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**Exhibit A - Executive Summary
City of Evanston**

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Background

With a population of 78,000, the City of Evanston stretches four miles along Lake Michigan's western shoreline just north of Chicago. Evanston is a highly dense, nearly built-out community, with few vacant parcels and no opportunity for large-scale annexation or land acquisition. Its 7.8 square miles include vibrant residential neighborhoods, thriving business districts, and varied recreational facilities and offerings. Interspersed throughout the community are over 290 acres of parks, including five public swimming beaches, athletic fields, and bicycling and jogging trails. Evanston is located 12 miles from downtown Chicago and provides access to a variety of jobs, excellent public transportation via Metra UP-North and the CTA Purple Line, and is highly walkable and bikeable. Evanston is home to Northwestern University, NorthShore University HealthSystem Evanston Hospital, Ascension Saint Francis Hospital, Rotary International headquarters, and two highly regarded school districts.

Despite Evanston's significant location and amenities, housing production has been limited in part by the adoption of early land use controls and the first zoning code in Illinois in the 1920s. Evanston's historic development patterns predate exclusionary zoning practices and these neighborhoods are inexorably linked with the City's identity. They represent vibrant human-centered environments and a rich juxtaposition and diversity in residential densities, socio-economic strata, and housing choice that remain desirable but are not replicable under current land use controls. More restrictive zoning, including single units on large lots has resulted in housing demand that far outweighs the supply – creating significant affordability and displacement pressures and eroding the existing attainable housing stock and starter homes.

Generational Opportunity

In 2024, the City started a generational opportunity to develop a new Comprehensive Plan and Zoning Code and update its Inclusionary Housing Ordinance – all critical initiatives that will position Evanston to become more inclusive, more affordable, more resilient, and less economically and racially segregated. These efforts will advance the City's goals and objectives around the creation of: sustainable, vibrant, and human-centered places – places that prioritize people, walkability, and alternative and mass transportation over cars; vibrant human experiences and attainable housing over parking – authentic, compatible, and varied architecture over commodified and isolating development patterns; and sustainable use of city-owned assets that provide publicly controlled, significant opportunity sites to develop lasting and meaningful housing, especially housing for low and moderate income households.

The new comprehensive plan and zoning code that embodies those goals are expected to be finalized and approved by Spring 2025. The result will be: streamlined entitlement and permitting processes; land use regulations that encourage production of additional and diverse market-driven attainable housing; much-needed density to support our business districts, City

services, public transit, and schools; and newly-created market rate development to contribute more affordable units through our Inclusionary Housing Ordinance.

However, becoming more affordable and resilient and less economically and racially segregated will not be accomplished through reformed land use regulation alone. To amplify these opportunities and expedite meaningful progress toward our affordable housing goals, the City has identified key remaining barriers that must be addressed and the associated strategies and activities that will provide transformative outcomes to strengthen Evanston and build a more vibrant and resilient community.

Building on A New Foundation

The City of Evanston has identified two significant barriers to affordable housing production and preservation and has proposed associated strategies to mitigate or remove them through this grant. First, limited publicly-owned land coupled with the high cost of land hinders the City's ability to increase affordable housing production. To address this barrier, we propose expanding financial and staff capacity to strategically develop publicly-owned land for affordable housing development and encouraging the development of Accessory Dwelling Units for low- to moderate-income households. Second, so that the City does not lose ground as the need for affordable housing far exceeds the existing supply, the City will expand its preservation efforts by escalating its home rehabilitation program to serve more household and include energy-efficiency and resiliency, investing in shared equity models for long-term housing affordability, and increasing access to housing in higher income neighborhoods. These strategies will take advantage of the newly aligned comprehensive plan and zoning code where attainable housing is prioritize, density and a variety of housing types are encouraged, and land use regulations and policies that reflect that.

Summary

Addressing these barriers through our proposed activities will provide opportunities for low- and moderate-income households to enjoy increased access to decent, suitable, and affordable housing. The activities directly fund the production of new, primarily affordable housing units, streamline and incentivize housing production, and expand opportunities to maintain the City's existing affordable housing stock. The City's location near jobs and public transit, history of progressive housing policies, and shared and determined vision for the future, combined with Evanston's community capital and political will, uniquely positions the City to leverage housing production and housing preservation strategies to have the most impact and to provide a significant and immediate return on this investment.

**Exhibit B - Threshold Requirements and Other Submission Requirements
City of Evanston**

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Threshold Requirements

1. **Resolution of Civil Rights Matters:** The City does not have unresolved civil rights matters.
2. **Timely Submission of Applications:** This application shall be submitted before the deadline on October 15, 2024.
3. **Eligible Applicant:** the City of Evanston is an eligible applicant as a city government, as listed under section III A.02 of the Notice of Funding Opportunity.
4. **Number of Applications:** The City of Evanston is submitting only one grant application.

Additional Eligibility and Requirements

- **Limited English Proficiency (LEP):** The City has a Language Access Policy to ensure that all City services are accessible to LEP residents.
- **Physical Accessibility:** All meetings held in person will be held in facilities that are physically accessible to persons with disabilities. Meetings will also be available through video conferencing for remote access when possible.
- **Environmental Reviews:** The City of Evanston will comply with applicable environmental requirements related to this grant.
- The City of Evanston will comply with all the eligibility requirements for applicants and recipients of HUD Financial Assistance Programs.
- Code of conduct: The City of Evanston will submit its latest version of its code of conduct to HUD.
- 424-CBW Budget Form: The 424-CBW budget form will be included in this application.
- Certification Regarding Lobbying: This certification will be included in this application.
- Disclosure of Lobbying Activities (SF-LLL): This form will be included in the application.

**Exhibit C - Need
City of Evanston**

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i. DEMONSTRATE YOUR PROGRESS AND COMMITMENT TO OVERCOMING LOCAL BARRIERS TO FACILITATE THE INCREASE OF AFFORDABLE HOUSING PRODUCTION AND PRESERVATION, PRIMARILY BY HAVING ENACTED IMPROVED LAWS AND REGULATIONS

Especially in the past five years, the City of Evanston has implemented policies and programs to address the housing needs of low- and moderate-income residents by increasing the supply of and access to safe, decent, and affordable housing. The City’s past activities demonstrate Evanston is willing and able to experiment and advance contemporary policies and initiatives in an effort to meet some of the most pressing challenges of our time. Innovative activities have recently been implemented to advance environmental and restorative justice. Through the work summarized below, the City of Evanston has strived to simultaneously increase affordability, preserve existing naturally occurring affordable housing, and expand anti-displacement measures.

a. Improved laws, regulations, or local land use local policies.

