement shall be deemed prima facie proof of the statements therein contained in any administrative enforcement proceeding or court proceeding instituted by the City against the owner of the building. For purposes of this Chapter, a post office box does not suffice as a street address. The registration statement shall include the following information:

(1) The name, street address, telephone number, and e-mail address of each owner of the building. If the owner is a partnership, corporation, or voluntary unincorporated association, the statement
shall further include the name, street address, telephone number, and e-mail address, and position of a responsible partner or officer. If the owner is a corporation, the statement shall also include the name, street address, telephone number, and e-mail address of the registered agent thereof;

(2) The name, street address, telephone number, and e-mail address of a natural person twenty-one (21) years of age or older, designated by the owner as the authorized agent for receiving notices of City Code violations and for receiving process, in any court proceeding or administrative enforcement proceeding, on behalf of such owner in connection with the enforcement of the City Code. Notwithstanding the foregoing, this person may be between eighteen (18) and twenty-one (21) years of age provided that the registration statement includes proof that said person has a valid realtor's license issued pursuant to the Illinois Real Estate License Act, 225 ILCS 454-1-1 et seq., as amended. This person must maintain an office in Cook County, Illinois, or must actually reside within Cook County, Illinois. An owner who is a natural person and who meets the requirements of this subsection as to location of residence or office may designate him/herself as agent;

(3) The name, street address, telephone number, and e-mail address of the owner's agent for the purpose of managing, controlling or collecting rents, and any other person who is not an owner but who controls such building, if any;

(4) The name, street address, and telephone number of each company that provides an insurance policy for the building;

(5) The street address(es) and property index number(s) of the building, and the number of dwelling units therein.

(6) Floorplan of each dwelling unit with room dimensions.

(7) The owner of a dwelling unit shall pay an initial registration and inspection fee of $200 for each existing dwelling unit being rented for the first time. New rental construction is exempt from this fee and inspection, as the Certificate of Occupancy determines that the unit meets current building standards for safe and sanitary housing.

(8) Owner-occupancy is required with rental of ADUs in single-family zoning districts. The property owner shall provide an affidavit of
occupancy that certifies which unit s/he will occupy with the initial registration and at each annual renewal of registration.

(B) Notwithstanding the foregoing, no registration shall be required for:

(1) Lodging establishments governed by Title 5, Chapter 2 of the City Code;

(2) Buildings licensed and inspected by the State of Illinois or the Government, including, but not limited to, nursing homes, retirement centers, rest homes; or

(3) Buildings owned by governmental agencies or public housing authorities.

(C) An inspection of each dwelling unit being rented for the first time shall be conducted by the Department to determine if the unit meets the standards of the International Property Maintenance Code and any other applicable building codes. The owner will be notified of any violations and be given a reasonable time to correct them.

(D) Following registration, inspection, and payment of the $200 fee, the Director shall issue a certificate of registration, including maximum occupancy load based on the square footage and room configuration, to the owner that certifies that the owner has registered each dwelling unit in compliance with the terms of this chapter.

5-8-4: ANNUAL REGISTRATION; REGISTRATION FEE; CERTIFICATE OF REGISTRATION:

(A) The owner of a building shall renew the registration of the building with the Department no later than December 31st of each year. The owner shall certify that the information provided on the registration statement is true and correct.

(B) The owner of a building shall pay an annual registration fee for each building so registered at the time the owner files the annual registration statement, as per the table below. The registration fee shall not be prorated. If the owner of a building that contains no more than two (2) dwelling units is a person sixty-five (65) years of age or older, resides in one (1) of the two (2) dwelling units in the building, and furnishes proof with the application that he/she has qualified for the State of Illinois Circuit
Breaker program, he/she shall be required to pay fifty percent (50%) of the registration fee.

