

# Memorandum

To: Housing and Homelessness Commissioners

From: Savannah Clement, Housing Policy and Planning Analyst

Subject: January 11, 2018 HHC Meeting Cover Memo

Date: January 8, 2018

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Attached please find:

- The meeting agenda
- Item 1: Draft minutes of the December 7, 2017 meeting for approval
- Item 2: Affordable Housing White Paper
- Item 3: Draft IHO waitlist policies and procedures

We look forward to seeing you on January 11<sup>th</sup>.



## **HOUSING AND HOMELESSNESS COMMISSION**

**Thursday, January 11, 2018**

**6:00 PM**

**Lorraine H. Morton Civic Center, 2100 Ridge, Room 2402**

- 1. CALL TO ORDER / DECLARATION OF QUORUM**
- 2. APPROVAL OF MEETING MINUTES** December 7, 2017
- 3. PUBLIC COMMENT**
- 4. REVIEW AFFORDABLE HOUSING WHITE PAPER RECOMMENDATIONS**
- 5. INCLUSIONARY HOUSING ORDINANCE WAITLIST POLICIES & PROCEDURES**
- 6. NEW/OTHER BUSINESS**
- 7. STAFF REPORTS**
- 8. ADJOURNMENT**

Next Meeting: February 1, 2018 at 7 PM in Room 2402.

**Order & Agenda Items are subject to change.** Information about the Housing and Homelessness Commission is available at: [www.cityofevanston.org/government/boards-commissions](http://www.cityofevanston.org/government/boards-commissions). Questions may be directed to Savannah Clement at 847.448.8679.

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*DRAFT*

## MEETING MINUTES

### HOUSING, HOMELESSNESS, AND HUMAN RELATIONS COMMISSION

Thursday, December 7, 2017, 7:00 P.M.  
Lorraine H. Morton Civic Center, Room 2402

**Present:** Chair Ellen Cushing, Vice-Chair Geri Palmer, Suzanne Calder, Sandra Hill, Alderman Eleanor Revelle

**Absent:** Sidney Caselberry, Noelle Gilbreath, Kyle Lauterhahn, Moika Long

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

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#### **Call to order**

Chair Ellen Cushing called the meeting to order at 7:06 PM with a quorum present.

#### **Approve minutes of November 2, 2017 meeting**

Sue Calder moved for approval of the minutes, Vice-Chair Geri Palmer seconded the motion, and it was approved unanimously, Alderman Revelle abstained since she was not at the meeting. Chair Cushing asked for updates on ESG spending more frequently than once a year. Sarah Flax said staff can provide updates twice a year. Sarah explained that not getting federal grants on a timely basis can create challenges. Alderman Revelle asked if it's a once a year allocation, and Sarah said yes, but money is spent over the course of a year. Staff is looking at extending the amount of time to provide assistance. Challenge with needing to avoid evictions because support is limited. Cook County only offers three months of assistance, City offers six months. Challenging grant to implement because it's very proscriptive, and have to pull support when people get above 30% AMI.

#### **Public comment**

Adrian Willoughby, 5<sup>th</sup> ward resident and Executive Director of Reba Place Development Corporation, provided public comment to asking for a broader plan for the City's affordable housing. Mr. Willoughby asked Commissioners to participate in external groups' conversations about a plan. He said that he is worried temporary/quick-fix rental subsidies will take the focus away from building more permanent affordable units. He said that he doesn't want City Council to get bogged down on only a couple of strategies without a bigger picture.

Betty Esther, made public comment on IHO policies and procedures. She said the policies are not clear about how applicants should contact CPAH to get on the list. How do applicants get on the waiting list? She asked who, what, when, where and how. Ms. Esther is concerned about dependent students not being able to be the leaseholder and

asked if independent students with family somewhere else are eligible to be the leaseholder. She asked about income ineligibility, and said the debt to income ratio requirement should be taken out because it is not applicable when renting, only when getting a mortgage. Ms. Esther says asking about debt will be a big barrier to getting access to housing for lower income households.

**Garden apartment presentation by Michael Low**

Mr. Low owns and manages about 38 apartments in 12 buildings in Evanston, all areas and all income levels, has some Section 8 tenants. Acknowledged that rents are going up and people want to stay in Evanston. The City does not allow new garden apartments but there are some grandfathered and legal units in Evanston. Mr. Low shared videos of his tenants living in his garden apartments and why they enjoy them (mostly due to mobility issues and no stairs). He showed Commissioners pictures of one duplex that goes for \$2,600, and said he charges a lot less for garden apartments. Mr. Low would rather have two apartments instead of a duplex and make downstairs a separate garden apartment. Separately, he would charge \$1,200 for the garden and \$1,800 for the upstairs unit.

If the City allowed the rental of garden apartments, Mr. Low said people might push back because of more density. However, he said the City could regulate how the units are rehabbed and who could rent them, etc. Mr. Low also noted that the city could get bigger units for families with garden apartments. The units would have to be inspected and up to code.

Ald. Revelle asked about definition of garden apartment in Evanston. Mr. Low said it's essentially a basement apartment.

Sue Calder asked what Mr. Low is proposing. He said that he's asking the City to allow for more renting of garden apartments in order to provide opportunities for lower income people that want to live and stay in Evanston.

Chair Ellen Cushing asked how Mr. Low would feel as a landlord about the City putting restrictions on who to rent to and for how much. Mr. Low says it depends but may not make economic sense. Mr. Low said he is proposing providing garden units for affordable housing to low and fixed income tenants. He thinks smaller landlords would agree to do this because they would be able to rent out a unit that they normally wouldn't. He stated that it would also be good for owner-occupied two flats, etc.

Sue Calder thinks it's a great idea. Ald. Revelle said staff could add the issue of renting garden apartments to list of zoning changes that are being reviewed by Council in 2018. Chair Cushing asked how to move this idea forward and Sarah Flax said the Commission can refer it to staff to include with information provided to Council on accessory dwelling units (ADUs). Sarah noted too many restrictions can make it hard to implement, specifically with regarding more parking. Staff will include garden

apartments when providing information to Council. Ald. Revelle noted that the rental of ADUs was referred to the City Council Planning and Development Committee for discussion. Sarah said staff can bring a schedule of next steps to January Commission meeting.

### **Inclusionary Housing Ordinance waitlist policies and procedures**

Chair Cushing suggested having someone from CPAH attend the January meeting to discuss. Sue Calder asked about dependent students, and staff explained that the policy in the IHO policies/procedures is in line with the HUD Part 5 policy. Sue asked how many times CPAH tries to reach someone on the waiting list and how they try to do it. Asked about what ten consecutive days means, 10th to the 20th and not business days? Sue asked if there is a limit on the size of the waitlist. She asked about CPAH's reporting requirement and staff said they will provide that. Sue asked about using CPAH's waitlist for garden apartments and ADUs. Staff said that is definitely a possibility. Sue is concerned that people are not aware of needing to get on a waitlist.

### **Review Affordable Housing White Paper recommendations**

Chair Ellen Cushing asked about quarterly City Council's quarterly check-ins on affordable housing work plan. Ald. Revelle said that Council proposed that the first check-in would be at the end of January. At the December 11th City Council meeting, Council will decide on its 2018 meeting schedule. Chair Cushing asked how to make sure a check-in happens. Ald. Revelle said fifth Monday in Jan would be a logical time to have a check-in because second and fourth Mondays are regular business meetings and third Mondays are usually for special discussion items.

Chair Cushing asked who will be doing the updating - staff or the Chair of the Committees? Chair Cushing asked if Commissioners should attend the Committee meetings to ensure that topics are addressed.

Sarah said that the first possible date to discuss affordable housing work plan items probably won't be until second Monday in January because the first Monday has a planned development on the agenda. Chair Cushing asked about how agenda items get decided. Sarah explained it's a balancing act, but there are a lot of PDs in the pipeline which take precedence. Usually for the Planning and Development Committee, Johanna Leonard, Community Development Director, and the Chair of the Committee decide agenda items.

Chair Cushing is concerned about things being decided on a piecemeal basis without a broader plan. Ald. Revelle said she thinks there is a sense of urgency and thinks it might not be a good idea to stop and develop a plan instead of implementing policies. Chair Cushing said it is disappointing that none of the affordable housing items have been addressed in any of the standing Committees yet. She thinks it's important to have a plan but doesn't personally think Council should stop and make a plan. Ald. Revelle said she thinks what staff has proposed is actually a good plan and said Council could

also revisit the seven-point plan that was presented to Council on September 18, 2017. Chair Cushing said she thinks a plan will likely emerge but thinks Council should also be working toward developing one.

Sarah Flax stated that the Commission and staff need to get Council's buy-in before moving forward with trying to change and implement new policies. She also said that zoning changes will have to go through separate zoning channels.

Vice-Chair Geri Palmer asked that the Commission designate another time to go through and have a more in depth conversation about the strategies discussed in the Affordable Housing White Paper. Staff will send a Doodle poll to set up a special Commission meeting to review the paper.

### **New/other business**

Chair Cushing asked about Housing and Homelessness Ordinance. Staff explained it is on the agenda for introduction and action at the Dec. 11 City Council Rules Committee Report (2012). Chair Cushing also suggested looking at the Age Friendly Evanston Task Force report, the City's 2015-2019 Consolidated Plan, and staff's proposed seven-point housing plan that was presented to City Council on September 18, 2017. Chair Cushing and Alderman Revelle will create a chart that summarizes all of the plans/reports and present it at the January 11th Commission meeting.

### **Staff reports**

Staff said they will keep the Commission apprised of any updates with City Council and the affordable housing work.

### **Adjournment**

Alderman Revelle motioned for adjournment, Sandra Hill seconded, and the motion was unanimously approved. The meeting was adjourned at 8:47 p.m.

The next scheduled meeting of the commission is Thursday, January 11, at 7:00 p.m. in room 2402.

Respectfully submitted,  
Savannah Clement, Housing Policy and Planning Analyst



City of Evanston

# Affordable Housing White Paper

## **Introduction**

Housing is a key element of fostering a livable community. Where people live has a strong correlation to their educational outcomes, health, and economic mobility. A study published in July 2017 in the journal JAMA Internal Medicine, titled “Inequalities in Life Expectancy Among US Counties, 1980 to 2014,” found that where you live has a significant impact on your life expectancy with disparities as high as 20 years from various counties.

The costs associated with housing represent the largest household cost. The increasing cost of housing is requiring more people to spend an increasingly larger portion of their income on housing, leaving them without the resources they need for other necessities such as food, health care, and transportation. Lower income people are disproportionately affected, as wages for many jobs, particularly in service industries, have not risen as rapidly as housing costs. In order to maintain Evanston’s economic and racial diversity and support its mission to be the most livable City, it is necessary to create and preserve affordable housing throughout the city.

## **What is affordable housing?**

The most common definition for affordable housing is developed by the United States Department of Housing and Urban Development (HUD): “In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities.” It is the most broadly used nationwide to assess affordability for households with incomes that are below the area median and are more likely to have difficulty affording housing, and provides a consistent method to measure progress toward the development of needed affordable housing. When a family pays more than 30% of its income for housing, they not only lack resources for other necessities, a single unplanned event such as a job loss, medical emergency or car breakdown, can make them unable to pay their rent or mortgage and risk eviction and homelessness.