Envision Evanston 2045: Comprehensive Plan & Zoning Ordinance Update (2025)

Impact: Increased housing production—both affordable and market rate

Population: Citywide

Barrier: Restrictive Land Use Regulations

The City of Evanston’s current Comprehensive Plan was developed in 2000, just a modest update to the 1972 Comprehensive Plan. Similarly, the current Zoning Code was adopted in the early 1990s. For decades, the City of Evanston has been basing development decisions on an extremely outdated document and implementing a litany of asystematic, one-off amendments. In 2021, Joining Forces for Affordable Housing, an Evanston-based housing advocacy organization, and ZoneCo found many examples of Evanston’s Zoning Code contributing to social or economic inequity and/or increased housing costs.¹ Some specific issues identified in their report include: residential zoning districts that do not reflect the City’s housing goals; potentially non-inclusive language such as “character” often used to maintain exclusionary dynamics; excessive lot standards and setbacks; and a higher Council approval threshold where a minority (30%) of adjacent property owners oppose a project. These factors have discouraged housing development in the City despite the many amenities it offers.

Through Envision Evanston, the City is on track to adopt a new Comprehensive Plan and equitable Zoning Code by Spring 2025. Revisions being contemplated include: streamlining the development approval process with more uses allowed by right; eliminating parking minimums to prioritize housing; creating mixed-use zones that also increase residential density near transit hubs; reducing the number of zoning districts and overlays; and eliminating single-family zoning. Such actions would allow for more housing development—both affordable and market-

¹ ZoneCo, Equity Zoning Diagnostic - Initial Observations, 11/2021

rate—and reduce the time it takes to approve a development delivering much needed housing more quickly.

Accessory Dwelling Units (2020)

Impact: 32 units permits issued

Annual Impact: 8 permits issued

Population: No income restrictions

Barrier: Restrictive Land Use Policies, Limited Resources for Production

In 2020, the City amended its zoning code to allow the construction of one attached, detached, or internal accessory dwelling unit (ADU) per residential lot with no parking requirements. ADUs do not have affordability requirements but result in smaller units, particularly in high-cost, single-family neighborhoods. In partnership with the Evanston Development Cooperative, a local green construction co-op, the City co-developed a guidebook to help interested parties to understand the ADU code and navigate the ADU permitting process. Over 30 permits have been issued for ADU construction in the last four years, but barriers still remain, including financing costs, particularly for detached ADUs, which make it difficult particularly for low- to moderate-income households to construct and/or rent ADUs in Evanston.

Inclusionary Housing Ordinance (2007, 2016, 2019, 2024)

Impact: 131 unit equivalents produced

Annual Impact: 5 unit equivalents produced

Population: 50% - 120% AMI

Barrier: Limited Resources for Affordable Housing Production

In 2007, the City of Evanston approved an Inclusionary Housing Ordinance to address the fact that the private market was not developing housing affordable to low- and moderate-income households on its own. Initially the ordinance applied only to for-sale developments but was revised in 2016 to include rental development and condo deconversions as well. The current IHO, effective in 2019, requires qualifying residential developments to have 10% of units affordable or pay a fee-in-lieu of \$179,310 - \$313,792 per unit to the Affordable Housing Fund discussed below. The maximum income levels for rental and ownership are 60% of AMI and 100% of AMI, respectively.

The IHO and pre-IHO developer agreements have created 131 rental units—94 onsite and 37 off-site through in-lieu fees—affordable to households with incomes between 50% and 120% AMI in market-rate developments, providing affordable housing options in high opportunity areas. Ninety percent of those units are affordable to households earning no more than 80% AMI. The City is currently in the process of updating the IHO to increase the minimum number of units and in-lieu fees as well as allow for weighted average income requirements to offer a broader range of affordability. The updated IHO is scheduled to be approved by the end of 2024.

Figure C.1: Inclusionary Housing Units

IHO Version	Time Period	All Developments with IH Units ²				Total Units (#)
		IH Units (#)	In-Lieu Fees (\$)	IH Unit Eq ³ (#)	IH Unit Eq (%)	
Pre-IHO	2003	10	\$0	10	5.2%	193
2007 IHO	2007 - 2015	12	\$400,000	22	6.9%	321
2016 IHO	2016 - 2018	43	\$2,400,000	67	7.4%	909
2019 IHO	2019 - Present	29	\$525,000	32	9.7%	331
Total	2003 - Present	94	\$3,325,000	131	7.5%	1,754

¹ Includes units under construction and anticipated to be completed by 12/2024
² Includes units in covered and non-covered developments
³ The IH Unit Equivalent includes both IH units and the in-lieu fee unit equivalent

Efficiency Homes (2021)

Impact: TBD

Annual Impact: TBD

Population: No income restrictions

Barrier: Restrictive Land Use Policies

To increase infill development and add density, the City amended its zoning code to allow the development of modest homes on small and irregular lots previously classified as unbuildable. Additionally, flexibility is afforded by reducing setback requirements that traditionally prioritize open space over housing production and density. Development of this code anticipates the creation of additional housing choice, offers the possibility of attainable homeownership in highly desirable locations, and creates opportunities for detached single-unit housing at attainable rents. The City has identified approximately 35 vacant or underutilized parcels less than 3,300 square feet in size that are buildable under the revised zoning and has seen interest by developers to advance these concepts. The first development to proceed under the zoning amendment with 12 two-bedroom energy efficient homes is scheduled to come to market in 2025 with an estimated sales price of \$350,000, providing homeownership options to middle-income buyers. However, barriers remain, including lack of site control and the high cost of financing, making success largely dependent on market conditions and consumer interest in non-traditional housing types.

Adaptive Use Code (2023)

Impact: TBD

Annual Impact: TBD

Population: No income restrictions

Barrier: Restrictive Land Use Policies

An amendment to the Zoning Code in 2023 created flexibility in land use regulations to facilitate the reuse of both historic and non-historic properties, most commonly large buildings of assembly and institutional or industrial uses that have significant reuse potential as housing. The modifications remove common barriers to adaptive use, offset rehabilitation costs, and increase overall project feasibility. Adaptive use is now an eligible special use in all zoning districts, and

qualifying projects are not subject to off-street parking and loading requirements, or maximum residential density requirements.

Allowing flexibility in the adaptive use of existing structures achieves climate resilience goals through retention of embodied energy, diversion of landfill waste, and a reduction in carbon footprint associated with new construction. Adaptive use further achieves affordable housing production and subsidized rent structures made possible by combining state and federal Low-Income Housing Tax Credits with state and federal Rehabilitation Credits – creating diverse housing typologies and uses that retain human-scaled built fabric associated with Evanston’s identity and its residents’ collective memories of place.