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Registration Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Family</td>
<td>$20</td>
</tr>
<tr>
<td>Condominiums</td>
<td>$20 per owner of rental dwelling unit(s) per building</td>
</tr>
<tr>
<td>Multifamily with:</td>
<td></td>
</tr>
<tr>
<td>2-4 Dwelling Units</td>
<td>$30</td>
</tr>
<tr>
<td>5-12 Dwelling Units</td>
<td>$50</td>
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<tr>
<td>13-24 Dwelling Units</td>
<td>$100</td>
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<tr>
<td>25-50 Dwelling Units</td>
<td>$150</td>
</tr>
<tr>
<td>51-100 Dwelling Units</td>
<td>$300</td>
</tr>
<tr>
<td>101+ Dwelling Units</td>
<td>$500</td>
</tr>
</tbody>
</table>

(C) Upon registration and payment of the applicable fee, the Director shall issue a certificate of registration to the owner that certifies that the owner has renewed the registration of the building in compliance with the terms of this Chapter.

(D) The owner of record of a single-family home with an ADU shall recertify that s/he is the occupant of either the primary dwelling unit or the ADU.

5-8-5: AMENDED REGISTRATIONS:

The owner of a building required to register with the Department pursuant to the terms of this Chapter shall notify the Department, within twenty (20) business days, of any change in the registration information by filing an amended registration statement on a form provided by the Department for such purpose. There shall be no additional fee for filing an amended registration statement.

5-8-6: ENFORCEMENT:

(A) The Director and the Department shall enforce the terms of this Chapter by any lawful means, including, but not limited to, proceedings in the Circuit Court of or the City’s Division of Administrative Hearings.

(B) The Director may refuse to issue any permit(s) required by the City Code for any construction, alteration, installation, razing or other work done in or on any building as defined in this Chapter, or any certificate of occupancy required by the City Code for such a building, unless the owner(s) or other
applicant for such permit(s) or certificate(s) presents a current certificate of registration for the building.

(C) The City Clerk shall issue no real estate transfer tax stamps for a transfer involving a building, as defined in this Chapter, unless the grantor or seller presents a current certificate of registration for the building.

5-8-7: PENALTIES:

(A) Each day that any building or dwelling unit is not registered in accordance with the provisions of this Chapter shall constitute a separate and distinct offense.

(B) In addition to any of the penalties provided in this Chapter, any person violating the terms of this Chapter shall be fined seventy-five dollars ($75.00) for the first offense, two hundred dollars ($200.00) for the second offense, and three hundred seventy-five dollars ($375.00) for the third and any subsequent offense.

(C) The intentional submission of false information on a registration statement or an amended registration statement filed pursuant to this Chapter shall be an offense punishable by a fine of not less than one hundred dollars ($100.00) nor more than five hundred dollars ($500.00). Each day that such information remains uncorrected by the owner(s) shall constitute a separate and distinct offense.

(D) Any fines shall be debts due and owing to the City that the City may collect by any means allowed by law, including, but not limited to, filing a lien against the building.

5-8-8: NOTICE OF CITY CODE VIOLATIONS:

(A) By designating an authorized agent pursuant to the terms of Subsection 5-8-3 (A)2 of this Chapter, the owner consents to receive any and all notices of City Code violations concerning the registered building and all process in any court proceeding or administrative enforcement proceeding brought to enforce City Code provisions concerning the registered building by service of the notice or process on the authorized agent until the owner files an amended registration statement or new annual registration statement pursuant to the terms of this Chapter.

(B) Any owner who fails to register a building or dwelling unit pursuant to the provisions of this Chapter shall further be deemed to consent to receive, by posting at the building, any and all notices of City Code violations and
all process in an administrative proceeding brought to enforce City Code provisions concerning the building.

(C) The terms of this Section shall supersede any conflicting or contradictory notice provisions contained within the City Code.

5-8-9: SEVERABILITY:

If any provision of this Chapter 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 Chapter that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Chapter is severable.

SECTION 2: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance will be in full force and effect after adoption. If an application for registration is tendered on or before the first day of the month that is no less than 90 days following the date this ordinance is adopted, by a property owner renting unregistered dwelling units, including accessory dwelling units/coach houses and condominiums, no fine will be assessed.

SECTION 5: 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.