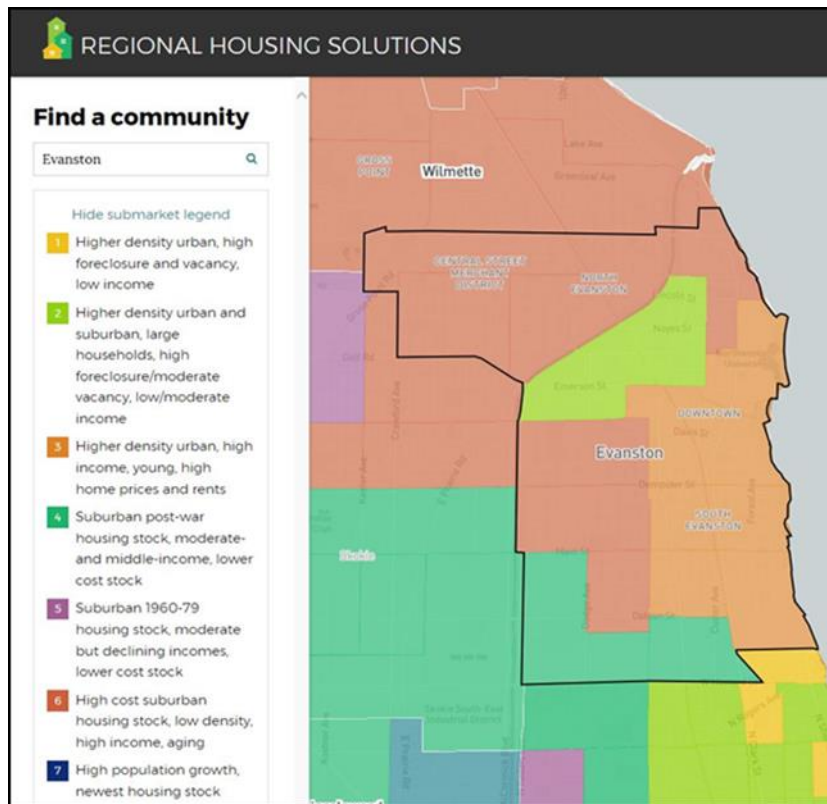
## **Evanston in the Housing Market**

As part of the Chicago metropolitan area, Evanston’s housing market must be evaluated within a regional context. According to a new web tool developed by the Chicago Metropolitan Agency for Planning (CMAP), [regionalhousingsolutions.org](http://regionalhousingsolutions.org), Evanston is composed of four housing submarkets:

- 47% is in Submarket 6: High cost suburban housing stock, low density, high income, aging
- 29% is in Submarket 3: Higher density urban, high income, young, high home prices and rents
- 13% is in Submarket 4: Suburban post-war housing stock, moderate- and middle-income, lower cost stock



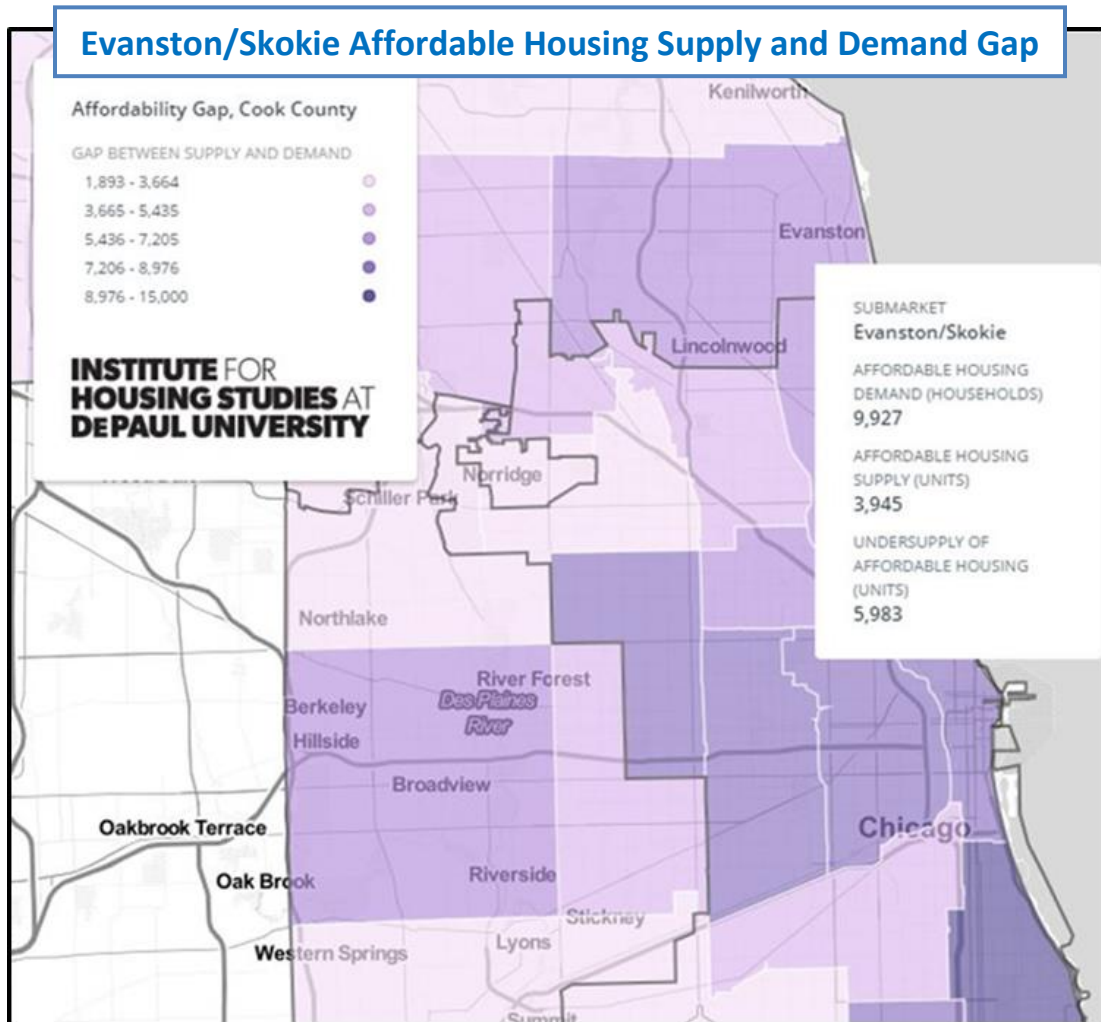
- 11% is in Submarket 2: Higher density urban and suburban, large households, high foreclosure/moderate vacancy, low/moderate income



The nature of these housing submarkets contributes to economic segregation. For example, Submarket 6 is low density and primarily single-family homes on large lots with little or no rental, and occupied by primarily higher-income households. Consequently, there is very little available housing that is affordable to households with incomes below the median. Zoning regulations limit the development of multifamily buildings in this submarket, as well. Additionally, new transit-oriented development (TOD) in Submarket 3 where zoning allows for multifamily housing, targets higher income households. As a result, housing in TOD areas often excludes lower income households that have a greater financial need for access to public transportation and walkable amenities. All of these factors push affordable multifamily housing development farther away from amenities and public transportation where land is less costly.

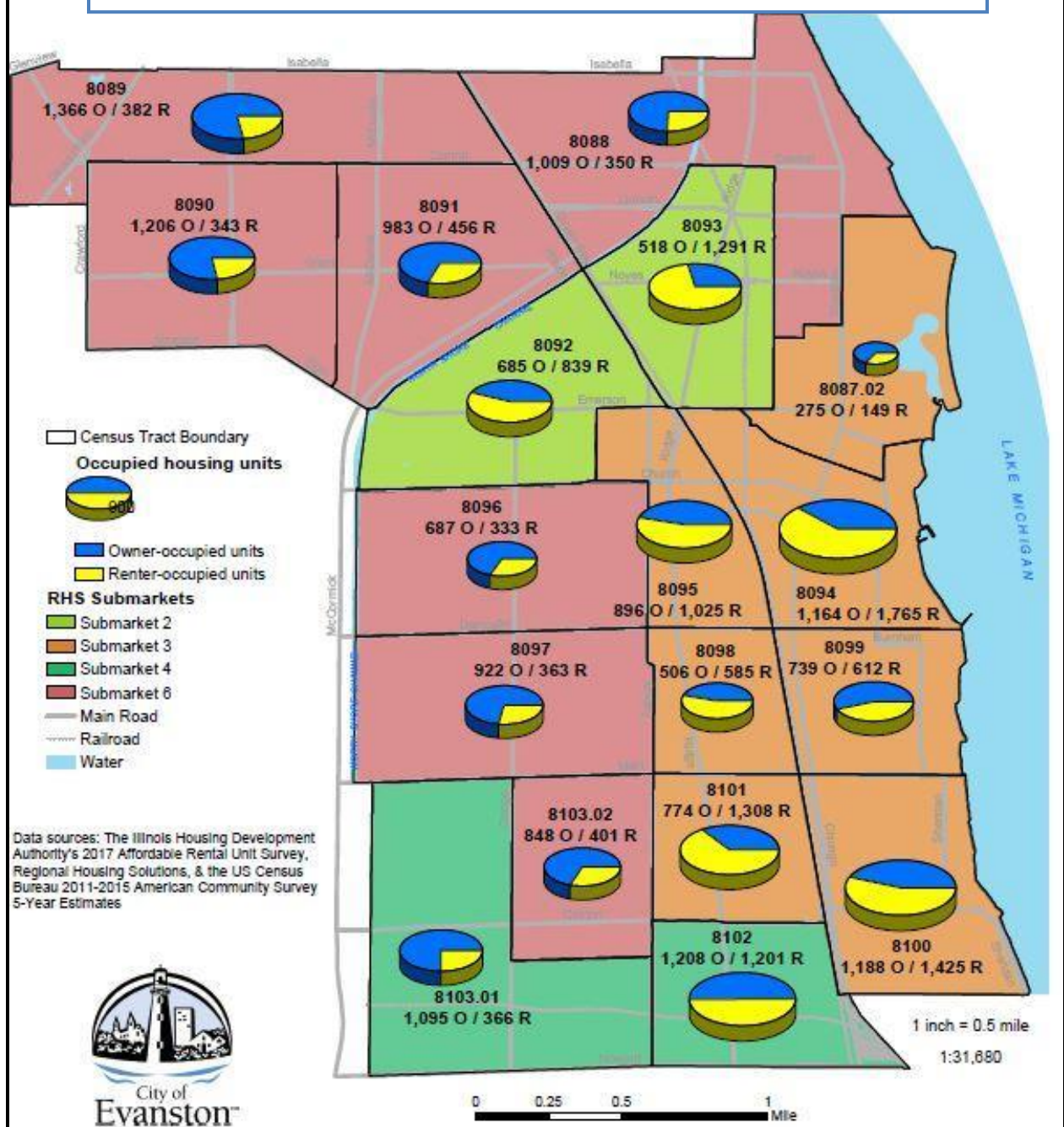
Additionally, the Chicago region is one of the most racially and economically segregated in the country. A report from the Metropolitan Planning Council and Urban Institute, “The Cost of Segregation: What we pay in lost income, lives and potential,” states that if segregation in the Chicago region were reduced to the national median, the region would see an increase in \$4.4 billion in additional income each year resulting in an \$8 billion growth in GDP.

Evanston shares some of the characteristics of the broader Chicago region. The city's non-white residents are disproportionately low income; roughly 64% of Black/African American households and 58% of Hispanic/Latino households in Evanston have incomes below 80% AMI. Therefore, the high cost of housing in Evanston disproportionately affects these populations. When a household is housing cost burdened it is more challenging to access credit and obtain assets or build wealth.



An analysis conducted by the DePaul University Institute for Housing Studies, “2017 State of Rental Housing in Cook County,” illustrates the supply and demand gap for affordable rental housing in the region. For the Evanston/Skokie area, 9,927 households need affordable housing. However, there are only 3,945 units on the market, leaving a gap of 5,983 units.