Affordable Housing Fund (2006)

Impact: 125 units produced, 150 units preserved, 100 households retained

Annual Impact: 7 units produced, 9 units preserved, 6 households retained

Population: 30% - 100% AMI

Barrier: Limited Resources for Affordable Housing Production

The Affordable Housing Fund (AHF) supports housing development and acquisition and rehab of housing for households with incomes at or below 100% AMI. Revenue is currently limited, \$200,000 - \$500,000 annually, from a developer contributions for projects not covered by the Inclusionary Housing Ordinance, fees-in-lieu of on-site inclusionary units, and housing demolition tax indexed to the CPI.

The AHF provides soft funding to leverage Low Income Housing Tax Credits (LIHTC) for affordable housing production, contributes to acquisition and rehab projects, in conjunction with CDBG and HOME entitlement funds, and supports landlord-tenant services and management of the Inclusionary Housing Ordinance (IHO) centralized waitlist. Major developments funded include a 32-unit LIHTC development and a 33-unit development, both with 1 - 3 bedrooms and a 60-unit LIHTC senior development.

b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation.

Putting Assets to Work: Evanston, IL (2024)

Impact: TBD (initially up to 200 units of affordable housing)

Annual Impact: TBD

Barrier: Limited Land for Affordable Housing Production

In 2024, the City of Evanston worked with a partnership of Common Ground Institute, Government Finance Officers Associations, and Urban3 to evaluate how the City could best use underutilized municipal assets to further its goals of increased affordable housing supply and other critical uses. These assets include several City-owned parking lots (totaling almost 13 acres) located in all parts of the City and within close proximity of public transit as well as soon

to be vacant buildings such as its Civic Center. The report recommendations include: designating a staff person to streamline intragovernmental and community partner collaboration and prioritize key and engaging third-party professionals to evaluate market interest of those sites as well as manage requests for proposals or qualification processes. The City was recently awarded a Build America Grant to implement the report recommendations for three sites within one-half mile of two train stations.

Evanston Green Homes Pilot Program (2024)

Impact: up to 50 units rehabbed

Annual Impact: up to 50 units

Population: up to 80% AMI

Barrier: Limited Resources for Preservation

The City, in partnership with Center for Neighborhood Technology and Elevate Energy, has launched the Green Home Pilot Program to carry out renovations of existing affordable housing stock, with a focus on energy-efficiency and resiliency and furthering the goals of its Climate Action and Resilience Plan which was approved in 2018. The pilot will offer up to \$20,000 to property owners to renovate homes in two census tracts—8092 and 8102—which are among the most vulnerable to climate change and gentrification. The pilot is expected to run through the end of 2025 with the goal of expanding the geography and scale of the program once the pilot is complete.

Community Land Trust (2012)

Impact: 9 units produced, 13 units preserved

Annual Impact: 1 unit produced, 1 unit preserved

Population: 50% - 120% AMI

Barrier: Limited Resources for Affordable Housing Production

Since 2015, the City of Evanston has partnered with Community Partners for Affordable Housing (CPAH) and Evanston Township High School's (ETHS) Geometry in Construction course to develop eight permanently affordable single-family homes for households with incomes at or below 120% AMI. Homes are entered into CPAH's Land Trust and provide homeownership opportunities for qualified homebuyers who are priced out of homeownership by the high cost of Evanston's housing. The City acquires and donates the land, ETHS constructs and CPAH sells the home to a qualifying household for a fraction of its assessed value.

CPAH and the City also collaborated on a \$1,500,000 grant from the Illinois Attorney General's Office funded by the bank foreclosure settlement, to acquire and rehab ten housing units, two ownership and eight rental, that are also in CPAH's Land Trust. HOME and AHF funds have also been used to acquire and rehab three additional permanently affordable units.

Restorative Housing Program (2019)**Impact:** TBD**Annual Impact:** TBD**Population:** Qualified Black residents and descendants**Barrier:** Restrictive Land Use Policy

This program acknowledges historical harms to Black residents due to exclusionary City zoning policy between 1919 and 1969. Black residents during that time, and their direct descendants, are eligible for the Restorative Housing Program, which provides \$25,000 for down payment/closing cost assistance, home rehabilitation or mortgage assistance. These payments address the wealth and opportunity gaps caused by the City's exclusionary zoning. This program is funded by the City's 3% cannabis tax and Real Estate Transfer Tax. The City committed \$10,000,000 to this program, has distributed over \$1,000,000 as of August 2023 and will distribute approximately \$1,000,000 per year for nine more years.

Guaranteed Income Pilot Program (2022)**Impact:** TBD**Annual Impact:** TBD**Population:** up to 50% AMI**Barrier:** Limited Resources for Affordable Housing Production

Originally started as a one-year pilot and developed by Northwestern University in collaboration with the City of Evanston, provides income-eligible residents with \$500 monthly payments. Payments were made to approximately 50 residents in three categories: 18-24 year-olds, 62+ year-olds and undocumented residents. The program provided financial stability to economically vulnerable residents, including those who were housing insecure and disproportionately harmed by the COVID-19 pandemic. For the second year of the program, the focus has been on families with children in census tract 8092 which has the lowest household income and life expectancy in the City.

Affordable Housing Subsidy and Affordable Refugee Housing (2024)**Impact:** TBD**Annual Impact:** as of August 2024 – 21 households, 50 people**Population:** up to 80% AMI**Barrier:** Limited Housing Access

Evanston's inaugural Participatory Budgeting process concluded in October 2023, when 6,565 residents selected seven winning projects, one of the best participatory budgeting turnouts in United States history. Even more impressive, a substantial portion of participants had not interacted with the City of Evanston in the past year. Two of the winning projects, Affordable Housing Subsidy and Affordable Refugee Housing, will have launched by the of this year.

The Affordable Housing Subsidy initiative, with \$810,000 in funding and structured similar to project-based vouchers, provides housing subsidies for rental housing, reducing rental prices for low-income households, and providing long-term relief to Evanston's underhoused residents. Funding is also available for security deposits and case management.

Meanwhile the Affordable Refugee Housing initiative, with \$645,000 in funding, will assist Evanston residents seeking asylum, holding refugee status, or grantees of Temporary Protected Status (TPS) with obtaining legal housing. Through a partnership with a resettlement and workforce development organization, this initiative can create self-sustaining housing for current and future migrants. The program will launch by the end of 2024.

Department of Housing and Urban Development Entitlement Funding (2022 - 2024)

Impact: 60 units produced, 6 units preserved, 21 households retained

Annual Impact: 20 units produced, 2 units preserved, 7 households retained

Population: 30% - 80% AMI

Barriers: Limited Resources for Production and Preservation

Since their inception, the City has received Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds providing decent housing, a suitable living environment, and economic opportunities, primarily for low- and moderate-income households. These three sources provide critical funding for multiple programs and projects:

HOME - From 2022 to 2024, eighteen families with school age children achieved housing stability with Tenant-Based Rental Assistance. In 2020, the City provided \$1.5M in gap funding from HOME and Affordable Housing Fund dollars for a 60-unit LIHTC senior development. This development was completed and achieved full occupancy in 2022.