Introduced:_________________, 2019       Approved:

Adopted:____________________, 2019       ____________________________, 2019

_______________________________
Stephan H. Hagerty, Mayor

Attest:

Approved as to form:

_______________________________
Devon Reid, City Clerk

Michelle L. Masoncup
Corporation Counsel
47-O-18

AN ORDINANCE

Amending the Definition of “Coach House,” in City Code Section 6-18-3 of the Evanston City Code

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

SECTION 1: The definition of “Coach House” in City Code Section 6-18-3 of the Evanston City Code of 2012, as amended, is hereby further amended as follows:

| COACH HOUSE: | A single detached secondary or accessory dwelling located on the same zoning lot as the principal dwelling unit including a garage. Tenants of coach houses may be unrelated to the owners of the principal residential structure. A maximum of one coach house is allowed per Single-Family Detached Dwelling. |

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

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

SECTION 4: The findings and recitals herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.
SECTION 5: Ordinance 47-O-18 shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: April 23, 2018

Approved:

Adopted: May 14, 2018

June 1, 2018

Stephen H. Hagerty, Mayor

Attest: 

Approved as to form:

Michelle Masoncup, Interim City Attorney

Devon Reid, City Clerk
137-O-18

AN ORDINANCE

Amending Portions of Title 5, Chapter 9, “Vacation Rentals”

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF

THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: The definition for “Vacation Rental” in City Code Section 5-9-2, “Definitions,” of the Evanston City Code of 2012, as amended, is hereby further amended to read as follows:

| VACATION RENTAL: | A dwelling unit or portion thereof offered for rent for a period shorter than thirty (30) consecutive days to any person other than a member of the owner's family, as those terms are defined in Section 6-18-3 of this Code. The term “vacation rental” shall not include hotels or motels, licensed pursuant to Title 3, Chapter 2 of this Code, lodging establishments, licensed pursuant to Title 5, Chapter 2 of this Code, bed and breakfast establishments, licensed pursuant to Title 8, Chapter 19 of this Code, and/or home sharing in accord with Subsection 6-4-1-14-(B) of this Code, or housing subsidized by the City or other affordable housing providers. |

SECTION 2: City Code Section 5-9-4, “Application; Notice; Standards & Procedures; Renewal; Fees,” of the Evanston City Code of 2012, as amended, is hereby further amended to read as follows:

5-9-4: APPLICATION; NOTICE; STANDARDS & PROCEDURES; RENEWAL; FEES:

(A) Applications: A property owner who seeks a Vacation Rental license pursuant to this Chapter shall submit a written application that contains all information required for a registration statement pursuant to Chapter 8 of this Title.

(B) Notice: Each application shall be accompanied by proof the applicant mailed notice thereof to all owners, whose addresses appear on the current tax assessment list, of real property located within a radius of two hundred fifty feet (250’) of the subject property, inclusive of public streets, alleys and other public ways. The notice shall contain the applicant’s name, the address of the subject
property, the matter under consideration, and the date, time, and location of the relevant meeting of the Planning and Development Committee.

(C) **Property Inspection.** The dwelling unit must be inspected by City staff pursuant to this Chapter prior to administrative or City Council review of application for Vacation Rental.

(D) **Standards and Procedures for License Approval:** If a Vacation Rental license is not for the owner’s primary residence then the Planning and Development Committee will review the application for Vacation Rental and will report to the City Council upon each application with respect to the standards set forth below. The City Council after receiving said report, may refer the application back to that body for additional review, or, by motion, may approve, approve with conditions, or disapprove, an application for a Vacation Rental license, upon findings of fact with respect to each of the standards set forth below:

1. The proposed Vacation Rental will not cause a negative cumulative effect when its effect is considered in conjunction with the effect of other Vacation Rentals in the immediate neighborhood.
2. The Vacation Rental will not have a substantial adverse impact on the use, enjoyment, or property values of adjoining properties.
3. The proposed Vacation Rental will comply with all the rules and regulations contained herein.
4. The proposed Vacation Rental is not likely to have an adverse effect upon the public health, welfare, or safety.