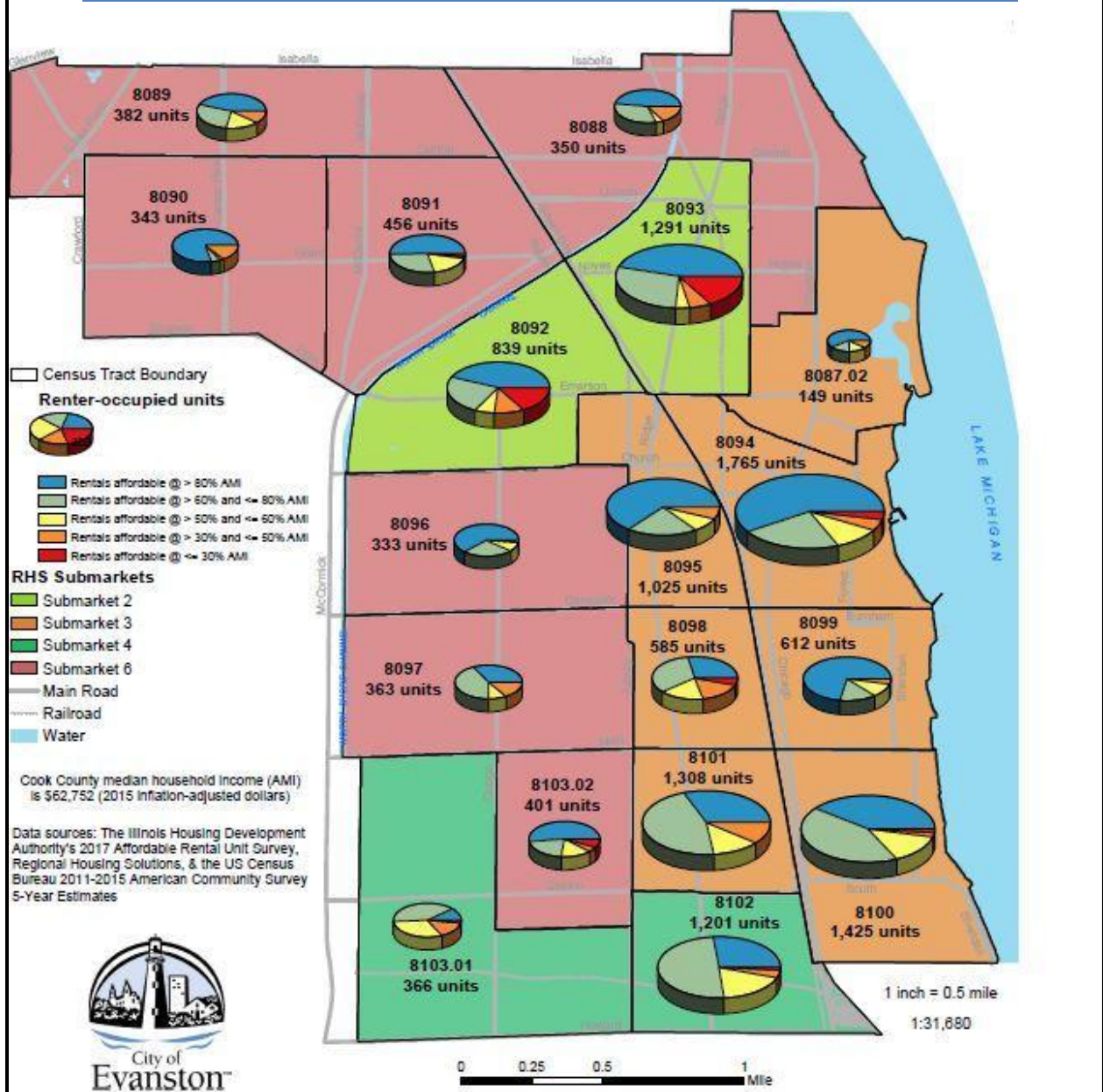
## Evanston Owner- and Renter-Occupied Housing



Overall, Evanston has a healthy balance of ownership and rental housing, at 55% and 45%, respectively. The above map shows the distribution of owner- and renter-occupied housing units in Evanston overlaid on the Regional Housing Solutions map of Evanston Submarkets. The size of each pie chart correlates with the number of units in each census tract. With the exception of census tract 8092, housing in west and north Evanston census tracts is predominantly ownership.



## Evanston Affordable Rental Housing



The above map shows the number of total rental units and affordable rental units in Evanston by Census tract also overlaid on the Regional Housing Solutions Evanston Submarkets map. High ownership census tracts also generally have little or no rental affordable to lower income residents. Based on 2011-2015 American Community Survey 5-Year estimates, 46% of all Evanston rental is affordable to households with incomes  $\leq$  80% of the area median, and seven of Evanston's 18 Census tracts have no

rental housing available to households with incomes at or below 30% AMI. The chart below shows the total number of rental units by income level.

	% of Units	# of Units
Rented ≤ 30% AMI	3%	451
Rented > 30% and ≤ 50% AMI	7%	860
Rented > 50% and ≤ 60% AMI	16%	2,071
Rented > 60% and ≤ 80% AMI	28%	3,742
rented > 80% AMI	46%	6,069
Total:	100%	13,645

Source: IHDA's 2017 Affordable Unit Rental Survey

In addition, according to the recently released *Worst Case Housing Needs 2017 Report to Congress* by HUD's Office of Policy Development and Research, between 33-44% of housing that is affordable to lower income households but is not restricted to them is occupied by higher income households, reducing the availability to households in greatest need. When those percentages are applied to Evanston rental units affordable to households with incomes ≤ 80% of AMI, the total number of units that are actually rented to households at those income levels is 4,642, or about 65%; the chart below shows the number and percentages of units at different income levels. This reinforces the importance of recorded rental restrictions to ensure access for households in need of affordable units.

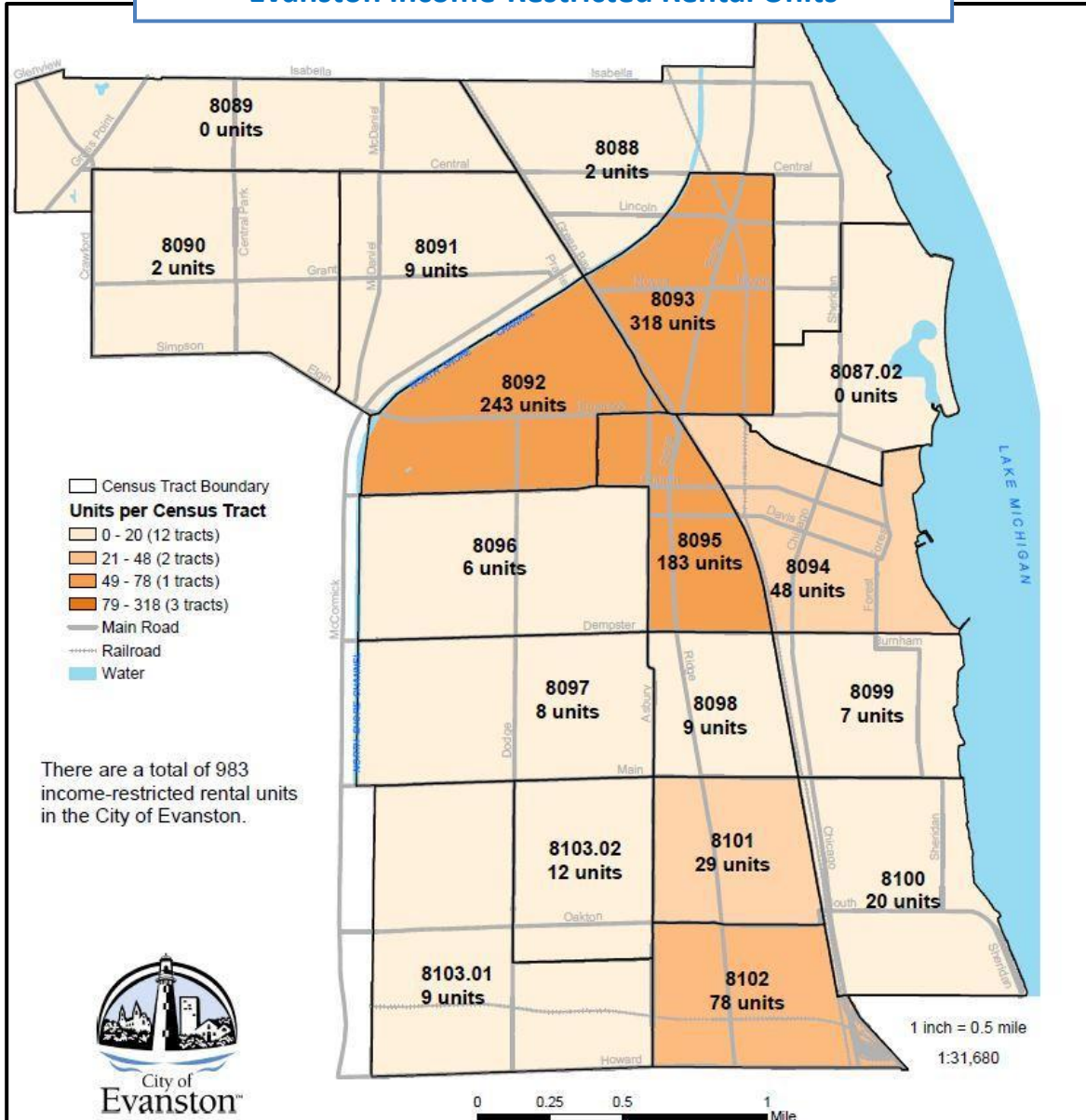
### Affordable Rental Units Occupied by Higher Income Renters, 2015

	Total Units	% Occupied by Higher Income Tenants	# Occupied by Higher Income Tenants	% Occupied by Income Eligible Tenants	# Occupied by Income Eligible Tenants
Rented ≤ 30% AMI	451	43.3%	195	56.7%	256
Rented > 30% and ≤ 50% AMI	860	36.7%	316	63.3%	544
Rented > 50% and ≤ 80% AMI	5813	33.9%	1,971	66.1%	3,842

Source: HUD-PD&R tabulations of American Housing Survey data

Evanston has been working to address the need for affordable housing. The map below shows the number of income-restricted rental units in Evanston by Census tract. Income-restricted means that the units are maintained at certain affordability levels. These affordability restrictions are typically imposed by funding sources, such as HUD, IHDA, and the City. However, a number of units owned by nonprofit developers and providers of special needs housing are included because they continue to serve low income residents after their funders' affordability restrictions have expired.

## Evanston Income-Restricted Rental Units



Evanston has helped over 90 Moderate and Middle Income households become homeowners, primarily through down payment assistance programs and the Neighborhood Stabilization Program 2 acquisition and rehab of foreclosed homes. However, the majority of homes do not have land use restriction agreements (LURA) to maintain long-term affordability. Most owners may sell their home at market value and repay any unforgiven portion of their forgivable loan from the City if they sell prior to the owner occupancy requirement, which runs from 5 – 20 years, depending on the type of property and amount of the forgivable loan. Community Partners for Affordable Housing (CPAH) continues to build its portfolio of ownership homes using long-term affordability restrictions through their land trust or LURAs, including homes developed through the

ETHS Geometry in Construction program. They have eight homes that are owner-occupied and two more in production with ETHS.

**Who is most affected by the lack of affordable housing?**

According to the National Low Income Housing Coalition's *Out of Reach 2017* report, the average rent for a modest two bedroom unit in the Chicago Metropolitan Area is \$1,232/month. The minimum wage in Illinois \$8.25/hour, and a household comprised of individuals earning minimum wage would need to work 101 hours per week in order to afford that modest two-bedroom apartment. The hourly wage needed to afford a two-bedroom apartment in the Chicago Metro Area is \$23.69. Although Evanston enacted a minimum wage of \$10/hour in July 2017, a household of one making that income would earn \$20,800, or about 38% of AMI.

According to HUD Comprehensive Housing Affordability Strategy (CHAS) data for 2010-2014, 76.7% of Evanston low- to moderate-income households are housing cost burdened. Additionally, 13.4% of Evanston residents, or 10,036 people, are living in poverty according to US Census population estimates released July 1, 2016. Based on HUD data that shows 42.7% of households in the Midwest qualify as worst case needs, approximately 2,252 of Evanston households, or 8%, would be classified as worst case needs. Worst case needs are defined as renters with very low incomes – no more than 50 percent of AMI – who do not receive government housing assistance and who pay more than one-half of their income for rent, live in severely inadequate conditions, or both.

In 2017, the area median income (AMI) in the Chicago Metropolitan Area for a household of four is \$79,000. Federal affordable housing programs are typically designed to provide assistance to households at or below 80%, 60%, 50%, and 30% of AMI. For a household of four, that is an annual household income of \$63,200, \$47,400, \$39,500, and \$23,700 respectively. A common misconception about affordable housing programs is that people who receive assistance do not work. However, many households have at least one wage earner working 40 or more hours per week but cannot afford market rate housing, particularly in a high cost housing market such as Evanston. Even many jobs that require college degrees do not pay enough to cover market rents in Evanston.

