

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

CITY OF EVANSTON, ILLINOIS

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1 EXECUTIVE SUMMARY

The preparation of this Analysis of Impediments to Fair Housing Choice (AI) serves as a component of the City of Evanston's efforts to satisfy the requirements of the Housing and Community Development Act of 1974, as amended, which requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. The AI is a review of local regulations and administrative policies, procedures and practices affecting the location, availability and accessibility of housing, as well as an assessment of conditions, both public and private, that affect fair housing choice.

The City built the context for analysis by examining demographic, economic and housing market trends within the framework of access to housing opportunities. Evanston's total population has remained relatively steady during the last 10 years, despite a loss in the City's Black population that reflects regional settlement patterns. Contrary to national trends, Evanston has seen an increase in married couples with children and a decrease in single-parent households, which may reflect the community's rising housing costs.

The historic quality and diversity of Evanston's housing stock represent a community strength. The majority of residential structures built more than 60 years ago are inaccessible to persons with disabilities, who are in disproportionate need of affordable housing. More than half of homes in Evanston are condominiums or apartments.

Census data indicate that racial and ethnic minorities, persons with disabilities and female-headed households with children are more likely to experience poverty and unemployment. Segregated settlement patterns are still evident, though integration has increased within the last 10 years. To

some extent, according to stakeholders, these patterns represent a preference among minority populations to self-segregate, as is the case with the Hispanic community.

An analysis of housing discrimination complaints and test results revealed evidence of unequal treatment in the local sales and rental markets, particularly on the basis of race and disability. City residents benefit from a wide array of state and local protections as well as the federal Fair Housing Act. Cook County's ordinance eliminates source of income as a legal basis of discrimination against voucher holders, a move designed to advance desegregation efforts. A recent update to Evanston's Fair Housing ordinance expands the protected classes to match those listed at the county level plus gender identity.

The AI's review of public policies covered the aspects of local government most closely tied to housing, including the City's entitlement grants programs, appointed boards and commissions, building codes enforcement, language accommodations, land use regulations, public housing, taxes and transit. The City's entitlement programs and comprehensive planning efforts reflect a community goal to preserve and create affordable housing opportunities, also demonstrated by the Plan for Affordable Housing, the Affordable Housing Fund and the Inclusionary Housing Requirement. A few policy items, including a buffer requirement on group homes and the nuisance premises ordinance, raise potential fair housing issues.

Private-sector policies were also evaluated from a fair housing perspective. A thorough review of mortgage application data suggested that *upper-income* minorities are more likely to experience loan denials or high-cost lending than *lower-income* White applicants.

Though many of the impediments identified in this report are beyond the direct control of the City of Evanston, the City bears responsibility for identifying these issues and developing strategy to ensure that its housing market is as open and inclusive as possible. Affirmatively furthering fair housing is an ongoing process that requires the leadership of elected officials, and the development of this plan is the next step toward increasing fair housing choice in Evanston.

This analysis noted policy and programmatic strengths in the City's efforts to create and integrate affordable housing opportunities. Additionally, it exists in a region that addresses fair housing issues proactively, as demonstrated by the Regional Housing Initiative and the Fair Housing Equity Assessment produced by CMAP.

The impediments to fair housing choice identified in this report include the following, explained in detail and accompanied by recommended action steps starting on Page 118:

- Gaps in strategy to meet the needs of the growing limited-English-speaking population
- The growing mismatch between incomes and housing costs
- Difficulties for people with disabilities in accessing decent, affordable, suitable housing
- Persistence of housing discrimination
- Barriers to the formation of non-traditional households
- The concentration of voucher holders in racially concentrated areas of poverty
- Potential for political influence in the siting and approval of affordable housing development
- Lack of transit connections to suburban employment centers
- Improvements needed in some policy documents
- A need for more representative boards and commissions
- Fair housing issues with the nuisance premises ordinance, and
- Patterns of disparity in private lending.

2 INTRODUCTION

A. PURPOSE OF THE AI

The City of Evanston has prepared an Analysis of Impediments to Fair Housing Choice to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) or Emergency Solutions Grant (ESG) funds affirmatively further fair housing. As a result, the City is charged with the responsibility of conducting its CDBG programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities that receive federal funds through the City.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice and implementation of recommended action items. The Analysis of Impediments to Fair Housing Choice (AI) is a review of a jurisdiction's laws, regulations and administrative policies, procedures and practices affecting the location, availability and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

Entitlement communities receiving CDBG entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

B. LEGAL TRENDS IN FAIR HOUSING ENFORCEMENT

In recent years, the federal government has increasingly emphasized the obligation of grantees to affirmatively further fair housing and, specifically, the way in which entitlement communities comply with their required fair housing certifications. Each year when an entitlement community submits its Annual Plan to HUD, the chief elected official is required to certify that the jurisdiction will affirmatively further fair housing. However, the Fair Housing Act of 1968, which created that mandate, did not specify what precisely it meant, leaving open a wide range of interpretations reflected in the varying policies and practices of grantee communities. Legal proceedings between grantees, HUD and the U.S. Department of Justice within the last 10 years have provided some clarification.

In August 2009, Westchester County, NY settled a fair housing lawsuit brought against the county by the Anti-Discrimination Center of Metro New York, Inc. This \$180 million lawsuit charged that Westchester County, an urban county entitlement under HUD's CDBG program, failed to fulfill its obligation to affirmatively further fair housing and ensure non-discrimination in its programs. At issue in the case was not *whether* Westchester County created affordable housing. In fact, since 1998, the County spent more than \$50 million in federal and state funds to aid in the construction of 1,370 affordable rental units and another 334 affordable owner units. It was the

geographic location of affordable housing units that were created within the county that was the critical factor in the lawsuit, as the Center alleged that the county increased the pattern of racial segregation in Westchester County. Furthermore, the suit charged that the county violated its cooperation agreements with local units of government which prohibits expenditures of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the county's action to comply with its fair housing certifications.

Under the terms of the settlement, the County paid \$21.6 million to HUD in non-federal funds to the County's HUD account and used the funds to build new affordable housing units in specified census tracts with populations of less than 3% Black and 7% Hispanic residents. The County paid an additional \$11 million to HUD, the Center and its counsel. The county was forced to add \$30 million to its capital budget to build affordable housing in non-impacted (i.e., predominantly White) areas.

In another example, HUD threatened in July 2012 to withhold more than a half billion dollars in disaster recovery funds from the City of Galveston in response to the City's refusal to rebuild 569 low-income housing units lost as a result of Hurricane Ike. The City's mayor, who had promised during his campaign not to rebuild the units, favored allocating rental vouchers to those displaced by the storm, which he said would allow residents to live "where they have job opportunities, which do not exist in Galveston." HUD argued that

this was effectively a means of limiting the affordable housing available in Galveston, a problem that would disproportionately affect members of the protected classes. The agency authorized \$109 million in federal funds to replace the lost housing within the City in mixed-income developments, mandating that Galveston rebuild.

The significance of these proceedings for HUD grantee communities throughout the U.S. is clear. First, the requirement to affirmatively further fair housing applies to all aspects of local government, not just HUD programs. Second, a grantee has an obligation to ensure that each agency that participates in its federal programs affirmatively furthers fair housing. When a grantee makes this pledge to HUD, it is making the promise not just in its own right but also on behalf of its grant subrecipients. Finally, within the scope of its authority, a grantee must take action to eliminate barriers to fair housing wherever they may exist within its jurisdiction.

C. FAIR HOUSING CHOICE

Equal and free access to residential housing (housing choice) is a fundamental right that enables members of the protected classes to pursue personal, educational, employment or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials and private citizens must embrace if equality of opportunity is to become a reality.

The federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, sex, disability, familial status or national origin. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following five areas related to fair housing choice:

- The sale or rental of dwellings (public and private)
 - The provision of financing assistance for dwellings
 - Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing
 - The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside areas of minority concentration, and
- Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) regarding assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations).

As a federal entitlement community, the City of Evanston has specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the jurisdiction's initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination in a jurisdiction and working toward its elimination
- Promoting fair housing choice for all people
- Facilitating racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income and housing characteristics by protected classes in each of the jurisdictions
- Evaluate public and private sector policies that impact fair housing choice
- Identify blatant or de facto impediments to fair housing choice where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as any actions, omissions or decisions that restrict or have the effect of restricting the availability of housing choices, based on race, color, religion, sex, disability, familial status or national origin.

This Analysis serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. City Council is expected to review and accept the Analysis and put it on record so that it may be used for direction, leadership and resources for future fair housing planning.

The Analysis will also serve as a point-in-time baseline against which future progress in terms of implementing fair housing initiatives will be evaluated and recorded.

C. THE FEDERAL FAIR HOUSING ACT

i. What housing is covered?

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

ii. What does the Fair Housing Act prohibit?

a. In the sale and rental of housing

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

b. In mortgage lending

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

c. Other prohibitions

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

iii. Additional protections for people with disabilities

If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the disabled person make reasonable modifications to a dwelling or common use areas, at the disabled person's expense, if necessary for the disabled person to use the housing. Where reasonable, the landlord may permit changes only if the disabled person agrees to restore the property to its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing. For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

iv. Housing opportunities for families with children

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent or
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

D. THE ILLINOIS HUMAN RIGHTS ACT

The Illinois Human Rights Act (HRA) prohibits discrimination in the area of real estate transactions based on race, color, religion, sex, national origin, ancestry, age, marital status, familial status, physical or mental disability, military status, sexual orientation, unfavorable discharge from military service, or persons with an order of protection. Consequently, persons residing in Illinois have more protection under State law than under federal law in the area of housing discrimination.

Under the Illinois Human Rights Act, real estate transactions include the sale, exchange, rental or lease of real property, the brokering or appraising of residential real property, and the making or purchasing of loans or providing other financial assistance for purchasing, constructing, improving, repairing or maintaining a dwelling or secured by residential real estate.

The Illinois Human Rights Act has been determined by HUD to be substantially equivalent to the federal Fair Housing Act. This means that the Illinois HRA provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. As a result, HUD will refer complaints of housing discrimination that it receives from within Illinois to the Illinois Department of Human Rights for investigation.

The Illinois Department of Human Rights (IDHR) is the state agency responsible for enforcing the Illinois HRA. IDHR accepts and processes complaints of housing discrimination, and conducts an investigation of the charges. If substantial evidence of a violation of the Illinois HRA is found, IDHR will attempt to resolve the dispute through settlement discussions. Should conciliation fail, IDHR will file a

complaint with the Illinois Human Rights Commission (HRC). Parties may also elect to have their claims decided in a circuit court of Illinois. If the complaint remains with the Illinois HRC, the case is scheduled for a public hearing before an administrative law judge.

The Illinois HRC is authorized under the Illinois HRA and provides a neutral forum for resolving complaints of discrimination filed under the Illinois HRA. The primary responsibility of the HRC is to make impartial determinations of whether there has been unlawful discrimination as defined by the Illinois HRA. The HRC fights discrimination by investigating and resolving complaints through reconciliation by mediators and conciliators, and conducting a multi-faceted public education program.

E. LOCAL DISCRIMINATION PROHIBITIONS

i. Cook County Human Rights Ordinance

Originally adopted in 1993, Cook County's Human Rights Ordinance was designed to protect all who live and work in the County from discrimination in housing, employment, public accommodations, credit transactions, County services and County contracting. The classes currently protected under the ordinance are broad, expanding upon those protected at the federal level to add age, ancestry, sexual orientation, marital status, military discharge status, source of income, gender identity and housing status. The ordinance defines "housing status" as the type of housing in which a person resides, whether publicly or privately owned, a person's ownership status with respect to his or her residence, or the status of not having a fixed residence. Housing status, gender identity and source of income are not protected classes at the state or federal level, so anyone alleging discrimination on these bases must rely on the County's ordinance or provisions at the municipal level, where they exist.

The housing section of the County Human Rights Ordinance specifically prohibits discriminatory terms and conditions, communications, false representation of a property's availability, blockbusting (in which a person solicits for sale, lease or listing on the grounds of loss of value due to the present or prospective entry into the neighborhood of any protected class), and intentionally creating alarm among residents by engaging in blockbusting.

The ordinance does not apply in some cases. This includes age-specific dwellings that are authorized, approved, financed or subsidized for the benefit of that age group by a unit of government or covenants originally adopted by condominium or

community associations limiting housing to people age 50 and up. Additionally, there are exceptions for religious dwellings and the rental of rooms in a housing accommodation to people of one gender. Similar to the Fair Housing Act, the Human Rights Ordinance excepts rental of rooms in a private home by an owner.

Originally, while the ordinance protected on the basis of source of income, it did not apply for Section 8 voucher holders: "... nothing contained in this Article VI shall require any person who does not participate in the federal Section 8 housing assistance program (42 U.S.C. 1437f) ... to lease or rent to any tenant or prospective tenant who is relying on such a subsidy." According to advocates, this exception was added early in the 1990s due to pressure from Realtors.

However, in May 2013, County Commissioners voted 9-6 to delete this exception, effectively extending protection from discrimination to voucher holders. As a result, as of the effective date in August 2013, landlords are prohibited from refusing housing to people with Section 8 vouchers. Landlords may still screen and reject prospective tenants, but they may no longer legally reject an applicant based on status as a voucher holder.

The Cook County Commission on Human Rights enforces the protections in the ordinance. The 11-member Commission is empowered to investigate, conciliate and conduct hearings on alleged discrimination. The Commission also develops and

conducts educational programming with a goal of preventing discrimination and promoting better relations across the County's diverse social groups. Complainants have 180 days beyond the date of experiencing discrimination to file a written complaint with the Commission, which then serves a copy to the respondent within 10 days. The Commission investigates each complaint to determine whether there is substantial evidence that a violation of the ordinance has occurred. It is empowered to subpoena witnesses and evidence, and if the Commission concludes that a civil action is needed to preserve the status quo or prevent harm, it may pursue a civil action.

At any time while the complaint is pending, the Commission may attempt to settle or adjust the complaint. In cases where the Commission finds substantial evidence of a violation, a hearing officer renders findings and recommendations for relief. The Commission may require respondents not only to cease illegal conduct, but also to pay actual damages and the complainant's court costs. Respondents may also be fined up to \$500 for each offense. Finally, in cases where violations

are on the part of a licensed real estate broker or salesperson, the Commission may file a notice with the state Department of Professional Regulation.

ii. Evanston Fair Housing Ordinance

The City of Evanston allows victims of discrimination an opportunity for local recourse by enforcement of its own local fair housing ordinance. The classes protected by the City's ordinance will be updated in May 2014 to include those protected at the County level. Additionally, the list of actions specifically prohibited is far more detailed. Though the City's Human Relations Commission no longer actively investigates complaints, it is empowered to render findings and impose fines up to \$500 per violation. To ensure that recourse is available for local complaints, the City maintains a strong relationship with Open Communities, a HUD FHIP agency providing fair housing services across north suburban Chicago. The City refers any complaints it receives to Open Communities, which assists complainants to resolve them at the most appropriate level.

FIGURE 2-1
Comparison of Statutory Discrimination Prohibitions

Protected Class	Federal Fair Housing Act	Illinois Human Rights Act	Cook County Human Rights Ordinance	Evanston Fair Housing Ordinance
Race	•	•	•	•
Color	•	•	•	•
National Origin	•	•	•	•
Religion	•	•	•	•
Sex	•	•	•	•
Familial Status (families with children under age 18)	•	•	•	•
Handicap/Disability Status	•	•	•	•
Ancestry		•	•	
Age		•	•	•
Marital Status		•	•	•
Military/Veteran Status		•	•	
Sexual Orientation		•	•	•
Unfavorable Discharge from Military Service		•	•	
Persons with an Order of Protection		•		
Source of Income			•	•
Housing Status			•	
Gender Identity			•	•

E. COMPARISON OF ACCESSIBILITY STANDARDS

There are several standards of accessibility referenced throughout the AI. These standards are listed below along with a summary of the features within each category or a reference to the full set of detailed standards.

i. Fair Housing Act

In buildings that are ready for first occupancy after March 13, 1991 and include four or more units:

- There must be an accessible entrance on an accessible route.
- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All ground floor units and all units in elevator buildings must have:
 - ✓ An accessible route into and through the unit
 - ✓ Accessible light switches, electrical outlets, thermostats and other environmental controls
 - ✓ Reinforced bathroom walls to allow later installation of grab bars, and
 - ✓ Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

ii. Americans with Disabilities Act (ADA)

Title II of the ADA applies to state and local services, including state and local housing programs. Government entities are obliged to assure that housing financed through state and local programs complies with ADA accessibility guidelines. A complete description of the guidelines can be found at www.ada.gov/stdspdf.htm.

iii. Uniform Federal Accessibility Standards (UFAS)

UFAS accessibility standards are required for facility accessibility by people with motor and sensory disabilities for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. A complete description of the guidelines can be found at www.access-board.gov/ufas/ufas-html/ufas.htm.

iv. Visitability Standards

The term “visitability” refers to single-family housing designed in such a way that it can be lived in or visited by people with disabilities. Via CPD Notice 05-09, HUD encouraged its CDBG and HOME funding recipients to incorporate these two recommended standards:

- A 32” clear opening in all bathroom and interior doorways
- At least one accessible means of egress/ingress for each unit

v. Universal Design

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without adaptation or specialized design. The seven commonly accepted principles of Universal Design were developed in 1997 by a working group of architects, product designers, engineers and researchers at North Carolina State University. They include:

- Equitable use (e.g., make the design appealing to all users)
- Flexibility in use (e.g., accommodate right- or left-handed use)
- Simple and intuitive use (e.g., eliminate unnecessary complexity)
- Perceptible information (e.g., provide compatibility with a variety of techniques or devices used by people with sensory limitations)
- Tolerance for error (e.g., provide fail-safe features)
- Low physical effort (e.g., minimize repetitive actions)
- Size and space for approach and use (e.g., accommodate variations in hand and grip size).

F. METHODOLOGY

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained as consultants to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to complete the Analysis involving the City of Evanston. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income and employment at the census tract and block group level
- Public policies affecting the siting and development of housing
- Administrative policies concerning housing and community development
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Agencies that provide housing and housing related services to members of the protected classes
- The Consolidated Plan, Annual Plans and CAPERs for the City
- Fair housing complaints filed with HUD, the Illinois Department of Human Rights, Cook County and local agencies
- Real estate advertisements from area newspapers of record
- Historic race and ethnicity data and shapefiles from a National Historic GIS, a project of the University of Minnesota Population Center
- Interviews conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.

G. ANALYTICAL APPROACH

Fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. This AI analyzes a range of fair housing issues regardless of a person's income. To the extent that members of the protected classes, those who are protected from discrimination by fair housing laws, tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often, however, the public policies implemented in towns and cities create, or contribute to, the lack of affordable housing in these communities, thereby disproportionately affecting housing choice for members of the protected classes.

This document goes well beyond an analysis of the adequacy of affordable housing in Evanston. This AI defines the relative presence of members of the protected classes within the context of factors that influence the ability of the protected classes to achieve equal access to housing and related services.

Throughout this report, emphasis is placed on the City of Evanston, with the understanding that the pattern of residential segregation extends beyond its borders. This AI focuses on strategies that can be implemented by the City, though the Fair Housing Action Plan in this document is designed to achieve consistency with the Regional AI recently developed by the Chicago Metropolitan Agency for Planning.

In all cases, the latest available data was used to describe the most appropriate geographic unit of analysis. In most cases, 2010 Census data and 2011 American Community Survey (ACS) were available and incorporated into this report. Where the margin of error for block group estimates was unacceptably high due to small sample size, census tract data has been used.

H. DEVELOPMENT OF THE AI

The City's Planning and Zoning Division was the lead agency for the preparation and implementation of the AI. Staff members identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

The City engaged in a consultation process with local public agencies, nonprofit organizations and other interested entities in an effort to develop the AI. A series of written questionnaires were mailed to many of the interviewees, and detailed lists of issues were developed for the focus group sessions and interviews.

During August 2013, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations and their clients. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate. A public meeting was advertised and conducted according to Evanston's citizen participation plan, but no members of the public attended or submitted comment.

3 DEMOGRAPHIC AND HOUSING MARKET CONDITIONS

Overview of Settlement Patterns

The City of Evanston, an inner-ring Chicago suburb, reflects changes in population patterns that have occurred across the region since 1970. The City's total population has held relatively steady since 2000, though it includes a loss of 2,490 Black residents counterbalanced by gains in Asian, Hispanic and White residents. Integration between the City's White and Black residents has improved, according to the quantitative metric applied here, though the City remains somewhat segregated on a tract-by-tract level. These settlement patterns and other demographic data viewed through the framework of protected classes provide the context for examining access to residential opportunities in Evanston.

Population Trends

FIGURE 3-1
Decennial Population Change, 1970-2010

	1970	1980	% Change in Population		1990	% Change in Population		2000	2010	% Change in Population	
			1970-1980	1970-1990		1970-2000	1970-2010			2000-2010	
Illinois	11,110,285	11,427,409	2.8%	2.9%	11,430,602	2.9%	12,419,293	11.8%	12,830,632	15.5%	3.3%
Cook County	5,493,766	5,253,628	-4.6%	-7.1%	5,105,067	-7.1%	5,376,741	-2.1%	5,194,675	-5.4%	-3.4%
Evanston	80,113	73,706	-8.7%	-8.6%	73,233	-8.6%	74,239	-7.3%	74,486	-7.0%	0.3%

Source: U.S. Census Bureau, 2000 Census (SF 1, P1), 2010 Census (SF1, P1); 1990 Census Historic Population Counts

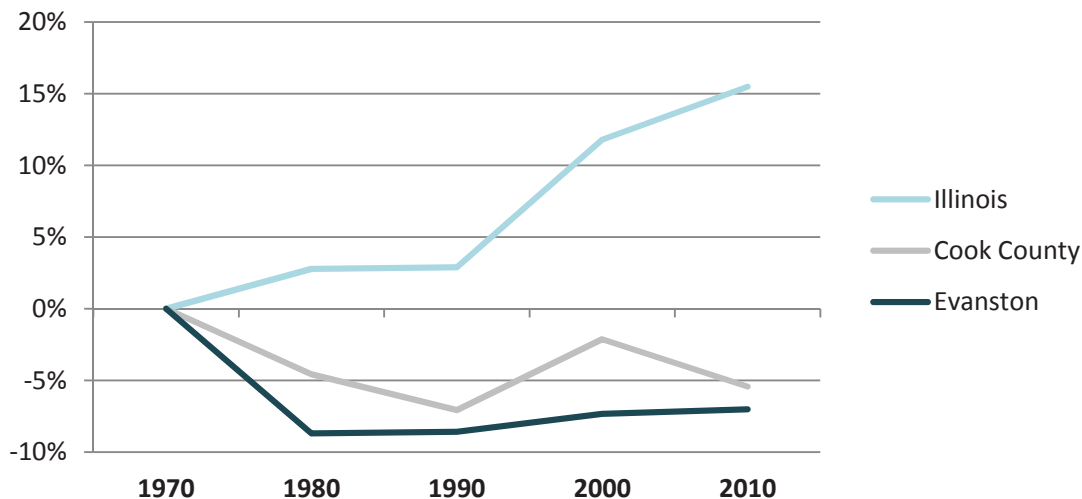
Following precipitous population decline in the 1970s that slowed during the 1980s, the City of Evanston has experienced steady decennial gains in total population. Between 2000 and 2010, the City added 247 residents (0.3%), following a gain of 1,006 (1.4%) during the 1990s.

Evanston's slow recent growth is typical of inner-ring Chicago suburbs, which grew a combined 1% between 2000 and 2010. By contrast, outer-ring suburbs in more far-flung areas of the Chicagoland metropolitan region grew 16.5% during the same decade. Across the region, changes in Census figures dating back to the 1970s indicate sprawl within the

region, with population flowing heavily into outer suburbs such as Kendall and Will counties from Cook County and the City of Chicago in particular. Chicago lost 200,418 residents (6.9%) between 2000 and 2010, though it recovered an estimated 19,258 between 2010 and 2012. The outer suburbs now hold more than 40% of the region's population, while inner suburbs contain about 30% and Chicago represents a declining share of 28%.

Overall, the metropolitan region grew 4% between 2000 and 2010, more rapidly than the 3.3% rate of growth across Illinois.

FIGURE 3-2
Population Change Comparison



Map 3-1 illustrates total population patterns across Evanston since the 2000 Census. The Citywide estimate for 2011 predicts a total loss of 90 residents since 2000 that accounts for gains in some tracts and losses in others. Tracts 8099 and 8091 posted gains of 422 and 383 residents (17% and 11.6%, respectively), while Tract 8102 lost 664 people, or 10.7%.

FIGURE 3-3
Population Change by Tract, 2000 and 2011

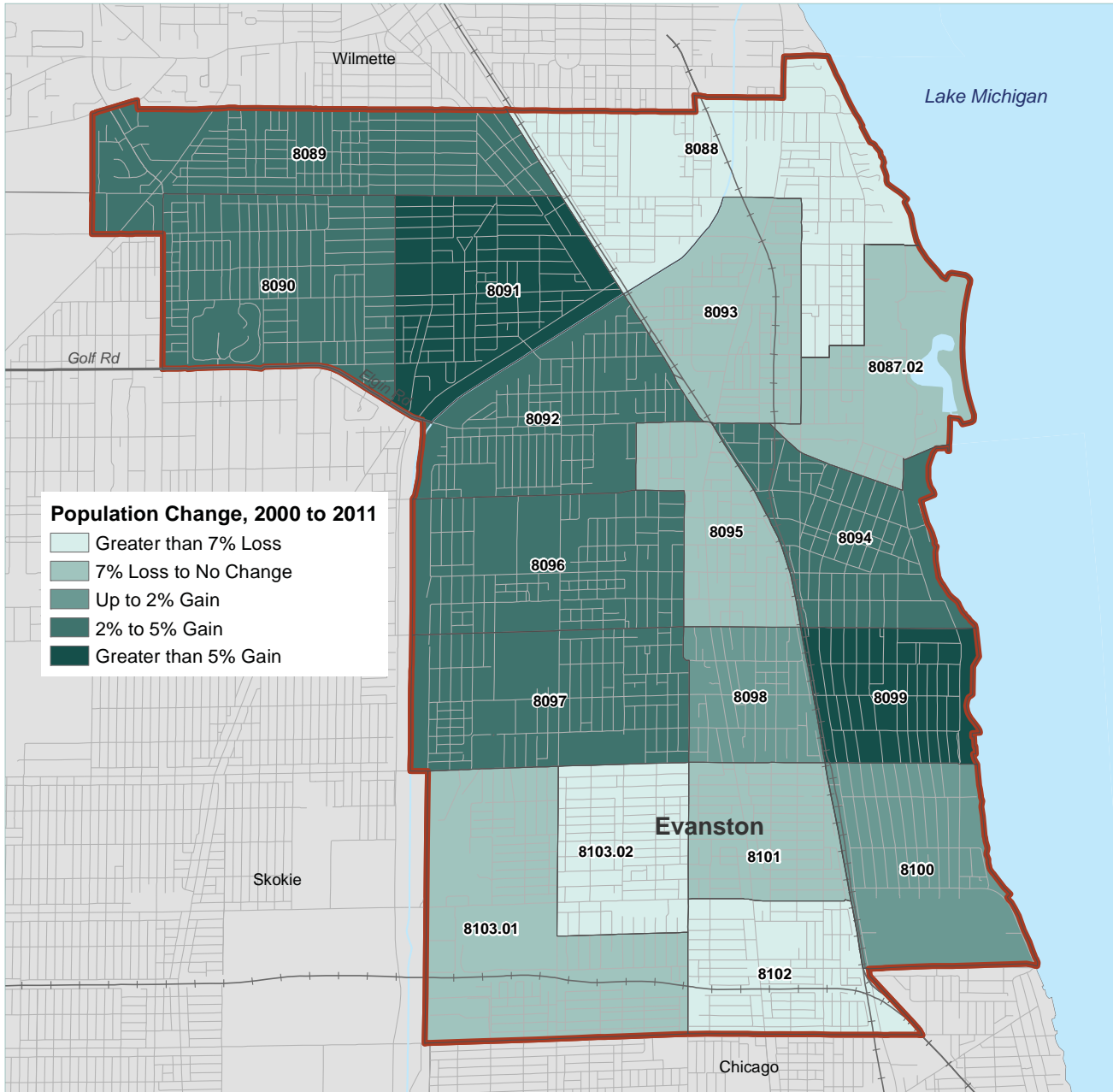
Census Tract	Total Population, 2000	Population Estimate, 2011	Percent Change
Evanston, Illinois	74,239	74,149	-0.1%
Census Tract 8087.02	5,792	5,771	-0.4%
Census Tract 8088	4,111	3,731	-9.2%
Census Tract 8089	4,012	4,208	4.9%
Census Tract 8090	3,760	3,933	4.6%
Census Tract 8091	3,293	3,676	11.6%
Census Tract 8092	4,993	5,105	2.2%
Census Tract 8093	4,670	4,510	-3.4%
Census Tract 8094	4,496	4,665	3.8%
Census Tract 8095	3,407	3,378	-0.9%
Census Tract 8096	3,497	3,671	5.0%
Census Tract 8097	3,903	4,053	3.8%
Census Tract 8098	2,803	2,846	1.5%
Census Tract 8099	2,476	2,898	17.0%
Census Tract 8100	4,770	4,788	0.4%
Census Tract 8101	4,568	4,496	-1.6%
Census Tract 8102	6,202	5,538	-10.7%
Census Tract 8103.01	4,001	3,724	-6.9%
Census Tract 8103.02	3,485	3,158	-9.4%

Source: U.S. Census Bureau, 2000 and 2007-2011 ACS (B01003)

Within the context of a relatively steady total population Citywide, the number of residents by tract has shifted during the last decade.

MAP 3-1

Population Change, 2000 to 2011
Source: 2000 Census, 2011 ACS



- Major Roads
- Roads
- ▭ City of Evanston
- Rail
- ▭ Rivers and Waterbodies
- ▭ Other Municipalities

FIGURE 3-4
Racial and Ethnic Population Composition, 2000-2011

	2000		2011		% Change 2000-2011
	#	%	#	%	
Total	74,239	100.0%	74,149	100.0%	-0.1%
White	48,429	65.2%	50,143	67.6%	3.5%
Non-White	25,810	34.8%	24,006	32.4%	-7.0%
Black	16,704	22.5%	14,214	19.2%	-14.9%
American Indian	140	0.2%	42	0.1%	-70.0%
Asian/Pacific Islander	4,588	6.2%	5,624	7.6%	22.6%
Some Other Race	2,116	2.9%	1,925	2.6%	-9.0%
Two or More Races	2,262	3.0%	2,201	3.0%	-2.7%
Hispanic*	4,539	6.1%	6,755	9.1%	48.8%

*Hispanic ethnicity is counted independently of race.

Source: Census 2000, 2007-11 American Community Survey (B02001, B03003)

The total number and population share of non-White residents has decreased since 2000, due to an influx of White residents and a decline in the number of Black residents.

Despite the estimated loss of 2,490 Black residents since 2000, Blacks continue to represent the City's largest minority group, accounting for 19.2% of all Evanston residents in 2011.

The most notable trend among racial and ethnic groups within Evanston is the loss in raw numbers and population share of the City's Black residents. This reflects a "black flight" phenomenon that has occurred across the region and especially at its urban core. Between 2000 and 2010, Blacks represented 89% of Chicago's overall loss of 200,418 people. Demographic research points to both the sprawl of Blacks, as their population grew in the region's southern outer suburbs, and their departure from the region, as many migrated to other areas of the country. Black flight occurred in other major cities during the same years (including Atlanta, Detroit, New Orleans and Washington), which seems to indicate an increased ability of Black families to access suburban housing options.

In Evanston, the most rapidly growing minority group is Hispanics, who grew by 48.8% to represent almost one in every 10 City residents by 2011.

Prior to this AI, planning documents in Evanston, including the Consolidated Plan, relied on 2000 Census data. The AI's update to 2010 figures presents some differences from other planning documents that will be considered as those documents are updated.

