

49-O-23**AN ORDINANCE****Amending City Code Section 4-18-3 Concerning the Demolition Tax**

WHEREAS, the City of Evanston Code currently imposes a housing demolition tax for the demolition of a residential structure within the City; and

WHEREAS, the housing demolition tax is adjusted each year based on the Consumer Price Index and was last amended by ordinance in 2019; and

WHEREAS, the Evanston City Council believes it is in the best interests of the City to amend the Code to increase the housing demolition tax in order to add these funds to the City's affordable housing fund.

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

SECTION 1: Section 4-18-4 "Tax Imposed" of the Evanston City Code of 2012, as amended, is hereby amended as follows:

4-18-3. – TAX IMPOSED.

(A) *Amount of Tax.* Any person granted a permit under this code for demolition of a residential structure shall pay an affordable housing demolition tax of: 1) ~~fifteen~~ twenty thousand dollars (\$~~15~~ 20,000.00) for the demolition of any single-family detached residential structure, or 2) for the demolition of any multi-family, single-family attached, or two-family residential structure, either ~~fifteen~~ twenty thousand dollars (\$~~15~~ 20,000.00) plus four thousand dollars (\$4,000.00) for each additional unit above the first unit for two (2) to five (5) unit buildings or seven thousand five hundred dollars (\$7,500.00) for each unit in the structure for buildings above five (5) units. ~~five thousand dollars (\$5,000.00) for each unit in the structure, whichever amount is more.~~ The demolition tax will be adjusted annually on January 1st based on the Consumer Price Index. 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 tax, unless deferred as provided in Section 4-18-4 of this Chapter, shall be due upon issuance of a demolition permit by the department, and is a condition to the validity of the

permit. The City shall have a lien against the property which was the subject of the demolition permit until applicable tax obligations imposed by this Chapter are satisfied. The funds received by the City for the amount imposed pursuant to this Subsection shall be dedicated to achievement of the affordable housing goals and objectives as set forth in Section 4-18-1 of this Chapter. The demolition tax funds received pursuant to the tax imposed by this Chapter shall be deposited directly into the affordable housing fund.

- (B) *Specific Applicability Rules.* Notwithstanding the general requirement set forth in Subsection (A) of this Section, the 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 applicant and the City enter into an agreement for the provision of "affordable housing" as defined in Section 4-18-2 of this Chapter in conjunction with the demolition that would otherwise be the subject of Subsection (A) of this Section. Any such agreement shall require prior City Council approval and shall specifically set forth the applicability of this Subsection.
 2. If the Director determines, pursuant to regulations enacted by the City Council, 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 4-18-2 of this Chapter.
 3. If the Director or any other City department head, or their respective designees, orders a demolition for any reason, including, but not limited to, nuisance, public safety, or fire hazard, this tax shall not apply, regardless of whether the demolition work is performed by a public or private entity.
- (C) *General Applicability.* Imposition of the tax provided for by Subsection (A) of this Section 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 hereof.

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

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

SECTION 4: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

SECTION 5: This ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: May 8, 2023

Approved:

Adopted: June 26, 2023

June 29, 2023

Daniel Biss
Daniel Biss, Mayor

Attest:

Approved as to form:

Stephanie Mendoza
Stephanie Mendoza, City Clerk

Nicholas E. Cummings
Nicholas E. Cummings, Corporation Counsel