Regardless of its finding on any or all of the foregoing standards, the City Council may deny a Vacation Rental license upon a finding that such denial is in the public interest.

If a property owner seeks a Vacation Rental license for the owner’s primary residence then staff will review application for Vacation Rental. If the owner of the unit is on active military duty, the affidavit shall include a statement attesting to such fact and to whether the owner has appointed a designated agent or employee to manage, control and reside in the unit during such owner’s absence while on military duty.

(E) **Renewal:** If a Vacation Rental license was issued for the prior year, the approval for a renewal license shall be obtained from the City Manager or his/her designee, provided the previously-issued license was not revoked or suspended, and the Vacation Rental did not receive citation(s) from any City inspector or Police officer during said prior calendar year. Every renewal application shall satisfy all requirements set forth in Section 4 of this Chapter.
The following fees shall be imposed for application submittal and licensing fees:

1. **Application Fee:** All property owners who seek to submit a Vacation Rental application must submit a nonrefundable application fee of two hundred and fifty dollars ($250.00).

2. **License Fee:** The annual fee for a license issued pursuant to this Chapter shall be one hundred and fifty dollars ($150.00).

**SECTION 3:** City Code Section 5-9-5, “Requirements and Standards,” of the Evanston City Code of 2012, as amended, is hereby further amended to read as follows:

**5-9-5: REQUIREMENTS AND STANDARDS:**

**(A)** No vacation rental operator shall:

1. Rent or lease any vacation rental for any period of time shorter than twenty-four (24) consecutive hours;

2. Rent or lease any vacation rental more than once within any consecutive twenty-four-hour period measured from the commencement of one rental to the commencement of the next;

3. Advertise an hourly rate or any other rate for a vacation rental based on a rental period of fewer than twenty-four (24) consecutive hours; and/or

4. Serve or otherwise provide any food or beverage to any guest.

5. Cause or permit, by action or failure to act, the vacation rental or its use to suffer from and/or create any violation of the following portions of the City Code: Title 4, "Building Regulations"; Title 5, "Housing Regulations"; Title 6, "Zoning"; Title 8, "Health and Sanitation"; or Title 9, "Public Safety."

**(B)** Every vacation rental shall be subject to inspection by staff members of the City's Fire, Health, and Community and Economic Development Departments.

**(C)** Every vacation rental operation shall include in any listing the following information about the vacation rental: (A) the licensee's cancellation and check-in and check-out policies; (B) a statement on: (i) whether the vacation rental is wheelchair or ADA accessible; (ii) whether the vacation rental has any parking availability or neighborhood parking restrictions; and (iii) the availability of, or restrictions on, the use of any recreational facilities or other amenities applicable to guests; and (C) a description of the vacation rental, including the number of sleeping rooms and bathrooms; and (D) the City of Evanston license number.
(D) Every vacation rental operator shall keep a register in which shall be entered the name of every guest and his/her arrival and departure dates. The operator shall make said register freely accessible to any officer of the City's Police, Fire, Health, and/or Community and Economic Development Departments.

(E) Every vacation rental operator shall ensure that the vacation rental is in compliance with current state and local regulations regarding the installation and maintenance of functioning smoke alarms and carbon monoxide detectors.

(F) Every vacation rental operator shall post, in a conspicuous place within the vacation rental:

1. The name and telephone number of the operator’s authorized agent identified pursuant to Code Section 5-8-3(A)2;

2. An evacuation diagram inside entrance door identifying all means of egress from the vacation rental and the building in which the vacation rental is located;

3. A current copy of the listing;

4. A current copy of vacation rental license;

5. The schedule of, or restriction on, street cleaning and street snow removal. If the property is subject to restrictions imposed by a homeowners association or board of director then the owner shall post an attestation that the homeowners association or board of directors has not adopted bylaws prohibiting the use of the dwelling unit identified in the license application as a vacation rental or shared housing unit, or that restricts rentals for a period of time less than 30 days, in any combination.

(G) Any kitchen in a vacation rental shall be cleaned and sanitized between guests and all food and beverages shall be discarded. All dishes, utensils, pots, pans and other cooking utensils shall be cleaned and sanitized between guests. A recycling container must be accessible to guests.