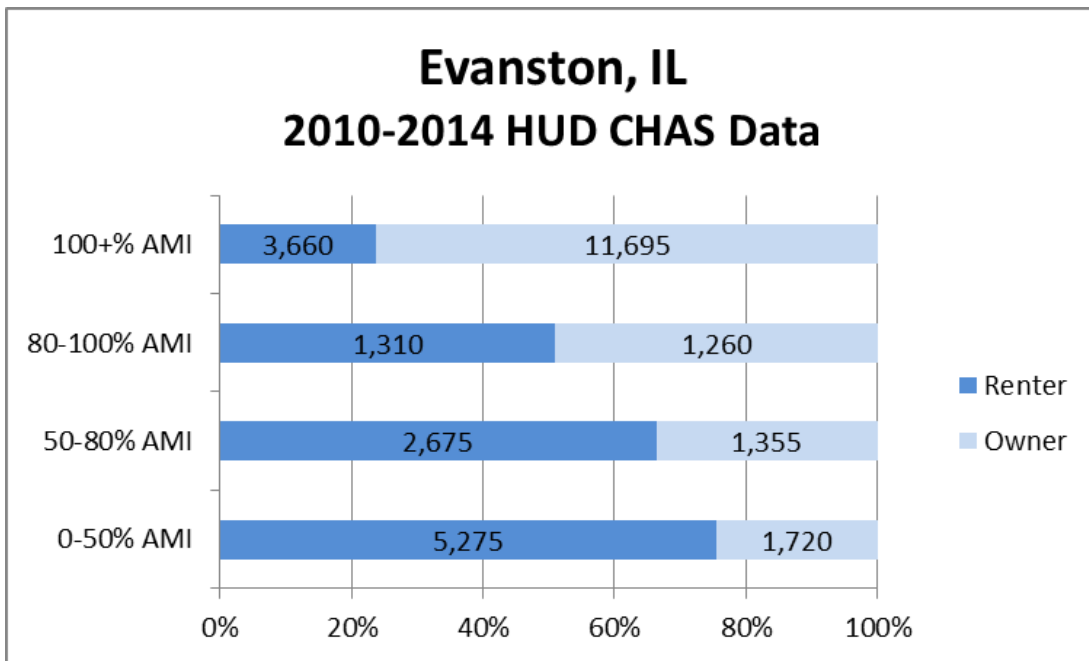
<b>What does it take to afford a \$1,232/month apartment?</b>			
<b>Occupation</b>	<b>Salary</b>	<b>Income Bracket</b>	<b>Income Proportion Needed for Rent</b>
Crossing Guard (Median salary)	\$26,775	Low	55%
D65 Maintenance (Step 2)	\$44,739	Moderate	33%
D65 Teacher (Track II, Step 6)	\$56,686	Middle	26%

## **Housing Need**

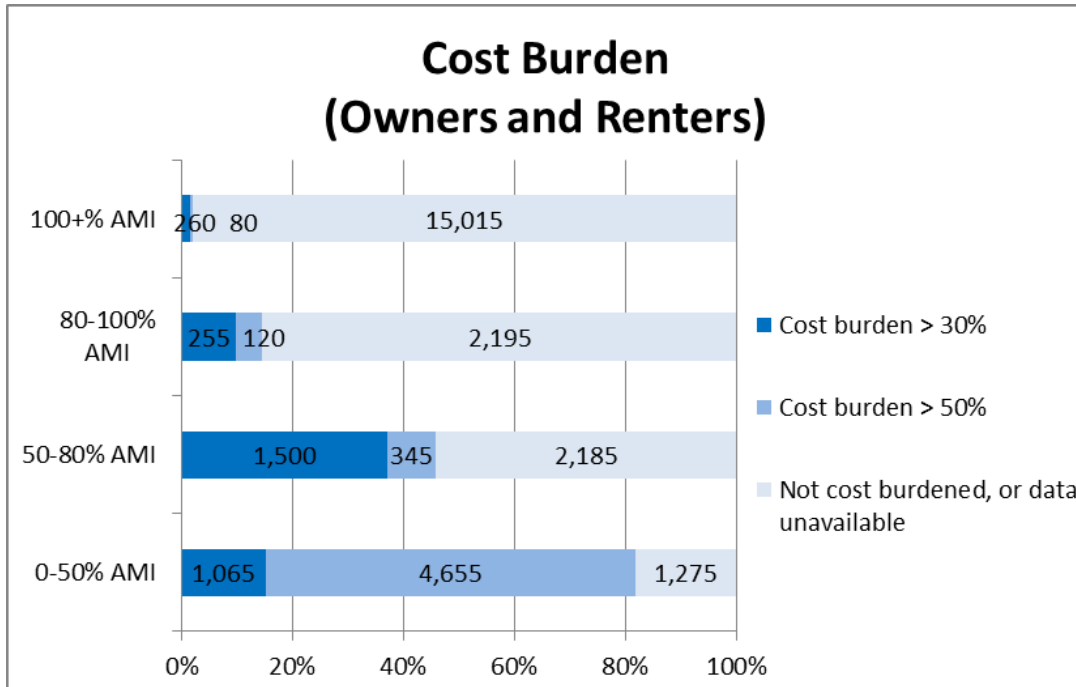
There are three groups whose needs will be examined and strategies to address those needs will be defined in this paper. The first is Low Income households with incomes at or below 50% of AMI. The second is Moderate Income households with incomes between 50% and 80% of the area median. The third and final group is Middle Income households that earn between 80% and 120% of the area median. The data used for these income brackets are from HUD CHAS data. This information is developed by HUD specifically for recipients of Community Development Block Grant funds to use in analyzing the needs of their low- to moderate-income residents. Data are not provided by HUD for households between 100-120% AMI, therefore, data for Middle Income residents is limited to households between 80% and 100% AMI.



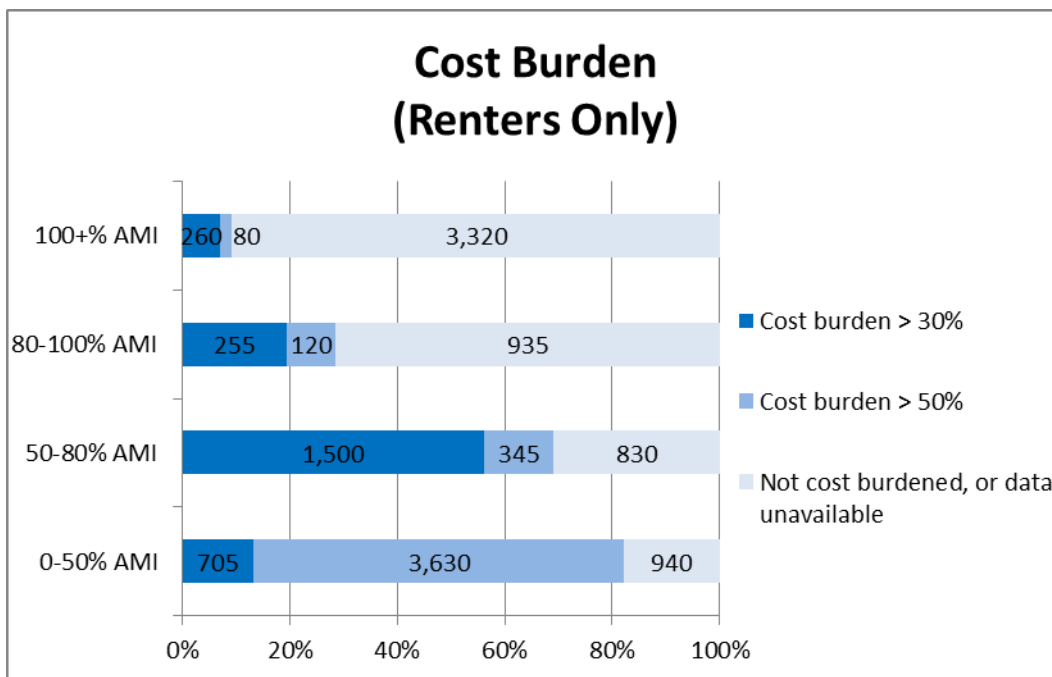
The chart below shows the breakdown of owner- and renter-occupied households by income level. As expected, the proportion of homeowners increases as incomes increase. However, there are over 3,000 homeowner households with incomes  $\leq 80\%$  of AMI, many of whom are seniors, who are housing cost burdened or severely housing cost burdened.



The following chart breaks out the number that are cost burdened and severely cost burdened. The greatest need is among Low Income households. Over 80% of owner and renter Low Income households ( $\leq 50\%$  AMI) are cost burdened, with 69% severely cost burdened. Owner households at this income level are most vulnerable to displacement; they are often on a fixed income and are increasingly unable to maintain their properties and pay property taxes.



The chart below illustrates the number of renter households that are cost burdened, paying more than 30% of household income toward housing, and severely cost burdened, paying more than 50% of household income toward housing. Low Income households have the greatest cost burden overall, and the greatest percent of severe cost burden.



Owner-occupied and renter-occupied households show similar patterns: the higher the household income, the less likely the household is going to be housing cost burdened. Renter households are more cost burdened than owner households, however, the proportion that are severely cost burdened shifts between rental and ownership at different income levels. Among Moderate Income renter households, 70% have some cost burden, while 45% of total renter and owner households have some cost burden. Among Low Income households, the percentage of renter only and total renter and owner households with some cost burden is identical, at 82%.

### **Low Income Households**

Characteristics: The majority of the households in this group are renters. It is not uncommon for individuals and families in this income bracket to be unstably housed and employed in service industry jobs; often move seeking affordability and most vulnerable to becoming homeless. A substantial number of households with fixed incomes, primarily seniors and people with disabilities, fall within this group, as well. A household of three at 30% AMI makes approximately \$21,330 per year and at 50% AMI makes \$35,550 per year.

Number of households at or below 50% AMI in Evanston:

- 6,995 households, or 24% of all households
  - 5,275 renter-occupied, or 75%
  - 1,720 owner-occupied, or 25%

### **Moderate Income Households**

Characteristics: This group has a higher proportion of owner-occupied households than the Low Income segment. However, in Evanston, the majority are still renters. Many households in this group are stably housed and hold steady jobs. However, due to the earning potential of many jobs, a significant portion of Moderate Income households will continue to be housing cost burdened at some level. A household of three at 60% AMI makes approximately \$42,660 per year and at 80% AMI makes approximately \$56,900 per year.

Number of households between 80% and 100% AMI in Evanston:

- 2,570 households, or 9% of all households
  - 1,310 renter-occupied, or 51%
  - 1,260 owner-occupied, or 49%

### **Middle Income Households**

Characteristics: Homeownership in this segment of the population is much higher and more appealing due to greater and more stable incomes. A household of three at 100% AMI makes approximately \$71,100 per year, and \$85,320 at 120% AMI. More analysis is necessary in order to explore strategies for households between 80% and 120% AMI.

However, data provided by HUD only goes up to 100% AMI. Therefore, the analysis below was completed based on households with incomes between 80% and 100% AMI.

Number of households between 80% and 100% AMI in Evanston:

- 4,030 households, or 14% of all households
  - 2,675 renter-occupied, or 66%
  - 1,355 owner-occupied, or 34%

## **Ideas for Potential Housing Goals and Strategies**

To address the wide range of housing needs in Evanston, a variety of strategies could be considered to address different goals in a comprehensive program. Some strategies could be undertaken at little or no direct cost such as changing zoning and regulations, while others require subsidies from the City or other sources. Additional resources would be required to undertake them on a consistent basis.

### **Create New Housing Opportunities**

- Revise zoning to allow rental of existing accessory dwelling units (ADUs) to non-family members. ADUs are increasingly being used in municipalities throughout the US to expand the supply of housing units and, when restricted to being rented at affordable rates to income eligible households, is another method of integrating affordable housing in market rate housing. It also facilitates increased density in low-density primarily ownership neighborhoods. Evanston zoning currently allows rental of ADUs to family members or caregivers only, which limits its effectiveness as a tool for expanding the supply of housing and integrating lower income households in single family neighborhoods with high housing costs. Examples: [Portland, OR](#); [Minneapolis, MN](#); and [Durango, CO](#).
- Revise zoning to allow development of new ADUs for rental in new construction and in single-family neighborhoods with lots that can accommodate an accessory structure. This can expand the benefits noted above and integrate affordable housing throughout Evanston. Construction of ADUs could provide additional building opportunities for ETHS Geometry In Construction. Consideration could also be given to incorporating universal design requirements in new ADU construction to expand the supply of housing for lower income seniors and persons with disabilities. Alley access could be considered for accessibility.
- Develop a Special Use to allow development of modest-size homes on small lots. Current Evanston single family zoning districts have large lot size requirements and allow only one primary dwelling unit. This limits density and drives up housing costs. More middle income ownership opportunities could be developed by encouraging more moderately sized units and there are neighborhoods throughout Evanston with non-conforming smaller homes and lots that were

developed prior to current zoning. Examples: [Los Angeles, CA](#); [Seattle, WA](#); and [Austin, TX](#).