FIGURE 3-4

Shift of Population Share among Racial Minorities, 2000-2011

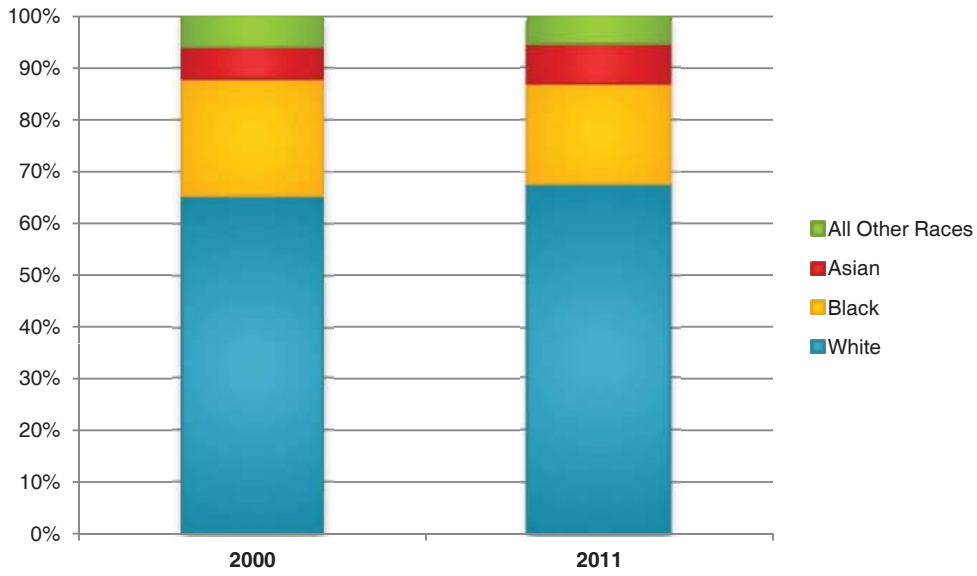
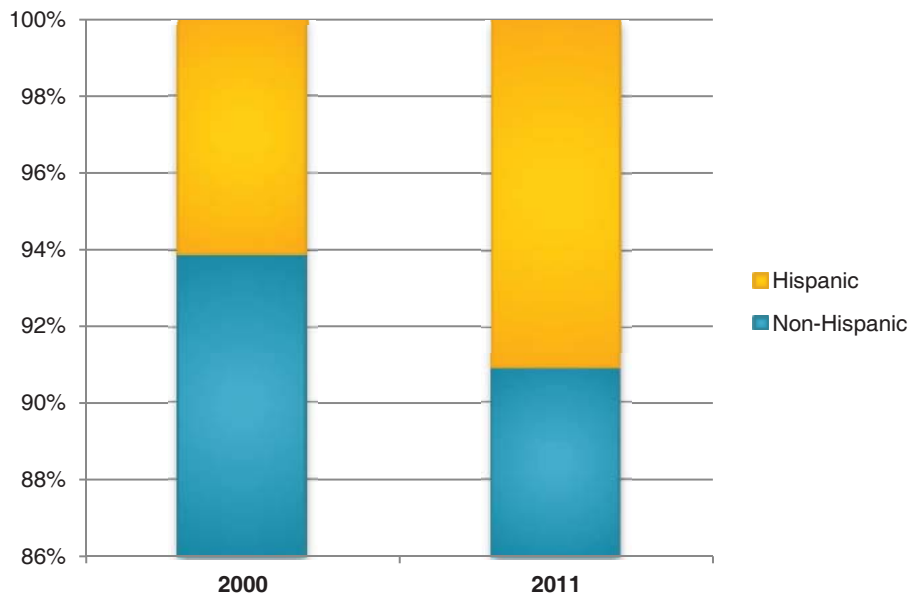


FIGURE 3-5

Growing Hispanic Population Share, 2000-2011



Racial and/or Ethnic Concentrations

Federal regulations at 24 CFR Part 91.210 require grantees of HUD Community Planning and Development programs to identify and describe any areas within their jurisdictions that are concentrations of racial/ethnic minorities and/or low-income persons, though HUD leaves the determination of thresholds defining those areas up to each local grantee.

The City of Evanston's Consolidated Plan for FY 2010-2014 identifies Tract 8092 as an area of minority concentration, based on its 83% Black population share in 2000 exceeding a 75% threshold. This neighborhood boasts a long history of Black homeownership and, according to the Consolidated Plan, a long-standing sense of community.

The approach currently applied by HUD's Office of Policy Development and Research calls for an evaluation of population distribution in two primary categories: White, which includes any Census respondent who identifies as White and non-Hispanic, and minority, which includes any respondent identifying as a member of a non-White racial group or Hispanic ethnicity. Hispanic White people would be in the latter category.

If, given the combined minority category, the minority population of a tract is at least 10 percentage points higher than the Citywide percentage of minorities, the tract is considered to be racially/ethnically concentrated. Five tracts in Evanston would qualify, as shown in Figure 3-5.

The CDBG program includes a statutory requirement that at least 70% of funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as the City of Evanston. The City invests its CDBG funds primarily in areas where the percentage of LMI persons is 50.29% or higher (LMI areas). The 50.29% threshold is set by HUD.

Map 3-2 displays the distribution of racially and/or ethnically concentrated tracts across the City. Map 3-3 compares tracts where at least 50.29% of persons are LMI and racially/ethnically concentrated areas. Map 3-4 isolates tracts meeting both criteria, which will be referred to as racially/ethnically concentrated areas of poverty (RCAPS/ECAPS) in other sections of the AI.

Five of Evanston's 18 census tracts qualify as racially/ethnically concentrated areas of poverty, in which the non-White and/or Hispanic population exceeds 42.4%.

FIGURE 3-5

Racially and/or Ethnically Concentrated Tracts, 2010

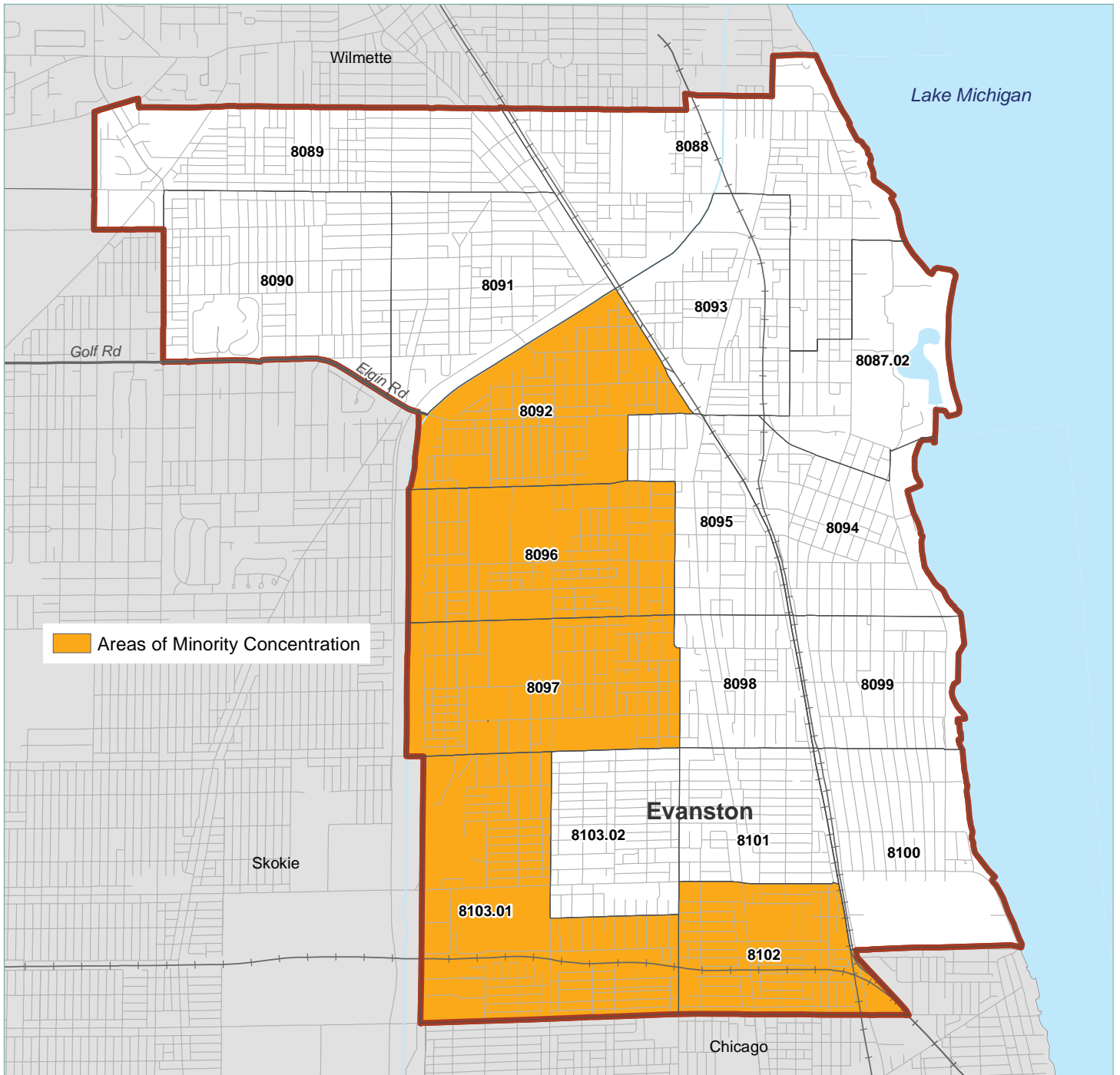
Census Tract	% White, Non-Hispanic	% Non-White
Evanston	67.6%	32.4%
Census Tract 8087.02	61.1%	38.9%
Census Tract 8088	83.8%	16.2%
Census Tract 8089	88.5%	11.5%
Census Tract 8090	94.6%	5.4%
Census Tract 8091	86.1%	13.9%
Census Tract 8092	10.1%	89.9%
Census Tract 8093	66.4%	33.6%
Census Tract 8094	70.1%	29.9%
Census Tract 8095	80.4%	19.6%
Census Tract 8096	34.1%	65.9%
Census Tract 8097	25.7%	74.3%
Census Tract 8098	70.3%	29.7%
Census Tract 8099	88.9%	11.1%
Census Tract 8100	72.1%	27.9%
Census Tract 8101	63.3%	36.7%
Census Tract 8102	42.2%	57.8%
Census Tract 8103.01	37.6%	62.4%
Census Tract 8103.02	58.8%	41.2%

Highlight indicates racial/ethnic concentration.

Source: U.S. Census Bureau, 2010 Census (SF1, P3 and P4).

MAP 3-2
Areas of Racial and/or Ethnic Concentration, 2010

Source: 2010 Census SF-1



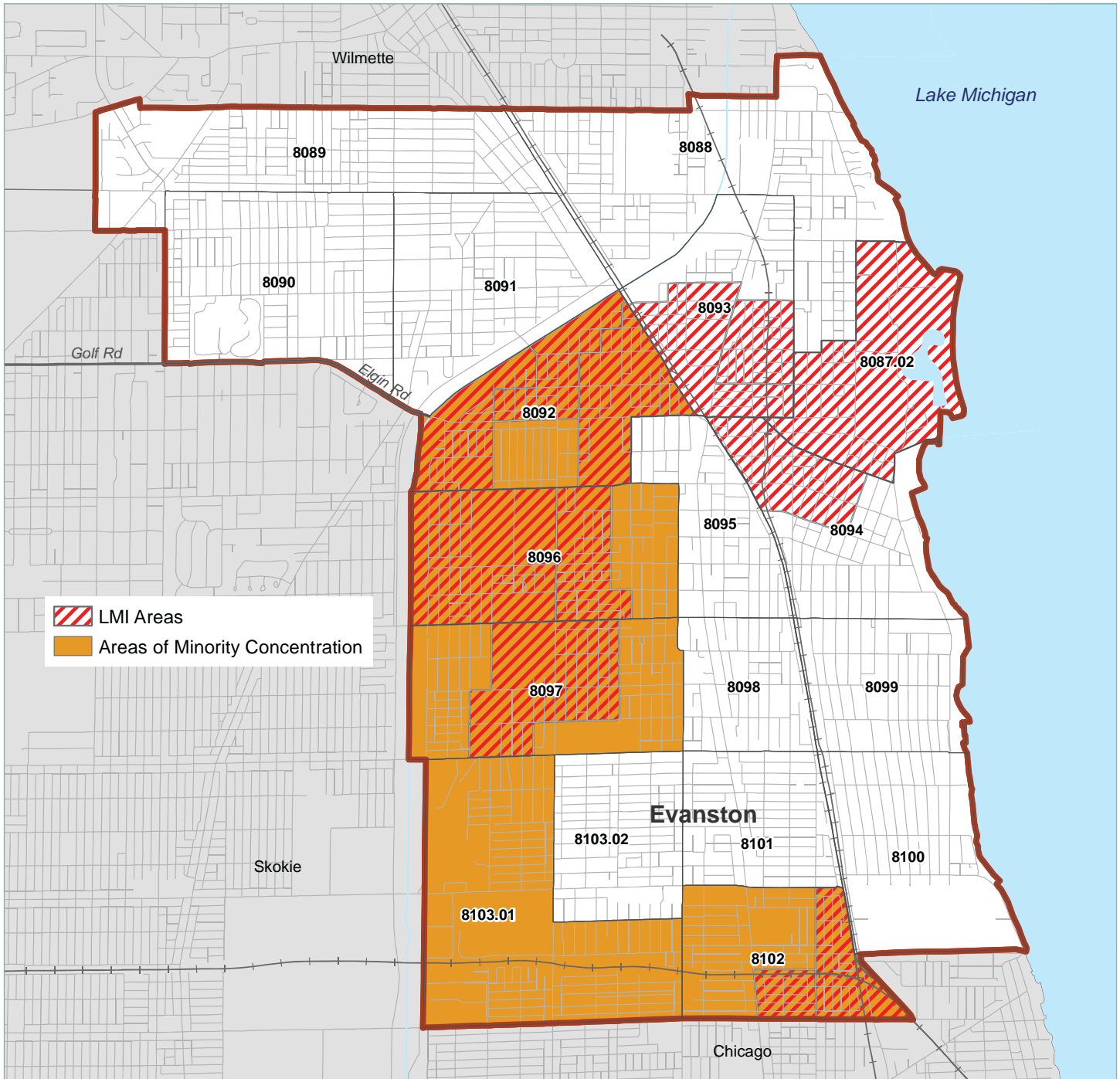
Areas of Minority Concentration

- Major Roads
- Roads
- City of Evanston
- Rail
- Rivers and Waterbodies
- Other Municipalities

MAP 3-3

Comparison of LMI and Racially/Ethnically Concentrated Areas

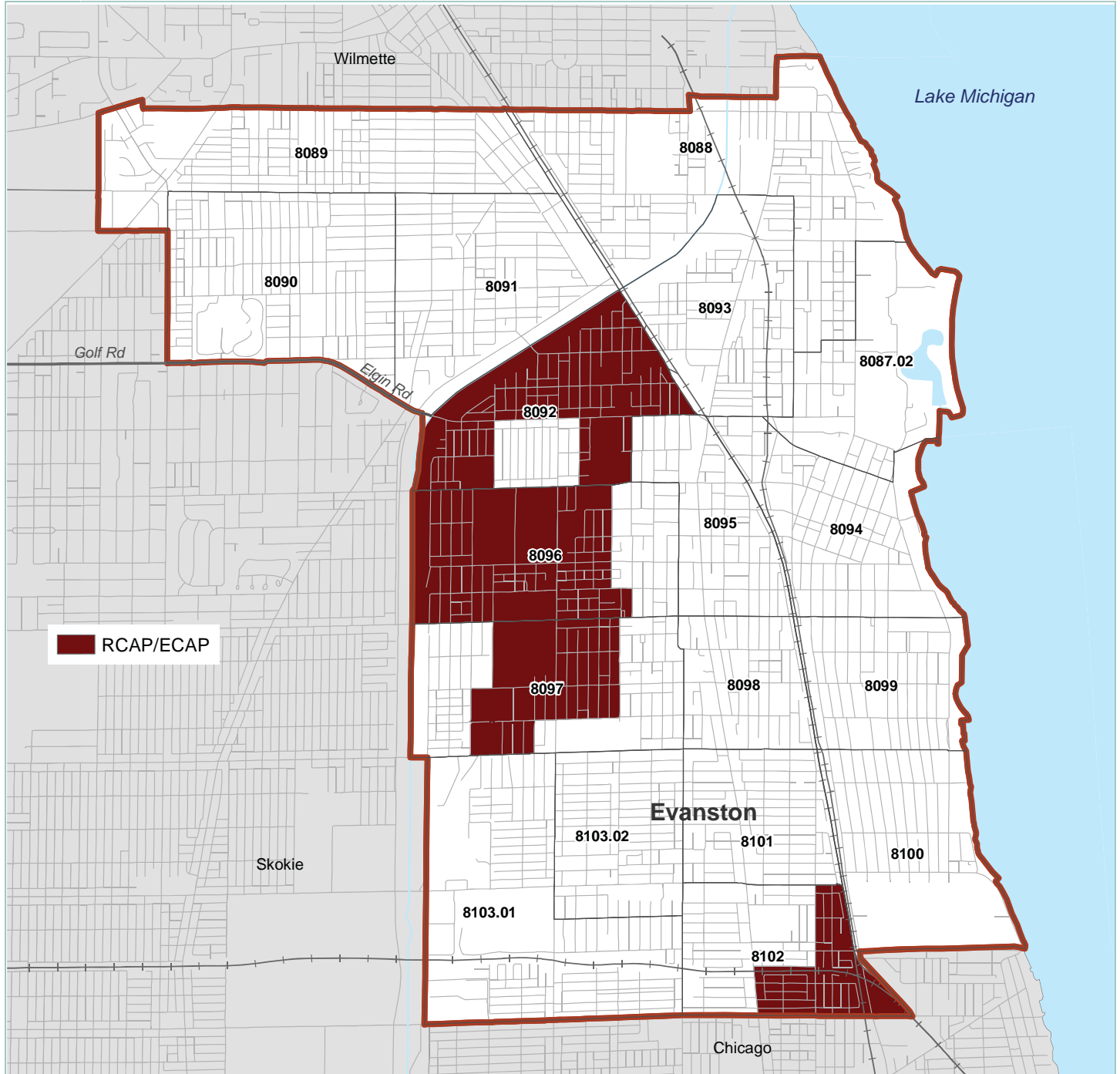
Source: 2012 HUD LMI Estimates



Note: Tract 8087.02 consists primarily of student housing.

MAP 3-4
Racially/Ethnically Concentrated Areas of Poverty, 2010

Source: 2010 Census SF-1



RCAP/ECAP

- Major Roads
- Roads
- City of Evanston
- Rail
- Rivers and Waterbodies
- Other Municipalities

Quantifying Integration

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and low-income minority inner-city neighborhoods. Latent factors, such as attitudes, or overt factors, such as real estate practices, can limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high.¹ Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

The distribution of racial or ethnic groups varies across the City. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation.² The index is typically interpreted as the percentage of the minority population that would need to move in order for a community or neighborhood to achieve full integration.

With a 2011 White-Black dissimilarity index of 57.6, Evanston qualifies as moderately segregated by national standards.³ The data indicate that in order to achieve full integration among White and Black residents, 57.6% of one subpopulation or the other would have to move to another tract within the City.

FIGURE 3-6
City of Evanston Dissimilarity Indices, 2000 and 2011

	2000			2011		
	DI with White Population	Population	% of Total Population	DI with White Population	Population	% of Total Population
White	---	48,429	65.2%	---	50,143	67.6%
Black	60.8	16,704	22.5%	57.6	14,214	19.2%
American Indian/Alaska Native	39.7	140	0.2%	84.5	42	0.1%
Asian	31.2	4,588	6.2%	33.1	5,624	7.6%
Other	52.6	2,116	2.9%	51.7	1,925	2.6%
Two or more races	33.0	2,262	3.0%	22.7	2,201	3.0%
Hispanic*	42.8	4,633	6.2%	42.6	6,755	9.1%
Total	---	74,239	100.0%	---	74,149	100.0%

Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in the City

*Hispanic ethnicity is counted independently of race.

Source: US Census Bureau, 2000 Census (P3 and P4), 2010 Census (P3 and P4); Calculations by Mullin & Lonergan Associates

¹ This aspect of segregation is related to the degree to which members of a group reside in areas where their group predominates, thus leading them to have less residential contact with other groups. See: Fossett, Mark. "Racial Segregation in America: A Nontechnical Review of Residential Segregation in Urban Areas." Department of Sociology and Racial and Ethnic Studies Institute, Texas A&M University, 2004.

² The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to 1/2 the sum of $ABS [(b/B)-(a/A)]$, where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.

Aside from the White/Black index, the highest in the City is between Whites and American Indians, at 84.5. However, this figure is unreliable because the subpopulation consisted of only 42 people in 2011. The index for White and Other Race, a category typically correlated with Hispanic ethnicity, was 51.7, while the index between Whites and those identifying as Hispanic was 42.6. The index between Whites and Asians was low at 33.1, while the lowest index was among Whites and people of multiple races, at 22.7.

Within the context of the City's Black population loss, Black people became more integrated within Evanston between 2000 and 2011. The dissimilarity index score rose, however, for the growing Hispanic and Asian populations, which suggests that new families in these categories settle in neighborhoods where people of similar race or ethnicity are already well represented. To some extent, this trend is related to the population at Northwestern University, which is predominantly settled in and around Tract 8087.02.

Though Black/White integration has increased since 2000, minorities in Evanston are still moderately segregated, by national standards.

³ According to Douglas S. Massey, an index under 30 is low, between 30 and 60 is moderate, and above 60 is high. See Massey, "Origins of Economic Disparities: The Historical Role of Housing Segregation," in *Segregation: The Rising Costs for America*, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 41-42.

The Geography of Opportunity

One effect of sprawl across metropolitan regions has been the geographic dilution of jobs and amenities, typically in a way that isolates lower-income minorities living in urban core areas from employment and housing opportunities in outlying suburbs. The expansion of low-density development beyond urban fringes exacerbates residential segregation as White residents, whose typically higher incomes correlate with a greater array of housing choices, move farther into more sparsely populated areas with lower taxes and lower service needs, abandoning the existing housing stock and leaving behind a lower-income population that consists disproportionately of racial and ethnic minorities. A large body of social research has demonstrated the powerful negative effects of residential segregation on income and opportunity for Black and Latino families, which are commonly concentrated in “at-risk, segregated communities characterized by older housing stock, slow growth and low tax bases – the resources that support public services and schools.”⁴ Households living in lower-income areas of racial and ethnic concentration face diminished opportunities in education, wealth acquisition and employment prospects.⁵

To describe the variation in neighborhood opportunity across metropolitan regions, HUD has adopted methodology developed by the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University. The “Communities of Opportunity” model assigns each neighborhood a score reflecting the degree to which its residents have access to determinants of positive life outcomes, such as good schools, jobs, stable housing, transit and the absence of crime and health hazards. The Institute draws upon an extensive research base demonstrating the importance of neighborhood conditions in predicting life

outcomes. The ultimate goals of this exercise in applied research are to bring opportunities to opportunity-deprived areas and to connect people to existing opportunities throughout the metropolitan region. The Institute has argued that “we need to assess the geographic differences in resources and opportunities across a region to make informed, affirmative interventions into failures and gaps in ‘free market’ opportunities.”⁶

As a condition of receiving a federal grant through the Sustainable Communities Initiative program, the Chicago Metropolitan Agency for Planning has completed a draft Fair Housing Equity Assessment for its seven-county area, which includes Evanston. In addition to including many of the measures applied in this document, the Regional AI includes opportunity mapping adapted from the Kirwan model. The report identified the following as indicators of opportunity:

- Education
- Safety
- Employment
- Healthy environment
- Open space and recreation
- Walkability
- Transportation
- Political empowerment

Data sets within these categories were divided into quintiles and averaged to determine an opportunity score for each census tract in the region. This research revealed a “startling” correlation between opportunity and race that described extreme inequality across Greater Chicago. All but six majority-Black census tracts in the region were low-opportunity, and only three were high-opportunity. Similarly, all but 10 majority-Hispanic tracts were low-opportunity. Evanston is predominantly high-opportunity, as shown by Map 3-5.

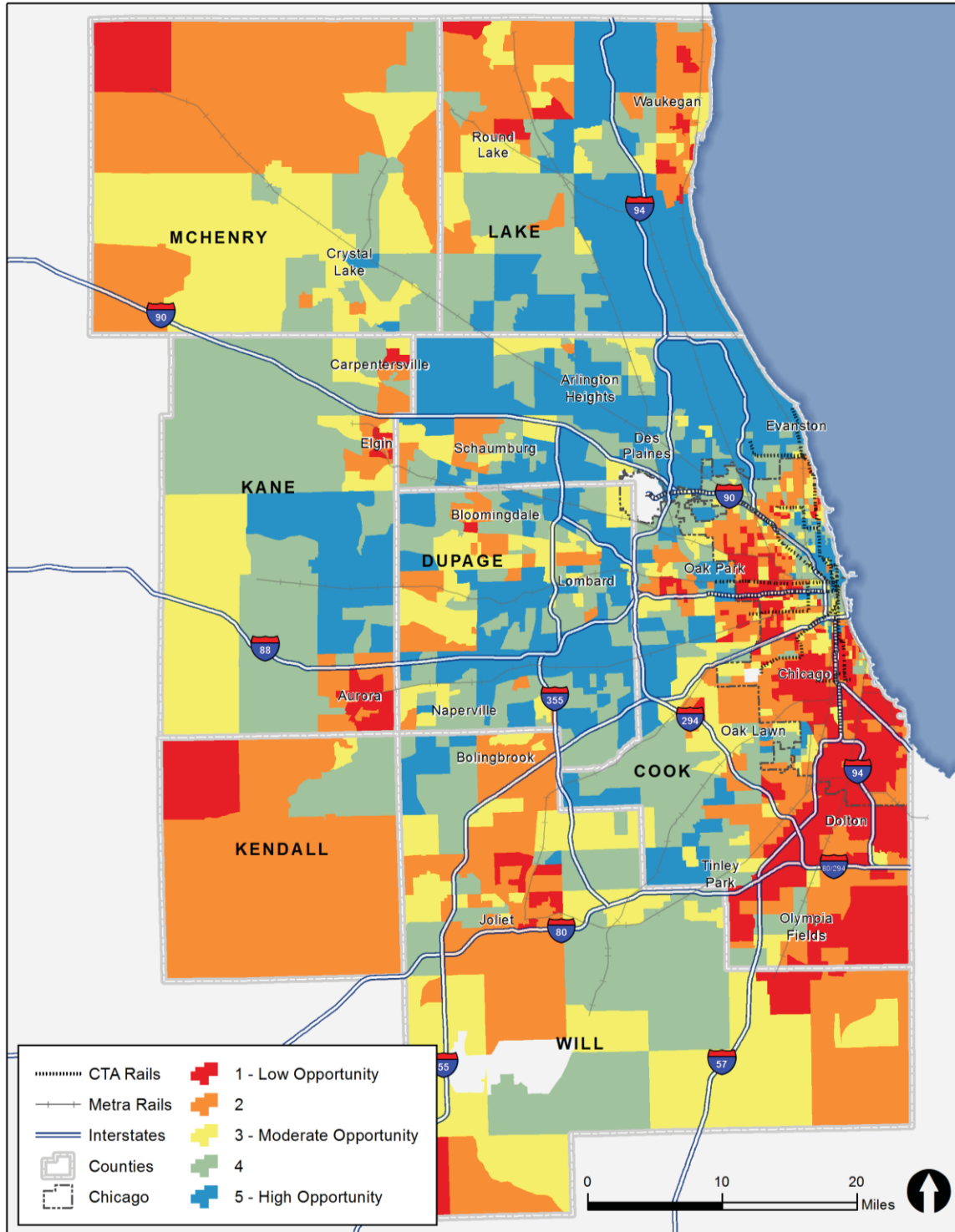
⁴ Orfield, Myron. “Land Use and Housing Policies to Reduce Concentrated Poverty and Racial Segregation.” *Fordham Urban Law Journal*. Volume 33, Issue 3, 2005.

⁵ Turner, Margery, et al. “Discrimination in Metropolitan Housing Markets: National Results from Phase I HDS 2000. Urban Institute. Online: huduser.org/Publications/pdf/Phase1_Report.pdf

⁶ Powell, John A., et al. “The Geography of Opportunity in the Austin Region.” Kirwan Institute for the Study of Race and Ethnicity, The Ohio State University, 2006. Includes extensive literature review.

MAP 3-5

Opportunity Scores by Census Tract, 2010



Source: Draft Fair Housing and Equity Assessment, Chicago Metropolitan Agency for Planning, August 2013

Race/Ethnicity and Income

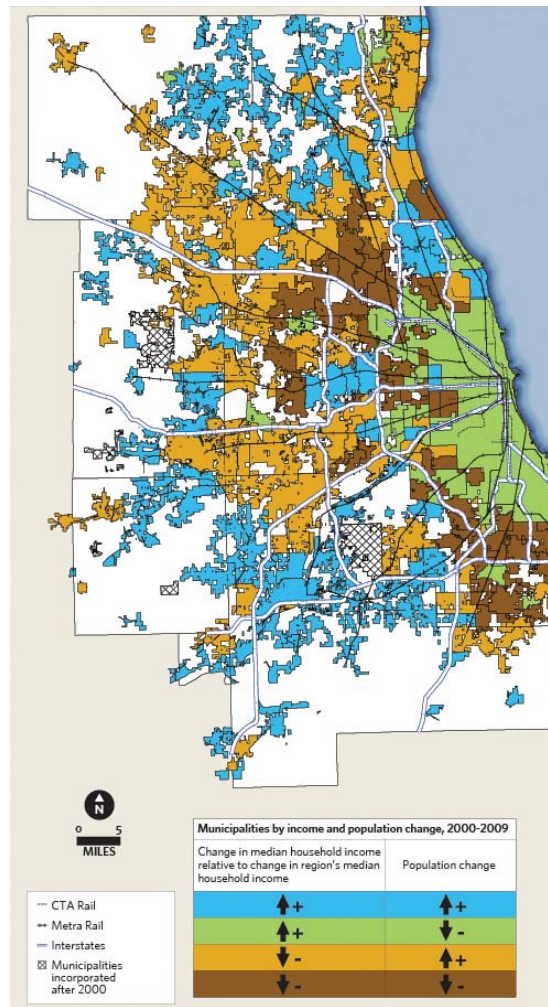
Household income is one of several factors used to determine a household's eligibility for a home mortgage loan or a rental lease. The median household income (MHI) in Evanston was \$68,292 in 2011, above the Cook County median of \$54,598 and the state median of \$56,576.

An analysis conducted by the Chicago Metropolitan Agency for Planning in 2009 compares population change across the region to shifts in MHI. Along with its modest population gain, Evanston's increase in MHI outpaced the regional median. This placed the City among 91 municipalities (of 278 in the CMAP region) with positives in both categories. Figure 3-7 illustrates the distribution of these communities in light blue.

Evanston's MHI was \$56,335 in 2000 and rose to \$68,292 in 2011. However, after adjusting for inflation, this translates to a decrease in real dollars of 7.2%.

The real, inflation-adjusted median household income in Evanston fell 7.2% between 2000 and 2011.

FIGURE 3-7
Municipalities by Income and Population Change, 2000 to 2009



Source: Chicago Metropolitan Agency for Planning, 2011

Across racial and ethnic groups in Evanston, Whites had the highest MHI at \$80,178. The MHI for all other groups was substantially lower, ranging from \$45,558 for Asians to \$55,728 for Other Race households.

As suggested by the lower median incomes among these groups, minority residents in Evanston experience poverty at greater rates than White residents. Less than 10% of White residents were living in poverty in 2011, compared with 23.8% of Asians, 20.1% of Other Race households, 19.3% of Hispanics and 15.5% of Blacks. The citywide poverty rate across all races, 11.8%, was lower than the 12.3% rate for Cook County. Between 2000 and 2011, the poverty rate in Evanston rose from 11.1% to 11.8%, while the countywide rate fell from 13.5% to 12.3%.

Poverty statistics in Evanston are strongly influenced by the generally low incomes of Northwestern University students. In 2011, there were 6,487 people ages 18 to 24 in Evanston, 40.5% of whom fell below the poverty line. When the student-age population is subtracted, Evanston's overall poverty rate falls to 8.7%.

The prevalence of Asians in the student population is the primary driver behind the relatively high poverty rate of this group. Whereas 15.8% of the city's population is between the ages of 18-24, 33.6% of Asians in Evanston fall into this age range. Of 777 college-age Asians, 74.5% live in poverty.

FIGURE 3-8
Median Household Income and Poverty Rates by Race/Ethnicity, 2011

	Median Household Income	Poverty Rate
Evanston, Illinois	\$68,292	11.8%
White	\$80,178	9.3%
Black	\$51,227	15.5%
Asian	\$45,558	23.8%
Some Other Race	\$55,728	20.1%
Two or More Races	\$54,519	8.7%
Hispanic**	\$46,991	19.3%

**Hispanic ethnicity is counted independently of race.

Source: U.S. Census Bureau, 2007-11 American Community Survey (B19013, B19013A, B19013B, B19013C, B19013D, B19013E, B19013F, B19013G, B19013I, B17001, B17001A, B17001B, B17001C, B17001D, B17001F, B17001G, B17001I)

The City's poverty rate rose from 11.1% to 11.8% since 2000.

The student population drives up the City's poverty rate, which would be 8.7% without counting people ages 18 to 24.

The distribution of household income by race and ethnicity is comparable to the trends described above, showing a disparity between White and non-White households. The most striking difference is the significantly higher percentage of non-White households making less than \$25,000 in 2011. While 16.3% of Whites fell into this category, more than 30% of multi-race, Asian and Other Race households had incomes in this range. Additionally, 29.6% of Hispanic households made less than \$25,000.