HOME-ARP - In 2022, funds were allocated to acquire and develop a non-congregate shelter; and tenant-based rental assistance. This funding will support the development of approximately 66 shelter beds and provide rental assistance to three (3) households.

ESG - In 2023, the City provided support to a 48-room non-congregate shelter and a domestic violence shelter, street outreach to unhoused residents, and prevention case management and support for households at risk of homelessness.

CDBG - In 2023, the City funded multiple capital improvement projects, home rehabilitations, and public services. Projects included alley paving projects mitigating flooding and improving City services, sidewalk improvements, and lighting in public parks in Low/Moderate Income neighborhoods. The Housing Rehab program continued to provide rehabilitation to address life safety issues and code violations. Funds also

supported meal delivery to homebound seniors and persons with disabilities, out-of-school programming for low-income families, services to support homeless households and households at risk of homelessness, and services to support people fleeing domestic violence.

EPLAN: Evanston Project for the Local Assessment of Needs (2022 - 2026)

Impact: TBD

Annual Impact: TBD

Population: < 80% AMI

The 2022 EPLAN, a 5-year strategic plan developed by the City's state-certified health department, prioritizes upstream social, systemic, and structural factors that impact health and wellbeing, such as access to safe and affordable housing, living wages, high-quality, affordable childcare and access to healthy foods.

The EPLAN identified a clear and consistent pattern of racial and neighborhood-level inequity. While Evanston's city-level data indicates a high level of health and wellbeing, there are clear geographic patterns of concentrated health, wealth, and advantage, as well as concentrated disadvantage, disinvestment, and poor health.

ii. DO YOU HAVE ACUTE DEMAND FOR AFFORDABLE HOUSING? WHAT ARE YOUR REMAINING AFFORDABLE HOUSING NEEDS AND HOW DO YOU KNOW?

The proposed activities in this application will exclusively serve the City of Evanston, a priority geography as determined by HUD's PRO Housing Priority Geography threshold calculations. As a highly desirable community, Evanston has a strong housing market, leading to rising rents, significant cost burden, and constant displacement pressure. New rental housing has not kept up with demand and, other than affordable units created by the Inclusionary Housing Ordinance, most new rental units are unaffordable to low- and moderate-income households. These market forces continue to challenge the City's ability to maintain its historic character as a racially and economically diverse community.

Housing Cost Burden

Although Evanston's median income (\$87,345) is greater than Cook County (\$72,121) and the United States (\$69,021), its share of cost burdened renter households is higher: at 47.4%, 44.8% and 46.0%, respectively.² Housing cost burden is even more pervasive among low- and moderate-income households.

Though an Evanston household earning the 2023 HUD 100% AMI for Cook County, \$88,300 for a two-person household, can afford Evanston's median monthly rent (\$1,526), this masks the

² U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (S1903, B25070)

housing cost burden of low- and moderate-income households.³ Over 68% of Evanston renter households earning <\$75,000 and over 60% of homeowner households earning <\$75,000 are housing cost burdened.⁴ These housing cost burdens disproportionately impact people of color, whose median incomes are well below the citywide median.

Figure C.2: Median Household Income by Race and Ethnicity⁵

Race and Ethnicity	Total	Black or African American	Asian	Hispanic or Latino, of any race	White, Non-Hispanic
Median Income	\$87,345	\$55,292	\$67,628	\$69,396	\$108,176

The housing cost burdens described above are even more acute for Evanston’s households earning at or below 30% and 60% AMI.

And with a median home value of \$410,600, and less than 15% of owner-occupied units valued at or below \$200,000, it is particularly difficult for a low- or moderate-income household to consider homeownership within Evanston.⁶ Based on current interest rates, a 20% down payment (no PMI), no HOA fees, and average Cook County property taxes, purchasing the median Evanston home would cost \$3,417 in monthly mortgage payments, affordable only to households earning over \$137,000.⁷

Displacement Pressures

Since the onset of the COVID-19 pandemic, Evanston rents have dramatically increased. From 2015 - 2020, rents increased 2.6 - 6.2% annually, but from 2021 - 2023, rents have increased 5.1 - 11.8%, leading to increased evictions, lease non-renewals, and homelessness, especially after the eviction moratorium ended in Illinois in October 2021.⁸

According to Connections for the Homeless, an Evanston-based community organization, as of October 2023, 150+ households remain waitlisted for Emergency Rental Assistance. In the first half of 2023, 32 evictions and 39 early lease terminations were reported to the City’s Landlord-Tenant Hotline, on target to meet 2022 year-end totals. Additionally, Evanston’s three emergency shelters have served 44% more people to date in 2023 than in all of 2022.

³ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (B25064, S1903)

⁴ Policy Map, U.S. Census, 2017-2021 American Community Survey 5-Year Estimates

⁵ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (S1903)

⁶ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (DP04)

⁷ Fannie Mae Mortgage Calculator, fanniemae.gov

⁸ Zillow, ZORI (Smoothed) ALI Homes Plus Multifamily Time Series (\$), 09/2023

Given the lower household incomes of Black, Asian, and Latino households, these pressures are more likely to impact households of color leading to increased segregation and/or less diversity in Evanston.

Housing Stock

About 37% of Evanston's housing stock are attached and detached single-family homes. About 38% are multi-family buildings of 10 or more units. The remaining 25% of units are 2-9 unit residential buildings. Over 50% of housing units were built before 1950 and the current zoning code makes it difficult to build housing typologies that are more affordable to low- and moderate-income households, such as three-flats.⁹ Meanwhile, Evanston's aging housing stock is expensive to maintain and rehabilitate to age-in-place, especially for low- and moderate-income residents.

Summary

As one of Cook County's most transit rich, economically prosperous, and vibrant places to live, work, and play, Evanston's rising housing costs and displacement pressures will not subside on their own. Sustained, intentional, and strategic initiatives are needed to address this crisis that disproportionately impacts Evanston's low- to moderate-income families and people of color.

iii. WHAT KEY BARRIERS STILL EXIST AND NEED TO BE ADDRESSED TO PRODUCE AND PRESERVE MORE AFFORDABLE HOUSING?

Despite its higher median income, Evanston has a larger share of housing cost burdened households than both Cook County and the United States indicating a severe shortage of affordable housing. Given the lower incomes of Black, Asian, and Latino households, this shortage is more likely to impact households of color, leading to increased segregation and/or loss of Evanston's diversity.

Furthermore, with the City's new Comprehensive Plan and Zoning Ordinance due to be adopted in Spring 2025, less restrictive land use regulations and streamlined processes will allow the City to facilitate the production of more affordable housing. The City will also need to expand its preservation and anti-displacement efforts so that new affordable units are not simply making up for units that have been lost.

