

11/18/2005  
9/21/2005

**117-O-05**

**AN ORDINANCE**

**Amending the City Code to Create Title 4, Chapter 20,  
"Affordable Housing Demolition Tax"**

**WHEREAS**, the City Council has determined that an affordable housing demolition tax is appropriate and necessary to promote high-quality housing for households of all sizes and income levels located in neighborhoods throughout Evanston in order to preserve and maintain the City's cultural and economic diversity; and

**WHEREAS**, the City Council has determined that the amendments in the form set forth in this Ordinance would help achieve the provision of high-quality affordable housing, and be in the best interest of the City,

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

**SECTION 1: Recitals.** The foregoing recitals are incorporated herein as facts and made a part hereof.

**SECTION 2:** Title 4 of the Evanston City Code of 1979, as amended, is hereby further amended by creating a new Chapter 20, "Affordable Housing Demolition Tax", to read as follows:

**4-20-1: PURPOSE:** The purpose of this Chapter is to enhance the public health, safety, and welfare of Evanston by promoting high-quality housing for households of all sizes and income levels located in neighborhoods throughout Evanston in order to preserve and maintain the City's cultural and economic diversity.

**4-20-2: DEFINITIONS:**

For the purposes of administering this Chapter:

**AFFORDABLE HOUSING, OWNER-OCCUPIED:** Decent, safe, sanitary housing that is affordable to "Relevant Households" as defined below. The cost of the mortgage payment and relevant expenses (a calculation of property taxes, homeowner's insurance, and, when applicable, condominium or homeowner association fees) of owner-occupied dwelling units shall not exceed thirty percent (30%) of the Relevant Household's gross annual household income (the total income of all adults over eighteen years of age in the household).

**AFFORDABLE HOUSING, RENTAL:** Decent, safe, sanitary housing that is affordable to "Relevant Households" as defined below. The cost (including a utility allotment and adjustment for household size) of rental dwelling units shall not exceed thirty percent (30%) of the Relevant Household's gross annual household income (the total income of all adults over eighteen years of age in said household).

**APPLICANT:** Any individual who applies for a building demolition permit under the Evanston City Code.

**AREA MEDIAN INCOME:** The median income level for the Chicago region, as established and defined in the annual schedule published by the Secretary of the U.S. Department of Housing and Urban Development and adjusted for household size.

**DEMOLITION STRUCTURE:** The building or structure to be demolished.

**DIRECTOR:** The Director of the Evanston Community Development Department.

**DOMICILE:** A person's fixed and permanent home where he or she is physically present.

**DWELLING UNIT:** A room or group of contiguous rooms that include facilities used or intended to be used for living, sleeping, cooking and eating, and that are arranged, designed, or intended for use exclusively as living quarters.

**RELEVANT HOUSEHOLD:** A household whose total income does not exceed eighty percent (80%) of Area Median Income.

**REPLACEMENT STRUCTURE:** Any building or structure replacing the Demolition Structure.

**RESIDENTIAL STRUCTURE:** Any building or structure containing dwelling units.

**RESIDENTIAL STRUCTURE, SINGLE-FAMILY ATTACHED (GROUP, ROW, OR TOWN HOUSES):** Three (3) or more dwelling units joined side by side.

**RESIDENTIAL STRUCTURE, SINGLE-FAMILY DETACHED:** A residential building containing not more than one (1) dwelling unit entirely surrounded by open space on the same lot.

**RESIDENTIAL STRUCTURE, MULTI-FAMILY:** A detached residential building containing three (3) or more dwelling units, including what is commonly known as an apartment building, but not including group, row, or town houses, excluding a hotel, motel, boarding house, rooming house, dormitory, nursing home, mobile home, institution, or retirement home or community.

**SINGLE-FAMILY ATTACHED, TWO-FAMILY:** A residential building containing not more than two (2) dwelling units entirely surrounded by open space on the same lot.