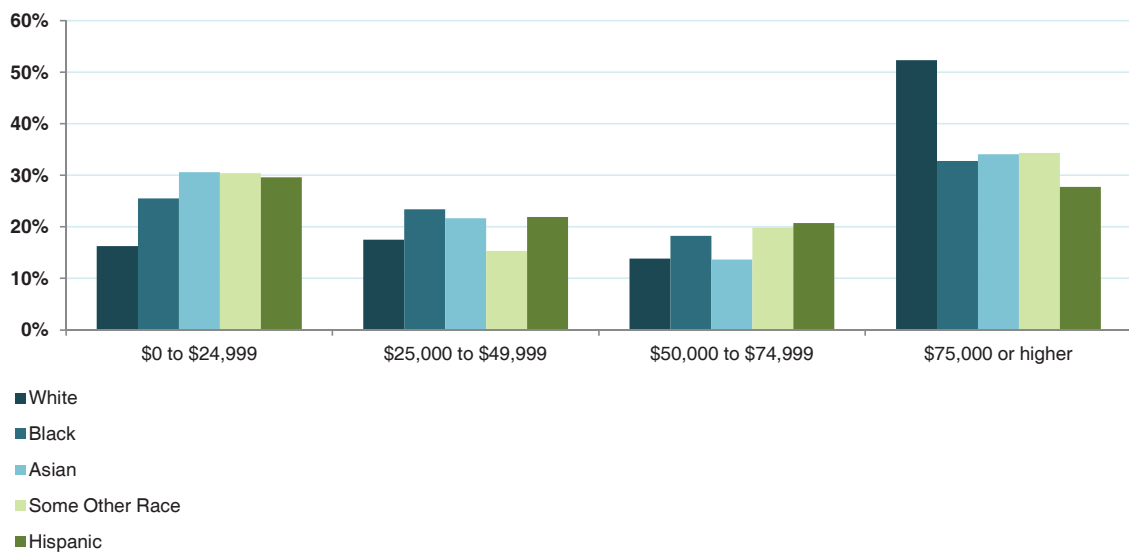
Differences in median household income among the other income categories are more moderate, though a stark difference between White and non-White households is also apparent in the category of those making more than \$75,000 per year. More than half of White households are in this category, compared to only about one-third of other racial groups and 27.8% of Hispanics.

FIGURE 3-9
Household Income Distribution by Race and Ethnicity, 2011

	Total Households	\$0 to \$24,999	%	\$25,000 to \$49,999	%	\$50,000 to \$74,999	%	\$75,000 or higher	%
Total	29,055	5,649	19.4%	5,439	18.7%	4,305	14.8%	13,662	47.0%
White	20,960	3,415	16.3%	3,665	17.5%	2,909	13.9%	10,971	52.3%
Black	5,234	1,337	25.5%	1,227	23.4%	955	18.2%	1,715	32.8%
Asian	1,899	581	30.6%	412	21.7%	259	13.6%	647	34.1%
Some Other Race	463	141	30.5%	71	15.3%	92	19.9%	159	34.3%
Two or More Races	499	175	35.1%	64	12.8%	90	18.0%	170	34.1%
Hispanic	1,617	479	29.6%	354	21.9%	335	20.7%	449	27.8%

Source: U.S. Census Bureau, 2007-11 American Community Survey (B19001A, B19001B, B19001C, B19001D, B19001E, B19001F, B19001G, B19001I)

FIGURE 3-10
Household Income Distribution, 2011



Residential Segregation by Income

The Pew Research Center has developed a metric to describe the degree to which high- and low-income residents are spatially segregated from one another within a metropolitan area. The Residential Income Segregation Index (RISI) is calculated by combining the share of low-income residents who live in majority low-income census tracts with the share of high-income residents who live in high-income census tracts, capturing the magnitude of households that live in economically segregated neighborhoods.

Nationwide, the Pew Center found that 28% of lower-income households were located in predominantly lower-income neighborhoods in 2010, up from 23%, and that 18% of upper-income households lived in predominantly upper-income neighborhoods, compared to 9% in 1980.⁹ Researchers cited an overarching increase in income inequality as the primary reason for the declining share of mixed-income neighborhoods.

The Pew Center applied its analysis to the nation's 30 largest metropolitan areas as of 2010. The Chicago-Joliet-Naperville metropolitan area ranked as the 19th most economically segregated region of the 30 largest in the country.

Pew's analysis allows for a description of neighborhood composition by income. Lower-income households were defined as those making less than \$34,000, which was two-thirds the national median income in 2010, and upper-income households were defined as those making at least \$104,000, which is double the national median.

About three in every 10 lower-income households across the Chicago region are concentrated in lower-income neighborhoods.

According to 2010 American Community Survey data, 29% of lower-income households in the greater Chicago region lived in majority lower-income neighborhoods, compared to 41% in New York, 38% in Philadelphia, 28% in Boston and 26% in Atlanta. Conversely, 12% of the greater Chicago region's upper-income households lived in upper-income neighborhoods in 2010, compared to 24% in Houston, 23% in Dallas, 17% in Miami and only 8% in Boston.

Therefore, the combined RISI score for the region in 2010 was **41**, driven mostly by the concentration of lower-income households in lower-income areas.

The score of 41 defines greater Chicago as less economically segregated than many of the 30 metropolitan regions for which Pew published RISI calculations. As is evident in Figure 3-11, the country's most economically segregated areas include both explosively growing western metros as well as historically segregated regions such as Detroit and New York. Unlike high-growth areas, in which economic segregation is driven in large part by the self-selection of upper-income families into expensive neighborhoods, Evanston's economic segregation results from a prevalence of neighborhoods in which poorer families cluster, a function of the concentration of affordable housing.

FIGURE 3-11
Residential Income Segregation Comparisons
by Metropolitan Region, 2010

	2010 RISI
San Antonio-New Braunfels	63
Houston-Sugar Land-Baytown	61
Dallas-Fort Worth-Arlington	60
New York-Northern New Jersey	57
Denver-Aurora-Broomfield	55
Detroit-Warren-Livonia	54
Columbus	53
Los Angeles-Long Beach-Santa Ana	51
Philadelphia-Camden-Wilmington	51
Miami-Fort Lauderdale-Pompano Beach	49
Baltimore-Towson	48
Phoenix-Mesa-Glendale	48
Kansas City	47
Cincinnati-Middletown	47
Washington-Arlington-Alexandria	47
Cleveland-Elyria-Mentor	46
National	46
San Francisco-Oakland-Fremont	43
Atlanta-Sandy Springs-Marietta	41
Chicago-Joliet-Naperville	41
Buffalo-Niagara Falls	40
San Diego-Carlsbad-San Marcos	40
Riverside-San Bernardino-Ontario	38
Pittsburgh	38
St. Louis	38
Boston-Cambridge-Quincy	36
Sacramento-Arden-Arcade-Roseville	35
Seattle-Tacoma-Bellevue	34
Tampa-St. Petersburg-Clearwater	29
Minneapolis-St. Paul-Bloomington	28
Portland-Vancouver-Hillsboro	25
Orlando-Kissimmee-Sanford	22

Source: Fry, Richard and Taylor, Paul. "The Rise of Residential Segregation by Income." *Pew Social and Demographic Trends*, Pew Research Center. Released August 1, 2012.

Disability and Income

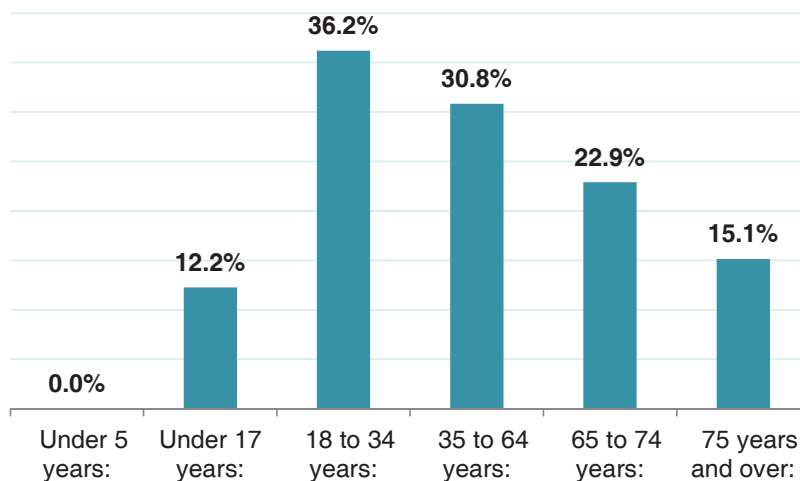
As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work.

The Fair Housing Act prohibits discrimination based on physical, mental or emotional handicap, provided “reasonable accommodation” can be made. Reasonable accommodation may include changes to address the needs of disabled persons, including adaptive structural (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal). Across Evanston, 9% of the total population age five and older (6,111 people) reported a disability in 2011.⁹

The most common types of disabilities among persons ages 18 to 64 were cognitive or ambulatory, referring to difficulty moving from place to place that makes it impossible or impractical to walk as a means of transportation. This type of difficulty often translates to a need for accessible housing. Among those age 65 and older, 21% reported an ambulatory disability.

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Evanston, persons with disabilities were substantially more likely than persons without disabilities to live in poverty. In 2011, 24.1% of residents with disabilities lived in poverty, compared to 12.1% of persons without disabilities who were living in poverty.¹⁰ Across Cook County, median earnings for disabled persons age 16 and older were \$22,238, compared to \$32,002 for those without disabilities.

FIGURE 3-12
Prevalence of Poverty among Disabled Persons by Age, 2011



Evanston residents with disabilities are twice as likely to live in poverty than those without disabilities.

⁹ 2009-2011 ACS (S1810).

¹⁰ 2011 ACS (S1811).

Familial Status and Income

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families and other families comprised of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

As a share of all households in Evanston, female-headed households with children shrank from 6.1% in 2000 to 4.4% in 2010. Male-headed households remained relatively steady, increasing from 1% to 1.2% over the decade. At the same time, married-couple family households with children climbed from 18.7% to 19.5% of all households in Evanston.

Non-family households remained stable with a decline from 45.9% to 45.2%, defying a national trend of expansion in this category. Nationwide and across Cook County, single-parent families have gained a larger share of total households, while married couples with children represent a decreasing share. The absence of this trend in Evanston could suggest that the price of its housing is prohibitive to single-income households.

FIGURE 3-13
Household Type and Presence of Children 2000-2011

		2000	2011	% Change 2000-2010
Total Households		29,675	29,055	-2.1%
Family Households		18,931	15,936	-15.8%
Married Couple Families	Total	12,241	12,189	-0.4%
	With own children under 18 years	5,546	5,659	2.0%
	No own children under 18 years	6,695	6,530	-2.5%
Other Families		3,823	3,747	-2.0%
Male Householder (no wife)	Total	723	905	25.2%
	With own children under 18 years	308	343	11.4%
	No own children under 18 years	415	562	35.4%
Female Householder (no husband)	Total	3,100	2,842	-8.3%
	With own children under 18 years	1,803	1,285	-28.7%
	No own children under 18 years	1,297	1,557	20.0%
Nonfamily		13,611	13,119	-3.6%

Source: US Census Bureau, Census, 2000 (SF 3 P10); 2007-11 American Community Survey (B11001, B11003)

Of all household types, females with children were the most likely to experience poverty. In 2011, 24.2% of such households were below the poverty line, compared to 4.3% of married couples with children.¹¹ Female-headed households with children represented 41.1% of all Evanston families under the poverty line.

Four in every 10 Evanston families under the poverty line are female-headed households with children.

Contrary to national trends, married-couple families with children represent a growing share of Evanston households.

Ancestry and Income

It is illegal to refuse the right to housing based on place of birth or ancestry. In 2011, according to the American Community Survey (ACS), 12,612 Evanston residents (17%) were foreign-born.¹² By way of origin, the largest foreign-born group in Evanston was Mexican, a group that comprised 20.8% of the entire foreign-born population.

Evanston's foreign-born population was more likely to experience poverty than its native-born population. According to 2007-2011 ACS estimates, 16.9% of the foreign-born population for which poverty status is determined fell below the poverty line, compared to 10.7% of the native-born population.¹³

Persons with limited English proficiency (LEP) are defined by the federal government as those with a limited ability to read, write, speak or understand English. To identify the number of

persons with LEP, the ACS reports data on the non-English language spoken at home for the population five years and older. In 2011, the Census Bureau reported that 14,211 persons across Evanston (20.5%) spoke at least one language other than English. Of these, 4,450 spoke English less than "very well." This LEP subpopulation constituted 6.4% of the City's total population.

To ensure compliance with Title VI obligations, HUD recommends that a grantee community provide translation of its vital documents into any language with more than 1,000 LEP speakers, or whose LEP speakers represent at least 1% of the total population to be served. In Evanston, Spanish was the only language to reach this threshold.

FIGURE 3-14
Limited English Proficiency, 2011

Language Spoken	Number of Persons with LEP	Percent of Total Population
Total Persons with LEP	4,450	6.4%
Spanish	2,093	3.0%

Source: US Census Bureau, 2007-11 American Community Survey (B16001)

There are 2,093 Spanish speakers in Evanston with limited English proficiency. This population may require accommodation to access City programs and services.

¹² 2007-2011 ACS(B05006)

¹³ 2007-2011 ACS(B06012)

Employment and Protected Class Status

In 2011, the latest year for which comprehensive data were available, unemployment rates in Evanston were significantly lower than state and national levels at 7.4%. State and national unemployment levels were both at 9%, while unemployment in Cook County was 9.1%.

In terms of unemployment rates by racial/ethnic group, Blacks, Other Race persons and Hispanics experienced much higher unemployment rates at 12.8%, 20.7% and 11.9%, respectively. The unemployment rates for Whites and Asians were far lower at 5.7% and 3.3%. Higher unemployment, whether temporary or permanent, significantly limits the resources available to meet housing costs. In Evanston, this is a problem more commonly experienced by racial and ethnic minorities.

Members of racial and ethnic minorities were substantially more likely than Whites and Asians to be unemployed in 2011, both in Evanston and across the nation.

FIGURE 3-15
Civilian Labor Force
and Protected Class Status, 2011

	Total	In labor force	Employed	Unemployment rate
Population 16 years and over	61,271	64.9%	60.1%	7.4%
RACE AND HISPANIC OR LATINO ORIGIN				
White	41,910	66.0%	62.3%	5.7%
Black or African American	11,614	64.5%	56.3%	12.8%
Asian	5,060	55.3%	53.5%	3.3%
Some Other Race	1,505	58.6%	46.4%	20.7%
Two or More Races	1,140	78.9%	69.6%	11.7%
Hispanic or Latino origin (of any race)	5,149	63.6%	55.7%	11.9%
Population 20 to 64 years	46,619	76.0%	70.6%	7.0%
SEX				
Male	22,084	78.1%	72.0%	7.8%
Female	24,535	74.1%	69.4%	6.4%
Females with own Children	3,758	69.6%	65.5%	6.0%

Source: US Census Bureau, 2007-11 American Community Survey (S2301)

Housing Inventory

The City of Evanston gained 1,659 net housing units between 2000 and 2011, reflecting gains reported by stakeholders in Downtown construction and conversion as well as development in surrounding neighborhoods. The largest gain in units occurred in Tract 8094, which grew by 643 units, or 23.2%. The greatest net loss occurred in Tract 8087.02, which lost 135 units, or 21.6% of its stock. Both of these tracts contain Northwestern University's campus, a fact that suggests adjustment in the student housing inventory.

Evanston's housing stock has grown by 1,659 units since 2000, a trend strongly related to new construction and conversion of housing Downtown.

These patterns are illustrated in Map 3-6, which compares net growth by census tract across the City. Impacted areas of both racial/ethnic and LMI concentration are also shown for comparison.

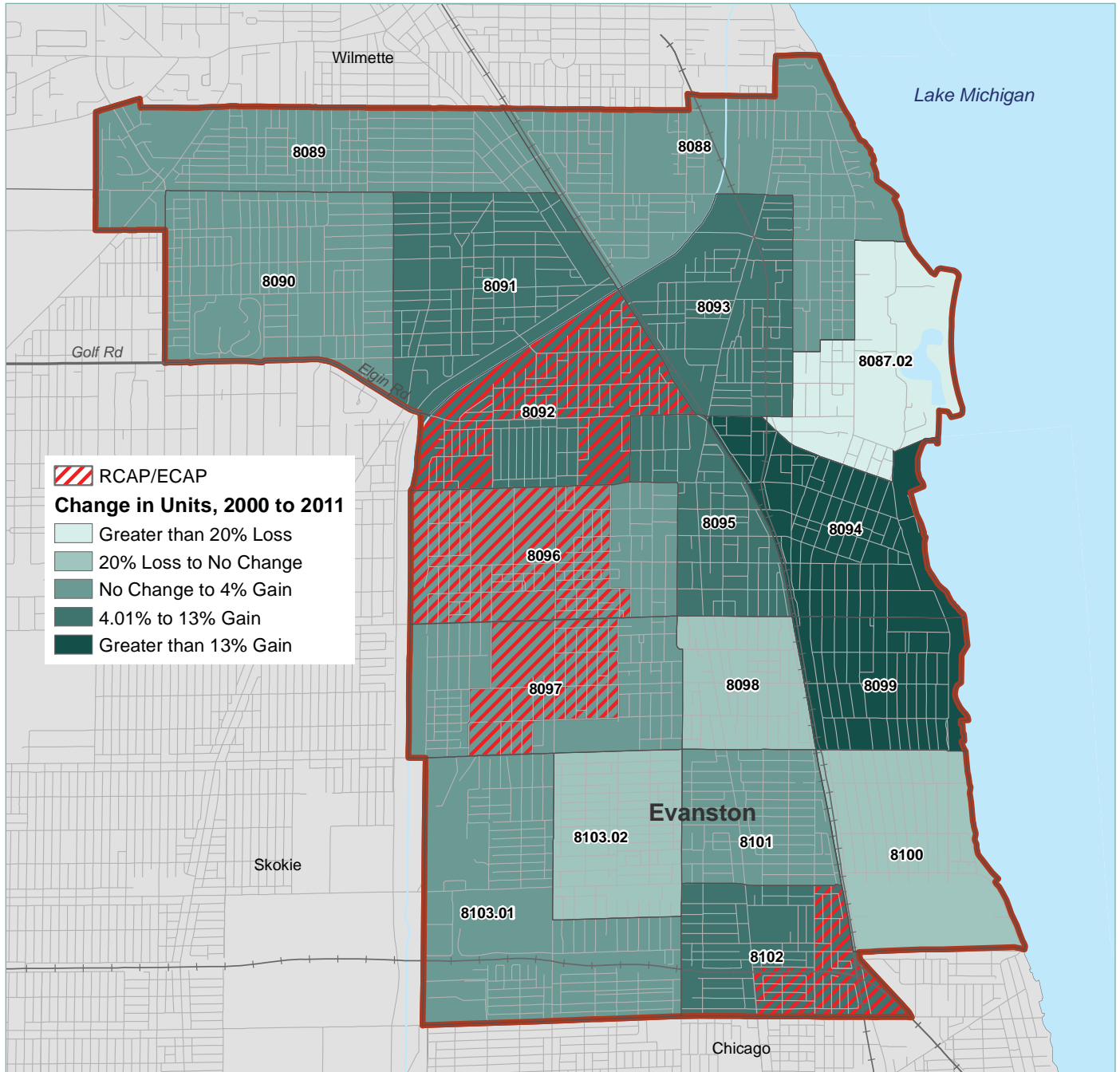
FIGURE 3-16
Trends in Total Housing Units, 2000-2011

Census Tract	Total Units, 2000	Total Units, 2011	Percent Change
Evanston	30,817	32,476	5.4%
Census Tract 8087.02	626	491	-21.6%
Census Tract 8088	1,524	1,533	0.6%
Census Tract 8089	1,753	1,802	2.8%
Census Tract 8090	1,634	1,665	1.9%
Census Tract 8091	1,419	1,546	8.9%
Census Tract 8092	1,650	1,789	8.4%
Census Tract 8093	2,157	2,247	4.2%
Census Tract 8094	2,767	3,410	23.2%
Census Tract 8095	1,736	1,960	12.9%
Census Tract 8096	1,327	1,330	0.2%
Census Tract 8097	1,366	1,417	3.7%
Census Tract 8098	1,155	1,067	-7.6%
Census Tract 8099	1,181	1,448	22.6%
Census Tract 8100	2,826	2,817	-0.3%
Census Tract 8101	2,196	2,204	0.4%
Census Tract 8102	2,640	2,837	7.5%
Census Tract 8103.01	1,544	1,600	3.6%
Census Tract 8103.02	1,316	1,313	-0.2%

Source: US Census Bureau, Census 2000 (SF1, H1); 2007-11 American Community Survey (B25001)

MAP 3-6

Net Change in Total Housing Units, 2000 to 2011



- Major Roads
- Roads
- City of Evanston
- Rail
- Rivers and Waterbodies
- Other Municipalities

FIGURE 3-17

Housing Units by Structure Type, 2011

	Total:	Total Single-Family	1, detached	1, attached	Total Multi-Family	2 to 4	5 to 9	10 to 19	20 or more	Mobile home	Boat, RV, van, etc.
Evanston	32,476	12,474	10756	1718	16,403	2,032	2,372	2,397	9,602	40	50
% of total	---	38.4%	86.2%	13.8%	50.5%	12.4%	14.5%	14.6%	58.5%	0.1%	0.2%

Source: U.S. Census Bureau, 2007-11 American Community Survey (B25024)

In 2011, single-family units comprised 38.4% of the housing stock in Evanston, while 50.5% were multi-family in structures of various sizes. Regionally, differences in structure type follow patterns of urban density, with a higher prevalence of multi-family structures located in more densely developed suburbs such as Evanston and a predominance of single-family homes in more outlying suburbs and exurbs farther removed.

In 2011, 3,421 housing vacancies within the City represented 10.5% of total inventory. The number of vacant units has increased from 1,166 in 2000.

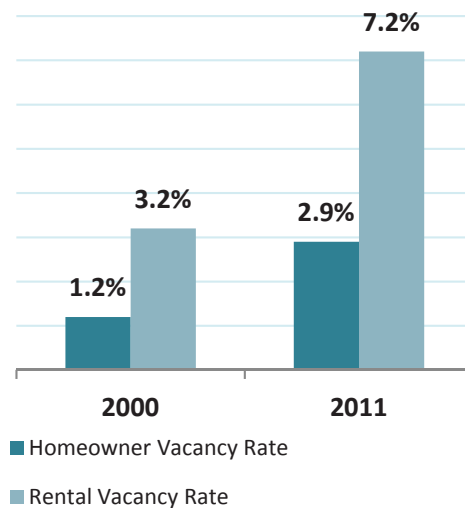
Of all vacancies across Evanston in 2011, 39.5% were for rent and 18.4% were for sale or recently sold. An additional 9.4% were seasonal, while 32.7% were vacant for what the Census classifies as “other” reasons, including abandonment.

Multi-family housing structures represent more than half of the housing in Evanston.

Of the 3,421 vacant housing units in Evanston in 2011, 32.7% were empty for reasons other than rental, sale or seasonal use.

FIGURE 3-18

Evanston Housing Vacancy Rates, 2000 and 2011



Note: The total vacancy rate, 10.5% in 2011, additionally includes units not classified as owner nor renter.

FIGURE 3-19
Housing Units by Tenure and Structure Type, 2011

	Occupied Units	Owner-Occupied				Renter-Occupied				% Renter-Occupied Multi-Family
		Total	Single-Family	Multi-Family	% Multi-Family	Total	Single-Family	Multi-Family	% Multi-Family	
Evanston	29,055	16,896	10,637	6,259	37.0%	12,159	1,016	11,075	91.1%	38.1%
Cook County	1,934,771	1,156,652	831,043	314,909	27.2%	778,119	99,184	674,804	86.7%	34.9%

Note: Total also includes mobile homes and non-structure homes (boats, RVs, vans, etc.)

Source: U.S. Census Bureau, 2007-11 ACS (B25032)

In 2011, the Census Bureau estimated that Evanston’s occupied housing inventory of 29,055 was 58.2% owner-occupied, comparable to an owner-occupied housing rate of 59.8% across Cook County.

To isolate apartment units from condominium units that are owner-occupied and located within multi-family structures, Figure 3-19 examines the tenure of units by structure type. Of the City’s total owner-occupied housing stock, 6,259 units (37%) were in multi-family structures. By comparison, there were many more multi-family units within the rental stock. Of the 12,159 rental units in Evanston, 11,075 (91.1%) were in multi-family structures. The concentration of multi-family rental units in areas of dense urban character is typical of development patterns nationwide.

The right-most column of Figure 3-19 represents the proportion of total occupied housing that consists of renter-occupied multi-family units. In Evanston, such units account for 38.1% of all occupied homes.

Map 3-7 illustrates the density of renter-occupied multi-family units by structure size across City neighborhoods. While duplexes and apartments are scattered across most of Evanston’s residential areas, the largest apartment buildings are concentrated Downtown.

Owner-occupied units in multi-family buildings, such as condominiums, account for 36.1% of all multi-family stock in Evanston, while the remaining 63.9% of multi-unit buildings contain apartments.

Home Ownership and Protected Class Status

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate.

Historically, minorities tend to have lower home ownership rates than Whites. This trend also holds true in Evanston, where Whites had a home ownership rate of 63.7% in 2011. By comparison, minority home ownership rates were 46.3% for Blacks, 42.5% for Hispanics and 32.3% for Asians.

As previously noted, the median income for racial and ethnic minority households in Evanston is drastically lower than the median for Whites. This is one among several factors that contribute to the generally lower rates of home ownership among minority families.

Overall, the presence of Northwestern University's student population is one reason for a relatively low home ownership rate across the City.

FIGURE 3-20
Housing Tenure by Race and Ethnicity, 2011

	Total		White		Black		Asian	
	Total	Owner occupied	Total	Owner occupied	Total	Owner occupied	Total	Owner Occupied
Evanston	29,055	58.2%	20,960	63.7%	5,234	46.3%	1,899	32.3%

Some Other Race		Two or More Races		Hispanic	
Total	Owner occupied	Total	Owner occupied	Total	Owner occupied
463	56.6%	499	48.1%	1,617	42.5%

Source: U.S. Census Bureau, 2006-10 American Community Survey (B25003, B25003A, B25003B, B25003C, B25003D, B25003F, B25003I)

In Evanston, Black and Hispanic households are less likely to own homes than White and Asian households.

Household Size and Protected Class Status

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In Evanston, racial minorities were more likely than Whites to live in households with three or more people. In 2011, about half of White and Asian households had three or more people.

By comparison, 65.3% of Black households, 68.4% of multi-race households, 78.8% of Hispanic households and 88.3% of Other Race households had three or more members.

FIGURE 3-21

Family Size by Race and Ethnicity, 2011

	Family households:		
	Family households	Families with Three or More Persons	% Families with Three or More Persons
Total	15,621	8,673	55.5%
Whites	10,750	5,473	50.9%
Blacks	3,138	2,049	65.3%
Asian	845	441	52.2%
Other	506	447	88.3%
Two or more races	348	238	68.4%
Hispanic	1,186	934	78.8%

Source: U.S. Census Bureau, 2010 Census (SF1, P28, P28A, P28B, P28C, P28D, P28E, P28F, P28G, and P28I)

FIGURE 3-22

Tenure of Units by Number of Bedrooms, 2011

	Renter occupied		Owner occupied	
	# units	% of all units	# units	% of all units
0 to 1 bedroom	6,436	22.2%	1,246	4.3%
2 bedrooms	3,579	12.3%	4,949	17.0%
3 or more bedrooms	2,144	7.4%	10,701	36.8%
Total	12,159	41.8%	16,896	58.2%

Source: U.S. Census Bureau, 2007-11 American Community Survey (B25042)

Only 7.4% of rental units in the City have three or more bedrooms, compared to more than one-third of owner units.

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In the City, there are fewer options to rent a unit to accommodate large families. Of the 12,159 rental units in 2011, only 7.4% had three or more bedrooms, compared to 36.8% of the owner housing stock.

Housing Costs

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods because of a lack of affordable housing in those areas.

Between 2000 and 2011, median housing value across the City of Evanston (adjusted for inflation to 2011 dollars using BLS indices) fell 2.4%, while median gross rent fell 3.7%. At the same time, the median household income decreased 10.2%. A decrease in income relative to home values is a negative trend for families wishing to purchase a home. Because increases in housing costs outpaced income gains, both renting and owning in Evanston became relatively less affordable during the last decade, on the whole.

The number of units in Evanston renting for less than \$500 per month declined by 41% between 2000 and 2011. There was an even steeper rate of loss among units renting for between \$500 and \$699, of which 2,115 (84.6%) were lost. At the same time, the number of units renting for more than \$1,000 per month increased from 4,276 to 7,098, or 66%. The data do not distinguish between units that were physically lost from the inventory (through demolition, etc.) and those for which rents were increased. Additionally, these data should be analyzed with an understanding that \$500 was worth more in 2000 than in 2011, due to inflation. However, this data, due to the categorical nature of the variable, cannot be adjusted for inflation.

Between 2000 and 2011, adjusted median housing value fell 2.4% in Evanston, while median rent fell 3.7%. Household income dropped more steeply, by 10.2%.

FIGURE 3-23

Changes in Housing Value, Rent and Income, 2000 to 2011

	Median Gross Rent	Median Housing Value	Median Household Income
2000	\$1,156	\$392,631	\$76,062
2011	\$1,113	\$383,100	\$68,292
% change 00-11	-3.7%	-2.4%	-10.2%

Source: U.S. Census Bureau, 2000 Census (SF-3, H76, H63, P53), 2007-11 American Community Survey (B25077, B25064, B19013); BLS.gov

Note: All numbers in the chart above are 2011 inflation-adjusted.

FIGURE 3-24

Loss of Affordable Rental Housing Units, 2000 to 2011

	2000	2011	# Change 2000-2011	% Change 2000-2011
Total	13,691	11,775	-1,916	-14.0%
Less than \$500	1,165	687	-478	-41.0%
\$500 to \$699	2,501	386	-2,115	-84.6%
\$700 to \$999	5,749	3,604	-2,145	-37.3%
\$1000 or more	4,276	7,098	2,822	66.0%

Sources: U.S. Census Bureau, 2000 Census (SF3, H62), 2007-11 American Community Survey (B25063)

To further analyze renter affordability, Figure 3-25 reviews 2011 estimates for household income among Evanston's population of renter households. According to this data, 25.2% of the City's renter households had a median income below \$15,000. Using 30% of median income as an indicator of housing affordability, renters with a median income of \$15,000 could afford a maximum of \$375 per month in rent and other housing costs. However, rentals priced below \$500 per month comprise only 5.8% of the City's rental stock, indicating that a large number of City households are priced out of the market.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in counties and cities in the U.S. for 2013. In Cook County, the FMR for a two-bedroom apartment is \$966. In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn \$3,220 monthly or \$38,640 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$18.58 per hour.

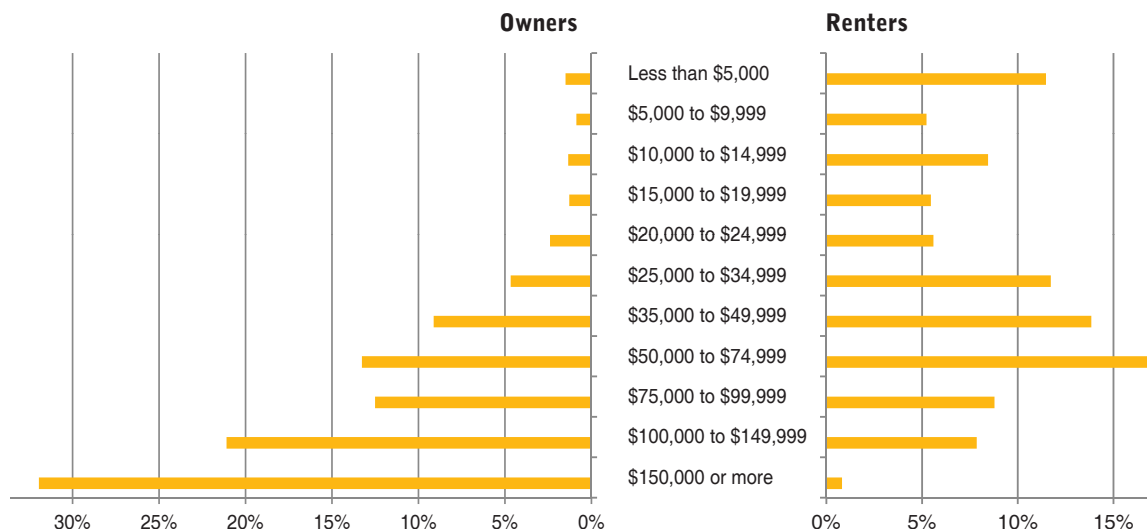
In Cook County, a minimum-wage worker earns an hourly wage of \$8.25. In order to afford the FMR for a two-bedroom apartment, a minimum-wage earner must work **90** hours per week, 52 weeks per year. The NLIHC

estimates that 56% of Cook County renters are currently unable to afford the two-bedroom FMR. Monthly Supplemental Security Income (SSI) payments for an individual are \$710 in Cook County and across Illinois. If SSI represents an individual's sole source of income, \$213 in monthly rent is affordable, while the local FMR for a one-bedroom is \$815.