Based on stakeholder feedback, public participation, data analysis, program evaluation, racial and economic equity, and return on investment, the City of Evanston has identified two significant barriers to housing production, preservation of existing affordable housing, and anti-displacement efforts.

⁹ U.S. Census, 2017-2021 American Community Survey 5-Year Estimates (DP04)

Barrier 1: Limited Land to Increase Affordable Housing Production
Barrier 2: Limited Resources for Preservation and Anti-Displacement

Barrier 1: Limited Land to Increase Affordable Housing Production**Impact: Insufficient amount of affordable housing**

In 2024, the City of Evanston worked with a partnership of Common Ground Institute, Government Finance Officers Associations, and Urban3 to evaluate how the City could best leverage underutilized municipal assets to further its goals of increased affordable housing supply and other critical uses. These assets include several City-owned parking lots (totaling almost 13 acres) located in all parts of the City and within close proximity of public transit as well as soon to be vacant buildings such as its Civic Center. The report recommendations include: designating a staff person to streamline intragovernmental and community partner collaboration and prioritize key and engaging third-party professionals to evaluate market interest of those sites as well as manage requests for proposals or qualification processes. Without additional resources for planning, professional expertise, and predevelopment and due diligence costs, the City will not be able to leverage the land it owns to facilitate opportunities for new housing and meet the needs of its low- and moderate-income residents.

Since the City passed the accessory dwelling unit (ADU) ordinance in 2021, ADU construction and production has significantly increased in the past three years but they have largely been built in or are planned for the more affluent areas of the City. Without financial incentives, it is difficult for low- to moderate-income households to construct ADUs which could help cover significant increases in necessary housing expenses such as property taxes and insurance. Furthermore, incentives for property in higher income areas to make their ADUs, which currently have no income restrictions, affordable to households earning less than 80% AMI would help increase housing choice and reduce segregation.

Barrier 2: Limited Resources for Preservation and Anti-Displacement**Impact: Increased housing instability and displacement, loss of Black households**

The City has initiated and administered several anti-displacement and supportive housing programs that are worthy of additional funding and increases in scope and capacity due to their demonstrated success. These include successful homeowner assistance programs including mortgage assistance and housing rehabilitation and small loan programs that maintain generational wealth for vulnerable populations. However, a common barrier to expanding existing successful programs, as well as exploring the creation of new programs, are the funding

for such programs and additional staff capacity for program administration and oversight and for education and outreach efforts.

The City currently has six separate housing rehabilitation programs, each with their own funding requirements and parameters. Furthermore, the programs are not all managed by the same department or entity. The City's Housing Rehabilitation Program, funded with CDBG dollars, has provided affordable home rehab financing to low- to moderate-income households and owners of rental property occupied by low- to moderate-income households. However, due to funding constraints, there are families on a waitlist that the City is currently unable to serve. The City also recently launched the Green Homes pilot which prioritizes energy-efficient and health-focused repairs. However, as an example, the City is finding that due to its aging housing stock and deferred maintenance, many homes in the programs require additional work such as structural reinforcement or upgraded electrical systems before energy efficiency improvements can even be implemented. While the City welcomes the various resources to fund critical home repairs, there is a need to better coordinate the various programs to more efficiently and comprehensively serve program participants. The City has contemplated establishing a one-stop shop that make it easier and more efficient for property owners to access the right combination of resources to rehab and improve the efficiency of their properties. The primary challenges in doing so are staffing capacity and lack of awareness of other models that effectively streamline multiple home rehab programs under one umbrella.

Another barrier to anti-displacement initiatives is housing providers' perceived risk of renting to tenants with Housing Choice Voucher holders, lower credit scores, and lower rent-to-income ratios. Due to this hesitation, it is more challenging for these prospective tenants to have full housing choice. Making it easier for Housing Choice Voucher holders and recipients of other tenant-based rental subsidy to access housing in higher-income parts of the City is also important to addressing the City's affordable housing shortage. While the Housing Choice Voucher program is intended to allow voucher holders more choice in where they can afford to live, there are often obstacles to achieving this goal. Although Cook County prohibits landlords from discriminating based on a prospective tenants' source of income and HUD small area fair market rents (FMR) allow rents that are more competitive for the market (compared to non-small-area FMR), landlords are still hesitant to rent voucher holders. The result is that voucher households either go to lower-income areas of the City reinforcing segregation or they choose not to live in the City altogether.

**Exhibit D - Soundness of Approach
City of Evanston**

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i. WHAT IS YOUR VISION?

Building on the City's existing housing programs and propelled by the streamlined processes of the new comprehensive plan and zoning code, the PRO Housing award will allow the City of Evanston create new affordable housing without losing ground due to the loss of existing affordable housing while advancing progressive housing-forward policies and initiatives.

Highlights include city-owned assets successfully converted to iconic affordable housing developments, a comprehensive property rehabilitation program that considers sustainability and resiliency as necessary, and increased accessory dwelling unit (ADU) production. The City regularly partners with nonprofit community organizations, centers most-impacted community members, and solicits feedback early and often.

These efforts have meaningfully increased housing preservation and production, stabilized low-to moderate-income households and maintained the economic and racial diversity that defines Evanston and makes it such an attractive community. With the PRO Housing award, the City will do the following to advance its housing goals during the grant period:

- Establish a model to ensure that it disposes of land that further its housing goals while incorporating robust community feedback
 - Utilizing property it owns to create approximately 150 new units of affordable housing
- Create a One-Stop Shop for home rehabilitation programs that provides comprehensive rehabilitation services that not only bring properties to minimum code requirements and standards but also addresses sustainability and resiliency goals outlined in the City's Climate Action Plan
- Create opportunities for wealth creation while maintaining long-term affordability
- Increase access to quality affordable housing
- Build capacity of City staff and community-based organizations to provide expanded programming

Proposed Activities

Strategy 1: Fund Production Programs Barrier 1: Limited Land to Increase Affordable Housing Production	
Activity 1.1	Putting Assets to Work Implementation (City-owned land)
Activity 1.2	Accessory Dwelling Unit (ADU) Financing and Technical Assistance
Strategy 2: Expand Preservations Efforts Barrier 2: Limited resources for preservation + anti-displacement	
Activity 2.1	One-Stop Shop for Home Rehabilitation Programs
Activity 2.2	Expansion of Shared Ownership and Equity Models
Activity 2.3	Housing Provider Mitigation Fund

Strategy 1: Fund Production Programs Barrier 1: Limited Land to Increase Affordable Housing Production
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Activity 1.1 Putting Assets to Work Implementation (City-owned land)		
Initial Benefit Year: 2028	Impact: approx. 150 units of affordable housing	Population (AMI): < 30% and < 80%

The Putting Assets to Work (PAW) report completed earlier this year examined how best the City of Evanston can use its publicly-owned property to advance its goals including affordable housing production and revenue generation. The first report recommendation is selecting three to five sites that could be developed as affordable housing. Initial proposed sites are located near the Noyes and Foster stations on the Purple Line of the Chicago Transit Authority’s “L” system. Work under this activity will also include developing innovative finance and delivery options.