- Revise occupancy standards to all greater flexibility in home sharing. Home sharing is typically used by homeowners who are housing cost burdened, particularly by seniors living on fixed incomes whose greatest asset is their home. In most instances, a tenant will move in with a homeowner for monthly rent that is substantially below market rate rental. Currently, Evanston zoning allows no more than three unrelated people to live in a dwelling unit and can limit home sharing effectiveness in cases where a homeowner could have multiple home share tenants based on the number of bedrooms and size of the house. [Boulder, Colorado](#), which had housing challenges similar to Evanston's and also is a university town is developing a program that allows home sharing among seniors based on occupancy standards rather than relationships of the residents. This is one potential model that could be explored for Evanston.

### **Increase affordable units in market rate developments**

- The City's Inclusionary Housing Ordinance should be regularly evaluated and updated to better accomplish the goal of developing on-site units while considering the regularly shifting market. Current market conditions make payment of the per-unit fee-in lieu less costly for developers. The alternative equivalent proposal does not provide enough guidance relating to Council priorities and developers. Additional considerations to incentivize on-site units that could be explored include:
  - Increasing the fee-in-lieu from \$100,000 to \$150,000 in TOD areas, and from \$75,000 to \$100,000 in non-TOD areas
  - Changing the timing of fee-in-lieu payment. Currently, full fee-in-lieu is paid at the time of first temporary certificate of occupancy (first TCO), usually at least 18 months after project approval. By modifying the IHO to require half of the fee-in-lieu at receipt of first building permit and half at first TCO, developers may be more motivated to build on-site units.
  - Evaluating and modifying development bonuses for on-site units, including increased height, density and FAR , and parking reductions
- Market the benefits of the City's centralized waitlist and income qualifications managed by Community Partners for Affordable Housing that reduce the developer's compliance burden
- Evaluate the need for a middle-income tier in Inclusionary Housing Ordinance. Example: Colorado requires 20% of units for low-income, 60% for middle-income and 20% for higher-income households

## **Expand revenues for affordable housing**

- Examine a potential increase in the IHO fee-in-lieu from \$100,000 to \$150,000 in TOD areas, and from \$75,000 to \$100,000 in non-TOD areas. Examples to consider include:
  - Highland Park, IL: IHO requires all residential developments (new construction, renovations, and conversions) resulting in five or more units to provide 20% of units as affordable or pay a fee in lieu of \$125,000 per unit
  - Chicago, IL: Affordable Requirements Ordinance created three zones in the city to reflect different housing markets and priorities: downtown, higher-income areas, and low-moderate income areas. In-lieu fees for units not provided on-site in rental projects are as follows: \$175,000 downtown, \$125,000 in higher-income areas, and \$50,000 in low-moderate income areas.
- Develop an impact fee on development not covered by the IHO, including 1-4 unit residential, residential additions, as well as retail and commercial projects. Examples to consider:
  - Marin County, CA: Impact fee applies to all new single family homes over 2,000 square feet and all teardowns and major remodels that result in over 500 square feet of new space and a total conditioned floor area over 2,000 square feet. The fee per square foot ranges from \$5-\$10 per square foot, based on project size. Payment is required prior to issuance of building permit.
  - Redwood City, CA (Bay Area): \$20-25/square foot impact fee for residential development and \$20/square foot for commercial development
- Invest non-cash City resources for affordable housing development. RPFs could be issued to attract new developers and to reduce costs
  - City-owned land such as underused parking lots
  - Parcels being acquired through the Cook County No Cash Bid program and tax deeds for properties with City liens

## **Create paths to homeownership**

Many middle income households do not have enough equity accumulated to purchase a home. Down payment and closing cost assistance and employer-assisted programs can facilitate homeownership for this group. Federal HOME and CDBG funds are not effective for homebuyer programs because funds are restricted to HHs with incomes  $\leq$  80% AMI.

- Programs with local banks that are members of the Federal Home Loan Bank could be explored to re-start homebuyer programs.
- Employer-assisted programs could also be explored, working with Evanston's large employers that have significant numbers of employees that cannot afford to

live in Evanston, including hospitals, senior communities and Northwestern University.

- Include development of Middle Income homeownership opportunities as eligible acquisition/rehab projects funded by the Affordable Housing Fund.
- Develop an intergovernmental agreement with ETHS Geometry in Construction. Units are constructed by ETHS students, put into CPAH's land trust and sold to income qualified households. See ADU section above for strategies to continue this program without requiring single-family home lots.
- Continue to maintain long-term affordability long-term affordability of ownership housing through land trusts that retain ownership of the land but sell residential buildings on the land. This minimizes or eliminates the land cost, making homeownership achievable for lower income households, including Moderate Income. The buyer is still able to build equity through ownership of the home and can sell and purchase a property outside the land trust with that equity, if desired.
- Financial literacy programs. Partner with banks and nonprofits to offer housing counseling and financial literacy training to help potential homebuyers improve credit scores and become mortgage ready.

### **Expand Development of Income-Restricted Rental Units**

Continue to develop rent-restricted units that provide stable housing for Moderate Income households with consistent earned income. These households often pay over 30% of their gross income for housing in the private market, making them housing cost burdened. They also tend to have higher mobility rates and long commutes to work due to seeking housing that is more affordable to them.

Gross rent (rent and utilities paid by the tenant) is set to be no more than 30% of gross household income level, commonly 50% and 60% of AMI, and the tenant is responsible for paying the full rent and utilities. Tenant income must fall between an established minimum and maximum to be able to afford the rent payments without exceeding the maximum allowable income for the unit. Revenues from the rents must be sufficient to cover operating costs, including property taxes, maintenance and replacement reserves. Cash flow from rents can rarely cover any debt service, so funding for the development of rent-restricted units is often in the form of forgivable or deferred loans from federal, state or local government. Units may be new construction or acquisition and rehab of existing housing. This has been a primary use of HOME and Affordable Housing Funds.

### **Maintain and Expand Rent Subsidies for Low Income Households**

Rent subsidies are generally used to provide stable housing for the lowest income households that cannot afford to pay rent and utilities even when set at 30% or 50% AMI. The tenant pays 30% of gross income toward housing costs and the remaining amount is subsidized. Rental assistance can be tenant-based, like the Housing Choice Voucher program, where the supported household finds a privately owned unit to live in,

or project-based, where the rent subsidy stays with the housing unit. Rent subsidies are particularly effective for:

- Unlimited subsidies for very low income seniors, persons with disabilities, and the chronically homeless. Examples include the Housing Authority of Cook County's (HACC) Perlman and Walchirk Apartments; Over the Rainbow's Hill Arboretum Apartments; Permanent Supportive Housing provided by Impact Behavioral Health and Connections for the Homeless.
- Short- and medium-term subsidies (3-24 months) are used to help families that have been destabilized by job loss, medical emergencies or other events and may be unstably housed or homeless including the City's HOME funded Tenant-Based Rental Assistance program that provides up to 24 months of support for families with children <18; ESG Rapid re-housing that provides 3-12 months of support for families that are literally homeless.
- The City's General Assistance program provides rent assistance of up to \$600/month for single adult residents of Evanston with monthly incomes under \$875.

### **Leverage External Resources to develop housing for Low Income and Special Needs Residents**

- Provide gap funding for projects with primary funding from the Illinois Housing Development Authority (IHDA), Cook County and the Community Investment Corporation (CIC). Project types include:
  - Permanent Supportive Housing (PSH) provides rental apartments linked with flexible community-based services to house people with disabilities who have experienced or are at risk of experiencing long-term or chronic homelessness. The Center for Mental Health Policy and Services Research at the University of Pennsylvania found that living in permanent supportive housing was associated with an average reduction in service use of \$16,282 per person.
  - Supportive Living Facility (SLF) is an alternative to nursing home care for low-income older persons and persons with disabilities under Medicaid. By combining apartment-style housing with personal care and other services, residents can live independently and take part in decision-making. Personal choice, dignity, privacy and individuality are emphasized. The State of Illinois issues licenses for SLFs
- External sources for affordable housing development include:
  - Low-Income Housing Tax Credits (LIHTC) IHDA awards tax-exempt bonds or tax credits to developers who agree to rent a portion of housing units at affordable rates for a minimum of 30 years. Developers can either rent 20% of units affordable at 50% AMI, 40% of units affordable at 60% AMI or 15% of units affordable at 40% AMI.
  - Regional Housing Initiative (RHI) Collaboration of 14 public housing authorities in the Chicago metro area that pool a portion of their available project-based rental vouchers to support the rehabilitation or construction



of affordable rental homes in opportunity communities. Pooling resources allows more flexibility for the region to adapt to changing housing markets and direct resources towards areas of need.

- State Referral Network (SRN) Project-based rental assistance awarded to developers that dedicate units for households  $\leq$  30% AMI and have a disabled or ill head of household or is homeless. Local service providers refer potential eligible tenants to the State wait lists for housing projects with SRN vouchers.

### **Preserve Existing Affordable Housing**

- Handyman Program
  - Small-scale home repairs for income eligible seniors
- CDBG Housing Rehab
  - 0% interest loan for income eligible owner-occupied and rental housing
  - Up to \$50,000 depending on unit type
  - Priorities are to address code and life safety violations and improve accessibility
- Continue funding rehab and repairs special needs housing and rental owned by nonprofit developers
- Explore a rehab program that targets owner-occupied two-flats and small rental buildings
- Consider deed restrictions to ensure permanent affordability. Restrictions on ADUS, low and moderate income homes can preserve affordable homeownership opportunities for the long term while enabling homeownership for lower income households.

### **Expand programs to overcome barriers to rental for Low Income Households**

- Pilot a Landlord Mitigation Fund that functions as an insurance fund to incentivize landlords to accept low-income and subsidized tenants, and/or tenants with a poor rental history or criminal record. Landlord Mitigation Funds provide landlords with an amount of money in the event a tenant damages property and/or must be evicted. Examples of communities with landlord mitigation funds: [Denver, CO](#); [Portland, OR](#); [Seattle, WA](#); and [Orland, FL](#).
- Explore a rehab program for Evanston landlords that rent to households with rent subsidies and/or poor rent history/criminal record
- Tenant education - rights and responsibilities of landlords and tenants
- Maintain City supportive services and programs

### **Maintain Supportive Services for Evanston Residents**

Many of the Evanston's lowest income residents are still not able to access housing services and programs funded by the aforementioned sources. Additionally, housing stability often times cannot be achieved through housing alone. Supportive services and

case management are vital to ensuring people are able to remain housed and stable. Therefore, the City offers direct assistance and referral services through its Health and Human Services and Parks, Recreation, and Community Services Departments. These programs are highlighted below.

- [General assistance](#)
  - Entitlement benefits
- [Emergency assistance](#)
  - Homeless prevention
  - Maintain housing stability
  - [Utility payments](#)
- [Resident assistance](#)
  - Case management
  - Referrals
  - Housing locating

### Promote healthy housing and neighborhoods

- Property maintenance
- Lead paint remediation
- Removal of mold and other health hazards
- Rental Registration Program
- Vacant building registry
- CDBG-funded capital improvements in low to moderate income neighborhoods

<b>Housing Strategies Summary By Segment</b>			
	<b>Low Income</b>	<b>Moderate Income</b>	<b>Middle Income</b>
<b>ADUs</b>	✓	✓	
<b>Small Lot Housing</b>		✓	✓
<b>IHO</b>		✓	✓
<b>Homeownership</b>		✓	✓
<b>Income-Restricted Units</b>	✓	✓	✓
<b>Rent Subsidies</b>	✓		
<b>Housing for Special Needs</b>	✓	✓	✓
<b>Affordable Housing Preservation</b>	✓	✓	✓
<b>Programs to Overcome Barriers</b>	✓		
<b>Healthy Homes and Neighborhoods</b>	✓	✓	✓

## **Appendix of funding sources and uses**

The City has several funding sources that it uses for housing services, development, rehabilitation and preservation. The majority of funding for this type of work comes from the federal government which is very proscriptive in how funds can be allocated. The City's local funding sources provide greater flexibility in expenditures, but also pose challenges with their finite and limited availability. Below is a summary of each of the City's housing funding sources and uses.