Minimum-wage, single-income households and those depending on SSI payments cannot afford an apartment renting at the fair market rate in Cook County.

Evanston lost 70.7% of its units renting for less than \$700 between 2000 and 2011, while the number of units renting for more than \$1,000 increased by two-thirds.

FIGURE 3-25
Income by Tenure, 2011



One method used to determine the inherent affordability of a housing market is to calculate the percentage of homes that could be purchased by households at the median income level. It is possible also to determine the affordability of the housing market for each racial or ethnic group in the City. To determine affordability (i.e., how much mortgage a household could afford), the following assumptions were made:

- The mortgage was a 30-year fixed rate loan at a 4.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Principal, interest, taxes and insurance (PITI) combined with other consumer debt equaled no more than 35% of gross monthly income, a threshold of financial health commonly used by banks,
- Property taxes were levied at a combined median tax rate of 2.27%, and
- Additional consumer debt (credit cards, car payment, etc.) averaged \$500 per month.

Figure 3-26 details the estimated maximum affordable sales prices and monthly PITI payments for Whites, Blacks, Asians and Hispanics in Evanston.

The 2012 median sales price for a single-family detached home in Evanston was \$440,000. Within the City, the median household income in 2011 was \$68,292, which translates to a maximum affordable home purchase price of

\$262,500. This indicates that the average household in Evanston has less income than what is required to affordably purchase half of the homes for sale within the City.

From this analysis, it is clear that sales options were far more limited for members of racial and ethnic minorities. The maximum affordable purchase price at median household income for Asians was only 65% of the average maximum affordable purchase price for Whites. The maximum affordable purchase price for median-income Black and Hispanic households was similarly far below the median sales price in 2012, limiting the options from which these households have to choose.

Generally speaking, home ownership in Evanston is the most unaffordable to minority households as a function of the lower median household incomes among these groups.

FIGURE 3-26

Maximum Affordable Purchase Price by Race/Ethnicity, 2011

	Median Household Income	Monthly Mortgage Payment				Maximum Affordable Purchase Price
		Mortgage Principal & Interest	Real Estate Taxes	Homeowner's Insurance & PMI	Total PITI Payment	
Total	\$68,292	\$1,128	\$497	\$80	\$1,705	\$262,500
White	\$80,178	\$1,332	\$586	\$80	\$1,998	\$310,000
Black	\$51,227	\$834	\$367	\$80	\$1,281	\$194,000
Asian	\$45,558	\$735	\$323	\$80	\$1,138	\$171,000
Hispanic	\$46,991	\$758	\$334	\$80	\$1,172	\$176,500
2012 Median Sales Price: \$440,000*						

*Median Sales Price for detached single family home

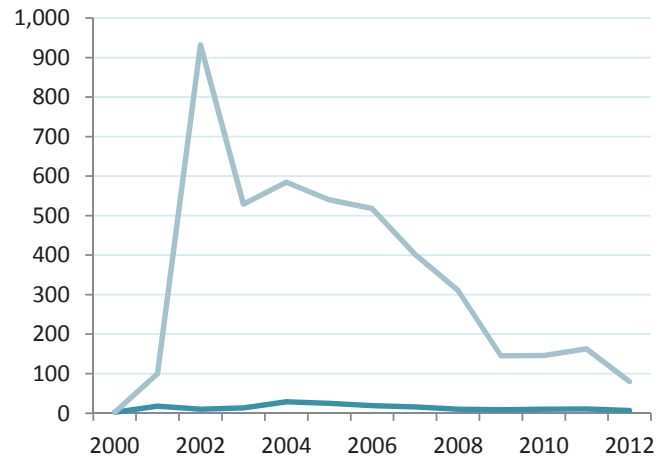
Sources: U.S. Census Bureau, 2007-11 American Community Survey (B19013, B19013A, B19013B, B19013I); Calculations by Mullin & Lonergan Associates, Inc.

Market Activity

According to HUD's State of the Cities Data System, the City of Evanston issued a total of 4,632 residential building permits between 2000 and 2012, 4,453 of which (96.1%) were for units in multi-family structures. Following a peak of 942 permits issued in 2002, the annual figure has fallen steadily since to 87 permits in 2012, a trend ostensibly reflecting the national housing market downturn that has persisted since the mid-2000s. The predominance of permits secured for multi-family development is consistent with stakeholder comments pointing to the large-scale reinvention of Downtown through the conversion or construction of condominium units as well as apartments.

FIGURE 3-27

Total Building Permits Issued Citywide, 2000 to 2012



Source: HUD SOCDs

FIGURE 3-28

Trends in Home Sales by Structure Type, 2008 to 2012

Year	Detached Single Family		
	Number of Sales	Median Sales Price	Average Days on Market
2012	431	\$440,000	141
2011	348	\$425,000	144
2010	376	\$437,000	146
2009	310	\$424,375	165
2008	334	\$543,500	141
% Change 08-12	29.0%	-19.0%	0.0%

Year	Attached Single Family		
	Number of Sales	Median Sales Price	Average Days on Market
2012	423	\$179,000	194
2011	364	\$206,250	174
2010	411	\$242,000	176
2009	371	\$240,000	174
2008	422	\$270,000	181
% Change 08-12	0.2%	-33.7%	7.2%

Year	2 to 4 Units		
	Number of Sales	Median Sales Price	Average Days on Market
2012	55	\$228,500	131
2011	53	\$205,000	173
2010	62	\$190,000	168
2009	47	\$203,580	237
2008	39	\$260,000	199
% Change 08-12	41.0%	-12.1%	-34.2%

Source: Real Estate Business Intelligence (RBI), 2011

During the last five years, home sales trends in the City demonstrate an increase in volume coupled with a decrease in price. Detached single-family homes sold for 19% less in 2012 than in 2008, though significantly (29%) more homes were sold in 2012. The average days on market have remained stable aside from a peak in 2009. These trends indicate ongoing demand, though the recovering market has not yet returned to the prices that prevailed at the local market's peak.

In Evanston, attached single-family homes sell at a rate similar to detached homes, though they are typically more affordable. Recent sales trends follow the same trajectories for this housing type. However, volume was greater in 2008 and prices have dropped at a greater rate (33.7%).

The median sales price has also dropped for homes containing two to four units, though notably, the average days on market for this category, 131 days in 2012, was lower than other housing types, indicating a tighter relationship between supply and demand.

4 RECORDS OF HOUSING DISCRIMINATION

This section analyzes the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Evanston citizens can receive fair housing services from a variety of agencies, the most locally prominent among which is Open Communities. Groups such as this provide education and outreach, sponsor community events, process fair housing complaints, and in some cases investigate complaints through testing, and/or work to promote a mutual understanding of diversity among residents.

Existence of Fair Housing Complaints

The number of complaints reported may under-represent the actual occurrence of housing discrimination in any given community, as persons may not file complaints because they are unaware of how or where to do so. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment

with that of another home seeker. Other times, persons may be aware of discrimination, but they may not be aware that it is against the law and that there are legal remedies to address the discrimination. Also, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing and following through with a complaint. According to the Urban Institute, 83% of those who experience housing discrimination do not report it because they feel nothing will be done. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the federal Fair Housing Act. Fair housing complaints originating in Evanston were obtained and analyzed for a period spanning the last 11 years. In total, 41 complaints originating in Evanston were filed with HUD between 2003 and 2013, an average of four per year. The volume of cases peaked in 2008 with eight cases filed, while one case was filed in 2005.

Analysis of the occurrence of complaints over time is more useful than analysis of complaints among various HUD regions, due to substantial differences in the size and demographic composition of regions and the presence or absence of other means of reporting complaints (to state or local enforcement agencies). However, there was no evident pattern of steady increase or decrease in complaints over the decade. Figure 4-1 shows the number of cases each full year from FY 2003.

In addition to number of complaints per year, filings included information on the basis of discrimination. Race was the most common basis for complaint, cited in 28.8% of all filings. This was followed by disability and national origin, which accounted for 26.9% and 19.2%, respectively. Retaliation, involved in 11.5% of total filings, was the only other basis to account for more than 10% of the total, as depicted in Figure 4-2.

Of the 38 housing discrimination complaints filed with HUD since 2003 related to Evanston properties, race was an issue in about 30%, disability in 27% and national origin in 19%.

10 of 25 complaints to IDHR in the last five years involved discrimination on the basis of physical or mental disability.

FIGURE 4-1
Frequency of HUD Cases based in Evanston, 2003-2012

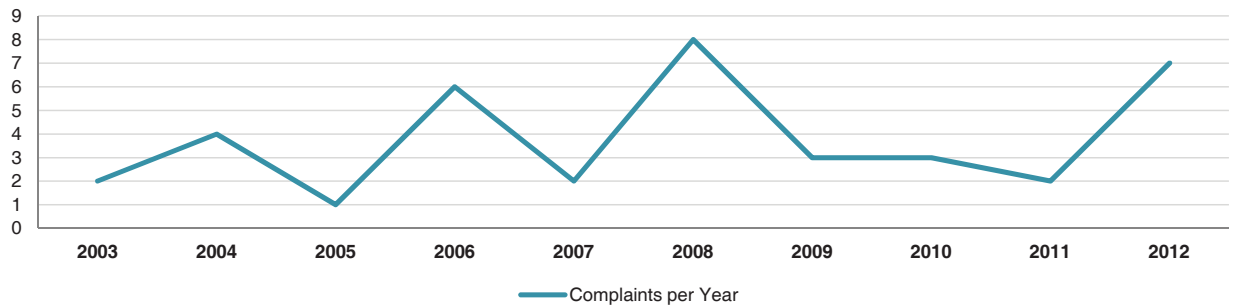
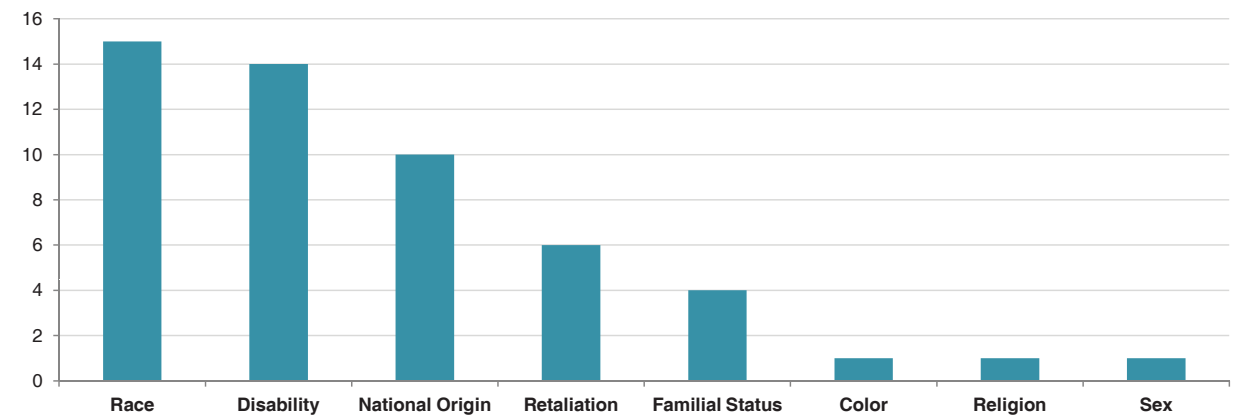


FIGURE 4-2
Issues Cited in HUD Discrimination Complaints, 2009-2012



Of the 40 complaints that HUD classified as resolved, 42% were found to be without probable cause. This occurs when the preponderance of evidence obtained during the course of the investigation is insufficient to substantiate the charge of discrimination. An additional 22% of the cases were “withdrawn after resolution” and 3% were “withdrawn without resolution.” These cases are considered to be administratively closed due to the complainant having dropped the case. Another 15% of cases were administratively closed for a variety of other reasons including a lack of jurisdiction, failure of the complainant to cooperate or inability to locate the complainant.

Three cases (8%) were conciliated with a successful settlement. A complaint is considered settled when all of the parties to the complaint enter into a conciliation agreement with HUD. Such agreements may include benefits for the complainant and affirmative action on the part of the respondent, such as civil rights training. HUD has the authority to monitor and enforce these agreements.

One case, a 2004 discriminatory refusal to rent on the basis of familial status, resulted in HUD charges. Finally, a determination of probable cause was issued in three cases that resulted in FHAP consent orders, in which the involved parties negotiated a settlement (independently or through an appointed judge) that was submitted to investigators as a voluntary agreement to resolve the case. Two of the FHAP cases involved discriminatory refusal to rent, and one involved refusal to make reasonable accommodation for a person with a disability.

B. ILLINOIS DEPARTMENT OF HUMAN RIGHTS

The Illinois Department of Human Rights (IDHR) submitted data on fair housing complaints it received on Evanston properties between July 2009 and June 2013. Previously, the Department provided data to the City on the period spanning July 1997 through November 2009. The City analyzed this data during the preparation of its 2010-2014 Consolidated Plan.

IDHR reported 25 filings during the last five years, equivalent to an average of about 5.5 cases per year. The most cases occurred in 2009, with seven cases filed that year, and 2010 had the lowest prevalence with only two cases. There was no clear pattern of increase or decrease in the number of cases filed.

Of the 25 total filings with IHDR, 10 (40%) alleged discrimination on the basis of mental or physical disability. This was significantly higher than the next two bases, race and national origin, each of which were involved in four cases (16%). Complaints based on disability and race constitute a large percentage of the bases for discrimination in both HUD and IHDR cases.

In terms of resolution, 15 cases (60%) were closed due to a lack of substantial evidence, one was administratively closed and another was closed due to a failure to proceed. An additional five cases were adjusted and withdrawn. One case was adjusted with terms, and two cases were found to involve substantial evidence of discrimination. Both of these involved complainants with disabilities.

Though IDHR enforces a state law that protects more classes than federal law (age, marital status, military status, sexual orientation), none of these additional classes were cited in IDHR’s Evanston complaints between 2009 and 2013.

C. COOK COUNTY COMMISSION ON HUMAN RIGHTS

The Cook County Commission on Human Rights (COHR) enforces the Cook County Human Rights Ordinance, adopted in 1993 and expanded since to include a wide range of protected classes. The ordinance prohibits discrimination based upon a person's race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, housing status or gender identity. This year, the law was updated to specifically protect Section 8 voucher holders from discrimination.

COHR enforces the ordinance by investigating, conciliating and conducting hearings on complaints of discrimination. In addition, the Commission develops and conducts educational programs designed to prevent discrimination before it occurs and to promote better relations among the County's diverse racial, ethnic, religious, cultural and social groups.

Complaints data received by COHR for cases originating in Evanston was not available for review in this draft.

D. CITY OF EVANSTON HUMAN RELATIONS COMMISSION

The City's Human Relations Commission (HRC) is the body designated to receive and investigate complaints related to the Evanston Fair Housing Ordinance. In provisions similar to the County's ordinance, the City's Commission is empowered to render findings and impose fines up to \$500 per violation.

The Human Relations Commission currently does not accept, process, investigate or resolve housing discrimination complaints. Any complaints the City receives are forwarded to Open Communities, a HUD FHIP agency that provides fair housing and other services across north suburban Chicago. The City of Evanston works closely with Open Communities on CDBG-funded fair housing activities, such as education, outreach and audits. Staff members from Open Communities are available at least one day per week in City Hall for consultation with residents, which provides an opportunity to file complaints locally.

Paired Testing for Housing Discrimination

Testing is the practice of sending pairs of people into the same situation to determine the presence of housing discrimination against members of the protected classes. For instance, a Black renter and White renter would be sent into the same community to determine whether the landlord offers equal treatment to both. Testers are encouraged to pattern their program pursuant to the HUD Fair Housing Initiative Program (FHIP) Private Enforcement Initiative. Testing may be conducted based on any protected class characteristics, but certain groups tend to focus on members of their community that have reported increased discrimination or groups that may be growing in numbers.

During a three-month period in 2011, the Interfaith Housing Center of the Northern Suburbs (now referred to as Open Communities) conducted a sales and rental audit at the request of the City of Evanston. The testing was designed to determine the existence of differential treatment based on disability, familial status and race. The organization selected four large rental companies operating units within the City for testing as well as scattered units for sale.

Tests analyzed the amount of time a housing provider spent with each tester, the courtesies extended, the terms offered, the number of units shown, the location of units suggested, the type of questions asked by the housing provider, the documentation requested, the follow-through of the housing provider, the comments made and any attempts at steering.

In total, testers conducted eight sales market audits, four of which focused on race and four of which focused on disability. Results indicated subtle discrepancies in treatment based on race. While the same courtesies were shown regardless of race, the number of homes shown to White testers outnumbered

those shown to Black testers. However, Black testers were generally shown homes in neighborhoods with higher White populations, counter to the historic definition of steering. No differential treatment was noted during tests based on disability.

An additional 12 rental tests focused on disability, race and familial status. Testers for disability discrimination did not experience any outright discriminatory actions; however, the severe lack of accessible rental units in Evanston revealed difficulties for persons with disabilities in finding affordable housing.

Similarly, testers reported no outright racial discrimination in the rental market. However, racial minorities were shown slightly different units and in slightly different neighborhoods than White testers.

Testers for familial status discrimination reported experiencing steering and illegal differences in fees. Specifically, married and non-married couples were required to pay different fees for the same unit. In addition, housing providers steered families seeking units near the Northwestern University campus away from the area.

The Center concluded that while these results reveal some level of discrimination in almost all housing interactions, the sample sizes were not large enough to reveal consistent discrimination or ongoing community problems. Additional testing at a greater scale is needed to continue to monitor type and severity of discrimination occurring in Evanston.

Paired testing revealed some discrimination in Evanston's rental market, particularly steering and differential treatment on the basis of familial status.

City Involvement in Fair Housing Cases

The City of Evanston is not involved in any housing discrimination lawsuit, nor is there any pending unlawful segregation order involving the City.

5 REVIEW OF PUBLIC SECTOR POLICIES

The analysis of impediments is a review of impediments to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin. Policies, practices or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status, or national origin may constitute such impediments.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. This section evaluates public policies in the City to determine opportunities for furthering the expansion of fair housing choice.

Policies Governing Investment of Funds for Housing and Community Development

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. The decline in federal funding opportunities for affordable housing for lower-income households has shifted much of the challenge of affordable housing production to state, county and local government decision makers.

The recent Westchester County, NY, fair housing settlement also reinforces the importance of expanding housing choice in areas outside of high-poverty concentrations of racial and/or ethnic minorities. Westchester County violated its cooperation agreements with local units of government which prohibit the expenditure of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the County's action to comply with its fair housing certifications. While the City of Evanston can practically accomplish only so much desegregation within its own jurisdiction, it must ensure that its entitlement funds are applied in ways that are consistent with this aim.

The City of Evanston receives federal entitlement funds from HUD in the form of:

- **Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- **HOME Investment Partnerships Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.
- **Emergency Solutions Grant (ESG):** The ESG program provides federal funds to provide homeless persons with basic shelter and essential supportive services. The funds can also be used for short-term homeless prevention assistance to LMI households.

In 2010, HUD awarded \$18 million in Neighborhood Stabilization Program (NSP) funds to the City of Evanston as part of NSP2, funded by the American Recovery and Reinvestment Act of 2009. The City did not receive first-round NSP funds either as a formula grantee or through competitive applications, but it was successful in securing NSP2 funds to purchase abandoned foreclosed properties and convert them to housing opportunities for buyers and renters. These activities may benefit households whose income is up to

120% of the area median and are contained within two census tracts: 8092, a historically Black neighborhood bounded by Green Bay Road, Emerson Street, Ashland Avenue, Church Street and McCormick Boulevard, and 8102 in South Evanston, bounded by Howard Street, Asbury Avenue, Oakton Street and rail tracks. Specifically, the City is using these funds to acquire and rehabilitate 100 units and to jump-start implementation of the West Evanston Master Plan with the development of Emerson Square, a blighted vacant industrial site.

Additionally, Evanston creates affordable housing opportunities through its Affordable Housing Fund, which is sustained by demolition fee payments and by developer contributions. The City requires that developers of new for-sale residences of 25 or more units either set aside 10% of units at affordable prices or contribute \$40,000 per required affordable unit to the fund. As of November 2012, the fund carried a balance of \$525,000. Anticipated uses include housing-related services such as landlord-tenant issues, as well as matching funds for the Homeless Management Information System (HMIS) database used by the Continuum of Care.

In FY 2013, the City of Evanston received \$1,668,544 in CDBG funds, \$250,418 in HOME funds and \$115,781 in ESG funds. By comparison with 2012, these amounts reflect fluctuations of 5.1%, 9.8% and -23.8%, respectively. However, over a longer term, the City's allocations have suffered large cuts that reflect nationwide reductions in funding distributed through HUD programs. Since FY 2009, the CDBG funds allocated to Evanston declined 14.7%, and HOME funds fell 56.4%.

The City's Five-Year Consolidated Plan for FY 2010-2014 identified and prioritized housing, community development and economic needs and strategies. The plan bases its identification of local needs in a comprehensive analysis of available data indicators and community outreach. The draft plan identifies a wide variety of high-priority needs, chief among which continues to be affordable housing. The City addresses this need through activities that:

- Stem foreclosure and stabilize local housing markets

- Increase the supply of affordable rental housing, especially for larger households
- Explore tenant-based rental assistance
- Preserve existing affordable units
- Fund single-and multi-family housing rehabilitation, and
- Assist LMI households to purchase homes.

Typically, CDBG funds blend with City funds to address improvements in the living environment, such as alley paving, sidewalk repair and curb cuts, parks and nonprofit public facilities. The City's CDBG revolving loan fund, which accepts applications year-round for single- or multi-family housing rehabilitation, currently has a balance of about \$200,000 and an outstanding portfolio of about \$2 million. In addition, CDBG funds support the City's target-area housing code compliance program, which results in more than 3,000 inspections each year.

Evanston typically provides traditional fair housing activities such as education, outreach, complaints investigation and/or testing through close work with Open Communities, a fair housing advocacy organization serving North Suburban Chicago. The City has supported the organization with CDBG and other funding sources. Currently, Open Communities has office space in City Hall, out of which it operates part-time office hours to provide assistance to residents.

The City's HOME allocation is typically devoted to the acquisition, construction and rehabilitation of rental and owner-occupied housing by CHDOs, nonprofit or for-profit developers. The City has initiated tenant-based rental assistance, allows it to address affordable housing need more rapidly and with less risk than project-based assistance. This program will assist 24 to 36 households over the course of 36 months to afford units in a variety of wards across the City, including neighborhoods in which real estate costs make project-based affordable housing development infeasible.

Sharp reductions in federal entitlement grant amounts have challenged the City's ability to create affordable housing opportunities. However, proactive efforts such as the Plan for Affordable Housing, the Affordable Housing Fund and the recently established TBRA program represent strong community will to address this need.

A. PROJECT PROPOSAL AND SELECTION

Evanston's Housing and Community Development Act (CD) Committee oversees the City's CDBG program, as well as the development of its Consolidated Plan, Annual Action Plan and CAPER documents. In late July of each year, nonprofit agencies, neighborhood groups and City departments are invited to submit applications for activities that are eligible to receive CDBG funding. Following the receipt of all applications by mid-September, the Committee provides the opportunity for each applicant to make a presentation at a public meeting.

The Committee then conducts a public meeting at which members determine CDBG funding recommendations for the upcoming year. The Committee's funding recommendations are distributed by email to all applicants and posted on the City's website for public review. The recommendations are subsequently incorporated into the City's Annual Action Plan, which is submitted to the City Council for approval before submission to HUD for approval prior to the start of the fiscal year. City Council typically accepts the recommendations as presented.

The allocation of HOME program funds is recommended by the City's Housing and Homelessness Commission (HHC), which reviews all funding requests for housing projects whose purpose is to increase the supply of affordable housing in Evanston. The City also has a Loan Review Committee comprised of local lenders and City Community Development Department staff that reviews all housing project applications proposed for HOME and/or Affordable Housing funds and makes recommendations to the Director of Community Development and the Housing Commission on these projects.

In 2012, the City changed its policy of accepting HOME applications on a rolling basis to establish an annual application deadline. This change, recommended by staff and the HHC, allows for a comparative review of proposals to ensure that the City funds the strongest projects. Upon receipt of proposals, staff underwrites proposed projects before they are presented to the Housing Commission for review and approval. Applications are then reviewed by the Planning and Development Committee or Human Services Committee before going to City Council. Council approval is required before HOME funds are committed to a project. All Commission, Committee and Council meetings are open to the public and offer the opportunity for public comment.

Nonetheless, stakeholders suggested that the distribution of funds for affordable housing is somewhat subject to local political influence. For instance, a developer reported that the City requires those proposing the development of affordable housing to specifically identify which properties would be affected, ostensibly to control the geography of affordable housing sites. However, sites identified at this early stage of the process would likely be unavailable by the time the project would begin; thus the requirement does not fit into a logical timeline, especially for the rehabilitation of single-family homes. In other communities, developers assemble funds for a project, then may select a site and negotiate.

Additionally, stakeholders reported that City Council decisions are unpredictable and not necessarily based on the work of commissions and staff or the merits of a project. A developer described Council's procedures and evaluation criteria as somewhat unclear, reporting that "it's difficult to work in an environment where you don't know what you're getting yourself into."

B. GEOGRAPHIC DISTRIBUTION OF INVESTMENTS

The processes for CDBG and HOME fund allocation are transparent and publicly promoted, involving primary screening by appointed public volunteer boards.

According to stakeholders, political influence enters the process when City Council considers recommendations.

A requirement for developers to specifically identify the **addresses** of affordable housing sites at the proposal phase appears to be an unnecessary and potentially inappropriate control on the geographic distribution of affordable housing.

The City should revise its HOME Program Guidelines to incorporate site selection standards that encourage the creation of new affordable housing opportunities outside racially/ethnically concentrated areas of poverty.

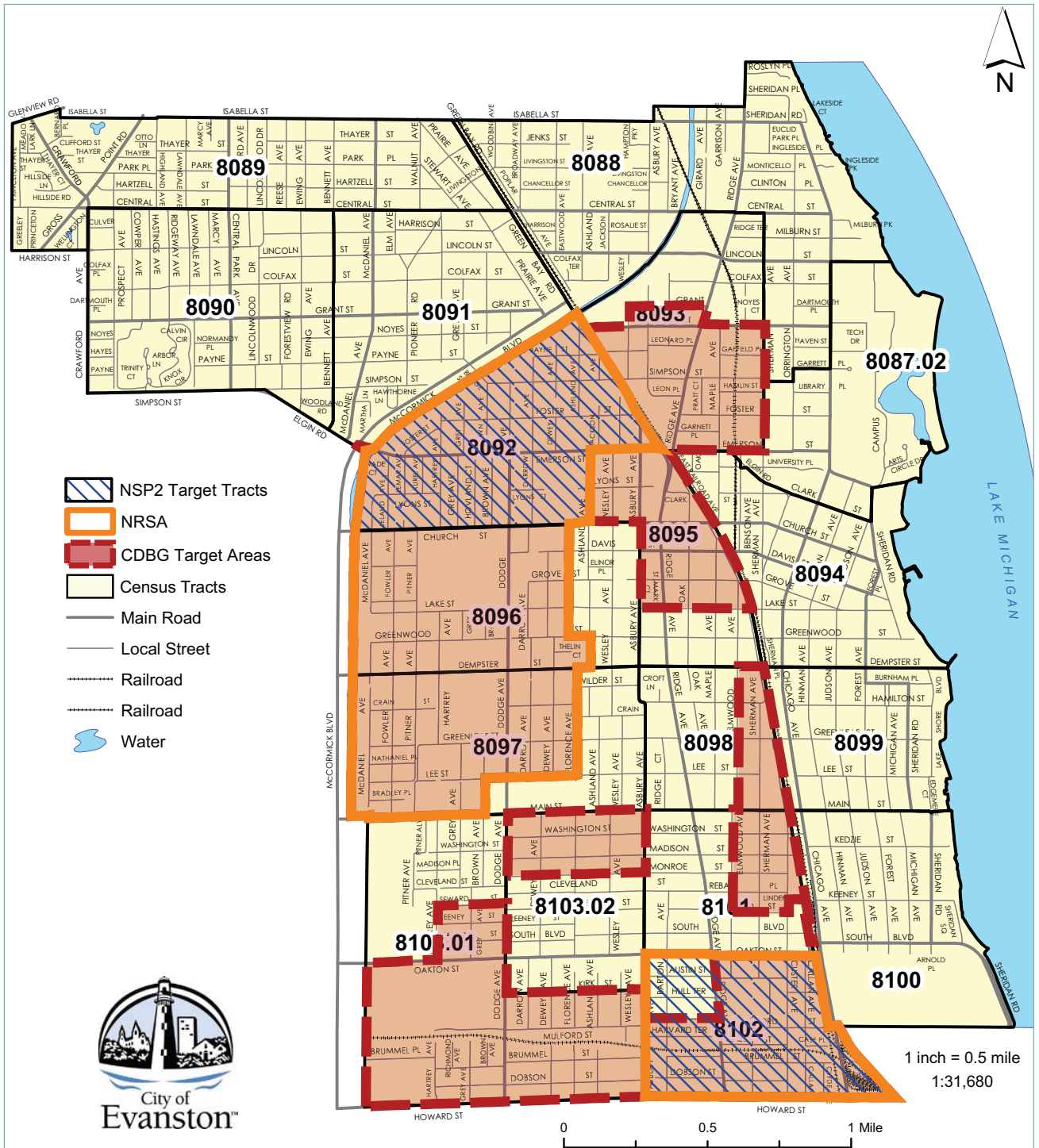
The City's CDBG-funded activities are directed to block groups that are at least 50.3% low/moderate income. These constitute Evanston's CDBG Target Areas, established in its 2005-2009 Consolidated Plan and carried through the current program year. The City administers its targeted code enforcement program within these neighborhoods.

Most CDBG-funded public improvements occur within the two NRSAs previously described. Single- and multi-family housing rehab and alley special assessments are available on a citywide basis, though their expenditures are also focused in the NRSAs based on need and eligibility. NRSAs, the CDBG Target Areas and NSP2 tracts are illustrated in Map 5-1.

With regard to the development and redevelopment of affordable housing, siting tends to be driven by developers, based on the feasibility of individual projects in proposed locations. The HOME Program Guidelines, Policies and Procedures packet does not advise applicants to consider site location relative to existing low-income minority concentrations. To comply with 24 CFR 983.6(b), site selection for HOME-assisted rehabilitated units must comply with several standards, including among other things, promoting greater choice of housing opportunities and avoiding undue concentration of assisted persons in areas containing a high concentration of LMI persons. For new construction, an additional standard is added. With few exceptions, site selection for new construction must include a location that is not in an area of minority concentration. To reconcile the need to balance affordable housing across a variety of neighborhoods with a need for greater flexibility for developers, the City could require identification of neighborhoods or tracts at the proposal phase.