In order to implement the PAW report, the City will take the follow steps.

- *Opportunity Site Prioritization:* The next step of this work is identifying which City-owned sites should be prioritized for conversion into affordable housing as well as identify privately-owned sites that would complement these efforts through strategic assemblage. The City will perform a data-driven analysis, ranking opportunity sites by their ability to catalyze significant housing production. Factors will include zoning, potential units, transit access, walkability, nearby amenities, site control, and

infrastructure needs. This will enable the City to prioritize capital improvements, act nimbly when opportunities arise, and develop an intentional plan for opportunity site acquisition and affordable housing development.

- *Opportunity Site Development Scenarios:* An accompanying resource will provide housing development scenarios and massing studies for opportunity sites. These scenarios and renderings will be used to gather input in community conversations to inform and guide marketing of the sites to potential development partners. These scenarios will take into consideration how to maximize a site's housing potential while remaining contextual with surrounding development patterns. The scenarios will be specific enough to be impactful and general enough to be used in various neighborhoods and for future opportunity site conversations.
- *Opportunity Site Marketing and Affordable Housing Development:* The City will prepare a Request for Expression of Interest (REI) for opportunity sites with significant housing development potential. REIs will include site conditions, affordability requirements and a list of key considerations and request letters of interest, with proposed uses, potential partners, funding sources and preliminary plans. The City will also encourage partnerships so that the City enjoys revenue beyond the potential land sale to be reinvested into affordable housing, such as joint ventures and/or long-term lease payments. More cost-effective means of construction such as modular and container construction where appropriate. This City-led process will lead to greater community support, strategic actions based on City Council goals, increased interest in opportunity sites, creative partnership opportunities, and ultimately housing production primarily for low- and moderate-income households.

Community engagement will happen at all stages of the process through a variety of forums including neighborhood meetings, block parties, and youth sports events, meeting residents where they are at, rather than expecting them to visit Evanston's Civic Center.

With the new comprehensive plan and zoning code through Envision Evanston, the City will be poised to increase its affordable housing stock through a process that encourages development in a more efficient manner rather than hinders it. The report recommends that the City hire the equivalent of at least 0.5 full time employee to carry out this initiative in addition to engaging external expertise.

Evidence for Proposed Approach: The City undertook a similar process by soliciting proposals for a City-owned site in South Evanston in 2021. The selected project, which will have 60 units all affordable to households earning 80% AMI or below, plans to start construction in 2025. In 2022, the City also acquired a site Jackson and Emerson in the City's Fifth Ward. The City's intent is to conduct a public process to get input from the community on a redevelopment plan

that will deliver a high-quality and well-designed project that achieves the City's affordable housing and Climate Action Resilience Plan goals.

This City-led community engagement process for the development of City-owned land is similar to the District of Columbia’s OurRFP initiative. Through this initiative, the District ensures that the public’s priorities and concerns are reflected and considered as requests for proposals are prepared so that potential developers incorporate those into their responses. The District has used this approach for seven publicly-owned sites to date. So far, almost 900 housing units, 540 of which are affordable, along with commercial with another 800 units in the pipeline and one parcel still in the RFP process.

Activity 1.2 Accessory Dwelling Unit (ADU) Financing and Technical Assistance		
Initial Benefit Year: 2026	Annual Impact: 5 households retained, 10 units produced	Population (AMI): < 60% and < 120%

Since 2021, over 30 accessory dwelling units (ADUs) have been built in primarily higher-income Evanston neighborhoods. While this is a meaningful increase in smaller housing units, there is little evidence that these units are affordable to low- to moderate-income households. The City, in collaboration with the Evanston Development Cooperative and support by an AARP Community Challenge grant, developed an online ADU guide to help homeowners understand what ADUs are, their benefits, and how to navigate the process of financing and building one.

To build on this work and increase the amount of ADU development as well as the share of ADUs serving low- and moderate-income households, the City will develop an ADU financing program paired with technical assistance for property owners. This program will have two primary approaches—both providing forgivable loans to property owners.

- *ADU Development in Low- to Moderate-Income Neighborhoods:* In low- to moderate-income areas, ADUs are an untapped housing preservation and production tool. ADU development can provide a new revenue stream for low- to moderate-income homeowners that can cover rising housing costs or be reinvested into their homes to help them age in place. It can also increase housing diversity in low- to moderate-income neighborhoods. To facilitate this, the City will establish a forgivable loan program for income-qualifying homeowners to assist with ADU design and construction. The resulting ADUs will have no income restrictions.
- *ADU Development in High-Income Neighborhoods:* In high-income neighborhoods, ADUs are an opportunity to provide affordable homes to low- to moderate-income households. To facilitate this, the City will establish a forgivable loan program to any

homeowner who commits to a minimum period of rental affordability, limited to low- and moderate-income tenants (at or below 80% AMI).

Through this activity, the City will also provide additional resources to guide first-time housing providers through the rental process, including tenant income certification and screening. The City will also publicize the recent HUD policy change allowing lenders to count income from ADUs during mortgage underwriting. The City expects that this ADU financing and technical assistance program will be implemented by one of its local not-for-profit partners.

Evidence for Proposed Approach: ULI Chicago conducted a Technical Assistance Panel for the City of Chicago and published the corresponding report in May 2020.¹⁰ Many of the recommendations in the report focused on the land use, building code, and process impediments to ADU development, many of which the City of Evanston has already addressed. However, one the report’s recommendations focused on expanding financing options for property owners since there are currently few options beyond cash or home equity available to finance ADU construction, which is particularly challenging for low- to moderate-income households. A City ADU-financing program along with partnerships with local financial institutions would significantly advance the creation of additional ADUs.

<p>Strategy 2: Expand Preservation Efforts Barrier 2: Limited Resources for Preservation and Anti-Displacement</p>

<p>Activity 2.1: Create One-Stop Shop for Home Rehabilitation Programs</p>		
<p>Initial Benefit Year: 2026</p>	<p>Annual Impact: 20 homes rehabbed</p>	<p>Population (AMI): Below 80% AMI</p>

With the PRO Housing grant, the City will create a one-stop shop for its various home rehabilitation programs that that provides comprehensive rehabilitation services that not only bring properties to minimum code requirements and standards but also addresses sustainability and resiliency goals outlined in the City’s Climate Action Plan. The One-Stop Shop will allow the City to provide the right combination of resources tailored to the individual property own to rehab and improve the efficiency of their properties. The result for the property owner will be a more streamlined process that covers the appropriate scope upfront and reduces their compliance burden.