(H) The operator of every vacation rental shall change supplied bed linens and towels therein at least once each week, and prior to the letting of any room to any new guest. The operator shall be responsible for the maintenance of all supplied bedding in a clean and sanitary manner.

SECTION 4: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 5: This ordinance shall be in full force and effect after its passage, approval, and publication in the manner provided by law.
SECTION 6: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

Introduced:___________________, 2018

Adopted:___________________, 2018

Approved:___________________, 2018

_______________________________

Stephen H. Hagerty, Mayor

Attest:

Approved as to form:

_______________________________

Devon Reid, City Clerk

Michelle L. Masoncup, Corporation Counsel
To: Honorable Mayor and Members of the City Council

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Manager
Sarah Flax, Housing and Grants Manager

Subject: Resolution 10-R-19 “Authorizing the City Manager to Initiate a Request for Qualifications and Request for Proposal Process for the redevelopment of City-Owned Real Property Located at 506 South Boulevard

Date: January 28, 2019

Recommended Action:
Staff is seeking City Council approval of Resolution 10-R-19 “Authorizing the City Manager to Initiate a Request for Qualifications and Request for Proposal Process for the redevelopment of City-Owned Real Property Located at 506 South Boulevard as a mixed income residential development. The parking lot is commonly known as “Lot 1”. The development will include a mix of public housing units for low income households who would pay 30% of their income toward rent with the remainder subsidized, units restricted for moderate and middle income households with incomes between 50% and 80% of the area median income, and market rate units. Unit sizes would range from studios to three bedrooms to address the need for housing for a range of household sizes, including families with children.

Funding Source:
Not applicable at this time.

Background:
**Partnership with Housing Authority of Cook County for Affordable Housing**
Staff has studied the potential redevelopment of Lot 1 in coordination with the Housing Authority of Cook County (HACC) property to the east of Lot 1. The HACC property features four public housing units with two and three bedroom family units. The property is approximately 15,500 square feet. Staff has been in communication with Richard Monocchio, Executive Director of HACC, who has expressed interest to move forward with a joint RFQ/P. HACC has conditioned its interest and participation on replacement of its existing four units and an undetermined number of additional units in the new development. These units would receive ongoing operating support in the form of Project Based Section 8 vouchers.
HACC is currently evaluating rehab needs of their existing property because one unit is currently vacant due to a fire and is vacant while HACC explores the potential of this project with the City. HACC’s decisions relating to any rehab are contingent on whether the joint redevelopment project moves forward and if so, the timing of the project.

Lot 1
The city-owned property is a 25,000 square foot property located at 506 South Boulevard, where Hinman Avenue terminates into South Boulevard. The property serves as Lot 1, an off street parking lot for up to 66 permit holders. In practice, the city issues permits for an estimated 50% of the spaces. Occasionally, the lot is used for snow emergency parking and off street parking for vacationing residents. Both of these periodic uses can be managed within the city’s downtown parking garages.

As illustrated in the map below, the properties are adjacent to the Calvary Cemetery, located to the south, residential to the east, and south across from South Boulevard, and the Calvary Cemetery maintenance garage adjacent to the west of the HACC parcel. The site is located steps from the South Boulevard Train Station and is a ten minute walk (0.5 mile) from Amita Health’s Presence Saint Francis Hospital (in the lower left of the aerial below).

![Context Aerial](image)

Activities to Date:
At the Transportation and Parking Committee meeting on July 25, 2018, staff summarized the potential partnership with the HACC to redevelop the estimated 35,500 square foot combined properties as a denser mixed income residential development.
In December, staff engaged Gremley & Biederman to complete a Legal Description and Land Survey of the city-owned property (does not include the HAAC property). The surveyed property is highlighted in red below. With the completed land survey, staff engaged Second City Appraisal. Two appraisals were completed, one for the city parking lot individually, and the other for the combined City and HAAC lots. The appraised value of the property will remain confidential until future land sale negotiations are completed, if authorized by City Council.