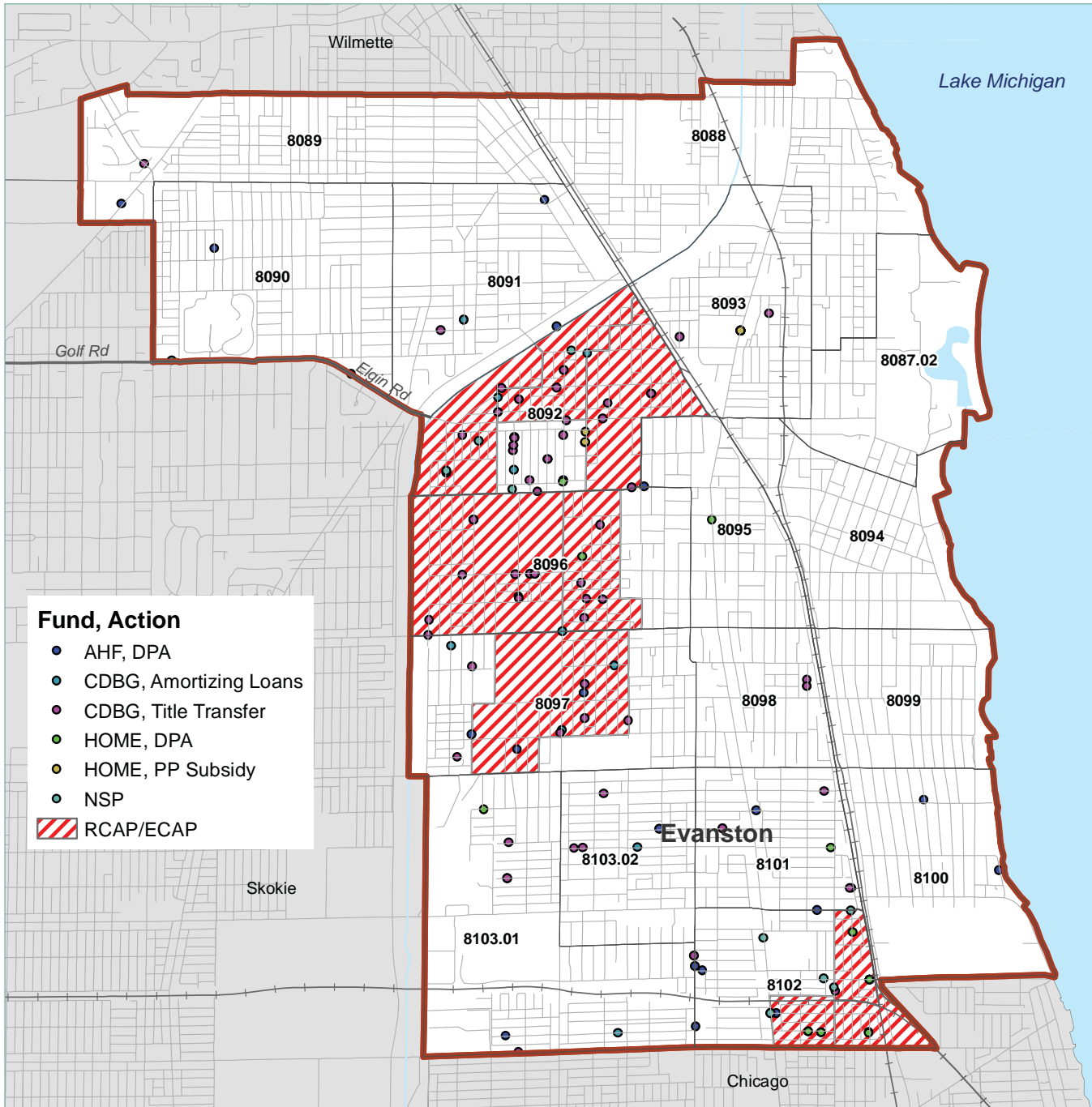
Map 5-2 demonstrates the City's efforts to balance the revitalizations of neighborhoods in need with the creation of affordable housing opportunities outside of racially/ethnically concentrated areas of poverty.

MAP 5-1
CDBG Target Area, NRSA and NSP-2 Target Tracts



MAP 5-2

CDBG and HOME Investments in Affordable Housing



C. AFFIRMATIVE MARKETING

The City is federally required to adopt affirmative procedures and requirements for all HOME-assisted housing with five or more units, per 24 CFR 200.615. Such a plan should include:

- Methods of informing the public, owners, and potential tenants about fair housing laws and the City's policies
- A description of what the owners and/or the City will do to affirmatively market housing assisted with HOME funds
- A description of what the owners and/or the City will do to inform persons not likely to apply for housing without special outreach
- Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness, and
- A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

The City of Evanston requires all applicants proposing projects with five or more HOME-assisted units to submit an affirmative marketing plan describing the target audience, types of advertising or informational distribution and a list of contacts who will receive the information. The applicant must submit a statement that it will not discriminate in the selection of residents on the basis of protected classes. Based on past records, the City anticipates at least 60% of HOME-assisted households to be minority households.

The City uses an Affirmative Fair Housing Marketing Plan template developed by the Illinois Housing Development Authority (IHDA), which requires developers/owners to identify groups least likely to apply for housing and select appropriate marketing activities. The template also requires developers/owners to describe which staff members will be carrying out marketing and how they will be trained. Finally, the template requires a description of how marketing efforts will be internally evaluated.

The City's use of this document could be complemented by adoption of its own plan or policy regarding affirmative marketing, specifically its expectations on how applicants will comply and how compliance will be monitored and enforced. When used aggressively, an affirmative marketing plan can act as a tool for integration.

For example, the City can require that the advertising of housing opportunities must begin at least 90 days prior to the initial or renewed occupancy for new construction and substantial rehabilitation projects, and that any residency preferences must be justified and evaluated to determine compliance with the non-discrimination and equal-opportunity requirements in 24 CFR 5.105(a). The City can also require that property management staff receive annual on-site training on fair housing laws and the Affirmative Marketing Plan.

The City can specify methods for its own monitoring of affirmative marketing efforts and state the consequences for noncompliance, which could include recapture of HOME funds and disallowance future participation in the City's HOME program. Additionally, the City may refer the matter to HUD and/or a fair housing rights organization.

The City could strengthen its use of IHDA's template for affirmative marketing plans by adopting its own policy or plan to specify how compliance will be monitored and what consequences exist for non-compliance.

Affirmative marketing requirements could also apply to CDBG and Affordable Housing Fund housing projects of five or more units.

Appointed Boards and Commissions

A community's sensitivity to fair housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships, and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals involved in housing matters. The expansion of fair housing choice requires a team effort and public leadership and commitment is a prerequisite to strategic action.

The following boards and commissions were identified to influence issues related to housing and land use in the City of Evanston. The City should continue to monitor and promote participation by members of the protected classes in public decision-making bodies such as these to ensure that their experiences and needs are reflected in public decision-making.

A. HOUSING AND COMMUNITY DEVELOPMENT ACT COMMITTEE

This body was established in 1974 to provide advice and recommendations to City Council on the goals, objectives and overall policy direction of the CDBG program; to make recommendations to Council on the use and appropriate of CDBG funds; to monitor the progress and performance of CDBG-funded programs and projects; and to conduct public hearings related to the CDBG program.

By ordinance, the Committee consists of eight members, four of which are aldermen of City Council and four of which are citizens at large. The City intends to appoint members from among those aldermen and citizens who reside in wards

representing CDBG target areas. The mayor appoints this Committee's chair, who must be an alderman.

As of August 2013, the Committee had 10 members, five of whom were aldermen. Membership was racially and ethnically diverse, including two White men, three White women, one Black man, two Black women, one Asian woman and one Hispanic woman.

B. HOUSING AND HOMELESSNESS COMMISSION

Evanston's Housing and Homelessness Commission exists to assist the City to provide for the planning, expansion, maintenance, conservation and rehabilitation of housing stock; to be responsive to needs for change in housing-related matters to the end of maintaining a diverse residential environment; to conserve property values within the community; and to combat homelessness. Among other duties, the commission comments on all housing-related expenditures of the Affordable Housing, ESG and HOME funds.

This 11-seat advisory committee is appointed by the mayor, such that at least two members have experience dealing with homelessness issues, at least one member resides in a rental unit in Evanston, at least one member is a landlord who owns at least one multi-family building in Evanston and resides in Evanston, and one member is an alderman.

As of August 2013, the Commission had eight members, including four White men, one White woman, one Black man and two Black women.

C. HUMAN RELATIONS COMMISSION

The Human Rights Commission (HRC) exists to foster, encourage and stimulate the improvement of human relations among and between citizens of all races, colors, creeds, national origins, sexes, ages, familial status, marital status, religions, physical/mental disabilities, sexual orientation and economic and educational levels so as to provide all with an equal opportunity to grow, participate and share in the City's economic, educational, political, social and judicial systems. Among other duties, the Commission enforces the Evanston Fair Housing Ordinance through the acceptance, investigation and resolution of discrimination complaints.

The HRC's nine members are appointed by the mayor. As of August 2013, race/ethnicity data was available for five of nine members, including two White females, two Black females and a Black male. The remaining four members included two males and two females.

D. PLAN COMMISSION

Evanston's Plan Commission formulates basic policies for a Comprehensive Plan, initiates studies concerning present and future development and redevelopment of the City, prepares recommendations for the annual revision of the Capital Improvement Plan and prepares an annual report on the adequacy of the Comprehensive Plan, the Zoning Ordinance and the Capital Improvement Plan as instruments of long-term development policy.

The Commission includes nine members appointed by the mayor as well as ex-officio members, including the Mayor, a designated member from each of the City Council Planning and Development and Administration and Public Works Committees, and the Planning and Zoning Division Manager.

Demographic data on 10 Plan Commission members was reported in August 2013. All eight members for which race data was reported were White. Eight members were male, and two were female. The only requirement for appointment is City residency, so the relatively low demographic diversity of this group does not stem from a stated selection preference for any particular professional expertise.

E. ZONING BOARD OF APPEALS

Among other responsibilities, the City's Zoning Board of Appeals is charged with hearing and deciding major variations from provisions of the zoning ordinance and hearing and making recommendations to City Council on applications for certain major variations and all special use permits.

As of August 2013, the seven members appointed by the mayor to this board included four White females and three White males.

Across all housing-related boards and commissions described here, 29 White members represent 72.5% of all 40 members for whom race/ethnicity was reported, slightly higher than the 67.6% share of City residents who are White. Nine Black members represented 22.5% of boards and commissions, slightly higher than the 19.5% population share of Blacks in Evanston. Asians and Hispanics were underrepresented, with one of each on a board (2.5% of members), compared to respective population shares of 7.6% and 9.1%. Men and women were equally represented, each accounting for precisely 50% of members.

Asians and Hispanics are underrepresented on the City's housing-related boards and commissions, though Blacks and women are proportionately represented.

Accessibility of Residential Dwelling Units

From a regulatory standpoint, local government measures to control land use, such as zoning regulations, define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspections procedures.

A. PRIVATE HOUSING STOCK

In Illinois, the Human Rights Act requires accessibility for persons with disabilities in certain multi-family dwellings built after March 13, 1991. This includes buildings of four or more units that have an elevator as well as ground-floor units in buildings of four or more units without an elevator. The Act's standards, detailed at 775 ILCS 5/3-102.1(C)(3), are consistent with those contained in the Illinois Accessibility Code for adaptable dwelling units. The Illinois Department of Human Rights encourages, but does not require, municipalities to determine whether the design and construction of newly constructed multi-family units meet state standards. Each local government that regulates design and construction does so according to its own adopted set of standards and procedures.

In September 2013, the City of Evanston adopted the 2007 International Building Code (IBC). HUD has reviewed the 2006 IBC to determine if the provisions are consistent with the accessibility requirements of the Fair Housing Act, the regulations implementing the Act, and the Fair Housing Accessibility Guidelines. Because the 2006 IBC references the 2003 edition of the American National Standards Institute (ANSI) A117.1 standard, HUD also reviewed this

standard. HUD determined that the 2006 IBC, with a 2007 erratum, constitutes a safe harbor for compliance with the design and construction requirements of the Act, HUD's regulations and the Guidelines, when used in accordance with HUD policy; therefore, use of the 2007 IBC would fall within a safe harbor for compliance. If a locality has adopted a safe harbor document such as this without modification to the provisions that address the Act's design and construction requirements, a building that is subject to these requirements would be deemed compliant, provided the building is designed and constructed in accordance with construction documents approved during the building permitting process and the building code official does not waive, incorrectly interpret, or misapply one or more of those requirements.

Such requirements are important in Evanston given the large number of high-density units that have been constructed in recent years, as newly constructed or substantially rehabilitated multi-family structures must incorporate a variety of accessibility features. However, the preponderance of these new units are not affordable to households with incomes below 80% of the median, a category within which persons with disabilities are overrepresented.

As the 2010 Consolidated Plan reported, much of the City's older housing stock is difficult to retrofit for accessibility because it consists of multi-story units with stairs. This is true of smaller two-to-four flats as well as larger three- or four-story structures. There are single-level ranch-style homes and elevator-equipped multi-family buildings within the existing

housing stock, and the City's rehab loan program is available to assist lower-income homeowners to make accessibility modifications.

B. PUBLIC HOUSING STOCK

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 requires that 5% of all public housing units be accessible to persons with mobility impairments. Another 2% of public housing units must be accessible to persons with sensory impairments. In addition, an Authority's administrative offices, application offices and other non-residential facilities must be accessible to persons with disabilities. The Uniform Federal Accessibility Standards (UFAS) is the standard against which residential and non-residential spaces are judged to be accessible.

The Housing Authority of Cook County (HACC) is currently under a Voluntary Compliance agreement with HUD with regard to the physical accessibility of its public housing inventory. HACC published a Section 504 Transition Plan in July 2013, which establishes a comprehensive construction schedule to modernize 98 units (5%) to achieve accessibility standards for people with mobility disabilities, in addition to ensuring that 2% of the inventory is accessible to those with sensory disabilities. Finally, HACC has examined all of its policies and programs as part of the Transition Plan to ensure that all promote inclusion of people with disabilities.

In a resident survey conducted in April 2013, 72 current residents reported mobility impairments, and one reported a sensory impairment. HACC reviewed its waiting list as of July 2013 and reported that 103 (2.9%) of 3,546 applicants identified themselves as disabled or in need of a modified unit, all of whom had mobility disabilities.

HACC owns and operates 244 public housing units in Evanston, including two buildings (Perlman and Walchirk apartments) of 100 units each set aside for elderly and/or disabled households and 45 scattered-site units. The Perlman building is a 10-story structure built in 1978. Two of its units were adapted for accessibility but require more work to achieve complete compliance. The Walchirk building, circa 1984, requires only uncomplicated renovations, according to the Transition Plan. The scattered sites consist of seven two-story townhome buildings that the plan states would require only uncomplicated renovations to achieve compliance.

In order to complete this work and ensure adequate accessibility of its public housing stock, the City of Evanston has worked with Cook County to close a gap by securing about \$3 million in HOME funds.

The supply of housing units accessible to persons with disabilities in Evanston is limited, due in large part to the age and configuration of the existing housing stock.

HACC is implementing a Section 504 Transition Plan to ensure that at least 5% of its public housing units are accessible to those with mobility disabilities, and an additional 2% are accessible to those with sensory disabilities.

Language Accommodations

HUD's guidance relative to Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," stipulates that a community can achieve compliance by providing certain services for LEP language groups with more than 1,000 persons or 1% of the population to be served. As noted in an earlier section of this report, the number of LEP Spanish speakers in Evanston exceeds 5,700. Although there is no requirement to develop a Language Access Plan (LAP) for persons with LEP, HUD entitlement communities are responsible for serving persons with LEP in accordance with Title VI of the Civil Rights Act of 1964. Preparation of a LAP is the most effective way to achieve compliance.

The City of Evanston leaves language accommodations up to the discretion of individual departments, which conduct outreach and inclusion efforts appropriate to the populations they serve. The Community Development Department, for example, publicizes the availability of accommodations for persons with language differences in both English and Spanish on meeting agendas and public notices. The City's Outreach Specialist developed a Spanish-language version of the notice of the 30-day public comment period for the Action Plan and distributed to Spanish-language media and organizations that serve significant numbers of Hispanics, including the Evanston Coalition for Latino Resources (ECLR). Certain other publications are made available in Spanish, such as mailings regarding the CDBG-funded alley special assessment program.

Stakeholders suggested that Citywide accommodations for Spanish speakers could be improved. One reported that a previous City position dedicated to Latino outreach has been eliminated. Though the City's 311 system can

accommodate Spanish callers, Latino access is still limited by cultural barriers. Even if there are Spanish materials in print, the advocate said, the absence of someone who looks like you and speaks your language represents a barrier to accessing programs and services.

To determine the extent to which it is adequately reaching and serving its target populations, the Community Development Department (and potentially other City departments) should complete an LAP. An LAP involves a four-factor analysis to evaluate the need for translation and/or other accommodations based on four factors:

- The number or proportion of persons with LEP to be served or likely to be encountered by the program
- The frequency with which persons with LEP come into contact with the program
- The nature and importance of the program, activity or services provided by the program, and
- Resources available to the grantee vs. costs

The CD Department should adopt a formal Language Access Plan to specify how the agency will ensure access to programs and services for the City's growing Hispanic population.

The City should consider reappointing a point person for outreach to the growing Latino population.

Land Use and Comprehensive Planning

A community's comprehensive plan is a statement of policies relative to new development and preservation of existing assets. In particular, the land use element of the comprehensive plan defines the location, type and character of future development. The housing element of the comprehensive plan expresses the preferred density and intensity of residential neighborhoods within the county. Taken together, the land use and housing elements of the comprehensive plan define a vision of the type of place that a community wishes to become.

The City of Evanston is in the process of updating its Comprehensive General Plan, which was last updated in 2000. The update, anticipated to be completed in Summer 2014, will incorporate changes to the City's composition, growth, market and expectations as well as many new neighborhood and district plans that have been approved since the last Plan.

The 2000 Comprehensive General Plan updated the 1986 edition. It examines and seeks to build upon the City's assets in the context of regional change by articulating a series of long-range planning goals. The Plan addresses the relative strengths and challenges of general land use, public facilities, circulation and the community environment in Evanston.

The introduction of the 2000 Plan identifies community strengths, including excellent public transit links to Chicago, the presence of Northwestern University, diversity in housing styles, types and prices to accommodate renters and owners, a high rate of property value appreciation, an appealing community aesthetic and a system of quality public education. The City's distinct character, according to the Plan, is derived from its physical, economic and cultural strengths.

Among the challenges facing the City are its fully built-out status, which drives up land costs, relatively high property taxes, a housing market perceived as comparatively expensive, the loss of regional competitive advantage as a manufacturing and corporate office location due to the shift of commercial growth centers toward regional highway corridors, and aging infrastructure.

Housing covers the largest share of land area in Evanston, 45%, followed by roads, alleys and railroads, which comprise 25%. Commercial uses, 11% of all land, are found in neighborhood business districts, commercial corridors and industrial areas as well as the Central Business District. There is little vacant land in the City, though individual redevelopment projects and adaptive reuse constitute some adjustments to the pattern. The 2000 Plan identifies sites ripe for redevelopment, such as parcels along Chicago Avenue with transit access that would be well suited for multifamily housing.

The 2000 Plan anticipated "potential for increased residential activity" Downtown, predicting what would become transformative large-scale investment. This was made possible in part by the City's commitment to encourage creative adaptive reuse of properties, spurring growth while using tools such as zoning standards and the Site Plan and Appearance Review process to ensure that development fits into the established character of the community.

The overarching goal of the Plan's housing section is to maintain and enhance the desirability and range of choice, in terms of style and price, that the housing stock offers to both buyers and renters. To accomplish this, the Plan advanced the following objectives, each of which is accompanied by recommended action steps:

- Maintain and enhance property values and positive perceptions of housing in Evanston
- Address concerns about cost and affordability
- Address high property tax concerns
- Preserve Evanston’s historic residential architecture and ambience
- Address poor housing conditions which detract from neighborhood quality of life

With regard to affordability, the Plan recommended conducting a housing market study with a focus on issues affecting LMI households. This was completed in 2009 in the form of the Plan for Affordable Housing, in which Evanston’s Affordable Housing Task Force studied ways to effectively and efficiently meet residents’ need for affordable housing. The Plan for Affordable Housing is a document both visionary and specific in its description of the local housing landscape and the strategies it identifies to address challenges. Among other goals, the Plan for Affordable Housing suggested redesigning City departments and nonprofit agencies related to affordable housing retention and production to make them more efficient, transparent, proactive and responsive to housing needs. Additionally, the Plan identified a need to increase public knowledge and political support for affordable housing within the community.

The 2000 Comprehensive General Plan also recommended that the City encourage proposals from the private sector to maintain the supply of moderately priced housing, both rental and owner-occupied. The City’s Inclusionary Housing Program, effective since March 2007, went beyond suggestion to compel developers to include affordable units in for-sale residential developments of at least 25 units. The program requires 10% of the units in such developments to be available to LMI households at below-market prices. Planners report that due to the timing of the ordinance within the context of the national housing market downturn, it hasn’t yet generated a large number of affordable units. However, the City has extracted affordable

housing in negotiations with developers during the last five years, and in a couple of cases, negotiations resulted in developers contributing to the Mayor’s Affordable Housing Fund.

To address housing quality, the 2000 Plan recommended the maintenance of high property standards, aggressive code enforcement and the provision of assistance to LMI owners. The City planned to focus rehabilitation incentives on multi-family structures in areas of high rental turnover.

Overall, though the Plan does not include stated intentions of desegregation and inclusion on the basis of race or ethnicity, its consistent policy aims to lower barriers to access by lower-income renters and owners would have this effect. The 2000 Plan achieves a balance between preserving community character and striving to provide a wide range of residential options to a variety of household types. Perhaps most meaningful is the extent to which housing aims of the 2000 Plan have been implemented, creating policy documents and laws to further promote affordable housing in the City.

The City has implemented strategies within its 2000 Comprehensive General Plan to increase the availability of affordable housing.

Evanston’s vision continues to involve a balance between preserving community character and embracing growth.

The City should consider amending its Inclusionary Housing Program to additionally apply to rental units.

Zoning and Other Regulations

In Illinois, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The analysis of zoning regulations was based on the following five topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning and transit-oriented developments)
- Minimum lot size requirements
- Regulatory provisions for housing facilities for persons with disabilities (i.e. group homes) in single family zoning districts
- Restrictions on the number of unrelated persons in dwelling units.

A. DATE OF ORDINANCE

Generally speaking, the older a zoning ordinance, the less effective it will be. Older zoning ordinances have not evolved to address changing land uses, lifestyles and demographics. However, the age of a zoning ordinance does not necessarily mean that the regulations impede housing choice for members of the protected classes.

Evanston's zoning ordinance dates to 1993, though it has been amended since. A 2009 Downtown plan calls for a complete rezoning of the area, though this has not yet been implemented.

B. RESIDENTIAL DISTRICTS AND PERMITTED DWELLING TYPES

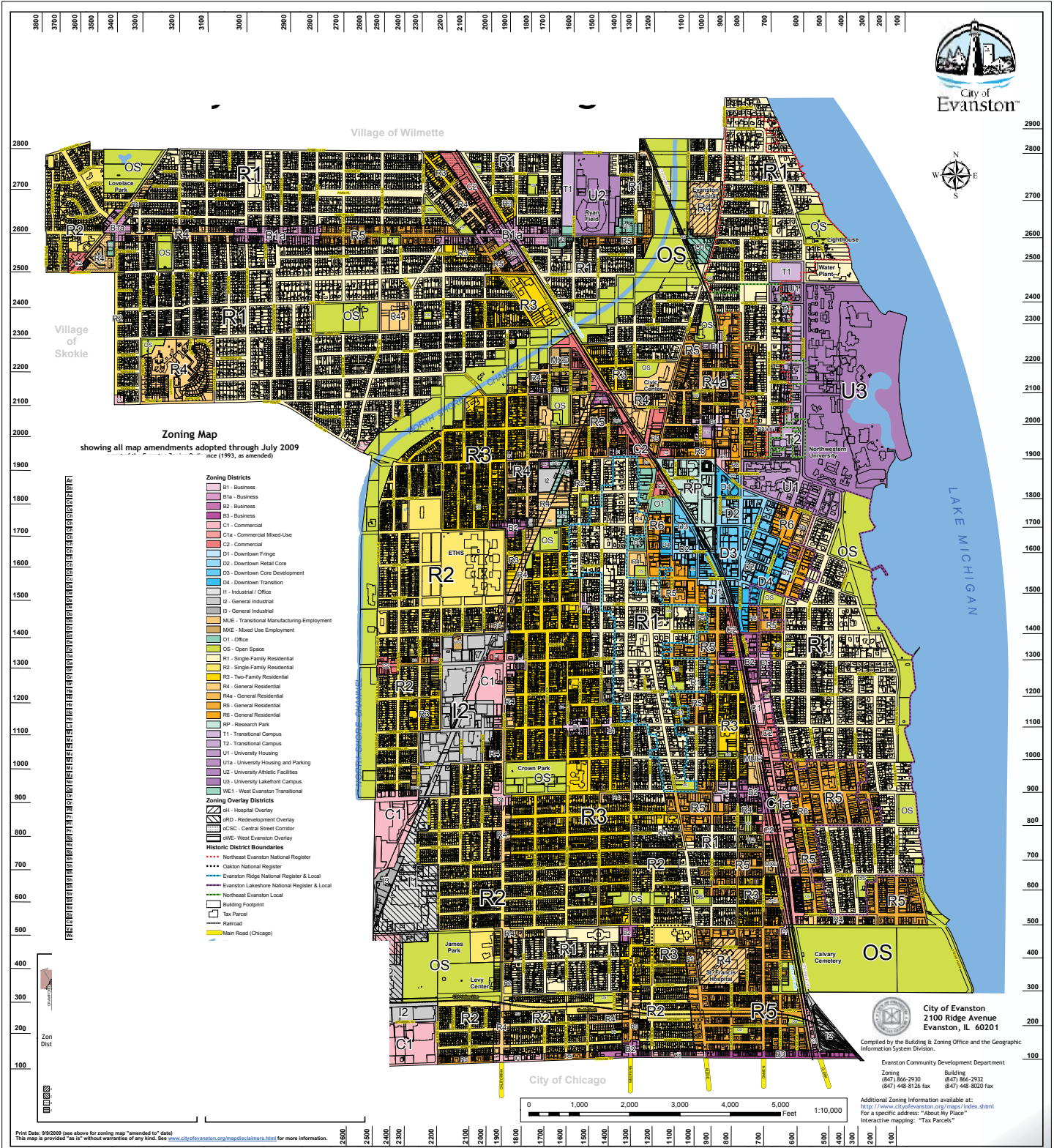
With regard to fair housing concerns, the characteristics of each zoning district, especially permitted land uses, minimum lot sizes, and the range of permitted housing types are significant. Specific attention was paid to the availability to develop multi-family housing, which encourages more economical use of space that can provide lower rents and more affordable housing units. Restrictive forms of land use that exclude multi-family housing discourage the development of affordable housing. Allowing varied residential types reduces potential impediments to housing choice for members of the protected classes.

Evanston's ordinance establishes an extensive variety of residential zoning categories. Less dense districts include single-family R1 and R2, both intended to preserve existing physical character while allowing for infill, and the two-family R3. The more dense residential districts, R4, R4a, R5 and R6, all allow for a mix of residential types at moderate, medium and high density. Buildings may be up to 2.5 stories in R4 and R4a, up to six stories in R5 and up to eight stories in R6, which consists primarily of multi-family structures in and around Downtown.

The built-out status of the City limits the amount of developable land overall, but redevelopment and adaptive reuse have facilitated the creation of a large volume of multi-family units, both rental and owner, during the last five years. The zoning ordinance does not appear to present any general impediment to the development of smaller or more densely oriented housing. Map 5-3 illustrates the distribution of districts across the City, demonstrating appreciable variety.

MAP 5-3 City Zoning Districts

Source: City of Evanston Planning and Zoning



C. RESIDENTIAL LOT SIZE CONTROLS

Because members of the protected classes are often also in low-income households, a lack of affordable housing may impede housing choice. Excessively large lot sizes may deter development of affordable housing. A balance should be struck between areas with larger lots and those with smaller lots that will more easily support creation of affordable housing. Finally, the cost of land is an important factor in assessing affordable housing opportunities. Although small lot sizes of 10,000 square feet or less may be permitted, if the cost to acquire such a lot is prohibitively expensive, then new affordable housing opportunities may be severely limited, if not non-existent.

The largest per-unit lot minimum in Evanston is 7,500 square feet in R1, followed by 5,000 in R2 and 3,500 per unit for a duplex in R3. Nonetheless, land in Evanston is widely regarded to be relatively expensive, so in some cases -- and particularly in some neighborhoods -- the acquisition of property to develop affordable housing is still prohibitive.

Though minimum lot size requirements in the City are not prohibitively large, land costs throughout Evanston and in particular neighborhoods represent a barrier to the development of affordable housing.

D. DEFINITION OF FAMILY

Restrictive definitions of family may impede unrelated individuals from sharing a dwelling unit. Defining family broadly advances non-traditional families and supports the blending of families who may be living together for economic purposes. Restrictions in the definition of family typically cap the number of unrelated individuals that can live together. These restrictions can impede the development of group homes, effectively restricting housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

Currently, Evanston defines family as one of four types:

- Type A: One or more persons related by blood, marriage, or adoption living together as a single housekeeping unit in a dwelling unit.
- Type B: Two unrelated persons and their children living together as a single housekeeping unit in a dwelling unit.
- Type C: A group of not more than three unrelated persons living together as a single housekeeping unit in a dwelling unit.
- Type D: A group of two or more persons containing within it one or more Type A or Type B families living together in as a single housekeeping unit in which the adult occupants are affiliated with a nonprofit corporation organized for religious purposes chartered by the state of Illinois.

The definition specifically excludes clubs, lodges and fraternity/sorority houses.

Effectively, the definition means that a household containing more than three unrelated people may not live together. This is a topic currently under debate in Evanston, as proponents of a more open and inclusive definition argue that the current restriction is outdated and arbitrary.

Ostensibly, the restriction remains in place at least in part to control overcrowding in student dwellings. However, the North Shore-Barrington Association of Realtors has argued that occupancy standards should be uniform regardless of familial status. Safety, they argue, is a separate issue being used as a red herring to support restrictions on unrelated people living together.

For instance, in its claim that the current restrictions cling to antiquated notions of family, the Association points out that Evanston would allow a married couple with two children and two boarders to live together, or an unmarried couple each with five children, but it would not allow two unmarried couples or four unrelated seniors to share living space, regardless of the size of the unit. The Association believes that Evanston's restrictive definition of family increases housing costs and prices some out of the community.

Given the socio-economic diversity and prevalence of renters in Evanston and the City's goal to expand the availability of affordable housing options, the City should adopt a more open and inclusive definition of family, based on function rather than the relationship between individuals.

E. REGULATION OF GROUP HOMES FOR PEOPLE WITH DISABILITIES

Protection for persons with disabilities was incorporated into the Fair Housing Act via amendment in 1988, since which time much litigation has sought to clarify how the Act relates to how local governments may regulate group homes that serve members of the protected classes, such as the disabled. Two primary purposes of a group home residence are normalization and community integration. Because a group home for the disabled serves to provide a non-institutional experience for its occupants, restrictions that prevent this type of use in a single-family residential neighborhood are contrary to the purpose of a group home. More importantly, unless the conditions executed a group home are executed against all residential uses in the zoning district, they represent unequal treatment on the basis of protected class status. The U.S. Department of Justice and HUD have determined that distancing requirements on group homes for persons with disabilities are generally inconsistent with the Fair Housing Act.

Evanston maintains two categories for residential care homes. The first type, with four to eight residents, may locate by right in any residential district, given the condition that no such use may exist within 900 feet of another such use. The second type, with nine to 15 residents, is permitted by right in dense residential districts, but requires a special use permit in R1, R2 and R3, which requires approval by the zoning board and City Council. Neither type includes group homes for people who are currently addicted to alcohol or narcotic drugs or are criminal offenders serving on work release or probationary programs.

Where buffer restrictions such as these exist in communities, it is typically for the purpose of avoiding the saturation of more affordable neighborhoods with group homes. However, eliminating all properties

within 900 feet of an existing group home for consideration very literally limits housing choice for people with disabilities, who should be permitted to integrate within the community without stigma. The issue is especially problematic in communities where many neighborhoods would be prohibitively expensive for a group home to locate. While the City of Evanston continues to ensure that group homes are not concentrated in LMI areas, it must also continue to ensure that its buffer requirement does not effectively zone group homes out of the City entirely.

The issue of siting group homes was at the heart of a 2007 settlement agreement between Sarasota County, Florida, and the U.S. Department of Justice. The settlement resulted from multiple lawsuits charging that the County's 2004 decision not to allow multiple group homes on the same street amounted to discrimination. While the County cited a policy to avoid concentration of community residential homes, the Department of Justice contended that the enforcement of state law was inappropriate, as these should be "family" homes not requiring licensing or separation. The settlement did not constitute an admission of wrongdoing, but the County agreed to pay \$760,000 in damages and implement additional fair housing training, procedures and monitoring.

Other communities across the country continue to administer zoning ordinances that impose distancing requirements on group homes for residents with disabilities. However, the discrepancy these regulations represent with the Fair Housing Act leaves them vulnerable to legal challenge.

The City must ensure that its buffer requirements for residential care homes do not zone this land use entirely out of areas where it is financially feasible for them to exist.

F. NUISANCE PREMISES ORDINANCE

Evanston's Nuisance Premises ordinance, amended by the City Council in 2007, empowers the Police Department to hold landlords, managers and building owners accountable for encouraging or permitting criminal activity on their properties. It allows the Chief of Police to deem a property to be a "nuisance premises" after either one felony or two misdemeanors/ordinance violations, specifically arrests or citations, occur within a six-month period on-site. Once a property is declared a nuisance, the ordinance requires that the property owner/manager meet with the Chief of Police within 30 days to develop and implement measures designed to abate the nuisance. Property owners/managers who fail to implement a successful plan of correction may ultimately receive fines from the City's Division of Administrative Hearings.