¹⁰ Unlocking Accessory Dwelling Units in Chicago, May 2020.
https://ulidigitalmarketing.blob.core.windows.net/ulidcnc/sites/10/2020/05/ADUReport_Final_Reduced.pdf

One of the City’s rehab programs is funded with CDBG dollars and provides affordable rehab financing for low- to moderate-income homeowners, and owners of rental property occupied by low- to moderate-income households. This program brings substandard housing up to code and makes life-safety repairs that enable families to afford to remain in their homes, reducing the likelihood of displacement from high pressure by developers seeking to purchase and demolish modest homes and build high-end housing.

The recent Green Homes Pilot program, currently managed by Center for Neighborhood Technology, is designed to help residents in their homes and lower utility bills. Though the pilot is in its early phases, the need for additional staffing capacity is apparent, especially beyond the pilot phase. Other rehab programs managed by the City include the Restorative Housing Program, Love Your Block, and lead abatement. As part of this activity, the City would build internal capacity and identify an external partner to establish and grow the One-Stop Shop and bring all of the City’s rehab programs under one umbrella.

Evidence for Proposed Approach: As part of its review of 113 home repair programs in 100 cities across the country, Harvard’s Joint Center for Housing Studies noted that home repair programs are essential in providing critical improvements to homes that are either inadequate or substandard as lower-income homeowners are less likely to make home repairs than higher-income households.¹¹ The report also noted that the majority of home repairs were electric, mechanical, plumbing or structural—many of which are tied to energy-efficiency and resiliency and impact a home’s long-term affordability. Home repairs also have important health impacts improving residents’ both physical and mental health outcomes which is of particular concern in Evanston’s census tract 8092 which has the lowest life expectancy in the City.¹²

Activity 2.2: Expansion of Shared Ownership and Equity Models		
Initial Benefit Year: 2026	Annual Impact: 10 units preserved	Population (AMI): Below 80% AMI

The City has worked with Community Partners for Affordable Housing (CPAH) to provide long-term affordable housing through its Community Land Trust (CLT) Program. As the City seeks to expand its affordable housing production and preservation efforts, expanding the capacity the CLT model will be a critical tool to create housing with affordability restrictions that go beyond 15-30 years.

¹¹ Home Repair Programs Serve Critical Needs for Low-Income and Vulnerable Homeowners, <https://www.jchs.harvard.edu/blog/home-repair-programs-serve-critical-needs-low-income-and-vulnerable-homeowners>.

¹² Ellen Divringi, Why Organizations Should Invest in Home Repairs to Improve Health. <https://shelterforce.org/2020/02/12/why-organizations-should-invest-in-home-repairs-to-improve-health/>

Through the PRO Housing grant, the City will provide increased support and capacity for tenant organizing, especially as it relates to the Right of First Refusal and Tenant Opportunity to Purchase programs. Evanston will build upon its existing Right of First Refusal provision in its landlord-tenant ordinance by increasing tenants’ rights organizations’ capacity and establishing funding opportunities for Tenant Opportunity to Purchase programs. The City will contract with a third-party community organization to initiate tenant organizing in every rental housing structure containing three or more dwelling units. Tenants of such buildings will then be better prepared to make an offer to purchase their building, should their housing provider put it up for sale, or transfer their right of first refusal to a third party. As part of this effort, the City will engage organizations such as the Chicago region’s Center for Shared Ownership or New York based UHAB to work with tenants to maintain the affordability of their homes and potentially build wealth by allowing tenants to realize some equity.

Evidence for Proposed Approach: Buyers of shared equity homes have been found to have smaller mortgages and lower monthly payments on all credit accounts than similar purchasers who buy their homes through non-shared-equity models.¹³ In addition, with the cost of new construction affordable housing ranging \$500,000-800,000 per unit in the Chicago area, investing in preservation efforts that create long-term affordability must also be prioritized.¹⁴

Activity 2.3: Housing Provider Mitigation Fund		
Initial Benefit Year: 2026	Annual Impact: 10 units preserved	Population (AMI): Below 80% AMI

To reduce the perceived risk of renting to Housing Choice Voucher holders and those with lower credit scores or lower rent-to-income ratios the City will establish a housing provider mitigation fund that would cover housing providers’ costs associated with damages, rent nonpayment, and non-typical operational costs and provides relocation assistance to tenants experiencing no-fault eviction or lease non-renewal. The goal is to reduce barriers that prospective tenants face in accessing quality housing, particularly in areas with less affordable housing, and increase stability for low-income households. Elements of the fund will include a program handbook, housing provider and tenant eligibility criteria, housing provider recruitment, development of a lease rider, a claims process for housing providers seeking reimbursements for tenants’ costs or tenant relocation assistance, and as-needed technical support. This program will be implemented by a nonprofit partner.

¹³ [Affordable Homeownership: An Evaluation of the Near-Term Effects of Shared Equity Programs.](#) Housing Policy Debate, Volume, 29, 2019, Issue 6.

¹⁴ [The High Cost of Creating Affordable Housing.](#) Crain’s Chicago, January 16, 2024.

Evidence for Proposed Approach: According to the US Interagency Council on Homelessness, several communities across the country have established similar risk mitigation funds to help combat the combination of low vacancy rates and high rents. Lessons learned from communities such as Orlando, FL, Seattle, WA, Portland, OR, and Denver, CO include: the importance of treating housing providers as allies; active program marketing and recruitment through community partners; and establishing a rolling fund in the event that allocated funding is not spent in full each year. Most communities noted that no to few claims were actually filed but knowing that a fund was available if needed was sufficient incentive for housing providers.¹⁵ All programs were staffed by a not-for-profit partner.

ii. WHAT IS YOUR GEOGRAPHIC SCOPE?

As a HUD-designated priority geography, the proposed activities will occur throughout the City of Evanston to the benefit of low- and moderate-income households, while providing widespread positive impact. While the City of Evanston will not limit activities to certain neighborhoods or target activities in particular census tracts, we recognize that residents' needs vary greatly by geography within Evanston.

High-income neighborhoods, including those near Evanston's ten Metra and CTA stations, provide access to jobs throughout the region and vibrant business districts with walkable amenities including grocery stores, pharmacies, entertainment and shopping, parks and open space, and miles of beaches along Lake Michigan. These neighborhoods contain few housing options for low- and moderate-income households. Increasing affordable housing production in high-income neighborhoods is a critical strategy to providing housing choice and fostering racial and economic diversity. Specific activities that will be prioritized in the City's high-income areas include: development opportunities on City-owned land; incentives for affordable ADUs; and the Housing Provider Mitigation Fund.