Survey of “Lot 1” (506 South Boulevard)
Staff has also initiated review of the site and potential development considerations based on zoning, engineering, and urban design. Considerations for the development of the site include determining the appropriate setback from South Blvd. In addition, staff will determine whether to extend Hinman Avenue south of South Boulevard with similar parkway, trees, and sidewalk right of way, or if terminating Hinman into South Boulevard with a narrower alley providing access to the two properties is more appropriate. If this project moves forward, staff will review it at a Design and Project Review Committee meeting within the next 30-45 days to identify all potential development challenges prior to issuing a request for qualifications from developers.

Proposed Next Steps:
Staff seeks City Council authority to issue a Request for Qualifications/Proposals (RFQ/P) in partnership with the Housing Authority of Cook County to redevelop the parking lot and the HACC property as a larger mixed-income residential development. A formal Memorandum of Understanding will be drafted to memorialize HACC’s participation and goals for the project.

An RFQ/P is recommended as a way to manage interest in the project. Through this process, the property is presented to the development community as a potential redevelopment opportunity with defined use parameters. The RFQ/P process is a two-step process:
1. Developers and interested parties are asked to submit qualifications and capacity to complete a redevelopment based on the parameters set forth through a solicitation from the City. The set of parameters are outlined in a formal public document.

2. The submissions of qualifications are evaluated and several developers identified as having the capacity to complete the development are selected from the total submissions. This group, or “short list,” is then asked to provide their proposals for redevelopment of the site. From the proposals, a preferred development concept can be defined and selected.

There are several benefits to this process. First, it provides the opportunity to attract an entity with the qualifications, experience, and capacity for a project of this type based on responses to the request for qualifications, rather than through a rendering or concept depicted in a proposal. This process is also attractive to respondents. Parties that would likely do this type of project are often hesitant to expend resources to develop a proposal for redevelopment if they are one of a dozen proposals for a site. However, they are much more likely to submit qualifications for consideration to be selected to submit proposals because they are not being asked to expend resources to create something new.

Advertising of the RFQ and soliciting responses will take approximately 30-45 days. Staff will need two to three weeks to review qualifications and conduct initial interviews with qualified respondents. It is estimated that staff could return in April or May with a recommended short list of development teams and seek authority to negotiate the sale of the property. Assuming a qualified list of applicants is identified, staff would provide the deadline for submission of full proposals for their proposed projects, a timeline for staff to review the submissions and return to City Council to seek direction on next steps. This process will include working with Alderman Wynne to convene neighborhood meetings for input on the project.

The preliminary estimate is that this portion of the process would be completed in summer of 2019. Based on the assumption of selecting a project and developer, the City and HACC would move forward with potential land sale and redevelopment agreement in the fall of 2019.

Legislative History
The Transportation and Parking Committee received staff updates and recommended staff proceed with appraising the property at the July 25, 2018 and August 29, 2018 meetings.

Attachments:
Resolution 10-R-19
10-R-19

A RESOLUTION

Authorizing the City Manager to Initiate a Request for Qualifications and Request for Proposal Process for the Repurposing of City-Owned Real Property Located at 506 South Boulevard

WHEREAS, the City owns a surface parking lot located at 506 South Boulevard in Evanston, Illinois (PIN: 11-19-419-009-0000), commonly known as the “Lot 1”; and

WHEREAS, the City seeks to create residential affordable housing redevelopment opportunities throughout its residential corridors in which property is developed to its highest and best use; and

WHEREAS, the City seeks to attract real estate development professionals to redevelop the parking lot located at 506 South Boulevard through a fair, transparent, and competitive process; and

WHEREAS, the City Council finds that it is in the best interests of the City of Evanston to engage in a two-step process that includes 1) a Request for Qualifications from real estate development professionals and 2) a Request for Proposals from individuals and parties that are determined to be qualified in the first step of the process,

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

SECTION 1: The City Manager is hereby authorized and directed to draft an application and guidelines for determining qualified real estate development
professionals, disseminate said application and guidelines publicly, and solicit responses seeking qualified real estate redevelopment professionals for real estate located at 506 South Boulevard.