### **Community Development Block Grant (CDBG)**

- Annual allocation from HUD: Approximately \$1,500,000
- Eligibility requirements: Beneficiaries of CDBG-funded programs and services must be primarily  $\leq 80\%$  AMI.
- Programs:
  - Public services: The City funds public services for income eligible populations through external organizations
  - Public facilities: The City funds public facility improvements for both City-owned infrastructure and facilities properties and nonprofits
  - Housing rehab program: Managed by City staff for income eligible owner-occupied and small rental buildings; 0% interest loan of up to \$50,000 for repairs and rehabilitation
  - Affordable housing preservation: CDBG can be used by nonprofit developers to rehab existing affordable housing units and buildings in order to preserve their affordability

### **HOME Investment Partnerships Program (HOME)**

- Annual allocation from HUD: Approximately \$250,000
- Eligibility requirements: Beneficiary HHs must be  $\leq 80\%$  AMI; typically, enter at or below 60% AMI, and exit when income rises above 80% AMI.
- Programs
  - Tenant-based rental assistance (TBRA): The City funds Connections for the Homeless to administer this program; it is a two-year rental subsidy for households with children under 18 and incomes at or below 50% AMI
  - Affordable housing development and rehabilitation: HOME can be used as a gap funding source for new affordable housing development, as well as rehab of existing units to create more affordable housing
  - Affordable housing preservation: HOME can be used by nonprofit developers to rehab existing affordable housing units and buildings in order to preserve their affordability

## **Emergency Solutions Grant (ESG)**

- Annual allocation from HUD: Approximately \$140,000
- Eligibility requirements: Participants must be at or below 30% AMI or homeless
- Programs
  - Homeless prevention, short-term rent/utility subsidy to prevent eviction, and case management
  - Rapid re-housing, short-term rent/utility subsidy
  - Operating support for homeless shelters
  - Street outreach to homeless persons

## **Affordable Housing Fund (AHF)**

- Cash balance as of October 2017: \$590,000
- Eligibility requirements: The AHF can be used for rental units in which incomes are restricted at or below 80% AMI, and for-sale units in which incomes are at or below 120% AMI. It is also used to fund housing services and programs that can not otherwise be funded by a federal source.
- Current funding sources:
  - Demolition tax: Currently \$10,000 per building;
  - IHO fee-in-lieu: Currently \$100,000 in transit-oriented development (TOD) areas, and \$75,000 outside of TOD areas; and
  - Other developer contributions pre-IHO: Examples include annual contributions of \$125,000 from the Mather, and one-time contributions from the developer of 1620 Central and 1571 Maple.
- Programs:
  - Homeless Management Information System (HMIS): The City provides funding to the Alliance to End Homelessness of Cook County to operate the HMIS, which is used by all of the local homeless service providers in the Continuum of Care.
  - Handyman Program: This program is managed by the City's long-term care ombudsman and offers income eligible seniors the ability to have small repairs completed in their homes.
  - Landlord-Tenant Program: The City funds Open Communities to perform landlord-tenant liaison and mediation work for Evanston residents.
  - Affordable housing development and rehabilitation: The Affordable Housing Fund can be used as a gap funding source for new affordable housing development, as well as rehab of existing units to create more affordable housing.

## **Mental Health Board Fund (MHB)**

- Total 2018 allocation: \$736,373

- Eligibility requirements: At-risk Evanston residents; residents unable to access assistance independently

Program funding to non-profit agencies for a wide range of health and social services.

**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
ACS	AMERICAN COMMUNITY SURVEY: Conducted annually by the US Census Bureau to get information on income, employment, housing costs, and other data. HUD uses averages from five years to develop LMA data for CDBG.
Action Plan	One year plan developed by each entitlement community to implement the five-year ConPlan with CDBG, HOME and ESG.
ADA	AMERICANS WITH DISABILITIES ACT OF 1990: A broad civil rights law guaranteeing equal opportunity for individuals with disabilities in employment, public accommodations, transportation, state and local government services, and telecommunications.
AFFH	AFFIRMATIVELY FURTHERING FAIR HOUSING: The Fair Housing Act requires all federal agencies to administer programs relating to housing and urban development in a manner that will affirmatively further fair housing. Further, the receipt of federal funds obligates jurisdictions to affirmatively further fair housing. Among other things, the duty to affirmatively further fair housing includes developing and implementing a comprehensive strategy to identify and overcome barriers to fair housing choice.
AFH	ASSESSMENT OF FAIR HOUSING: HUD's AFFH rule clarifies existing fair housing obligations for jurisdictions with a streamlined process to analyze the local fair housing landscape and set fair housing priorities and goals through an Assessment of Fair Housing (AFH). The rule identifies four fair housing issues that program participants will assess: Patterns of integration and segregation; racially or ethnically concentrated areas of poverty; disparities in access to opportunity; and disproportionate housing needs.
Affordable Housing	In general, housing for which the occupant(s) is/are paying no more than 30% of his or her income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.
AMI	AREA MEDIAN INCOME
CAPER	CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT, annual results
CBDO	COMMUNITY BUSINESS DEVELOPMENT ORGANIZATION: Non-profit community development agency that can undertake activities in NRSAs.
CDBG	COMMUNITY DEVELOPMENT BLOCK GRANT: Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. CDBG replaced several categorical grant programs, such as the Model Cities program, the Urban Renewal program, and the Housing Rehabilitation Loan and Grant program.
Census Tract	A small, relatively permanent statistical subdivision of a county or statistically equivalent entity, delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines.
Census Tract Number	A four-digit basic number, followed by an optional two-digit decimal suffix, used to uniquely identify a census tract within a county or statistically equivalent entity.

**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
CHAS	COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY DATA: A component of Consolidated Plan, the CHAS is a report prepared by jurisdictions on the number of households in need of housing assistance. It is based on data reports obtained by HUD from the Census Bureau.
CHDO	COMMUNITY HOUSING DEVELOPMENT ORGANIZATION: A nonprofit, community-based service organization whose purpose is to provide and develop decent, affordable housing for the community it serves. Organizations certified as CHDOs are eligible to receive HOME funding.
Chronically Homeless	A homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.
CoC	The CONTINUUM OF CARE awards HUD funds on a competitive basis to address homelessness in a comprehensive manner. To be eligible for the funds, a Continuum of Care, consisting of local government agencies, community-based organizations, service providers, and others, must develop a plan for providing housing and services to homeless individuals and families. The Continuum of Care Program consolidated three HUD homelessness programs: Supportive Housing, Shelter Plus Care, and Section 8 Moderate Rehabilitation for Single-Room Occupancy.
ConPlan	CONSOLIDATED PLAN: A document written by a state or local government describing the housing needs of the low- and moderate-income residents, outlining strategies to meet these needs, and listing all resources available to implement the strategies. This document is required in order to receive HUD Community Planning and Development funds. Typically, this is a five year plan.
Cooperative	COOPERATIVE (Co-op): Housing in which each member shares in the ownership of the whole project with the exclusive right to occupy a specific unit and to participate in project operations through the purchase of stock.
CPD	COMMUNITY PLANNING AND DEVELOPMENT: HUD's Office of Community Planning and Development seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations.
DBRA	DAVIS-BACON AND RELATED ACTS: Requirement to pay federal prevailing wages on most CDBG-funded construction projects.
Debt Service	Required payments for principal and interest made with respect to a mortgage secured by housing.

**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
Entitlement Community	City or urban county with LMI population and other characteristics that qualify it to receive CDBG funding per the Housing & Community Development Act of 1974. CDBG funds are allocated on a "formula" basis to entitlement communities as long as Congress appropriates funds for CDBG.
ESG	EMERGENCY SOLUTIONS GRANT PROGRAM: A federal CPD program grant designed to help improve the quality of existing emergency shelters for the homeless, to make additional shelters available, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. ESG also provides short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs.
Extremely Low-Income	Extremely-Low Income families are now defined as families whose incomes do not exceed the higher of: Federal Poverty Level, or 30% of Area Median Income.
Fair Housing Act	1968 act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.
FHA	FEDERAL HOUSING ADMINISTRATION (FHA): Provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA insures mortgages on single-family, multifamily, and manufactured homes and hospitals. It is the largest insurer of mortgages in the world, insuring over 34 million properties since its inception in 1934.
FHEO	DEPARTMENT OF FAIR HOUSING AND EQUAL OPPORTUNITY
FMR	FAIR MARKET RENT: Rent levels set by HUD by market that are considered affordable to LMI households.
FTE	FULL TIME EQUIVALENT: Job or jobs that total 40 hours per week of work.
Gross Rent	Rent plus utilities; for example if the maximum allowable gross rent for a unit is \$1,200 and the tenant has to pay utilities, you subtract amounts for each utility based on a utility allowance schedule out of the rent. If, for example, the utility allowances for that unit add up to \$150, then the maximum actual rent that can be charged is \$1,050 (\$1,200 - \$150).
HACC	HOUSING AUTHORITY OF COOK COUNTY
HCV	HOUSING CHOICE VOUCHER: Rent assistance form low income households provided by Housing Authorities (also called Section 8).
HOME	HOME INVESTMENT PARTNERSHIPS PROGRAM: Provides formula grants to states and localities that communities use — often in partnership with local nonprofit groups — to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.
Homeless	An individual who lacks a fixed, regular, and adequate nighttime residence; as well an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.



**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
Homeless Prevention	Activities or programs designed to prevent the incidence of homelessness, including, but not limited to: (1) short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (2) security deposits or first month's rent to permit a homeless family to move into its own apartment; (3) mediation programs for landlord-tenant disputes; (4) legal services programs that enable representation of indigent tenants in eviction proceedings; (5) payments to prevent foreclosure on a home; and (6) other innovative programs and activities designed to prevent the incidence of homelessness.
Household	All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.
HUD	UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HUD FMR Metro Area	Indicates that only a portion of the OMB-defined core-based statistical area (CBSA) is in the area to which the income limits or FMRs apply. HUD is required by OMB to alter the name of metropolitan geographic entities it derives from the CBSAs when the geography is not the same as that established by OMB.
Income Limits	Determines the eligibility of applicants for HUD's assisted housing programs.
IDIS	INTEGRATED DISBURSMENT AND INFORMATION SYSTEM: HUD database to track grant funded activities and draw down funds.
IHDA	ILLINOIS HOUSING DEVELOPMENT AUTHORITY
IHO	INCLUSIONARY HOUSING ORDINANCE
LIHTC	LOW-INCOME HOUSING TAX CREDIT: A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.
LMA	LOW AND MODERATE AREA: Primarily residential area with 51% or more LMI residents based on ACS data; Evanston is an "exception" community so LMA threshold is 45.13%.
LMC	LOW- AND MODERATE-INCOME CLIENTELE: method of determining eligibility for CDBG funds based on 51% or more of individuals or families being served have a family income ≤ 80% of the area median income; incomes must be documented.
LMH	LOW- AND MODERATE-INCOME HOUSING: Method of determining eligibility for CDBG housing assistance by determining that the household's income is ≤ 80% of the area median income; incomes must be documented.
LMI	LOW- AND MODERATE-INCOME: Income ≤ 80% of the area median income; used to determine eligibility for an individual, family or household for CDBG assistance
LMJ	LOW- AND MODERATE-INCOME JOB: A job filled by an individual whose income is ≤ 80% of the area median income and requires no more than a high school diploma
Low-Income	Households whose incomes do not exceed 80% of the median area income for the area, as determined by HUD.