Evanston's Nuisance Premises ordinance is cited by the Shriver National Center on Property Law in its August 2013 report "The Cost of Being 'Crime Free,'" which states that such laws can harm victims of domestic violence, people with disabilities and other tenant families. In the particular case of Evanston's ordinance, the City creates strong incentive for landlords to evict entire tenant households whenever a tenant, household member, guest or other person on site is accused of criminal or other nuisance activity. The Shriver report concludes that the threat of eviction or other penalties as a result of calls to the police can deter crime victims, especially victims of domestic violence, from seeking assistance or reporting crimes. Additionally, maintaining such an ordinance opens the door to discriminatory enforcement that targets certain tenants/properties for reasons that may not be legitimate.

Additionally, the Shriver report concludes, such ordinances may violate fair housing laws because the groups protected by these laws (women, racial and ethnic minorities, people with disabilities, persons with protective orders) are disproportionately likely to experience harmful impact of these ordinances.

The City's legal department should conduct a detailed review of its Nuisance Premises Ordinance within the context of the Shriver report to determine whether its enforcement is inconsistent with applicable fair housing laws.

Public Housing and Voucher Programs

A. CURRENT INVENTORY AND TENANTS SERVED

The Housing Authority of Cook County (HACC) serves the suburban portion of the County with the exception of Cicero, Maywood, Park Forest and Oak Park, communities which have separate housing authorities. HACC owns and operates 2,026 units of public housing, 244 of which are located in Evanston. The Perlman and Walchirk apartment buildings offer 100 and 99 units, respectively, of single-bedroom housing for seniors and persons with disabilities. The scattered sites consist of seven two-story townhome buildings that house families in two-, three- or four-bedroom units. As noted in a prior section of the AI, HACC is currently implementing a Section 504 Transition Plan to ensure that at least 5% of its public housing units are accessible to those with mobility disabilities, with an additional 2% accessible to those with sensory disabilities. Details on HACC's inventory appear in Figure 5-1.

HACC provided demographic and economic data for its public housing residents as of August 2013. Across all sites, half of all residents were elderly, and 1,043 households (57%) included a member reporting a disability. Only 39% of public housing residents were White, compared to 67.7% of HACC's service geography, the balance of Cook County. Black households were overrepresented in public housing, accounting for 58% of tenants but only 15.8% of total households in the area HACC serves.

HACC maintains separate wait lists for each of its sites. In Evanston, the list for the 100 units at Perlman Apartments totaled 392 households, 92 of which (23.5%) were elderly and 291 of which (74.2%) reported a disability. Of Perlman applicants, 43% were White and 43% were Black. The wait list for the 99 units at Walchirk Apartments totaled 378, 95 of which (25.1%) were elderly and 276 of which (73%) had a member with a disability. The racial composition of the Walchirk wait list was similar to the wait list at Perlman.

The waiting list for Evanston's scattered-site family public housing was far longer, with more than 1,300 families listed at each of two developments. About 80% of households on the waiting list for these units were Black, and 13% reported a disability.

The length and composition of the waiting list for scattered-site family public housing in Evanston supports the need stated in the Comprehensive General Plan for affordable units for large families.

While racial segregation persists across public housing developments, HACC allows applicants to exercise preferences among sites.

FIGURE 5-1
HACC Public Housing Inventory

Development	Location	Units	Units by Type		Number of Bedrooms					
			Family	Elderly/ Disabled	0	1	2	3	4	5
Albert Goedke House	Arlington Heights	119		118		118	1			
Sunrise Apartments	Chicago Heights	120	120			40	40	32	8	
Golden Towers I	Chicago Heights	70		69	13	56	1			
Golden Towers II	Chicago Heights	57		57		57				
John Mackler Homes	Chicago Heights	37	37				19	8	10	
Daniel P. Bergen Homes	Chicago Heights	15	15				9	6		
Henrich House	Des Plaines	129		128		128	1			
Jane R. Perlman Apartments	Evanston	101		100		100	1			
Victor L. Walchirk Apartments	Evanston	100		99		99	1			
Scattered Sites	Evanston	26	26				8	16	2	
Scattered Sites	Evanston	19	19				8	7	4	
Vera L. Yates Homes	Ford Heights	116	115			27	20	32	24	12
Celina Blake Homes	Ford Heights	96	96			8	20	44	20	4
Franklin Apartments	Franklin Park	126		125		125	1			
Turlington West Apartments	Harvey	150		149		149	1			
Huntingdon Apartments	Niles	127		126		126	1			
Juniper Towers	Park Forest	106		105		105	1			
Riverdale Senior Housing	Riverdale	35		35		35				
Richard Flowers Homes	Robbins	100	100			24	28	30	18	
Edward Brown Apartments	Robbins	75		72		72	1			
King Apartments	Skokie	127		126		126	1			
Summit Senior Housing	Summit	60		59		54	6			
Summit Senior Villas	Summit	3		3		3				
Wheeling Tower	Wheeling	99		98		98		1		
Scattered Sites	Wheeling	13	13				12	12		
TOTAL		2,026	541	1,469	13	1,550	181	188	86	16

Source: Housing Authority of Cook County, August 2013

FIGURE 5-2
Characteristics of HACC Public Housing Residents

	Current Residents	
Total households	1,829	100.0%
Income level		
Extremely low income (30% or less of AMI)	1,591	87.0%
Very low income (30.1% to 50% of AMI)	201	11.0%
Low income (50.1% to 80% of AMI)	37	2.0%
Household type*		
Elderly	915	50.0%
Member with disabilities	1,043	57.0%
Race and ethnicity		
Black	1,060	58.0%
White	713	39.0%
Asian	56	3.1%
Characteristics by Bedroom Size		
One bedroom	1,518	83.0%
Two bedrooms	128	7.0%
Three bedrooms	110	6.0%
Four bedrooms	55	3.0%
Five bedrooms	18	1.0%

Note: Totals do not all reconcile due to different response totals across categories.

* Categories are not mutually exclusive.

Source: Housing Authority of Cook County, August 2013

Compared to their overall population share, Black households are overrepresented among HACC residents and voucher holders, especially among those living in or seeking a family unit.

HACC acknowledges that patterns of racial/ethnic segregation continue to exist across its public housing, with particular differences between elderly/disabled and family developments. However, the Authority has taken actions specifically designed to desegregate its developments. Its application system is structured to maximize housing choice, allowing applicants select preferential sites. Applicants may reject several unit offers without losing their place on the waiting list.

B. HOUSING CHOICE VOUCHER PROGRAM

As of August 2013, HACC administered 13,234 vouchers, including home ownership, tenant-based and project-based vouchers. Four in every five voucher households were Black. Of the total, 4,658 households (35.2%) had a member with a disability, substantially lower than the share of public housing tenants reporting a disability (57%). About 20% were elderly, compared to 50% of public housing residents. Even given HACC's Voluntary Compliance Agreement to retrofit its public housing inventory to increase accessibility, these figures suggest that public housing is a comparatively attractive option for lower-income Cook County households with a disabled member.

However, this is apparently not due to the inability of voucher holders with disabilities to locate and secure suitable units. Many things work in the favor of such households, including HACC's willingness to extend the search period beyond 60 days as a reasonable accommodation, HACC's use of payment standards by zip code, which allows for greater subsidy in more expensive neighborhoods, and new protection for voucher holders under Cook County's discrimination prohibition on the

basis of a renter's source of income. This change does not force landlords to rent to all voucher holders, but it does force landlords to consider the applications of voucher holders, whereas previously they were legally permitted to refuse to rent to voucher holders on principle, and it means that voucher holders cannot simply be rejected on the basis that the landlord does not wish to participate in the program. However, landlords may price themselves out of the program where the market will bear higher rent. HACC staff reported that it is more difficult to find affordable units in the northern area of its jurisdiction, which would include Evanston, than in the south.

Map 5-4 illustrates the distribution of HACC voucher holders in Evanston. Prices in the private rental market are a primary driver of the concentration of voucher holders in higher-poverty areas, though HACC's ability to set payment standards by zip code (as opposed to metropolitan area, as is the case for most housing authorities across the country) allows voucher holders some ingress into neighborhoods that would be otherwise out of reach.

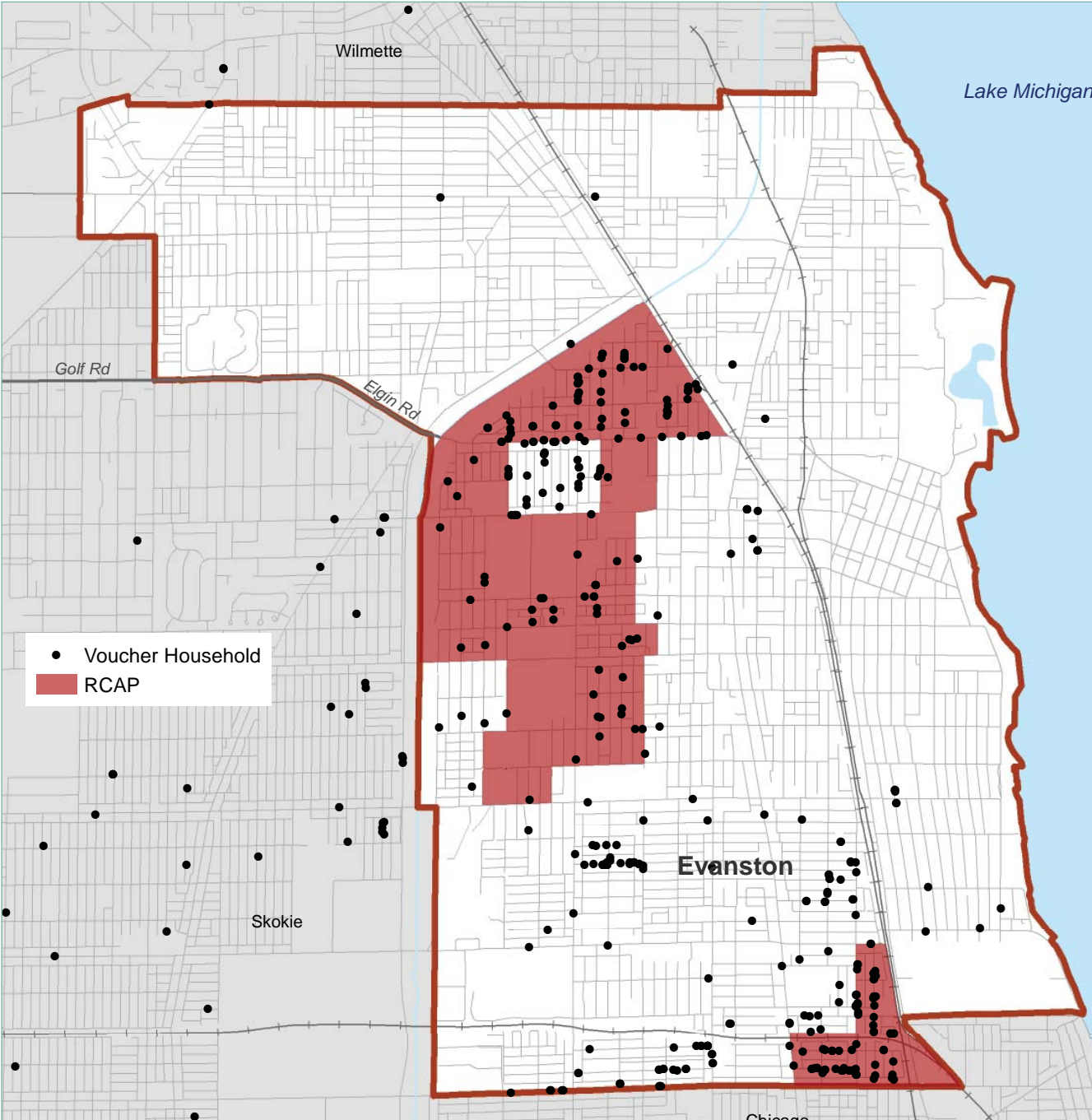
Voucher holders in Evanston are clustered primarily in racially concentrated areas of poverty, a reflection of lower market rents in these neighborhoods.

HACC benefits from important tools for regional socio-economic and racial/ethnic integration, including Cook County's protection against discrimination for voucher holders and the ability to set payment standards by zip code.

MAP 5-4

Comparison of Voucher Households with RCAPs/ECAPs

Data source: HACC, August 2013



As of August 2013, HACC's voucher waiting list included 8,445 households and was closed. There were no plans to re-open the list. Families with disabilities represented 18.1% of the list, and 267 elderly households accounted for only 3.2%. More than three in every four households waiting for a voucher were Black.

HACC participates in the Chicago Regional Housing Choice Initiative (CRHCI), a regional pilot program to implement HUD's "access to opportunity" principles. In May 2011, HACC and six other area public housing authorities joined the Chicago Metropolitan Agency for Planning, the Metropolitan Mayors Caucus, the Metropolitan Planning Council, workforce investment boards and other civic agencies in initiating a scaling-up of existing efforts to create regional housing choice for voucher households.

The same seven housing authorities continue to administer the Regional Housing Initiative (RHI), a unique collaboration to pool project-based vouchers to support regional development and preservation priorities. Both CRHCI and RHI remain national models for removing barriers to housing choice.

The RHI was formed to provide financial incentives in the form of operating subsidies to developers and owners of quality rental housing. The public housing authorities involved have agreed to make project-based subsidies (RHI vouchers) available for up to 335 rental housing units in developments throughout the metropolitan region in order to address an unmet need for quality affordable rental homes near good jobs, transit options, quality schools and other attractive amenities. RHI provides project-based subsidies that can serve as a dependable funding stream that can keep apartments affordable for 15 or more years.

The vouchers generally fund the difference between reasonable market rents and the tenant's rent payment. Tenants are required to pay 30% of gross monthly income, plus a utility allowance. RHI is intended to foster economically diverse living environments; therefore, no more than 25% of a development can receive RHI vouchers, except in the case of special needs housing. RHI vouchers/units can constitute 100% of the units in a development of supportive housing for people with disabilities.

To date, RHI has awarded operating subsidies to more than 300 apartments in 18 developments, facilitating the construction or rehabilitation of more than 900 total mixed-income units. The program includes a resident selection preference for people working within 12 miles of each development.

Among the activities initially planned by CRHCI to build upon RHI were to:

- Create two region-wide waiting lists (one for households interested in project-based opportunities and the other for tenant-based opportunities)
- Provide mobility counseling, workforce development and links to Continuum of Care programs and services for participating families in both opportunity areas and revitalizing neighborhoods
- Evaluate short- and long-term program benefits for participating families by tracking variables such as job creation and changes in household income, commutes, school improvement and access to opportunity.

Programs such as RHI address an identified need for a greater number of affordable rental units as well as distributing the units among areas of opportunity, with linkages to employment and amenities.

C. ADMISSIONS AND CONTINUED OCCUPANCY POLICY

The Admission and Continued Occupancy Plan (ACOP) includes a public housing authority's policies on the selection and admission of applicants from a waiting list, screening of applicants for tenancy, occupancy standards and policies, informal review/grievance hearing procedures, rent determinations, and procedural guidelines on conducting inspections, to name a few. HACC's ACOP was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the ACOP was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (relative to the application process, unit selection, and grievance procedures),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Accommodations for applicants who refuse a unit offered due to a disability or other special circumstance,
- Transfer policies and procedures and whether such policies impede housing choice for members of the protected classes,
- Pet policy accommodations for persons with disabilities that require service or assistance animals, and Grievance policies and procedures

Chapter 2 of HACC's Admissions and Continued Occupancy policy establishes a policy of fair housing and equal opportunity, including the Authority's non-discrimination policy, policies related to persons with disabilities and improving access for persons with limited English proficiency. HACC states that it will comply with all applicable federal, state and local non-discrimination laws. The only protected classes specifically listed in the ACOP are race, color, sex, religion, familial status, age, disability and national origin; however, HACC's compliance with state and local (Cook County) law in practice would mean that the Authority also respects additional classes protected by those levels of government.

However, as of a Final Rule effective March 5, 2012, HUD implemented policy with the intention of ensuring that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status, prohibiting discrimination of those types by any housing provider who receives HUD funding, including public housing agencies, those who are insured by the Federal Housing Administration, including lenders, and those who participate in federal entitlement grant programs through HUD.

HACC must update its ACOP and Admin Plan to include the expanded class protections provided in March 2012 HUD program guidance, prohibiting discrimination on the basis of marital status, sexual orientation or gender identity.

In order to provide reasonable accommodation to persons with disabilities, HACC provides a notice to all potential applicants that they may at any time request reasonable accommodation of a disability of a household member, including reasonable accommodation from HACC policies and procedures, application intake, and/or form of communication. Requests for reasonable accommodation may occur at any point, either formally written or informally. The Authority's policy is to grant all such requests that meet a disability-related need and do not pose an undue financial or administrative burden or fundamentally alter the nature of HACC operations.

With regard to persons with limited English proficiency (LEP), HACC states that it will apply the four-factor analysis to determine

the level of access needed. HACC policy is to train and hire bilingual staff to be available to act as interpreters and translators when feasible. HACC provides written translations of vital documents for each eligible LEP language group that constitutes 5% or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or HACC may provide written notice in the primary language of an LEP language group of the right to receive competent oral interpretation of those written materials through available community services.

HACC's definition of a "family" allows non-related individuals over age 18 to qualify, provided that the individuals have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. Allowing non-traditional households with unrelated members to share public housing units is a flexibility that is commendable from a fair housing perspective.

HACC maintains site-specific waiting lists that are subdivided based on the size and type of units available. An application's position on a site-based waiting list is determined by the date of development selection and by verified preferences. When selecting families from the list, HACC's highest preference is for individuals with disabilities currently transitioning from institutional settings into community-based living. This preference applies to up to 10% of the previous fiscal year's total public housing unit turnover and is given the highest priority over all other preferences in effect until the HACC reaches its targeted number of placements.

Additionally, HACC awards four points to the elderly (age 62 and older) and

households with a disabled member at all sites, three points to the homeless, two points to veterans and their widows, and one point to VAWA applicants and victims of hate crimes. Applicants may receive points in multiple categories. HACC's preference for the elderly, even at sites not designated as senior housing, accounts for the higher prevalence of seniors in public housing as compared to those with vouchers.

HACC classifies two types of unit transfers: mandatory and resident-requested. Aside from those occurring for emergency purposes (unit defects, a family health condition, a hate crime, etc), HACC-required transfers could occur to make an accessible unit available for a disabled person, to comply with occupancy standards, or for demolition, disposition, revitalization or rehabilitation.

The Authority allows resident-requested transfers under particular circumstances, including alleviating a serious or life-threatening medical condition or due to a threat of physical harm or criminal activity. Additionally, transfers may occur as a reasonable accommodation, to accommodate a family in a different-size unit according to HACC's occupancy standards, or for a tenant to move closer to employment.

HACC places restrictions on the number and type of animals that residents may keep as pets and imposes requirements on their care and control. However, exception is provided for assistance animals as a reasonable accommodation.

The ACOP describes HACC's appeal procedures, including the informal hearing process and grievance handling. The informal hearing process applies for applicants, while the grievance process is available to residents. Reasonable accommodations are available through both processes to ensure fair treatment for persons with disabilities.

D. VOUCHER PROGRAM ADMINISTRATIVE PLAN

The Housing Choice Voucher Administrative Plan (Admin Plan) is the policy and procedure manual that includes the regulations governing this housing assistance program. Generally, the Admin Plan includes policies that describe the selection and admission of applicants from the PHA waiting list, the issuance and denial of vouchers, occupancy policies, landlord participation, subsidy standards, informal review/hearing procedures, payment standards, the Housing Quality Standard (HQS) inspection process, and reasonable rents, to name a few.

HACC's Admin Plan was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the Plan was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (in the application process, unit search and selection, and grievance process),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,

- Recruitment of landlords who own properties in non-impacted areas,
- Portability policies and procedures and their effect on members of the protected classes,
- Higher payment standards for units that accommodate persons with disabilities, and
- Grievance policies and procedures.

HACC's Admin Plan contains an overarching anti-discrimination policy, set of reasonable accommodation policies and policies for accommodating persons with LEP that are close to identical to the corresponding sections of the ACOP. Aside from needed updates to incorporate new protected classes as established by HUD, these passages are consistent with fair housing standards.

The definition of "family" is also the same in both documents, allowing non-related individuals over age 18 to qualify, provided that the individuals have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

HACC opens the waiting list for a prescribed period of time or number of applications only. The list is currently closed, and there are no plans to reopen it.

In selecting households from the voucher waiting list, HACC applies three local preferences: working families (and those unable to work due to age or disability), those experiencing homelessness and veterans and their families.

HACC staff acknowledged that recruiting landlords who own property in higher-opportunity areas is a challenge, due primarily to lack of awareness. The Authority works to broaden participation with educational workshops and outreach

to landlord organizations. In the Admin Plan, HACC lists among its major responsibilities to "conduct outreach to owners with special attention to owners outside areas of poverty or minority concentration." Outreach strategies, as outlined in the Plan, include:

- Distributing printed material about the program to property owners and managers,
- Contacting property owners and managers by phone or in person,
- Holding owner recruitment/information meetings at least once a year,
- Participating in community based organizations comprised of private property and apartment owners and managers, and
- Developing working relationships with owners and real estate brokers associations.

In total, 1,533 voucher holders had ported into HACC's jurisdiction as of August 2013. Staff reported that the exchange with the Chicago Housing Authority is roughly one-to-one. HACC actively promotes voucher mobility through cooperative efforts with other agencies in the metropolitan region, including the Regional Housing Initiative (discussed previously), Community Choice Partners, Access Living, Open Communities and similar organizations.

According to HACC staff, many properties are not accessible to those with mobility disabilities, due primarily to the age and configuration of existing housing stock. To assist voucher holders with disabilities to find a suitable unit, HACC has approved an increased payment standard as necessary. In cases where a voucher holder with a disability exhausts the initial 60-day search period, an extension can also be granted as a reasonable accommodation.

HACC's grievance policy includes provisions for informal hearings and reviews designed to resolve disputes without legal action, to correct programmatic/administrative errors, and to respond to claims that laws or rules have been incorrectly applied. In any case where HACC makes a decision that may provide grounds for review, the Authority informs families via writing of the decision, the reason for the decision, the right to a review/hearing and the requirement to request a review/hearing. Reasonable accommodations are made in the informal hearing/review process for persons with disabilities.

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Property Taxes

Taxes impact housing affordability. While not an impediment to fair housing choice in and of themselves, real estate taxes can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Tax rates for specific districts and the assessed value of all properties are the two major calculations used to determine revenues collected by a jurisdiction. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.

However, a straight comparison of tax rates to determine whether a property is affordable or unaffordable gives an incomplete and unrealistic picture of property taxes. Local governments with higher property tax rates, for example, may have higher rates because the assessed values of properties in the community are low, resulting in a fairly low tax bill for any given property. In all of the communities surrounding a jurisdiction, comparable rates for various classes of property (residential, commercial, industrial, etc.) are assigned to balance each community's unique set of resources and needs. These factors and others that are out of the municipality's control must be considered when performing tax rate comparisons.

State legislation also directly affects a jurisdiction's ability to levy taxes. In Illinois, property tax caps are in place in the collar counties around Chicago (DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties and suburban Cook County) in an attempt to curb high increases in property taxes. Tax increases had resulted from rapid increases in assessed housing value, a direct

result of a booming housing market. These areas are now limited to yearly increases of 5% or the rate of inflation, whichever is less. This restriction can limit the ability of local governments to match service needs with revenue, but does help to keep taxes more affordable in high-growth areas where affordable housing is in demand. The City of Evanston, as a home rule community, is exempt, though its school district is not.

Cook County's Office of Assessment is responsible for assigning values to more than 1.8 million parcels of property. Following the determination of a property's market value, the County assesses it at 10% of that figure and applies a state-determined equalization factor, or multiplier, that becomes part of the property tax equation each year. Equalization is calculated by comparing a County's market value (actual selling price) with assessed values (assigned by the County). In Cook County in 2011, the equalization factor was 2.8056.

Tax rates are levied on every \$100 dollars of assessed value. Composite taxes are aggregates of a variety of taxing districts, including the County, the city and local school districts, among others. In Evanston, school districts received two-thirds of property tax revenue, while the City received 19% and the County received 6.5%. Other taxing agencies that affect City residents include Evanston Township, the County Forest Preserve District, the Metropolitan Water Reclamation District, the Community College and the North Shore Mosquito Abatement District.

The owner of a home valued at \$302,500, the median Evanston sales price for the third quarter of 2013, could expect to pay about \$6,500 in total annual property taxes.

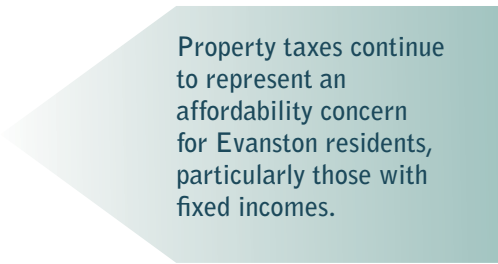
Property taxes in Evanston are widely regarded to be comparatively high and burdensome to lower- and fixed-income households, though in a 2012 comparison the City conducted with the tax rates of neighboring communities, the City ranked near the middle. Rates in Oak Park, Hoffman Estates, Arlington Heights and Des Plaines were higher. Notably, this analysis did not factor in school levies, which also vary.

The significance of higher property taxes on residential properties is that the amount of taxes must be factored into the question of affordability. If a property owner is considering the purchase of a home, estimating the monthly mortgage payment must include the mortgage principal and interest, property taxes and homeowner's insurance.

Cook County's policy of requiring reassessment every three years minimizes inequity in the system of taxation, as changes in assessed value keep pace with changes in market value across the board. In states that do not require periodic reassessment, the assessed values of years long past continue to apply to 1) neighborhoods that are in decline, resulting in over-taxation on poorer residents, and 2) neighborhoods where values have increased, resulting in under-taxation on those who are prospering.

Illinois law provides property tax relief for targeted policy outcomes and special-needs populations through a number of exemptions and credits, including a General Homestead Exemption (which effectively reduces equalized assessments by \$6,000) and exemptions for disabled veterans, returning veterans and homestead improvement. Programs for seniors and veterans include additional homestead exemptions and an assessment freeze. It is the property owner's responsibility to apply for these as provided by law.

According to recent data from the Illinois Comptroller's office, most local governments and school districts in the state lean heavily on real estate tax revenues. Dependency varies from less than one-third of revenues for counties and municipalities to half of revenues for school districts and more than half of revenues for some special districts. The Property Tax Extension Limitation Law (PTELL) represents an effort to limit the impact of rising property taxes. However, further diversification remains a desirable aim in restructuring the funding systems of local governments and school districts.



Property taxes continue to represent an affordability concern for Evanston residents, particularly those with fixed incomes.

Public Transit

Households without a vehicle, which in most cases are primarily low-moderate income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. The linkages between residential areas (of concentrations of minority and LMI persons) and employment opportunities are key to expanding fair housing choice.

According to the 2007-11 American Community Survey, 4,217 households in Evanston did not have access to a vehicle, comprising 14.5% of all households. While only 4.4% of owner households did not have access to a vehicle, this was true of 28% of rental households.

The majority of Evanston residents (62.5%) drove to work in 2011, with 55.2% driving alone. This represents an increase since 2000. In the

City, 17.8% of residents utilized public transit to get to work, compared to 18.4% in 2000.

Throughout all of Cook County, trends are similar, though residents countywide are more likely to drive alone.

Public transit ridership varies greatly by race and ethnicity. Throughout the City, 20.4% of Whites used public transit to get to and from work in 2011. Among racial and ethnic minorities, 23.1% of Asians used public transit as their primary means of travel to work, compared to 17.6% of Blacks and 12.2% of Hispanics. Black and Hispanic households were substantially more likely than other groups to drive alone to work, while Asians were the most likely to walk to work. Details appear in Figure 5-5 on the following page.

FIGURE 5-4
Means of Transportation to Work, 2000-2011

		Total Workers	Drove Alone	%	Carpool	%	Public Transit	%
Evanston	2000	37,655	20,095	53.4%	3,121	8.3%	6,911	18.4%
	2011	44,387	24,508	55.2%	3,223	7.3%	7,901	17.8%
Cook County	2000	2,371,161	1,490,277	62.9%	290,936	12.3%	409,067	17.3%
	2011	2,533,731	1,593,812	62.9%	219,747	8.7%	474,565	18.7%

Source: 2000 Census (QT-P23), ACS 2007-2011 Census (S0804)

FIGURE 5-5

Means of Transportation to Work by Race and Ethnicity, 2011

	Total Workers	Drove Alone	%	Carpool	%	Public Transit	%	Walked	%	Other	%
White	25,355	12,560	49.5%	1,582	6.2%	5,170	20.4%	2,754	10.9%	3,289	13.0%
Black	6,325	3,970	62.8%	533	8.4%	1,112	17.6%	415	6.6%	295	4.7%
Asian	2,619	816	31.2%	126	4.8%	606	23.1%	775	29.6%	296	11.3%
Hispanic	2,823	1,645	58.3%	390	13.8%	345	12.2%	282	10.0%	161	5.7%

Source: 2007-2011 ACS (B08105)

Evanston's connections within the regional network of public transportation represent one of its most important community assets. The City is served by Chicago Transit Authority (CTA) elevated rail and bus routes, Metra commuter rail service and Pace suburban bus services.

People with disabilities may receive free rides from all three providers as part of the People with Disabilities Ride Free Program enacted under Senate Bill 1920. The legislation requires free rides on fixed-route transit (regularly scheduled CTA, Metra, and Pace buses and trains) to be made available to any Illinois resident who has been enrolled as a person with a disability in the Illinois Circuit Breaker program. Additionally, seniors (age 65 and up) and active-duty members of the military ride free on CTA, Metra and Pace routes.

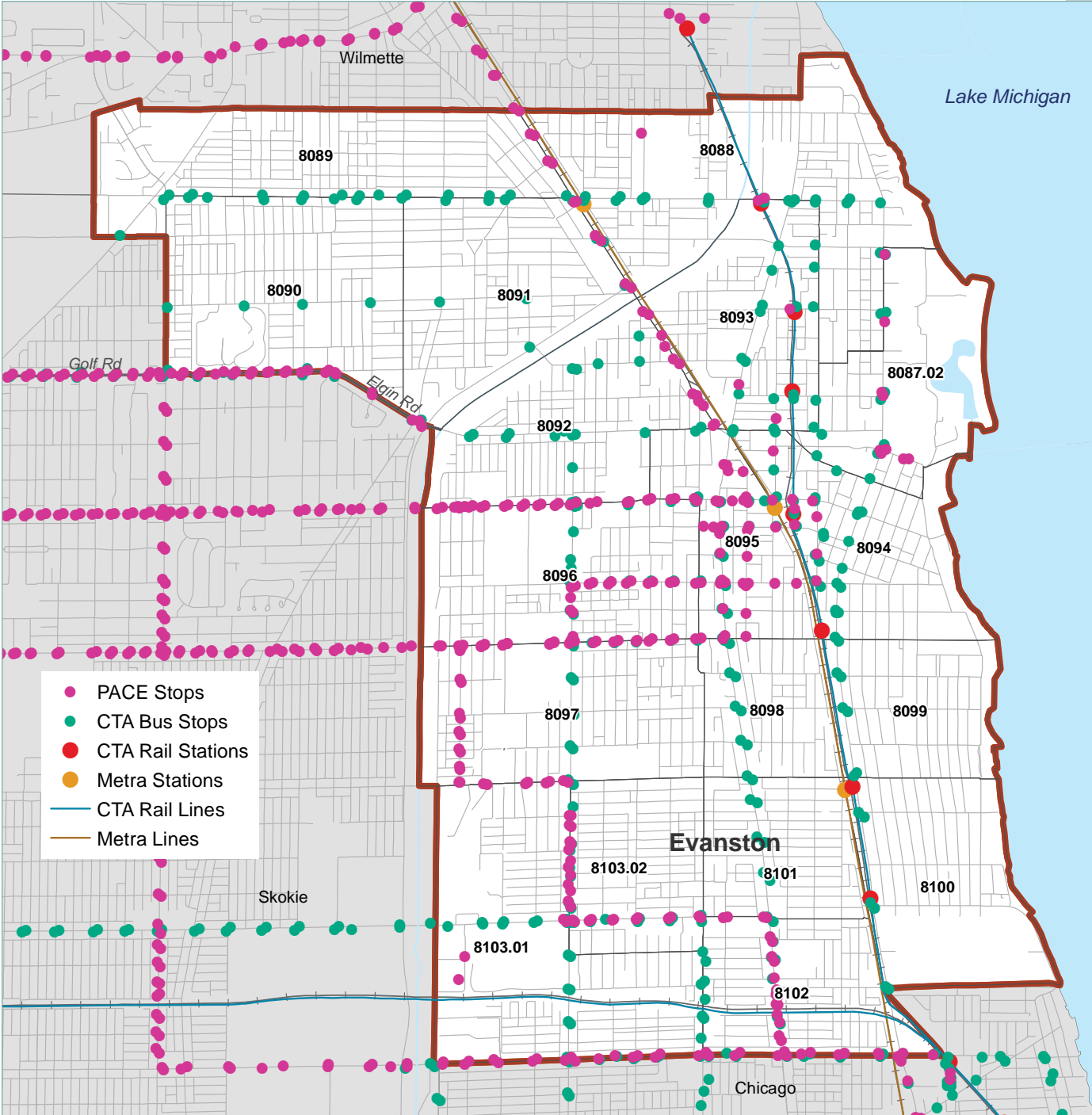
The Metra train system, an expansive network covering nearly 500 miles across the metropolitan area, connects Evanston to Chicago and other suburbs. The system offers service in Cook County, DuPage, Kane, Lake, Will and McHenry counties on a hub-and-spoke model. Metra's Union Pacific North Line makes three stops in Evanston on its way between Kenosha and Downtown Chicago. Trains run with high frequency on weekdays between about 5:00 a.m. and 1:00 a.m. and regularly, though less frequently, on weekends. A one-way ticket from Evanston to Downtown Chicago costs \$4.25, and a monthly pass is \$121. However, reduced fares are available, dropping the price to \$2, or \$70 for a monthly pass.