SECTION 2: This resolution authorizes the City Manager to review responses of qualifications from real estate redevelopment professionals and identify qualified real estate development professionals from the Request for Qualifications phase.

SECTION 3: The resolution directs the City Manager to oversee and manage a process for soliciting proposals for the proposed redevelopment of the property located at 506 South Boulevard from real estate development professionals identified in the Request for Qualifications stage of this two-step process.

SECTION 4: This Resolution 10-R-19 shall be in full force and effect from and after its passage and approval in the manner provided by law.

_______________________________  
Stephen H. Hagerty, Mayor

Attest:  
Approved to form:

_______________________________  
Devon Reid, City Clerk  
Michelle L. Masoncup, Corporation Counsel

Adopted: _________________, 2019
Memorandum

To: Honorable Mayor and Members of the City Council

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

Subject: Authorization to Execute a Letter of Support to the Illinois Housing Development Authority for a 60-Unit Affordable Senior Housing Development by Evergreen Development/CJE at 1015 Howard Street

Date: January 30, 2019

Recommended Action:
Staff recommends authorization for the City Manager to execute a Letter of Support to the Illinois Housing Development Authority (IHDA) for a 60-Unit Affordable Senior Housing Development by Evergreen Real Estate Group/Council for Jewish Elderly at 1015 Howard Street. The letter indicates the City’s support for up to $2,000,000 as gap financing for Evergreen’s request of $14,397,120 in Low Income Housing Tax Credit equity (LIHTC), $450,000 in donation tax credits, and $2,000,000 of soft funds from IHDA. Total capital stack includes construction financing of $12,450,000.00 that will convert to a $3,780,000 first mortgage. City funding is contingent on underwriting following receipt of a funding commitment from IHDA, and completion of the City’s full review and approval process of the planned development.

Funding Source:
Funding will be in the form of loans from the City's federal HOME Investment Partnerships grant, 240.21.5440.65535, 2019 budget of $696,000; and the Affordable Housing Fund, 250.21.5465.56111, 2019 budget of $2,525,000. Loan terms would be finalized following underwriting, with any interest rate not to exceed the Applicable Federal Rate, and loan term for any HOME funding of 20 years as required by HUD.

The City currently has $250,000 of unallocated HOME funding from its 2018 grant; the 2019 grant amount is estimated at $280,000. The Affordable Housing Fund has an uncommitted balance of $800,000, with $2.4M in developer contributions from the 811 Emerson project anticipated by yearend 2019. (Fees-in-lieu of inclusionary units are due at completion of the construction and receipt of certificate of occupancy for this project.)
Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Climate & Energy: Improve energy and water efficiency; reduce greenhouse gas emissions

Summary:
This project addresses the following housing needs in Evanston identified through the City’s affordable housing planning process, as well as in the Consolidated Plan and Age Friendly Evanston Action Plan:

• Housing for very low and low income seniors identified in the City’s Consolidated Plan by providing 60 new units, 12 restricted for households ≤ 30% AMI, 18 at 50% AMI and 30 at ≤ 60% AMI
• Adding new affordable housing units within the City at a low cost per unit ($33,333) by leveraging federal, state and regional resources
• Expanding affordable housing units that are accessible. 100% of units will be adaptable, in compliance with Fair Housing requirements; all units include additional Universal Design features that exceed requirements. At minimum, 6 units (10%) will be designed for persons with mobility impairments, 2 units (2% when rounded up from 1.2) will be designed for persons with sensory impairments.

Effective Leveraging of State and Regional Resources: Evergreen’s funding request of up to $2,000,000 from the City comprises 8.5% of the total development budget of $23,433,025 and would result in the largest number of new housing units for households ≤ 60% AMI since the completion of the 75-unit Jacob Blake Manor in 1997. By leveraging other funding sources, the City’s investment per unit in this new development would not exceed $33,333, which is less than the $40,000 average cost in 2018 for substantial rehab of a single home by the CDBG Housing Rehab Program. The units will remain affordable for a minimum of 30 years. Based on $2M in City funding, this results in an investment of $1,111 per unit per year (current year dollars) which is about the same as the current per-month subsidy for a household receiving Tenant Based Rental Assistance.