**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
McKinney-Vento Homeless Assistance Act	A law authorizing HUD programs to provide emergency shelter, housing, and supportive services for homeless individuals. These programs are administered by HUD’s Office of Housing and Community Development (CPD). The Act was reauthorized and amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.
Moderate-Income	Households whose incomes are between 81% and 95% of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95% of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes.
MSA	METROPOLITAN STATISTICAL AREA: An area with at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties.
MBE	MINORITY-OWNED BUSINESS: A business in which more than 50% of the ownership or control is held by one or more minority individuals; and more than 50% of the net profit or loss of which accrues to one or more minority individuals.
NRSA	NEIGHBORHOOD REVITALIZATION STRATEGY AREA: Plan to address area of greatest need with CDBG funds.
NSP	NEIGHBORHOOD STABILIZATION PROGRAM: A program intended to stabilize communities suffering from foreclosures and abandonment. It authorizes HUD to issue grants and no-interest loans to states for the purchase, sale and rehabilitation of foreclosed homes. NSP is Title III of the American Recovery and Reinvestment Act of 2008. Pub. L. No. 110-289.
OMB	OFFICE OF MANAGEMENT AND BUDGET: The Office of Management and Budget oversees the performance of federal agencies, and administers the federal budget.
OMB Omni-Circular	As part of an effort to reform and strengthen Federal grant making, the Office of Management and Budget (OMB) published new guidance for the Federal award programs, OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly referred to as the Omni Circular.
PBVP	PROJECT-BASED VOUCHER PROGRAM: maintains the voucher assigned to a property rather than the individual.
PHA	PUBLIC HOUSING AGENCY: Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities that is authorized to engage or assist in the development or operation of low-income housing under the U.S. Housing Act of 1937.
Project-based Section 8	Rent subsidies provided by Housing Authorities to private property owners to house low income households eligible for HCV in specific housing units.
Protected Class	Demographic categories of persons established by civil rights statutes against whom discrimination is prohibited.
PSH	PERMANENT SUPPORTIVE HOUSING: assists individuals to locate decent, safe, and affordable community-based housing that provides residents with the right of tenancy and is linked to voluntary, flexible support and services designed to meet residents’ needs and preferences.

**City of Evanston**  
**Housing Glossary and Acronyms**

Acronym/Term	Definition
RAD	RENTAL ASSISTANCE DEMONSTRATION PROGRAM: A demonstration program that allows public housing and moderate rehabilitation properties to convert to long-term Section 8 rental assistance contracts. It also allows Rent Supplement, Rental Assistance and Moderate Rehabilitation properties to convert to Project-Based Vouchers.
SAFMR	SMALL AREA FAIR MARKET RENT: Rent levels set by HUD by zip code in markets with widely varying rent rates for the Housing Choice Voucher program; Chicago Metro market uses SAFMRs.
Section 3	HUD requirement that CDBG-funded construction contractors hire LMI workers and subcontract with LMI-owned businesses.
Section 504	SECTION 504 OF THE REHABILITATION ACT OF 1973: Section 504 provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
Section 8 Programs	Several housing subsidy programs are authorized under Section 8 of the United States Housing Act of 1937. The largest of these programs is the Voucher program. It also includes the project-based Section 8 program, which subsidizes rents of low-income households residing in specific developments, Project-Based Vouchers, and the Veterans Affairs Supportive Housing program, which provides vouchers to eligible homeless veterans.
SRO	SINGLE-ROOM OCCUPANCY
TBRA	TENANT-BASED RENTAL ASSISTANCE: HUD assists low- and very low-income families in obtaining decent, safe, and sanitary housing in private accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit.
TOD	TRANSIT-ORIENTED DEVELOPMENT: Development of commercial space, housing services, and job opportunities close to public transportation, thereby reducing dependence on automobiles. TODs are typically designed to include a mix of land uses within a quarter-mile walking distance of transit stops or core commercial areas.
Transitional Housing	A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.
UA	UTILITY ALLOWANCE
URA	UNIFORM RELOCATION ACT: Requires financial assistance for residents and businesses displaced as a result of CDBG-funded projects.
VAWA	VIOLENCE AGAINST WOMEN ACT: A federal law intended to improve criminal justice and community-based responses to domestic violence. In the housing context, the law protects individuals applying for or living in federally subsidized housing from being discriminated against because of their status as victims of domestic violence, dating violence or stalking.

**City of Evanston**  
**Housing Glossary and Acronyms**

<b>Acronym/Term</b>	<b>Definition</b>
Very Low-Income	Households whose incomes do not exceed 50% of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or fair market rents.
WBE	WOMAN-OWNED BUSINESS: A business in which more than 50% of the ownership or control is held by one or more women; and more than 50% of the net profit or loss of which accrues to one or more women; and a significant percentage of senior management positions of which are held by women.

**INCLUSIONARY HOUSING**  
**POLICIES AND PROCEDURES**  
**RENTAL**

**The City of Evanston**



# The City of Evanston Inclusionary Housing Policies and Procedures - Rental



Development Projects (“the Developments”)

Leasing Agent (“Management”)

The City of Evanston (“the City”)

The City of Evanston’s Designee (“City’s designee”)

Leaseholder(s) (“Tenant and Co-tenant”)

## I. INTRODUCTION

This Inclusionary Housing Policies and Procedures – Rental (the "Policies") outlines the policies and procedures that will be followed in income verification and preferences for qualifying tenants for inclusionary affordable units that are created through the Evanston Inclusionary Housing Ordinance 60- O-15. The Developments, Management, the City, and the City’s designee are responsible for implementing the Policies during the initial lease up and periodically as tenants leave and units turnover to new tenants. For purposes of these Policies, the City’s designee shall act on the City’s behalf. Management shall act on behalf of the Developments.

### A. Development Description

The Developments offer rental housing at below-market rents for low- and moderate-income households. The number of units available and at what income levels will vary for each of the Developments and will be specified in the related Affordable Unit Declarations and Developer Agreement. The Developments and Management will notify the City or the City’s designees with as much notice as possible, but no later than 60 days before lease-up, when affordable units are available for leasing. At re-lease for any reason, the Developments and Management will notify the City or the City’s designee of the pending vacancy as soon as possible.

The Developments and/or Management may not offer a lease of an inclusionary housing affordable apartment until they have been notified by the City or the City’s designee that the potential leaseholder has been income qualified by the City of the City’s designee.

### B. Tenant Type

The affordable units available as part of the Developments are not designated as housing exclusively for any particular tenant type (i.e. family, senior, special needs). Dependent students may be a member of the household, but are ineligible to be the Leaseholder.

### C. Civil Rights and Nondiscrimination Requirements

#### 1. General

Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants on the basis of race, color, national origin, sex, age, disability, religion, and familial status. The Illinois Human Rights Act addressing fair housing prohibits discrimination against applicants or tenants on the basis of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service.

The remaining paragraphs in this section provide brief descriptions of key federal civil rights laws regarding fair housing and accessibility. The Development, Management, the City and the City's designee shall be familiar and comply with the regulations implementing these applicable federal civil rights laws and any state civil rights laws or local ordinance regarding fair housing and accessibility when applicable.

## **2. Fair Housing Act**

The Fair Housing Act Amendments of 1988 ("Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, disability, familial status and national origin regardless of any federal financial assistance.

Under the Fair Housing Act, the Development, Management, the City or the City's designee shall not take any of the actions listed below based on race, color, religion, sex, disability, familial status and national origin:

- a. Provide anyone housing that is different from that provided to others;
- b. Subject anyone to segregation, even if by floor or wing;
- c. Restrict anyone's access to any benefit enjoyed by others in connection with the Development;
- d. Treat anyone differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of a lease;
- e. Deny anyone access to the same level of services;
- f. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- g. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; or
- h. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

The Fair Housing Act provides additional protections for persons with disabilities. It requires that the Developments and Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford disabled persons equal opportunity to use and enjoy a dwelling. Moreover, it contains specific accessibility requirements that apply to the design and construction of new multi-household housing.

Management and the City's designee shall display the Fair Housing poster required by the Fair Housing Act.

## **3. Title VI of the Civil Rights Act of 1964**

Title VI of the Civil Rights Act of 1964 prohibits all recipients of federal financial assistance from discriminating based on race, color or national origin.

## **4. Age Discrimination Act of 1975**

The Age Discrimination Act of 1975 (the "Age Discrimination Act") prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances. It is not a violation of the Age Discrimination Act to use age as screening criteria in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

**5. Section 504 of the Rehabilitation Act of 1973**

Section 504 of the Rehabilitation Act of 1973 (“Section 504”) prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on the Developments to make their programs as a whole, accessible to persons with disabilities. Section 504 obligations include the following:

- a. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
- b. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- c. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
- d. Performing a self-evaluation of Management’s programs and policies to ensure that they do not discriminate based on disability; and
- e. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements.

Section 504 also establishes accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units. If the Owner, Management and Development employ 15 or more persons, regardless of their location or duties, a Section 504 Coordinator must be designated.

**6. Executive Order 13166 – Limited English Proficiency**

Executive Order 13166 requires Management and the City’s designee to take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.

**II. PREFERENCES**

**A. Establishing Preferences**

The following preferences apply:

**1. Local Preference**

Qualified applicants who have lived in Evanston for at least six months or who have lived in Evanston for at least six months with a member of a household currently living in Evanston, or where an adult member of the household works in Evanston for a minimum of 20 hours a week, will receive a “preference”, in accordance with Section 5-7-6 of the Evanston Inclusionary Housing Ordinance 60-0-15 as it now exists or as it may be amended in the future.

**B. Verification of Preference**

Preferences will be verified by the City’s designee.

**C. Qualification of Applicants for Participation**

A qualified applicant who is deemed to have a preference will be referred by City Designee to Management for–tenant qualification by Management before other qualified applicants who do not have a preference. Applicants will be informed of the availability of preferences, and will be given an opportunity to demonstrate



that they are eligible for a preference. Applicants may claim a preference at any time during the application process.

**D. Exceptions to the Preference Rule**

Management may give priority to current households in the Development if: (i) their unit is designated for rehabilitation; and/or (ii) Their unit has been designated as uninhabitable by federal, state, or local authorities, or Management, due to fire, flood or other natural disaster. Management will also notify the City's designee if they have granted an exception to the preference rule.

**III. PRE-APPLICATION PROCESSING**

The City's designee will use pre-applications in order to determine if an applicant is eligible for inclusion on the Waiting List. The City's designee will keep one waiting list for all Developments. Pre-applications are filled out by the applicants with self-reported information. Pre-applications are kept in City designee's office.

**A. Distribution of Pre-Applications**

Households who inquire to the City's designee about affordable units will be provided a pre-application, as appropriate. Pre-applications can be provided by email, regular mail, fax, or in person pick up. Households may also submit a pre-application online using City Designee's website. The applicant may email, fax, mail or drop off the completed pre-application to the City's designee. All applicants will be given an opportunity to show that they qualify for a preference. Management or the City may also directly refer applicants to the City's designee to obtain a pre-application when necessary.

**B. Processing Pre-Applications**

All submitted pre-applications will be logged in, indicating the date received. In addition, pre-applications will also be categorized according to preferences, unit size and the Special Occupancy Category (as described in Section X).

**IV. WAITING LIST PROCEDURES**

**A. Creation of Waiting List**

If an applicant appears to be eligible for tenancy based on the self-reported information provided on the Pre-Application, but no appropriately sized unit is immediately available (as referred to in **Section VII**), the City's designee will place the applicant on a waiting list (the "Waiting List").

The Waiting List will contain the following information for each applicant listed:

1. Applicant name
2. Number of persons in household
3. Household unit size (number of bedrooms household qualifies for under site occupancy standards) (NOTE: applicant may qualify for multiple unit sizes)
4. Date application received
5. Qualification for any preferences
6. Approximate annual income level
7. Targeted program qualifications
8. Accessibility requirements
9. Special requests of the applicant such as preferred number of bedrooms

All pre-applications will be maintained in order of preference. Pre-applications equal in preference will be maintained by date sequence.

**B. Status of Pre-Application**

When a pre-applicant is not eligible for an affordable unit based on the self-reported information on the pre-application, the applicant will not be placed on the Waiting List. The applicant will be so notified in writing.

Applicant may update the information that was provided on the pre-application at any time, and be added to the Waiting List based on the updated information.

**C. Changes in Income or Household Composition**

When placed on the Waiting List, applicants will be informed to notify the City's designee when changes occur to the following types of information:

1. Address and/or phone number, or email address
2. Household composition
3. Preference status
4. Household income

Applicant's will be notified if the updated information affects applicant's eligibility for the Waiting List. Changes in household size may also affect the units for which the applicant could be eligible. For instance, a larger household size could require additional bedrooms. Pre-application updates will not affect the numbered spot an applicant holds on the Waiting List.