Evanston is also situated along CTA's "L," or elevated rail system, which serves the City of Chicago extensively and the surrounding suburbs. The "L" runs to all sides of Chicago and to both airports. Evanston is on the purple line of the system, which provides rapid transit train service between Linden (in Wilmette) and Howard (in Chicago) via eight stops in Evanston. Many stops connect with Pace or CTA buses or Metra rail routes. Additionally, during weekday rush-periods, express service continues to the Downtown Chicago Loop. The purple line operates about every 15 minutes from 5:00 a.m. to 2:00 a.m. on weekdays and Saturdays and from 6:30 a.m. to 1:30 a.m. on Sundays. A trip on the "L" costs \$2.25 one way or \$100 for a monthly pass, though reduced fares are available at \$1.10 per trip or \$50 per month.

The Pace bus system calls itself "the backbone of Chicago's suburbs," providing tens of thousands of daily riders with fixed-bus routes, van pools and Dial-a-Ride trips. Pace's fixed-route bus service carries commuters throughout the suburbs using a set schedule and routing, with 199 fixed routes serving more than 220 communities in the six-county area. Four Pace routes serve Evanston along major arterials. A regular fare on a Pace bus is \$1.75, though seniors and persons with disabilities ride free.

A variety of CTA bus routes connect Evanston to Downtown Chicago and other locations, including employment hubs, shopping and amenities such as hospitals and universities. Five routes circulate through the City at intervals of roughly 20 minutes between about 6:00 a.m. and 9:00 p.m., though weekend service is somewhat limited. Fares are \$1.50 during rush hours and \$1.25 during non-rush hours (transfers are 30¢).

MAP 5-5
Public Transit Routes through Evanston



Local buses and rail cars typically have integrated accessibility features to achieve compliance with the American with Disabilities Act (ADA). For those unable to access fixed-route bus or rail services, ADA paratransit service is available throughout the region. Pace operates the nation's largest paratransit service and its second-largest vanpool program. The vanpool program allows groups to save on costs through the use of a van that is owned, insured and maintained by Pace, but is driven by participants.

However, not all rail stations are accessible to people with mobility disabilities. In Evanston, Davis Station is accessible and provides elevator access. CTA is initiating revitalization of the purple line, a large-scale undertaking (the Red and Purple Modernization Project) that would make all stations accessible. Additionally, the project would double the capacity of the lines' current infrastructure, which dates back to the 1930s. For example, the current length of platforms limits the number of cars that trains can carry. Completion of all proposed project work would improve speed along the corridor, making the commute from Evanston to Downtown Chicago about 12 minutes faster.

CTA is also evaluating station consolidation within Evanston for purposes of reducing average travel time. Two stations, Foster and South Boulevard, would be removed, while new auxiliary entrances would be added to stations on adjacent streets -- Gaffield (Noyes), Church (Davis), Greenwood (Dempster) and Madison (Main) -- to minimize walking time. In some cases, stop consolidation would remove existing geometric constraints and allow for a more effective track alignment, which would also improve travel times and reliability. CTA has acknowledged the chief drawback of consolidation, which is longer walk times for some patrons to access the nearest platform. By CTA's estimate, up to 12% of passengers on the red and purple lines would be affected. The maximum walk increase would be an estimated seven minutes, or three blocks.

Evanston is well served by a variety of public transit agencies providing reliable regular multi-modal travel around the City, into Chicago and within the region.

In general, public transit options exist within a few blocks of every location in Evanston. It is economical for transit agencies to provide frequent service to the City due to its dense urban character and centrality within the region. However, the hub-and-spoke model that characterizes public transportation in and around Chicago carries some limitations. All of the region's transportation networks are oriented to bring people into or out of Downtown Chicago, which means that a passenger heading elsewhere will likely need to transfer. For example, the trip between Evanston and O'Hare International Airport would require 20 to 25 minutes by car, but at least an hour by bus.

This carries implications for Evanston residents who work in employment hubs scattered in outlying suburbs. The sprawl of the region has resulted in a mismatch between where jobs are created and where housing is affordable for people who work those jobs. Aside from the Chicago Loop, the region's major employment centers are Schaumburg-Elk Grove Village and Oak Brook-Downers Grove. The Fair Housing Equity Assessment (FHEA) completed by the Chicago Metropolitan Agency for Planning (CMAP) in 2013 noted that jobs in the Chicago Loop are often high-paying professional service jobs, while employment centers in the suburbs include industrial, wholesale and retail jobs that are open to residents with lower education levels. The jobs most accessible in terms of transportation, located in the Loop, are not necessarily accessible to residents in the surrounding area due to disparities in educational attainment.

In 2007, the City completed a study of adding a new station to the CTA yellow line (Skokie Swift) in south Evanston. This line passes through Evanston, but does not serve it. Its path crosses the southern portion of a CDBG target area. The line is also adjacent to activity/employment centers such as St. Francis Hospital, the Target/Jewel-Osco shopping center and the Levy Senior Center. The study's findings supported the feasibility of locating at least one new station within south Evanston, as a new station would increase the number of yellow line commuters by up to 45%, adding approximately 1,000 trips per day to the line. A subsequent engineering feasibility study, released in 2012, recommended Asbury Avenue as the most appropriate site for a new station along the yellow line. The station could cost about \$23 million to build and \$900,000 annually to operate. Currently, the Illinois Department of Transportation is conducting engineering design and studying construction costs and environmental impact. Further progress is contingent upon funds being available.

The City of Evanston is actively engaged in transportation planning in concert with CMAP and individual transit agencies. Long-range plans for the region's transportation system are expressed within GO TO 2040, a comprehensive plan involving the seven counties and 284 communities that comprise the greater Chicago region. The City of Evanston was extensively involved in the development of the plan and its vision. In general, with regard to public transit, the plan recommends reinvestment in existing infrastructure to reduce delays and increase reliability. With a limited and conservative approach to major expansion, the plan prioritizes local improvements over expensive transit "mega-projects."

Within Evanston, both CTA and Pace have advanced transit-oriented development. CTA worked with the City to define typologies for each of its stations and determine the type of development that would be most appropriate

Industrial, wholesale and retail jobs that are open to residents with lower education levels are typically located in the region's suburbs, which are made relatively inaccessible by the hub-and-spoke orientation of the regional transportation network.

Creation of a Skokie Swift "L" stop in Evanston, while expensive, would provide a needed connection between an LMI neighborhood and the regional transit network.

in the vicinity, such as increased mixed-use, higher intensity and higher density. Pace developed transit development guidelines more focused on fixed bus routes.

The City apprises transit operators of large-scale development within its borders that may affect service, ensuring that access to transit is incorporated in site design and construction considerations. To the contrary, more rural jurisdictions have a tendency to build first, then request service, a practice that creates a host of problems.

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6 PRIVATE SECTOR POLICIES AND PRACTICES

Mortgage Lending Trends

The Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals, and considering whether to purchase loans. Unfettered access to fair housing choice requires fair and equal access to the mortgage lending market regardless of race, color, national origin, religion, sex, familial status, disability, or any other statutorily protected basis.

An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community. Home Mortgage Disclosure Act (HMDA) data contains records for all residential loan activity reported by banks pursuant to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Any commercial lending institution that makes five or more home mortgage loans annually must report all residential loan activity to the Federal Reserve Bank, including information on applications denied, withdrawn, or incomplete by race, sex, and income of the applicant. This information is used to determine whether financial institutions are serving the housing needs of their communities.

The most recent HMDA data available for the City of Evanston is for 2012. The data included for this analysis is for three years, 2010 through 2012, and constitutes all types of applications received by lenders by families: home purchase, refinancing, or home improvement mortgage applications for one-to four-family dwellings and manufactured housing units across the entire City. The demographic and income information provided pertains to the primary applicant only. Co-applicants were not included in the analysis. Figure 6-1 summarizes three years of HMDA data by race, ethnicity, and action taken on the applications, followed by detailed analysis.

FIGURE 6-1

Cumulative Mortgage Data Summary Report, 2010-2012

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Purpose										
Home purchase	2,901	19.9%	1,563	53.9%	76	2.6%	228	7.9%	993	34.2%
Home Improvement	282	1.9%	136	48.2%	11	3.9%	80	28.4%	47	16.7%
Refinancing	11,369	78.1%	6,136	54.0%	280	2.5%	1,338	11.8%	3,247	28.6%
Loan Type										
Conventional	13,626	93.6%	7,479	54.9%	343	2.5%	1,509	11.1%	3,911	28.7%
FHA	854	5.9%	320	37.5%	21	2.5%	128	15.0%	352	41.2%
VA	72	0.5%	36	50.0%	3	4.2%	9	12.5%	24	33.3%
FSA/RHS	0	0.0%	0	-	0	-	0	-	0	-
Property Type										
One to four-family unit	14,551	100.0%	7,834	53.8%	367	2.5%	1,646	11.3%	4,287	29.5%
Manufactured housing unit	1	0.0%	1	100.0%	0	0.0%	0	0.0%	0	0.0%
Applicant Race										
Native American	20	0.1%	11	55.0%	3	15.0%	3	15.0%	2	10.0%
Asian	477	3.3%	286	60.0%	23	4.8%	74	15.5%	77	16.1%
Black	783	5.4%	386	49.3%	24	3.1%	207	26.4%	136	17.4%
Hawaiian	27	0.2%	13	48.1%	0	0.0%	3	11.1%	9	33.3%
White	10,371	71.3%	6,526	62.9%	280	2.7%	1,124	10.8%	2,172	20.9%
No information	1,190	8.2%	611	51.3%	37	3.1%	235	19.7%	209	17.6%
Not applicable	1,684	11.6%	2	0.1%	0	0.0%	0	0.0%	1,682	99.9%
Hispanic*	451	3.1%	228	50.6%	13	2.9%	101	22.4%	48	10.6%
Total	14,552	100.0%	7,835	53.8%	367	2.5%	1,646	11.3%	4,287	29.5%

Source: Federal Financial Institutions Examination Council, 2010 to 2012

Note: Percentages in the Originated, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total figures.

* Hispanic ethnicity is counted independently of race.

Application Trends

Across Evanston during the last three years, lenders received 2,901 home purchase mortgage applications, 11,369 applications for mortgage refinancing and 282 applications for home improvement equity loans.

Home purchase and refinancing loans were about equally likely to be successful, with 54% of loans originated. This represents a higher rate of origination than home improvement loans (48.2%). A significant number of home purchase loans (34.2%) were withdrawn/incomplete. An additional 2.6% were approved but not accepted by the applicant, and 7.9% were denied.

Refinancing loans were slightly less likely than home purchase loans to be withdrawn/incomplete, at 28.6%; however, they were more likely to be denied, with a denial rate of 11.8%.

Home improvement loan applications had a much lower percent of applications withdrawn/incomplete, but a significantly higher percent denied. With a denial rate of 28.4%, a home improvement loan was more likely to be denied than any other action.

FIGURE 6-2
 Loan Application Type by Race/Ethnicity, 2010-2012

	Total	White	Black	Asian**	Other**	No data	Hispanic*
Home purchase	2,901	2,035	170	138	14	544	142
	19.9%	19.6%	21.7%	28.9%	29.8%	18.9%	31.5%
Refinance	11,369	8,140	589	323	32	2,285	291
	78.1%	78.5%	75.2%	67.7%	68.1%	79.5%	64.5%
Home improvement	282	196	24	16	1	45	18
	1.9%	1.9%	3.1%	3.4%	2.1%	1.6%	4.0%
Total	14,552	10,371	783	477	47	2,874	451
	100.0%	71.3%	5.4%	3.3%	0.3%	19.7%	3.1%

Note: Percentages within racial/ethnic groups are calculated within each group's total.

* Hispanic ethnicity is counted independently of race.

**Small sample size may make analysis unreliable.

Source: Federal Financial Institutions Examination Council, 2010 to 2012

The most commonly sought type of financing was a conventional loan, a category that represented 93.6% of all loan applications. An additional 5.9% of applications were for loans insured by the Federal Housing Administration (FHA), a type of federal assistance that has historically benefited lower-income residents. A smaller percentage of applications, 0.5%, were for loans backed by the Department of Veteran Affairs (VA). No loan applications were backed by the Farm Services Administration or Rural Housing Service (FSA/RHS).

All but one of 14,552 applications involved one-to-four family housing structures, with only one application requesting financing for manufactured units.

The racial and ethnic composition of loan applicants differs somewhat from the City's general demographic distribution. While 19.2% of all Evanston households in 2011 were Black, only 5.4% of the loan applications for which racial/ethnic data was reported were Black. In addition, White households were overrepresented among mortgage applicants, with 71.3% of applications from White applicants compared to 67.6% of all households. Asians and Hispanics represented 7.6% and 9.1% of households, but only 3.3% and 3.1% of all applications.

Across racial and ethnic groups, loan application types differed. Refinancing was the predominant application purpose citywide; however, Whites were the most likely to refinance and the least likely to apply for home improvement loans. Higher shares of Asian and Hispanic households applied for home purchase loans. Figure 6-2 summarizes these statistics.

Lower participation in the market for home mortgages by racial and ethnic minority households is likely a reflection of the lower median incomes of these groups.

Geographic Distribution of Approvals by Lender

Figure 6-3 provides a summary of the top 10 lenders in the City based on total number of loan originations between 2010 and 2012. J.P. Morgan Chase Bank was the top lender in the City, with more than 1,200 originations during the three-year period, accounting for 15.4% of all loans originated. The next highest was Guaranteed Rate, Inc., with 713 (9.1%) of all originations. In total, loans originated by the 10 largest lenders accounted for 60.5% of all Evanston mortgages during the three years studied.

FIGURE 6-3

Top 10 Lenders in Evanston
by Number of Originations, 2010-2012

Institution	# Loans Originated	% Total Originations
JP Morgan Chase Bank, NA	1,205	15.4%
Guaranteed Rate, Inc	713	9.1%
Wells Fargo Bank, NA	590	7.5%
Peri Mortgage, Inc	514	6.6%
1st Advantage Mortgage	507	6.5%
Bank of America, NA	298	3.8%
North Shore Community Bank	232	3.0%
PHH Home Loans	215	2.7%
Fifth Third Mortgage Company	169	2.2%
Chicago Mortgage Solutions	149	1.9%
Citibank, NA	147	1.9%

Source: Federal Financial Institutions Examination Council, 2010 to 2012

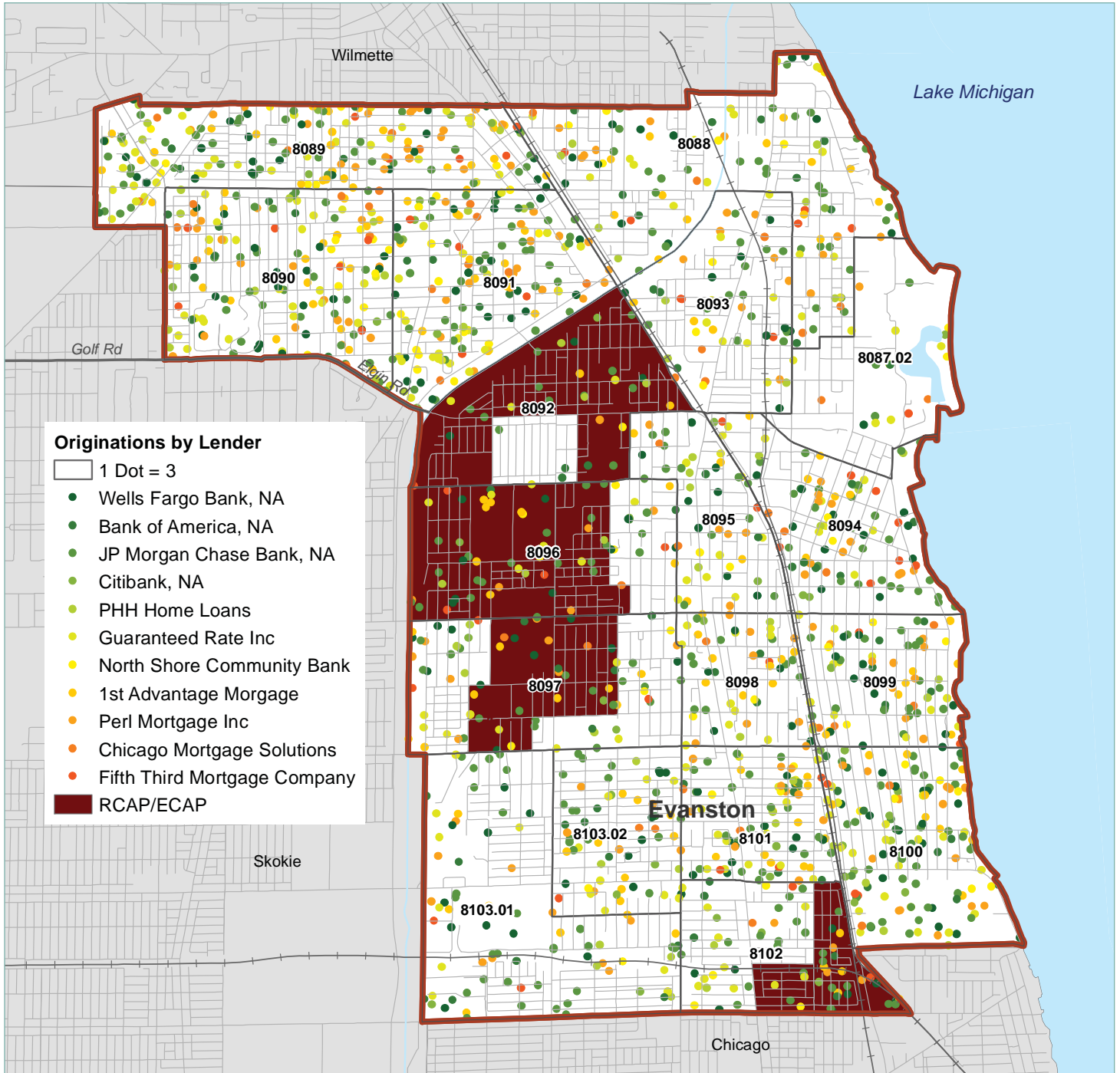
Map 6-1 illustrates the distribution of originations for the top 10 lenders across census tracts, with each dot representing three mortgage loan originations. The plot is a density distribution, meaning that individual dots are not associated with actual mortgaged properties, but reflect lending totals across neighborhoods.

Notably, far less lending activity occurs in the City's racially/ethnically concentrated LMI areas. The overall lack of loans in these areas is an indicator of low investment in their real estate during 2010 to 2012, whether due to disparate impact of the housing market crisis or difficulty of credit access for households who would purchase homes in these areas.

Less lending occurs in the City's racially/ethnically concentrated lower-income areas, though it is unclear whether this is due to disparate impact of the housing market crisis or the difficulty of credit access for households who would buy homes in these areas.

MAP 6-1

Distribution of Originations by Lender, 2010-2012



- Major Roads
- Roads
- City of Evanston
- Rail
- Rivers and Waterbodies
- Other Municipalities

Mortgage Application Denials

Between 2010 and 2012, a total of 1,646 mortgage loan applications were denied in Evanston. The overall cumulative denial rate was 11.3% with denials by race and ethnicity ranging from 10.8% for Whites to 26.4% for Blacks.

Blacks, Asians and Hispanics had mortgage denial rates significantly higher than Whites.

In reporting denials, lenders are required to list at least one primary reason for the denial and may list up to two secondary reasons. As Figure 6-4 demonstrates, the most popular primary basis for rejection was insufficient collateral, followed by incomplete application materials and unacceptable debt/income ratio. In 8.1% of denials, no reason was given.

Throughout Evanston, 8.1% of denials occurred for no given reason.

Credit history was a more common reason for denial among Blacks than any other racial group. For Hispanic households, debt/income ratio was the most common reason for denial.

FIGURE 6-4

Primary Reason for Mortgage Application Denial by Race, 2010-2012

	Total	White	Black	Asian	Other	Hispanic*	No Info
Collateral	27.8%	29.6%	24.2%	27.0%	0.0%	21.8%	23.4%
Incomplete Application	23.8%	24.9%	16.9%	21.6%	0.0%	19.8%	24.3%
Debt/Income Ratio	16.9%	16.6%	19.3%	14.9%	33.3%	22.8%	16.6%
Other	9.2%	9.1%	9.7%	12.2%	0.0%	13.9%	8.5%
No Reason Given	8.1%	7.5%	7.7%	6.8%	33.3%	6.9%	11.9%
Credit History	6.6%	4.3%	15.9%	5.4%	33.3%	5.0%	9.8%
Unverifiable Information	3.7%	3.7%	3.9%	5.4%	0.0%	4.0%	3.0%
Insufficient Cash	2.4%	2.9%	1.0%	1.4%	0.0%	4.0%	1.7%
Employment History	1.3%	1.2%	1.4%	4.1%	0.0%	2.0%	0.9%
Insurance Denied	0.1%	0.1%	0.0%	1.4%	0.0%	0.0%	0.0%

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2010 to 2012

For this analysis, lower-income households include those with incomes between 0% and 80% of median family income (MFI), while upper-income households include those with incomes above 80% MFI. Applications made by lower-income households accounted for 25.6% of all denials between 2010 and 2012, although they accounted for only 12.7% of total applications for those three years.

Among lower-income households, denial rates were higher for minorities. While the overall lower-income denial rate was 22.8%, the denial rates for lower-income Black and Hispanic households were 35.1% and 28.7%, respectively. Lower-income Asians had a denial rate of 25.6%. While denial rates were generally lower for upper-income households, differences persisted across racial and ethnic groups. The overall upper-income denial rate was 10.3, compared to 9.6% for Whites. In comparison, upper-income Blacks had a denial

rate of 26.4% and upper-income Hispanics had a denial rate of 22.4%. Lower-income White households were significantly less likely to experience denial than upper-income Black or Hispanic households. This pattern is consistent with discrimination. Figure 6-5 shows denials by income level among racial and ethnic groups.

Map 6-2 on the following page illustrates census tracts in Evanston that experienced mortgage denial rates exceeding the citywide denial rate. All RCAP/ECAPs have higher denial rates than average.

FIGURE 6-5
Mortgage Application Denials by Household Race/Ethnicity, 2010-2012

		Total	White	Black	Asian**	Other**	No data	Hispanic*
Lower-Income	Total Applications	1,853	1,210	282	78	10	273	182
	Denials	422	238	99	20	0	65	54
	% Denied	22.8%	19.7%	35.1%	25.6%	0.0%	23.8%	29.7%
Upper-Income	Total Applications	11,212	8,862	426	388	35	1,501	251
	Denials	1,158	847	94	52	6	159	44
	% Denied	10.3%	9.6%	22.1%	13.4%	17.1%	10.6%	17.5%
Total	Total Applications	14,552	10,371	783	477	47	2,874	451
	Denials	1,646	1,124	207	74	6	235	101
	% Denied	11.3%	10.8%	26.4%	15.5%	12.8%	8.2%	22.4%

Note: Total also includes 1,487 applications for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

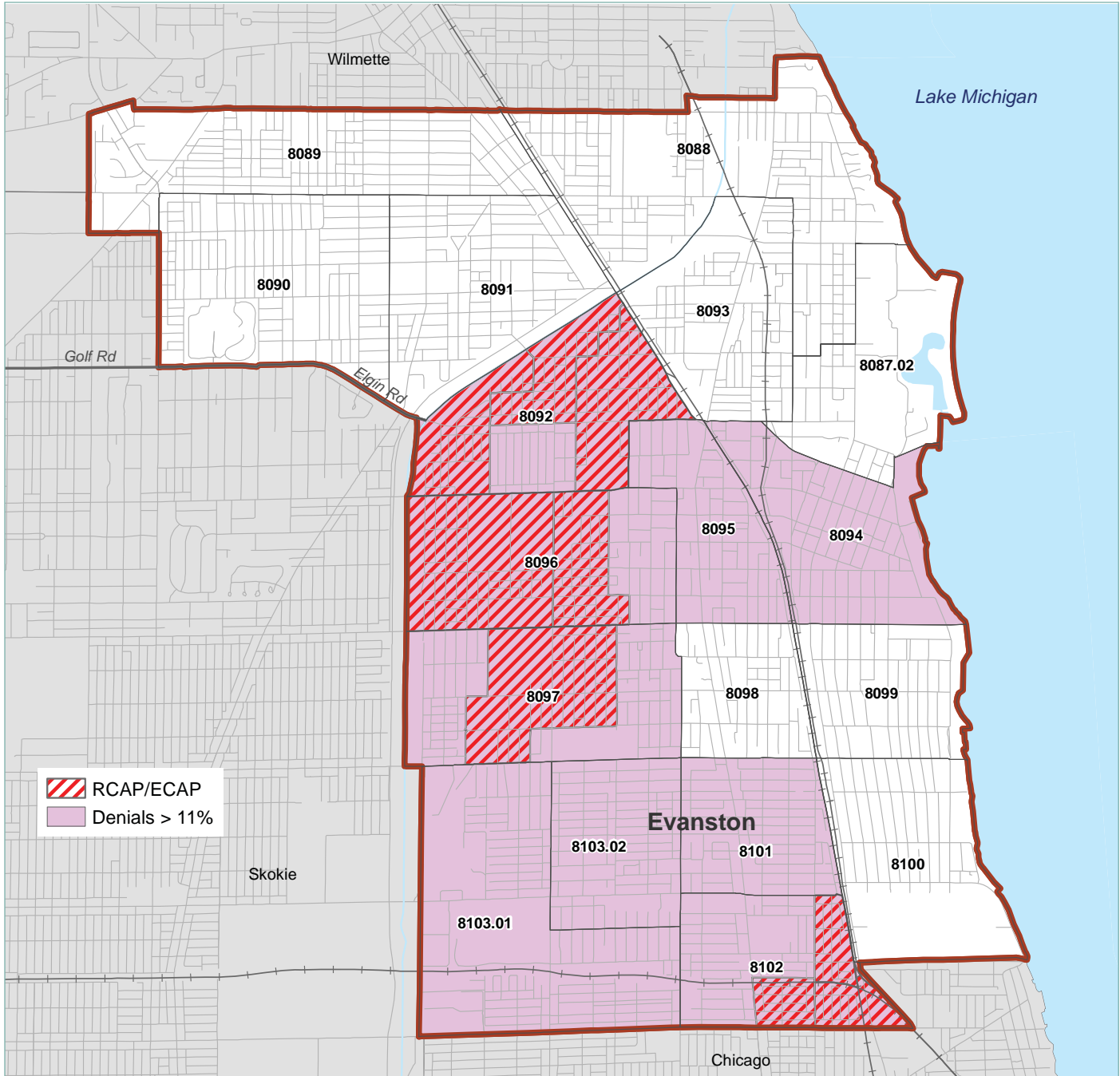
**Small sample size may make analysis unreliable.

Source: Federal Financial Institutions Examination Council, 2010 to 2012

Over the course of the three years studied, upper-income Black and Hispanic households were denied mortgage loans more often than lower-income White households.

MAP 6-2

Denial Rates by Census Tract, 2010-2012



- Major Roads
- Roads
- ▭ City of Evanston
- Rail
- ▭ Rivers and Waterbodies
- ▭ Other Municipalities

High-Cost Lending

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties, and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels, and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, HMDA data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities
- A second-lien loan with an interest rate at least five percentage points higher than the standard

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

Between 2010 and 2012, there were 7,835 home purchase, refinance or home improvement loans made for single-family or manufactured units in Evanston. Of this total, 7,579 disclosed the borrower’s household income and 64 reported high-cost mortgages. Overall, upper-income households were less likely to have high-cost mortgages than lower-income households.

An analysis of loans in Evanston by race and ethnicity reveals that Asian and Hispanic households are overrepresented in high-cost lending, though the sample size among these groups is notably small. Among lower-income minority households, 3.7% of loans to Hispanics were high-cost and 2.4% of loans for Asian households were high-cost. In comparison, 1.8% of the mortgages obtained by lower-income White households were high-cost. Lower-income Black households had rates of high-cost loans on par with the citywide average.

Higher rates of high-cost lending among minority households were more apparent among upper-income households. Upper-income White households experienced a high-cost rate of 0.6%, while upper-income Asian households experienced a high-cost loan rate twice as high (1.3%). The high-cost lending rates for Black and Hispanic households were 0.9% and 0.7%, respectively. Figure 6-6 summarizes high-cost lending trends in Evanston.

Map 6-3 on the following page depicts the distribution of high-cost loans by census tract across the City and highlights census tracts with high-cost rates of 1% or higher. Tracts meeting this criteria included, but were not exclusive to, RCAPs/ECAPs.

FIGURE 6-6
High-Cost Home Purchase Loans
by Race and Ethnicity, 2010-2012

		Total	White	Black	Asian**	Other**	No data	Hispanic*
Lower-Income	Total Originations	912	663	124	42	4	79	82
	High-Cost	15	12	2	1	0	0	3
	% High-Cost	1.6%	1.8%	1.6%	2.4%	0.0%	0.0%	3.7%
Upper-Income	Total Originations	6,667	5,684	219	238	19	507	138
	High-Cost	42	33	2	3	0	4	1
	% High-Cost	0.6%	0.6%	0.9%	1.3%	0.0%	0.8%	0.7%
Total	Total Originations	7,835	6,526	386	286	24	613	228
	High-Cost	64	46	10	4	0	4	4
	% High-Cost	0.8%	0.7%	2.6%	1.4%	0.0%	0.7%	1.8%

Note: Total also includes 256 loans for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

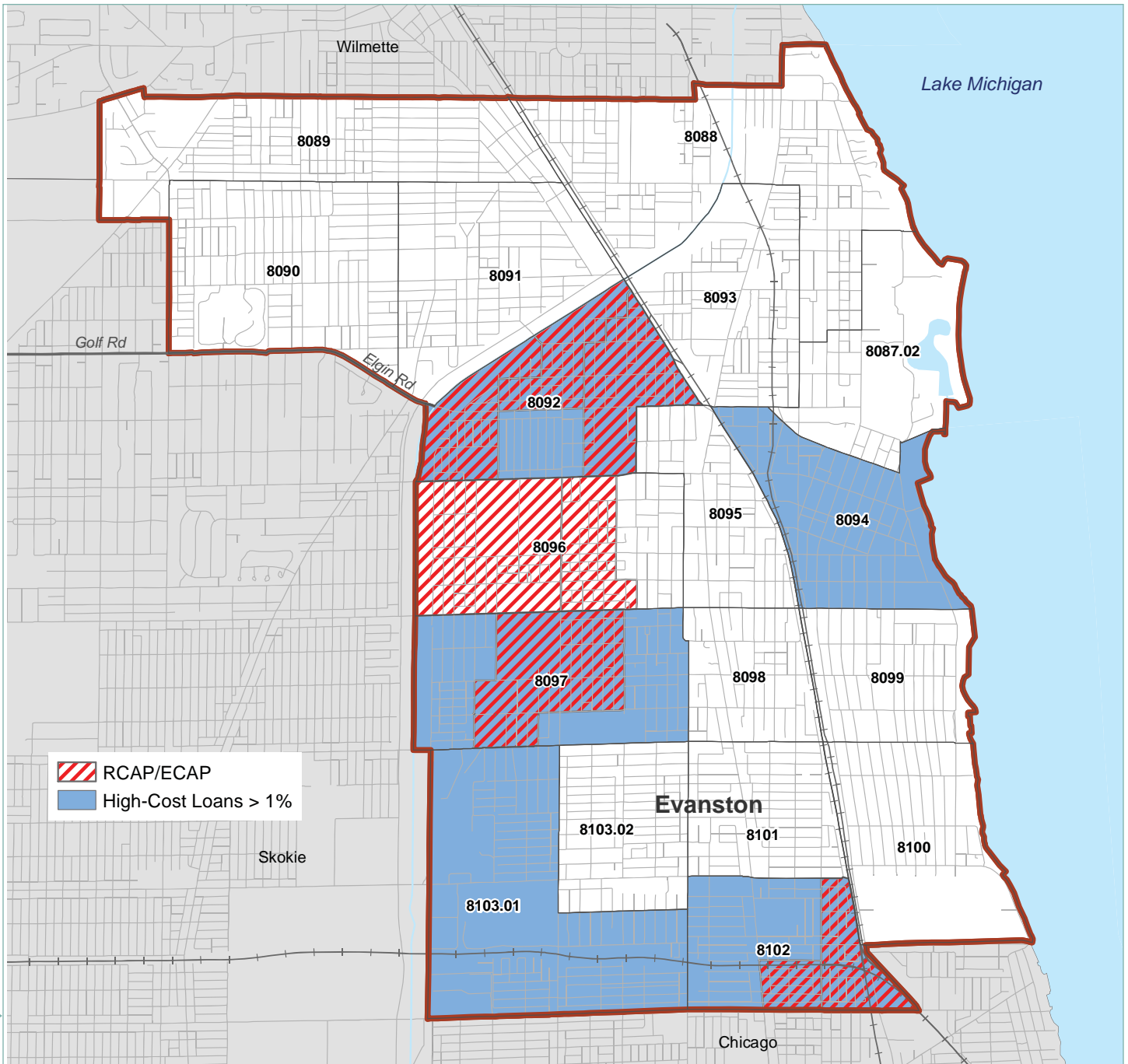
**Small sample size may make analysis unreliable.