Sustainability: The building’s design and construction will address the City’s Climate Action and Resilience Plan (CARP). It will receive sustainable building certification from the Enterprise Green Communities program and bring improved health, economic and environmental benefits to affordable housing development.

Additional Project Details: The project is in partnership with CJE Senior Life, with CJE contributing much of the project site, which addresses one of the biggest challenges to the development of affordable housing. CJE’s existing building will be renovated as part
of the project and its senior day services and transportation services will continue to be provided there. In addition, the entire project will be on the property tax rolls as required with LIHTC funding, and will add an estimated $65,000 - $70,000 in new property tax revenue annually, of which about 20% would be the City’s portion. The project will also activate the long vacant Dairy Queen site and further the City’s goals to redevelop the Howard Street corridor.

**Neighborhood Meetings:** Alderman Rainey held meetings for residents living in the immediate neighborhood on January 8 and to 8th ward residents on January 9, 2019 at which Evergreen and CJE presented their proposed project and the process for moving it forward, and solicited input. Questions relating to parking and traffic were discussed and will be addressed when detailed plans are developed for review by residents and stakeholders in the public input process of the planned development review.

**Project Timeline:** Evergreen’s Preliminary Project Assessment for LIHTC has been approved by IHDA; its full application will be submitted by February 15, 2019. IHDA is expected to announce LIHTC awards in May. If Evergreen’s application is approved, a complete application for gap funding will be submitted to the City of Evanston. Following underwriting by staff, the application will be reviewed by the Housing and Homelessness Commission and Planning and Development Committee, before being submitted to City Council for approval. Review and approval of the planned development would take place simultaneously. Groundbreaking is anticipated in spring of 2020.

_____________________________________________________________________________________________

**Attachments:**
Draft letter of support to the Illinois Housing Development Authority for a 60-Unit Affordable Senior Housing Development by Evergreen Real Estate Group/CJE at 1015 Howard Street
February 10, 2019

Audra Hamernik
Executive Director
Illinois Housing Development Authority
111 E. Wacker Drive, Suite 1000
Chicago, IL 60601

RE: Letter of Support – Evergreen Development/CJE Senior Housing Development at 1015 Howard Street, Evanston

Dear Ms. Hamernik:

The City of Evanston is pleased to submit this letter of support for the senior housing development proposed by Evergreen Real Estate Group and CJE Senior Life at 1015 Howard Street in Evanston to the Illinois Housing Development Authority (IHDA).

The proposed development is an exciting opportunity that will provide much needed housing that is affordable and accessible to low-income seniors and will contribute to the revitalization of Howard Street. In addition, co-locating new housing for seniors with CJE’s transportation and day services provides access to needed services for the residents. This development will address one of the City’s priority housing needs in the 2015-2019 Consolidated Plan – rental housing for low income seniors, including those with incomes at or below 30% of the area median, and in the Age Friendly Evanston task force recommendations.

Financing from IHDA in the form of Low Income Housing Tax Credits (LIHTC) is essential to making this development possible. The City of Evanston is committing up to $2,000,000 in gap financing from its Affordable Housing Fund and/or HOME Investment Partnerships funds to the development. Loan terms will be finalized following underwriting, but any interest rate will not exceed the Applicable Federal Rate. Loan term and amortization will be 20 years for HOME funding, as required by HUD; Affordable Housing Fund term and amortization may be 30 years, or deferred and payable only if the property is sold or is no longer affordable housing for seniors. The City does not have a financing fee.

The City understands that this letter will become a part of the application requesting LIHTC funding being submitted to IHDA and consents to its inclusion in said application. Please note that as a planned development, this project and City financing of it is subject to completion of the full review and approval process by the City.

We look forward to working with IHDA and Evergreen/CJE on this important project.

Please feel free to contact me with any questions.

Sincerely,

Wally Bobkiewicz
City Manager