**D. Contacting Persons on the Waiting List**

Applicants on the Waiting List will be contacted as follows:

1. When a unit becomes or will become available, Management must notify the City's designee of the impending vacancy as soon as possible so the City's designee may begin contacting potential eligible tenants on the Waiting List.
2. When a unit becomes or will become available within 60 days, the City's designee will select the next group of applicants who meet applicable preference criteria or who are at the top of the Waiting List. The City's designee will contact the selected applicant utilizing email, phone, and/or mail.
3. Applicants will be asked to complete a full rental application. This represents the beginning of the screening process. Those applicants who do not respond in a timely manner or who are not interested in the unit will be processed in the manner indicated below:
  - a. If the City's designee does not receive a response within 10 consecutive days after attempting to contact the applicant, the applicant will forfeit the opportunity to apply for the offered unit but will retain their spot on the Waiting List. When a second unit becomes available, the City's designee will again attempt to contact the applicant and will explain that if the applicant does not respond within 10 consecutive days, the applicant's name will be removed from the Waiting List.
  - b. If the City's designee receives a timely response but the applicant rejects the first offered unit, the applicant will retain their spot on the Waiting List.
  - c. If applicant rejects a second unit offered, the applicant is placed at the end of the Waiting List.

**E. Annual Waiting List Update**

The City's designee will update the waiting list once a year by mailing each applicant with a form to be returned with updated contact, household size and income information. If the form is not returned, the City's designee will attempt to contact the applicant by email and/or phone, when applicable. If the applicant does not return the form or cannot be reached using the contact information that the applicant provided, the applicant will be removed from the waiting list.

**V. THE SCREENING PROCESS**

## **A. Application Requirements**

The following information will be used to determine program eligibility for anyone who is seeking housing at the Development.

1. Applicants must complete a written application certifying the accuracy of all information that is provided. In addition to providing applicant(s) the opportunity to submit applications at the City's designee office, the City's designee may also send out and receive applications by email, fax or mail. The City's designee shall accommodate persons with disabilities who, as a result of their disabilities, cannot utilize the preferred application process, by providing alternative methods of taking applications.
2. Verification of household size and of employment, income (including wages, disability, unemployment, child support, annuities, and any and all additional sources of income), bank accounts, and proof of any and all other assets, etc., is required as applicable for each applicant. City's designee may require additional documentation related to income and household size, including but not limited to child custody and divorce orders, as is necessary to complete the verification process.
3. Valid photo identification for all household members 16 and over, as well as social security numbers or ITIN numbers are required. Acceptable identification for adults 18 and over may include a driver's license, passport, and state-issued photo identification card. For those 16 – 18, school photo ID cards are also acceptable.
4. If the income information submitted, or on record in City Designee's office, is over 60 days old, the applicant will be required to submit new pay check stubs or other income and asset verification materials to demonstrate that household income still meets requirements and will continue to at the time of lease up.

## **VI. ELIGIBILITY REQUIREMENTS**

### **A. Income**

The annual gross household income of the applicant(s) must be equal to or less than the relevant income limit established by the U.S. Department of Housing and Urban Development (HUD), 24 CFR Part 5, for the appropriate household size, as updated and amended annually. The annual gross income is based on the Chicago-Naperville-Joliet Area Median Income by household size, as determined by HUD, CFR 24 Part 5. Income eligibility verifications are valid for 60 days. Once a complete application is submitted, the applicant may be asked to submit updated information as necessary to verify income continued eligibility.

### **B. Sole Residence**

The unit must be the applicant's sole residence in order for the applicant to be eligible for housing.

### **C. Assets**

Household assets will be calculated. Household assets of the applicant(s) must be equal to or less than the asset limit for retirement and non-retirement assets.

#### **1. Income from assets**

Income from assets is currently calculated as .06% of total assets and will be included in the calculation of gross household income. (The multiplier can and will adjust per HUD rules.)

#### **2. Asset Limits**

Retirement assets held in retirement accounts are not limited. However, assets in non-retirement accounts are allowed up to 100% of the Chicago AMI for the household size.

See *Table 1: Net Family Assets Inclusions and Exclusions*, below, for more detail.

*Table 1: Net Family Assets Inclusions and Exclusions—HUD Occupancy Handbook, Exhibit 5-2.*

	Inclusions		Exclusions
1	Cash held in savings accounts, checking accounts, safe deposit boxes, home, etc., assets in foreign countries.	1	Necessary personal property, except as noted in #8 of Inclusions, such as clothing furniture, cars, and vehicles specially equipped for persons with disabilities.
2	Cash value of revocable trusts available to applicant.	2	Interest in Indian trust lands.
3	Equity in rental property or other capital investments	3	Assets not effectively owned by the applicant
4	Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts,	4	Equity in cooperative in which the family lives.
5	Individual retirement, 401(K), and Keogh accounts.	5	Assets not accessible to and that provide no income for the applicant.
6	Retirement and pension funds.	6	Term life insurance policies (i.e., where there is no cash value).
7	Cash value of life insurance policies available to the individual before death (surrender value).	7	Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.
8	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc		
9	Lump sum or on time receipts such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.		
10	Mortgages or deeds of trust held by applicant.		

## VII. OCCUPANCY STANDARDS

The unit must have enough space to accommodate the household. Occupancy standards must comply with federal, state and local occupancy standards, and/or laws in connection with occupancy requirements, fair housing and civil rights laws, as well as landlord-tenant laws and zoning restrictions.

For the purpose of determining the unit size for which a household may be eligible; the following will be counted as members of the household. NOTE: THIS IS FOR THE PURPOSE OF DETERMINING UNIT SIZE ONLY; THIS IS NOT FOR DETERMINING INCOME AND/OR ELIGIBILITY FOR THE PROGRAM.

1. Fulltime household members
2. Unborn children (in utero)
3. Children in the process of being adopted
4. Children whose custody is being determined
5. Foster children
6. Children temporarily in a foster home
7. Children in joint custody 50% of the year or more
8. Children away at school but home for recess
9. Live-in aides
10. Foster adults

## **VIII. REJECTION CRITERIA**

The ability of the applicant to fulfill lease obligations will be considered. An applicant may be rejected for one or more of the following reasons:

### **A. Insufficient/Inaccurate Information on Application**

Refusing to cooperate fully in all aspects of the application process or supplying false or incomplete information will be grounds for rejection.

### **B. Income Ineligibility**

1. Applicant is over the applicable household income limit for the household size.
2. Applicant has insufficient household income to satisfy the current debt to income ratio. The debt to income ratio will be determined by information submitted as part of the application process along with self-reported information on the application.

### **C. Ineligibility Based on Assets**

Applicant is over the asset limit per Section VI.C.above.

### **D. Occupancy Standards**

Household size is not appropriate for the specific type of unit available.

PLEASE NOTE THAT MANAGEMENT WILL CONDUCT ITS OWN APPLICANT SCREENING PROCESS. IT IS UP TO MANAGEMENT TO DECIDE WHETHER TO OFFER A LEASE. NOT ALL INCOME QUALIFIED APPLICANTS WILL RECEIVE AN OFFER OF A LEASE FROM MANAGEMENT.

## **IX. PROCEDURES IF APPLICANT IS FOUND INCOME UNQUALIFIED**

### **A. Written Notification**

Each applicant who submits a full, complete application who is not qualified for an available unit based on income and related criteria, will be notified in writing by the City's designee. The notice will advise the applicant that they may, within 7 days after receipt of the notice (excluding weekends and designated federal holidays), submit a written appeal, with supporting documentation acceptable to the City's designee, providing information that may change the outcome of the income qualification review.

### **B. Review of Rejected Applications**

If the applicant submits additional information, the applicant will be given a final written determination from the City's designee. If the applicant is then income qualified for an available unit, the applicant will be referred to Management.

## **X. SPECIAL OCCUPANCY CATEGORY**

Applicants will be processed as authorized in **Sections V through VIII**. An applicant with disabilities will be given priority for an accessible unit if such applicant deems that this type of unit is appropriate for their household. If the household determines that the accessible unit is not appropriate for the household's needs, the household's name will be returned to its place on the Waiting List, as applicable.

## **XI. AMENDMENTS TO THIS PLAN**

This Plan may be amended by the City or the City's designee as appropriate.

**December 4, 2017**

Drafted by Community Partners for Affordable Housing

Inclusionary Housing

Annual Income

Re-Verification Procedures

Rentals

**The City of Evanston**



## The City of Evanston Inclusionary Housing Annual Income Re-Verification Procedures



Leasing Agent (“Management”)

The City of Evanston (“the City”)

The City of Evanston’s Designee (“City’s designee”)

Leaseholder(s) (“Tenant and Co-tenant”)

### **I. Purpose**

To ensure that tenants renting inclusionary housing units are not over the allowable income limit. Income will be re-verified annually as part of the lease renewal process. Increases in household income may affect eligibility. Decreases in household income will not affect eligibility.

### **II. Process**

Annual income re-verification for the City inclusionary units will commence 75 days ahead of lease renewal. Leaseholders will be provided a short form asking for basic information about household members (outlined below) and notified of the documentation required 75 days ahead of lease renewal. Leaseholders will be expected to respond to the request for information and documentation within 15 days of receiving the request thereby giving Management sufficient time to conduct lease renewal.

### **III. Required Information and Documentation**

Annual income re-verification will require Leaseholder to provide the following information and documentation that is applicable to the City or the City’s Designee:

- Names and birthdates of all persons living in the household. College students who live at school are considered members of the household. Additional information may be required.
- Income of each household member.
- 2 months of pay stubs for each job held by each adult member of the household. Adults are defined as 18 years of age and over.
- Previous years filed taxes for each adult in the household.
- Previous years W2s or 1099s for each job held by each adult in the household.
- Updated social security statements stating monthly benefits for those in the household who receive social security or disability.
- Child support and maintenance documentation.
- Additional income documentation as needed to verify household income. (For example, if a tenant is self-employed, business statements may be requested if necessary to verify income.)
- 6 months of bank statements from each account held by each adult in the household.

Employer verification forms from employers are not required for income re-verification. Household and income information will be used to determine household size and to calculate the combined gross household income. Debt to income and housing ratios are not part of the income re-verification process.



#### **IV. Results of Re-Verification:**

##### **A. Changes in household size or income:**

1. When household income remains in the same or lower AMI bracket (for the leaseholder's household size) as when the household was originally qualified, then the leaseholder maintains its income qualification for the affordable apartment.
2. When household income increases above the initial lease up AMI category, but stays below the 100% AMI limit for their household size, then the leaseholder maintains its income qualification.
3. When household income increases above the 100% AMI limit for their household size, the leaseholder will be given one 12-month extension of its lease. Leaseholder will be encouraged to seek open market housing to move to when the lease terminates at the end of the one-time 12-month extension. If household income decreases during the one time 12-month renewal period, please refer to Paragraph B below.

Being income re-verified is not a guarantee that a lease will be renewed. That decision is made by Management.

##### **B. If household income decreases during the one time 12-month extension:**

If the household income decreases during the course of the 12-month extension, the Leaseholder may notify the City or the City's Designee, NO LATER THAN 60 DAYS before the end of the 12-month extension, that it wishes to be have its income re-evaluated for the purpose of possible lease extension. Income verification including employer verification forms and other household information including proof of household size and income will be required in accordance with the City of Evanston's Inclusionary Housing Policies and Procedures. The City or the City's Designee reserve the right to request additional information that might be necessary to confirm the decrease in household income. If upon examination of household size and income, household income is found to have decreased to below 100% of AMI for the household size, the lease may be extended beyond the 12-month extension that was issued the previous year.

Leaseholders will be asked to sign a statement that the representations and income verification provided are true. Misrepresenting income or other household information will be grounds for lease termination.

\*The applicable income limits for each household size are established by the U.S. Department of Housing and Urban Development (HUD), 24 CFR Part 5, for the appropriate household size, as updated and amended annually and are based on the Chicago-Naperville-Joliet Area Median Income (AMI) by household size, as determined by HUD, CFR 24 Part 5. U.S. Department of Housing and Urban Development (HUD.)