**4-20-3: AFFORDABLE HOUSING DEMOLITION TAX:**

**(A) Tax Imposed and Dedicated.** Any person granted a permit under the Evanston City Code for demolition of a Residential Structure shall pay an affordable housing demolition tax of: (a) ten thousand and no/100 dollars (\$10,000.00) for the demolition of any Single-Family Detached Residential Structure, or (b) for the demolition of any Multi-Family, Single-Family Attached, or Two-Family Residential Structure, either ten thousand and no/100 dollars (\$10,000.00) or three thousand and no/100 dollars (\$3,000.00) for each unit in the structure, whichever amount is more. The tax imposed pursuant to this subsection shall be in addition to the demolition permit fee established from time to time by the City Council and all other applicable fees and charges. Payment of the Affordable Housing Demolition Tax shall be due upon issuance of a demolition permit by the Department, and is a condition to the validity of the permit. The funds received by the City for the amount imposed pursuant to this subsection shall be dedicated and transferred to the Mayor's Special Housing Fund.

**(B) Specific Applicability Rules.** Notwithstanding the general requirement set forth in paragraph (A) of this Section, the Affordable Housing Demolition Tax shall not apply under the following circumstances. This subsection, however, shall not affect an applicant's obligation to pay the demolition permit fee:

(1) If the purchase price, as evidenced in the Evanston Real Estate Transfer Tax Declaration, of the replacement house is less than five hundred thousand and no/100 dollars (\$500,000.00).

(2) If the applicant and the City enter into an agreement for the provision of "Affordable Housing" as defined in Section 4-20-2 in conjunction with the demolition that would otherwise be the subject of Section 4-20-3(A). Any such agreement shall specifically set forth the applicability of this subparagraph.

(3) If the applicant establishes, through a professionally-prepared appraisal or other reliable evidence, to the satisfaction of the Director, that the building or structure replacing the building or structure that is the subject of the demolition permit constitutes "Affordable Housing" as defined in Section 4-20-2.

(4) If the Community Development Department or any other City department orders a demolition for any reason, including but not limited to nuisance, public safety, or fire hazard, this Affordable Housing Demolition Tax shall not apply, regardless of whether the demolition work is itself performed by a public or private entity.

**(C) General Applicability.** Imposition of the tax imposed pursuant to this subsection shall not apply to any demolition for which a perfected application for the demolition permit was on file with the City on or before (the effective date of this Ordinance).

**(D) Refund of Demolition Tax.** An owner who has been domiciled on the subject property for a minimum of three consecutive years immediately prior to the date of filing of a perfected application for demolition permit for teardown not otherwise exempt from the demolition tax, and who is domiciled thereon for a minimum of three consecutive years beginning on the date of issuance of a Certificate of Occupancy, shall be entitled to a return of the demolition permit fee when the new construction value is five hundred thousand and no/100 dollars (\$500,000.00) or greater. Application for the refund shall be made to the Director of Community Development on a form provided for that purpose and available from the Building Permit Desk. In the case of co-owners, only owner(s) who satisfy both the pre- and post-demolition domicile requirements are eligible to apply for and receive the refund. An owner must provide the Director of Community Development with such documentation as he or she may require to establish that the owner qualifies for the refund under the requirements of this Section. Such documentation may include, but is not limited to, income tax returns and proof of voter registration for the years in question. The City shall refund the amount of the demolition tax, less the amount of any liens recorded by the City against the subject property, including, but not limited to, liens for judgments entered in cases adjudicated in the City's Division of Administrative Hearings, no later than thirty (30) days after the Director of Community Development determines that an owner qualifies for the refund.

**SECTION 3:** That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

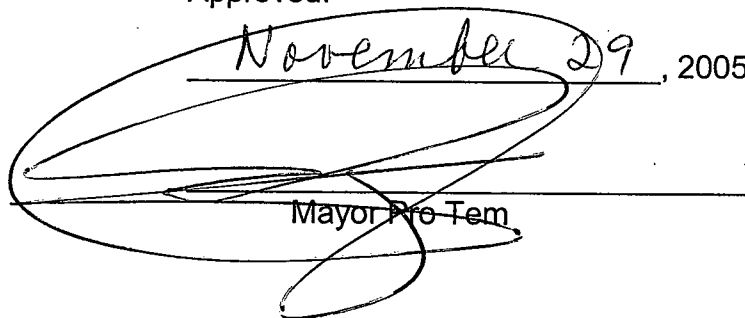
**SECTION 4:** That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: October 24, 2005

Adopted: November 28, 2005

Approved:

November 29, 2005



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Mayor Pro Tem

Attest:

Mary P. Morris  
Mary P. Morris, City Clerk

Approved as to form: \_\_\_\_\_  
Corporation Counsel