Source: Federal Financial Institutions Examination Council, 2010 to 2012

Though high-cost loans represent less than 1% of all loans during the three years studied, rates were higher among minority households.

MAP 6-3

High-Cost Loan Rates by Census Tract, 2010-2012



- Major Roads
- Roads
- ▭ City of Evanston
- Rail
- ▭ Rivers and Waterbodies
- ▭ Other Municipalities

Annual Trends in Mortgage Lending

Studying mortgage application data on an annual basis allows insight into the influence of housing market trends on the behavior of applicants and banks. Figure 6-7 illustrates annual change.

Housing markets across the country are beginning to show recovery following the steep declines in sales volume and mortgage applications caused by the housing crisis. Evanston mortgage application data follows

local sales data trends, indicating a substantial spike in 2012. The number of applications declined 5.8% between 2010 and 2011 and rebounded 20.7%. This is a total increase of 650 applications or 13.8% over the three-year period.

During this time, the percentage of total applications that resulted in loan originations similarly fell in 2011 before rising in 2012. For most individual racial and ethnic groups, this

FIGURE 6-7
Annual Trends in Mortgage Lending
City of Evanston, 2010-2012

	2010		2011		2012	
	#	%	#	%	#	%
Total loans						
Applied for	4,725	100.0%	4,452	100.0%	5,375	100.0%
Black	267	5.7%	235	5.3%	281	5.2%
White	3,362	71.2%	3,023	67.9%	3,986	74.2%
Asian	164	3.5%	129	2.9%	184	3.4%
Hispanic*	139	2.9%	157	3.5%	155	2.9%
Other race	14	0.3%	8	0.2%	25	0.5%
No information/NA	918	19.4%	1,057	23.7%	431	8.0%
Originated	2,463	52.1%	2,289	51.4%	3,038	56.5%
Black	121	45.3%	119	50.6%	146	52.0%
White	2,043	60.8%	1,899	62.8%	2,584	64.8%
Asian	96	58.5%	83	64.3%	107	58.2%
Hispanic*	66	47.5%	73	46.5%	89	57.4%
Other race	9	64.3%	2	25.0%	13	52.0%
No information/NA	194	21.1%	186	17.6%	233	54.1%
Originated - High Cost	16	0.6%	21	0.9%	27	0.9%
Black	3	2.5%	4	3.4%	3	2.1%
White	10	0.5%	14	0.7%	22	0.9%
Asian	3	3.1%	1	1.2%	-	0.0%
Hispanic*	2	3.0%	-	0.0%	2	2.2%
Other race	-	0.0%	-	0.0%	-	0.0%
No information/NA	-	0.0%	2	1.1%	2	0.9%
Denied	497	10.5%	519	11.7%	630	11.7%
Black	64	24.0%	67	28.5%	76	27.0%
White	335	10.0%	352	11.6%	437	11.0%
Asian	24	14.6%	21	16.3%	29	15.8%
Hispanic*	31	22.3%	41	26.1%	29	18.7%
Other race	2	14.3%	2	25.0%	2	8.0%
No information/NA	72	7.8%	77	7.3%	86	20.0%

Note: Data is for home purchase, refinance and improvement loans for owner-occupied one-to-four family and manufactured units. Other application outcomes include approved but not accepted, withdrawn, incomplete or purchase by another institution.

* Hispanic ethnicity is counted independently of race.

**Small sample size may make analysis unreliable.

Source: Federal Financial Institutions Examination Council, 2010-12

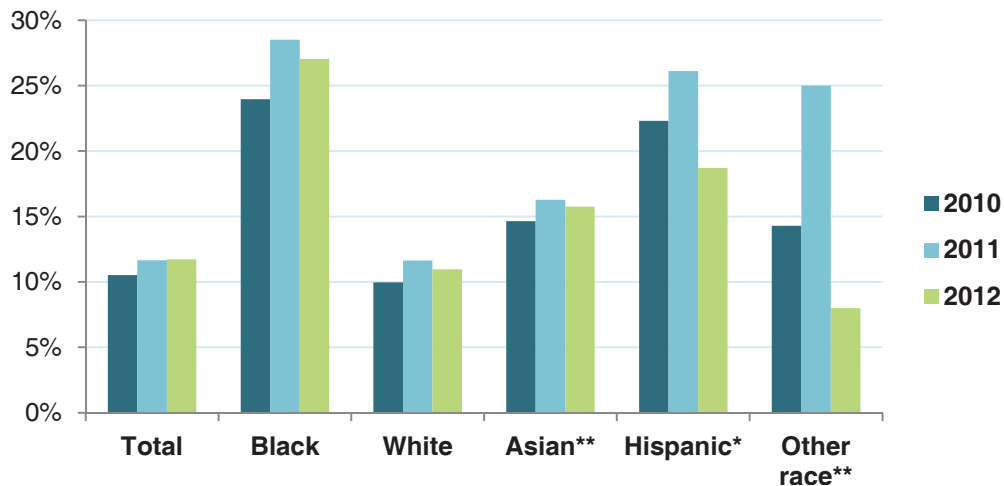
trend varied. Originations among Blacks and Whites rose steadily, and originations among Hispanics showed a net gain after dipping in 2011. Originations among Asians peaked at 64.3% in 2011 before falling to 58.2% in 2012.

High-cost originations represent a very small portion of all loans made between 2010 and 2012, but have risen from 16 in 2010 to 27 in 2012. The overall low prevalence can likely be attributed to increasing statutory control over predatory lending practices. The slight rise, however, is inconsistent with national trends and should be monitored in the coming years. This information is shown in Figure 6-7.

High-cost lending represents less than 1% of all loans made, but has increased during the last three years.

Figure 6-8, below, illustrates changes in denial rates by race and ethnicity across 2010 to 2012.

FIGURE 6-8
Denial Rates by Race and Ethnicity, 2010-2012



Source: Federal Financial Institutions Examination Council, 2010 to 2012

* Hispanic ethnicity is counted independently of race.

**Small sample size may make analysis unreliable.

Real Estate Advertising

Under federal law, no advertisement with respect to the sale or rental of a dwelling may indicate any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status or national origin. Publishers and advertisers are responsible under federal law for making, printing, or publishing advertisements that violate the Fair Housing Act on its face. Thus, they should not publish or cause to be published an advertisement that expresses a preference, limitation or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols or other approaches that are considered discriminatory.

This review involved the real estate sections from two local publications: the *Evanston RoundTable*, a weekly community newspaper (October 10 and October 24 editions) and the *Evanston Review*, a local edition of the *Chicago Sun-Times* (October 3, October 10 and October 17 editions).

The review of ads was conducted to determine the newspaper's compliance with fair housing laws and its own publisher's policy. The publisher's policy on accepting advertisements was not prominently displayed in the print editions of either paper or online. The process for placing an ad online did not contain any instructions or statements regarding equal housing opportunity or discrimination. In accepting ads, both publications should state that they will not knowingly accept any advertising for real estate that is in violation of the Fair Housing Act.

Despite the absence of an obvious statement of policy to this effect, the hundreds of rental and for-sale ads reviewed online and in print did not contain any language that could reasonably be considered to be discriminatory against members of the protected classes. A couple of instances of mildly questionable language were noted, including statements of preference for a particular type of person implies that others, in this case perhaps families with children, are less welcome. This was particularly true of housing advertised for Northwestern University students, which by law should be available to anyone. As a general rule of thumb, real estate advertising should describe the property, not the people who should live there.

The overall absence of overtly discriminatory or seriously questionable language speaks to knowledge of fair housing laws and responsibilities among newspaper advertising staff and/or real estate agents who commonly place ads.

No overt discrimination was evident in a reviewed sample of print and online real estate listings, though editors should publish non-discrimination policies.

Real Estate Practices

Evanston is served by the North Shore-Barrington Association of Realtors (NSBAR), a professional organization for real estate professionals who sell real property and businesses that work in or with the real estate industry. The organization provides a variety of services to its members, including education, insurance, affinity programs and legislative representation.

Fair housing and ethics are core parts of the licensing and continuing education requirements for all Realtors licensed in Illinois. Agents and brokers are required to achieve 12 hours of continuing education hours every two years. Two three-hour classes are dedicated to fair housing as part of the required continuing education curriculum. These lectures, which focus on the members of the protected classes, include role-playing and a HUD-produced film of a variety of fair housing scenarios. Open Communities, the most prominent local advocacy agency for fair housing, provides training to NSBAR members and participates in the organization's annual convention.

In order to meet the continuing education requirement, NSBAR connects members with a full complement of courses. A wide variety of course topics are available, including curricula focused on federal fair housing laws and ADA legislation.

NSBAR is actively involved in government affairs and stays apprised of local housing laws and their effects on the market. In particular, NSBAR has advocated for the City of Evanston to amend its definition of family to be more broad and inclusive, and in its "Report 52," the organization criticized what it called the City's blacklisting of 52 properties located near Northwestern University due to building or overcrowding cases.

7 EVALUATION OF CURRENT FAIR HOUSING PROFILE

Progress Since Previous AI

The most recent Analysis of Impediments to Fair Housing Choice in the City of Evanston was conducted internally 16 years ago, in 1997. The document reported on a review of City fair housing and zoning laws as well as tax and housing policy and HMDA data. Finally, the report included results from a focus group meeting attended by local housing leaders.

With regard to enforcement of its 1981 Fair Housing Ordinance, the report concludes that Evanston's history of follow through on discrimination complaints was "excellent" as of 1997, with quick investigation and resolution by the Fair Housing Educator/Investigator working under the Human Relations Commission. According to stakeholders, the HRC's capacity diminished during the housing market crisis in the mid- to late-2000s. Currently, the Commission is not regularly accepting, reviewing and resolving complaints. Its staff works in other areas, such as race relations, and complaints are referred to Open Communities for resolution.

The review concluded that the 1993 edition of the zoning ordinance contained no impediments to fair housing choice, nor did the City's property tax policies.

The City's review of real estate and lending practices indicated no recent overt discrimination, though there was some suggestion of steering on the part of real

estate firms based outside of Evanston. The report concluded that financial institutions were apparently lending equally throughout the City.

Impediments specifically identified as such included the following:

- A need to enhance transportation linkages between Evanston residents, especially limited employment choices, and the Northwest suburbs of Cook County and Lake County, possibly with appropriate bus service.
- Difficulty for voucher holders to obtain suitable housing, due primarily to the fact that rents in Evanston are higher than the Section 8 payment standards.

The focus group identified additional issues, including insufficient tenant awareness of fair housing rights, and (contrary to the HMDA results) the perception of lending disparities in majority-minority neighborhoods. Source of income was used as a basis for discrimination against would-be buyers and sellers. Participants additionally cited racial and economic segregation between neighborhoods and limited housing choices for LMI households and people with disabilities. A participant noted that the City's restriction on more than three unrelated people living as a family was not consistently expressed or enforced.

Even given the City's smaller Hispanic population in 1997, a participant detected language barriers for Spanish speakers, particularly with regard to the City's Fair Housing Ordinance and Landlord/Tenant Ordinance, suggesting that a person who is not proficient in English would be unaware of rights and responsibilities. Finally, a participant suggested that the city "needs to be more creative" in addressing housing issues, using additional HUD products to encourage home ownership and diversity.

While the 1997 AI did not include a list of action steps intended to specifically address identified impediments, the City has made progress on a number of fronts in efforts to expand affordable housing choice and affirmatively further fair housing within its borders. The City has maintained a close working relationship with Open Communities, formerly Interfaith Housing Center of the Northern Suburbs, which has provided education, outreach, training and testing to City staff and residents. The work of this organization has allowed the City to track fair housing issues in the interim between formal AI documents.

Most remarkable among Evanston's fair housing accomplishments is the City's enduring commitment to the preservation and creation of affordable housing in a market that grows continually more expensive. This was an aim made clear in the 2000 Comprehensive General Plan and in its implementation, including the 2009 Plan for Affordable Housing. The City has implemented inclusionary zoning for owner-occupied multi-family structures of at least 25 units, and its locally sourced Affordable Housing Fund is a resource of increasing importance, given continual decline in the amount of federal funds available to create affordable housing opportunities. The City has always boasted of the wide variety of character, type, size and density among its housing stock, but it is proactive efforts such as these that will ensure that the community continues to support its socio-economic diversity.

While the City's restriction on the number of unrelated people who may live together has not changed, other facets of its regulation have, including adoption of one of the region's first suburban landlord-tenant ordinances and a rental registration program that raises revenue for code enforcement. The recent addition of a nuisance property policy is potentially problematic from a fair housing perspective, if well intentioned.

Other important regional fair housing advances have shaped the housing landscape in Evanston, including a pilot voucher mobility program operated collaboratively among regional housing authorities and recent protection against housing discrimination for voucher holders.

The City can claim credit for substantial fair housing progress during the last decade, including continued support for education, testing and outreach; aggressive efforts to expand the supply of affordable housing; and adoption of policies to regulate the local rental market.

Fair Housing Infrastructure

This section reviews fair housing capacity in Evanston, including advocacy organizations and jurisdictional monitoring and enforcement of local fair housing laws.

A. EVANSTON HUMAN RELATIONS COMMISSION

Enforcement of the City's Fair Housing Ordinance has historically been the responsibility of the Human Relations Commission (HRC). However, the related legislation currently in effect does not charge the HRC with this duty, as its stated purposes include only advising Council, through the Human Services Committee, on human relations matters; serving as the City's educational arm on such matters; acting as a bridge between and among City government and citizen groups; and performing as a catalyst in improving human relations and equitable conditions. The Commission published a work plan in 2011, including items related primarily to community education and outreach. The collection, referral, processing and resolution of complaints was not mentioned in the work plan.

Therefore, while the HRC meets regularly to advance its mission, it would appear that the HRC is not in the business of enforcement. To the extent to which this is true, aggrieved persons seeking protection under the Fair Housing Ordinance would need to commence a civil action.

The City HRC is no longer in the business of enforcing the Fair Housing Ordinance.

B. COOK COUNTY COMMISSION ON HUMAN RIGHTS

The Cook County Commission on Human Rights (COHR) enforces the Cook County Human Rights Ordinance, adopted in 1993 and expanded since to cover a broad array of protected classes, notably including sexual orientation, marital status, source of income, housing status and gender identity. This year, the law was updated to specifically protect Section 8 voucher holders from discrimination.

COHR enforces the ordinance by investigating, conciliating and conducting hearings on complaints of discrimination. In addition, the Commission develops and conducts educational programs designed to prevent discrimination before it occurs and to promote better relations among the County's diverse racial, ethnic, religious, cultural and social groups.

Because protection for voucher holders was added only within the last few months, its impact on the market is unclear. Advocates expect that prohibiting discrimination of voucher holders will expand their access to the rental market, forcing landlords to at least review applications from these households instead of rejecting them on principle. While the difference between price and HUD payment standard continues to make some neighborhoods prohibitive, Open Communities reported that units are available at fair market rent in every suburb. Ultimately, a great deal of landlord and tenant education will be required to more effectively deconcentrate voucher holders.

C. OPEN COMMUNITIES

Formerly known as Interfaith Housing Center of the Northern Suburbs, Open Communities is a HUD FHIP agency providing “housing, economic and social justice for North Suburban Chicago.” The organization’s history stretches back to the civil rights movement of the 1960s, when housing discrimination was often overt and laws against it did not exist. The organization was formally founded as the North Shore Interfaith Housing Council in 1972, when it began to work for more inclusive communities and the provision of housing for LMI families. The name change in 2012 to Open Communities reflected the recognition that “it takes more than influencing housing policy and enforcing non-discrimination laws to bring about inclusive and diverse northern suburbs.”

In addition to fair housing services, Open Communities provides foreclosure prevention counseling, landlord/tenant advice, homesharing facilitation, integration services for immigrants and other programs.

The City of Evanston regularly supports the work of Open Communities via CDBG and other funding sources. The City’s support has been substantial, totaling \$30,000 in 2013 and \$35,000 in addition to prior years’ funds. The City has worked with Open Communities on three fair housing audits since 2000, involving accessibility and discrimination on the basis of familial status. Via a HUD grant, Open Communities conducts paired testing throughout its 16-suburb region. Staff members from the organization are available at least one day per week in Evanston’s City Hall to provide counseling services, particularly to renters. Open Communities also mediates landlord-tenant disputes and works with the City’s Housing Planner and City Building Officials to educate landlords, tenants, realtors and community members on housing-related issues.

Open Communities is a high-capacity fair housing advocacy agency, providing a wide range of services available to Evanston residents.

Education and outreach is needed to inform landlords and tenants of their rights and responsibilities related to Cook County’s source-of-income protection.

8 GENERAL FAIR HOUSING OBSERVATIONS

This section of the AI is a summary of general observations included in earlier sections of the report. General observations include the results of primary and secondary research that define the underlying conditions, trends, and context for fair housing planning in the City. These observations in and of themselves do not necessarily constitute impediments to fair housing choice. Rather, they establish a contextual framework for the impediments to fair housing choice that are presented in the following section of the AI.

Demographic and Housing Market Observations

1

Evanston's population held generally steady during the last decade. The City has lost 7.3% of its population since 1970, a reflection of regional patterns of sprawl into more remote suburbs and exurbs.

2

Despite an estimated loss of 2,490 Black residents since 2000, Blacks continue to represent the City's largest minority group, accounting for 19.2% of all Evanston residents in 2011. The decline in Black residents is characteristic of a "black flight" phenomenon that is occurring at the urban core of this and other metropolitan regions.

3

Five of Evanston's 18 census tracts qualify as racially/ethnically concentrated areas of poverty, in which the non-White and/or Hispanic population exceeds 42.4%.

4

Though Black/White integration has increased since 2000, minorities in Evanston are still moderately segregated, by national standards.

5

Median household income was substantially lower among minority groups than for Whites. Asians had the lowest median, at \$45,600, equivalent to only 56.8% of the median income among Whites.

6

Among the 30 largest metropolitan regions in the country, Chicago ranks among the middle with regard to economic segregation, with 29% of lower-income households living in majority lower-income neighborhoods.

7

Evanston residents with disabilities were twice as likely to live in poverty than those without disabilities. In 2011, 24.1% of residents with disabilities lived in poverty, compared to 12.1% of persons without disabilities who were living in poverty.

8

Four in every 10 Evanston families under the poverty line are female-headed households with children. Contrary to national trends, married couples with children under 18 represent an increasing share of total households in the City, while single-parent households are less prevalent than in 2000. This could be related to rising housing costs.

9

Members of racial and ethnic minorities were substantially more likely than Whites and Asians to be unemployed in 2011, both in Evanston and across the nation.

10

Evanston's housing stock has grown by 1,659 units since 2000, a trend strongly related to new construction and conversion of housing Downtown.

11

Only 7.4% of rental units in the City have three or more bedrooms, compared to more than one-third of owner units. Owner-occupied units in multi-family buildings, such as condominiums, account for 36.1% of all multi-family stock in Evanston, while the remaining 63.9% of multi-unit buildings contain apartments.

12

Of the 3,421 vacant housing units in Evanston in 2011, 32.7% were empty for reasons other than rental, sale or seasonal use.

13

Multi-family housing structures represent more than half of the housing in Evanston. The City counts the diversity of its housing stock among its community strengths.

14

Lower participation in the market for home mortgages by Black and Hispanic households is likely a reflection of the lower median incomes of these minority groups.

Programmatic Observations

1

Sharp reductions in federal entitlement grant amounts have challenged the City's ability to create affordable housing opportunities. However, proactive efforts such as the Plan for Affordable Housing, the Affordable Housing Fund and the recently implemented TBRA program represent strong community will to address this need.

2

The City is in the process of updating its Comprehensive General Plan. The 2000 edition included language consistent with fair housing aims, including goals of preserving and creating affordable housing across the City.

3

HACC benefits from important tools for regional socio-economic and racial/ethnic integration, including Cook County's protection against discrimination for voucher holders and the ability to set payment standards by zip code. Programs such as RHI address an identified need for a greater number of affordable rental units as well as distributing the units among areas of opportunity, with linkages to employment and amenities.

4

While Black families are overrepresented in public housing and the voucher program and racial segregation persists across public housing developments, HACC allows applicants and transfers to exercise preferences among public housing sites, and it actively promotes voucher mobility.

9 IMPEDIMENTS TO FAIR HOUSING CHOICE

Public Sector Impediments: Market Based

1 GAPS IN STRATEGY TO MEET THE NEEDS OF GROWING LIMITED-ENGLISH-SPEAKING POPULATION

There is a sufficient number of limited-English Spanish speakers in Evanston, 2,093, to warrant further analysis of their access to public programs and services, according to HUD “safe harbor” guidance on compliance with Title VI. Additionally, the City’s refugee population continues to expand. According to advocates, this group is more likely to experience refusal to rent and unfair treatment, and they are less likely to know their rights. The City must adapt to ensure that its evolving population has equal access to programs, services and housing opportunity.

ACTION STEP 1: The Planning and Zoning Division should conduct a four-factor analysis to determine the extent to which its current systems for interpretation and translation adequately serve the community, culminating if necessary in an official Language Access Plan. The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

ACTION STEP 2: The City should consider reappointing an outreach specialist to work specifically with the Latino population.

2 GROWING MISMATCH BETWEEN INCOMES AND HOUSING COSTS

Evanston is perceived as an attractive place to live, by virtue of its transportation connections, diverse and historic housing stock, quality school system and access to amenities. Demand begets rising cost. To wit, within the context of overall loss of valuation related to the housing market decline, the City’s inflation-adjusted median household income dropped 10.2% between 2000 and 2011, outpacing 2.4% and 3.7% reductions in median housing value and gross rent, respectively. Evanston lost 70.7% of its units renting for less than \$700 between 2000 and 2011, while the number of units renting for more than \$1,000 increased by two-thirds. Minimum-wage, single-income households and those depending on SSI payments cannot afford an apartment renting at the fair market rate in Cook County, and property taxes continue to represent an affordability concern for residents, particularly those with fixed incomes.

ACTION STEP 1: The City should continue to implement the Plan for Affordable Housing, including its focus on provision of affordable rental opportunities.

ACTION STEP 2: The City should consider amending its Inclusionary Housing Program to also apply to rental structures.

ACTION STEP 3: The City should continue to seek ways to create affordable units for larger families, a need identified in its last Consolidated General Plan that continues to be supported by demographic trends.

ACTION STEP 4: The City should continue to collect and administer resources via its Affordable Housing Fund, a valuable local resource.

ACTION STEP 4: HACC should, where possible, acquire and maintain the affordability of tax-credit development for which affordability requirements are set to expire.

3

DIFFICULTIES FOR PEOPLE WITH DISABILITIES IN ACCESSING DECENT, AFFORDABLE, SUITABLE HOUSING

The supply of affordable housing accessible to persons with disabilities is limited by the age of the stock. Much of the City's older housing stock is difficult to retrofit for accessibility because it consists of multi-story units with stairs. This is true of smaller two-to-four flats as well as larger three- or four-story structures.

Some facilities designed to accommodate people with mobility disabilities exist in Evanston, including two buildings HACC is updating per its Section 504 Transition Plan. However, stakeholders and HACC waiting list data suggest that the unmet need for affordable accessible housing remains significant.

ACTION STEP 1: The City should work with HACC to create and publish an inventory of assisted sites with units accessible to persons with disabilities.

ACTION STEP 2: The City's ADA Coordinator should arrange workshops for developers and architects to broaden awareness of the concepts of universal design.

ACTION STEP 3: The City should continue to place a high priority in its rehabilitation program on removing barriers to accessibility

4

PERSISTENCE OF HOUSING DISCRIMINATION

The most common issues cited in housing discrimination complaints across Evanston in recent years were race and disability. Fewer complaints arise regarding source-of-income discrimination or unfair treatment on the basis of sexual orientation or gender identity, which suggests that community awareness of these local protections may be low.

Paired testing conducted by Open Communities has revealed some discrimination in Evanston's rental market, particularly steering and differential treatment on the basis of familial status. Familial status discrimination is particularly relevant in neighborhoods surrounding Northwestern University, where some real estate advertisers express a preference for students.

ACTION STEP 1: The City should continue the active enforcement of its rental registration program. Additionally, the City should consider requiring fair housing training of property owners as a component of registration.

ACTION STEP 2: The City should continue to partner with a qualified fair housing services provider to provide such activities as education, outreach and enforcement.

ACTION STEP 3: The City should work with Open Communities to devise a strategy for broadening awareness of local protections against discrimination, particularly on the basis of source of income.

ACTION STEP 4: The City should reinstate the enforcement function of the HRC, or at least ensure that complainants are reliably assisted to file complaints at the county, state or federal level.

Public Sector Impediments: Policy Based

5

BARRIERS TO THE FORMATION OF NON-TRADITIONAL HOUSEHOLDS

For decades, the City has limited the number of unrelated persons who may live together as a single family. Given the socio-economic diversity and prevalence of renters in Evanston and the City's goal to expand the availability of affordable housing options, the City should adopt a more open and inclusive definition of family, based on function rather than the relationship between individuals.

ACTION STEP 1: The City should amend its zoning ordinance to remove specifications about who may live together, regulating families instead according to structural occupancy limits.

6

CONCENTRATION OF VOUCHER HOLDERS IN RACIALLY CONCENTRATED AREAS OF POVERTY

Despite an adequate level of landlords participating in the Section 8 voucher program, higher payment standards in more expensive neighborhoods and the success of the Regional Housing Initiative, voucher holders remain concentrated primarily in less expensive communities that are more likely to be racially/ethnically concentrated areas of poverty. This suggests that the FMR is insufficient to afford a unit in many neighborhoods.

ACTION STEP 1: HACC should continue to adjust its voucher payment standards according to housing market conditions by zip code so that the ceiling is lower in lower-cost areas and higher in more expensive areas.

ACTION STEP 2: HACC should continue aggressive recruitment of landlords who rent units in higher-opportunity neighborhoods.

ACTION STEP 2: HACC should continue to participate in regionally cooperative voucher mobility programs such as RHI.

ACTION STEP 4: The City should revise its HOME Program Guidelines to incorporate site selection standards that encourage the creation of new affordable housing opportunities outside racially/ethnically concentrated areas of poverty.

7

POTENTIAL FOR POLITICAL INFLUENCE IN THE SITING AND APPROVAL OF AFFORDABLE HOUSING DEVELOPMENT

Sharp reductions in federal entitlement grant amounts have challenged the City's ability to create affordable housing opportunities. However, proactive efforts such as the Plan for Affordable Housing, the Affordable Housing Fund and the new TBRA program represent strong community will to address this need. The processes for CDBG and HOME fund allocation are transparent and publicly promoted, involving primary screening by appointed public volunteer boards. However, according to stakeholders, political influence enters the process when City Council considers recommendations. Housing advocates claim that decisions are unpredictable and not necessarily based on the work of commissions and staff or the merits of a project. A developer described Council's procedures and evaluation criteria as somewhat unclear, reporting that "it's difficult to work in an environment where you don't know what you're getting yourself into."

ACTION STEP 1: A requirement for developers to specifically identify the addresses of affordable housing sites at the proposal phase appears to be an unnecessary and potentially inappropriate control on the geographic distribution of affordable housing. The City should adjust its proposal review process to require identification of potential sites only by neighborhood or census tract at early stages.

ACTION STEP 2: Staff members should continue efforts to ensure that the approvals process is well informed and solidly grounded in fair housing principles.

8

LACK OF TRANSIT CONNECTIONS TO SUBURBAN EMPLOYMENT CENTERS

Evanston is well served by a variety of public transit agencies providing reliable regular multi-modal travel around the City, into Chicago and within the region. However, the industrial, wholesale and retail jobs that are open to residents with lower education levels are typically located in the region's suburbs, which are made relatively inaccessible by the hub-and-spoke orientation of the regional transportation network.

Additionally, the lack of a stop along CTA's yellow line in an LMI neighborhood of southern Evanston raises equity questions, though studies have recommended the addition of a stop and a feasibility analysis is underway.

ACTION STEP 1: Creation of a Skokie Swift "L" stop in Evanston, while expensive, would provide a needed connection between an LMI neighborhood and the regional transit network.

ACTION STEP 2: The City should continue its active participation in regional long-range planning efforts to promote connections between jobs, housing and amenities.

9

IMPROVEMENTS NEEDED IN SOME POLICY DOCUMENTS

HACC must update its Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plan to meet fair housing standards.

The City requires all applicants proposing projects with five or more HOME-assisted units to submit an affirmative marketing plan describing the target audience, types of advertising or informational distribution and a list of contacts who will receive the information. The applicant must submit a statement that it will not discriminate in the selection of residents on the basis of protected classes. The City could strengthen its use of IHDA's template for affirmative marketing plans by adopting its own policy or plan to specify expectations on how applicants will comply and how compliance will be monitored and enforced.

ACTION STEP 1: HACC must update its policy documents to include equal opportunity clauses that list the classes protected within their jurisdictions, also reflecting 2012 changes to HUD program administration that prohibit discrimination on the basis of marital status, sexual orientation or gender identity.

ACTION STEP 2: The City should adopt a formal Affirmative Marketing Plan to specify how implementation will be monitored and state consequences for non-compliance. The Plan should apply to all developments of at least five units that are funded through CDBG, HOME or the Affordable Housing Fund.

10

NEED FOR MORE REPRESENTATIVE BOARDS AND COMMISSIONS

Asians and Hispanics are underrepresented on the City's housing-related boards and commissions, though Blacks and women are proportionately represented. In order to address the concerns of all segments of the population, boards appointed by the Mayor and by organizations such as the Realtors' association must actively recruit and maintain membership by members of the protected classes.

ACTION STEP 1: The Mayor's Office should develop and implement policies and procedures for selecting qualified candidates who are representative of all segments of the community to serve on appointed volunteer boards.

Private Sector Impediments Market Based

11

FAIR HOUSING ISSUES WITH THE NUISANCE PREMISES ORDINANCE

The Nuisance Premises ordinance, amended by the City Council in 2007, empowers the Police Department to hold landlords, managers and building owners accountable for encouraging or permitting criminal activity on their properties. It allows the Chief of Police to treat a property as a “nuisance premises” after either one felony or two misdemeanors/ordinance violations, specifically arrests or citations, occur within a six-month period on-site.

Evanston’s Nuisance Premises ordinance is cited by the Shriver National Center on Property Law in its August 2013 report “The Cost of Being ‘Crime Free,’” which states that such laws can harm victims of domestic violence, people with disabilities and other tenant families. In the particular case of Evanston’s ordinance, the City creates strong incentive for landlords to evict entire tenant households whenever a tenant, household member, guest or other person on site is accused of criminal or other nuisance activity. Such ordinances may violate fair housing laws because they would disproportionately impact members of the protected classes.

ACTION STEP 1: The City’s legal department should conduct a detailed review of its Nuisance Premises Ordinance within the context of the Shriver report to determine whether its enforcement is inconsistent with applicable fair housing laws.

12

PATTERNS OF DISPARITY IN PRIVATE LENDING

Generally speaking, home ownership in Evanston is the most unaffordable to Black and Hispanic households as a function of the lower median household incomes among these groups. Far less lending occurs in the City’s racially concentrated areas of poverty than in other areas, though it is unclear whether this is due to disparate impact of the housing market crisis or the difficulty of credit access for households who would buy homes in these areas.

Blacks, Asians and Hispanics had mortgage denial rates significantly higher than Whites. In fact, over the course of the three years studied, **upper-income** Black and Hispanic households were denied mortgage loans more often than **lower-income** White households. Though high-cost loans represent less than 1% of all loans during the three years studied, rates were higher among minority households.

ACTION STEP 1: The City should financially support testing for mortgage discrimination by a qualified entity in order to more effectively target education, outreach, referral and enforcement activities.

ACTION STEP 2: The City should continue to support financial education and credit counseling for lower-income households.