Low- and moderate-income neighborhoods, including those impacted by decades of restrictive zoning policies, have historically received significantly less private and public investment. While generally less proximate to Evanston's Metra and CTA stations, these neighborhoods also contain significant amenities including grocery stores, pharmacies, shopping, schools, and parks and open space. These areas simultaneously have significant infrastructure and capital improvement needs and are at risk of gentrification and displacement. Housing preservation and anti-displacement programs are essential strategies to maintain naturally occurring affordable housing (NOAH), protect against the displacement of low- and moderate-income households, and build off of the community's current assets. Specific activities that will be prioritized in the

¹⁵ <https://www.usich.gov/guidance-reports-data/federal-guidance-resources/engaging-landlords-risk-mitigation-funds-community>

City's low-to moderate income areas include: expanded rehab program; subsidies for ADU construction; and investment in shared equity models.

iii. WHO ARE YOUR KEY STAKEHOLDERS? HOW ARE YOU ENGAGING THEM?

In recent years, the City's engagement efforts have repeatedly identified affordable housing as a major barrier to quality of life in Evanston. Recent initiatives include the Fair Housing Plan (2019), the Evanston Project for the Local Assessment of Needs (2022) and the City's Participatory Budgeting campaign (2023). A key component of these efforts were partnerships with community organizations to amplify the voices of community members who often go unheard, canvassing public events and hosting roundtables. Given these meaningful and recent community touchpoints, the City incorporated this feedback early in the development of this application.

In 2023, the City also implemented a rapid stakeholder engagement strategy. The City invited 100+ local and regional stakeholders to discuss their barriers and recommended strategies to address them and provided stakeholders with a publicity kit, including multi-lingual fliers, sample newsletter and social language, and links to the many opportunities for feedback. These partnerships, especially affordable housing owners and managers, enabled the City to meet people where they were at and receive feedback more representative of Evanston's population.

Public Participation Strategy

Participation by the public was paramount to our proposal to remove barriers to affordable housing. As mentioned above, a primary method was partnerships with community organizations.

In 2023, the City of Evanston created a PRO Housing webpage focused on soliciting public feedback. The website includes background info on the grant opportunity, the City's draft strategy, an executive summary, the draft application, resource links, and, during the public comment period, multiple opportunities to provide feedback:

- Daytime Open House (in-person and virtual)
- Evening Open House (in-person and virtual)
- Feedback Form (digital and print)
- Email

PRO Housing publicity included a press release, multiple city newsletters, ward newsletters, fliers at local businesses, and articles in local newspapers. Even though the FY 23 PRO Housing grant necessitated an accelerated timeline, over 200 community members participated in PRO Housing conversations, resulting in 177 public comments.

The City's FY24 PRO Housing application builds on that robust public engagement effort given the even more accelerated timeline for this round. A feedback form is available during the public comment period and a public hearing will be held as well.

Continued Outreach

The City of Evanston will maintain the PRO Housing Grant webpage for the duration of the grant cycle and continue to provide opportunities for collaboration and feedback on our strategies and activities to eliminate barriers to affordable housing production and preservation.

iv. HOW DOES YOUR PROPOSAL ALIGN WITH REQUIREMENTS TO AFFIRMATIVELY FURTHER FAIR HOUSING?

The City of Evanston is committed to affirmatively furthering fair housing by addressing historic inequities, considering lived experience, promptly responding to community feedback and developing measurable practices to increase fair housing. Evanston's economic and racial diversity is core to our culture and history. Despite this, there is a clear and consistent pattern of racial and geographic inequity in Evanston. While much of Evanston's city-level data indicates a high level of health, this is not experienced evenly throughout the community.

Specifically, proposed activities such as utilizing City-owned land near transit for affordable housing, creating incentives for property owners in high-income areas to construct affordable ADUs, and the housing provider mitigation fund will increase access for underserved groups in these areas while minimizing further goals of desegregation. In lower-income areas, where much of the City's affordable housing is located, activities under this grant will be focused on preservation and minimizing displacement through the expanded home rehab program, permanent affordability and wealth creation through shared equity models, and support for ADU construction.

The proposed activities support economic security, opportunity, and housing choice for low- and moderate-income residents and improve infrastructure in low- and moderate-income neighborhoods. Housing preservation and anti-displacement activities will help stabilize existing housing stock and neighborhood fabric and create opportunities for building generational wealth. To maintain and increase racial and economic diversity, affordable housing production will be prioritized in high-income neighborhoods and transit-rich areas.

The City's most recent Analysis of Impediments to Fair Housing (AI) was completed in 2014. That report noted several impediments such as difficulties for people with disabilities accessing affordable housing, housing discrimination, growing discrepancy between incomes and housing costs, and the need for strategies to meet the needs of the growing limited English-speaking population. Proposed action steps included:

- Proposed Action: Implementation of Putting Assets to Work to work with developers to create affordable housing on City-owned land
 - Identified Impediment: Provision of affordable rental opportunities
- Proposed Action: ADU financing and technical assistance
 - Identified Impediment: Continue to collect and administer resources via its Affordable Housing Fund
- Proposed Action: Investing in shared equity models to preserve affordable housing
 - Identified Impediment: Acquiring and maintaining the affordable of developments for which affordability requirements are set to expire
- Proposed Action: Expand home rehabilitation program which will include addressing accessibility barriers. All programming will be publicized through partners that specifically serve those with disabilities.
 - AI Recommendation: Prioritizing the removal of accessibility barriers in the housing rehabilitation program
- Proposed Action: Working with local not-for-profits to lead tenant organizing
 - AI Recommendation: Partnering with local organizations to provide fair housing education, outreach, and enforcement
- Proposed Action: Housing Provider Mitigation Fund to address perceived risk of renting to voucher holders
 - AI Recommendation: Aggressive recruitment of landlords who rent units in higher-opportunity neighborhoods

The City of Evanston will meet and seek to exceed our fair housing obligations by using a racial equity lens and collecting and analyzing more granular data. The City has used The Redress Movement's Policy Toolbox as part of its development of its Strategic Housing Plan, the work of which has helped inform this PRO Housing application.

The City has a 25% Minority-Owned, Women-Owned, Disadvantaged-Owned, and Evanston-based business (M/W/D/EBEs) participation goal for all contracts of \$25,000 or more which would apply to any work where the City engages a third-party. Specific opportunities for M/W/D/EBE involvement include construction work on City-owned land and through the rehab program and professional services.

In order to track its progress on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing as well as the effectiveness of its efforts to advance racial equity through PRO Housing grant activities, the City track the following data:

- Program spending (including leveraged funds) by census tract

- Housing production and preservation by census tract
- To the extent allowable, race and ethnicity of program participants (no one will be required to provide race and ethnicity to participate in any PRO Housing programs)

Evanston will affirmatively market PRO Housing activities, included housing units funded by the grant, to community members that have historically been excluded or underrepresented, including residents of color, those with limited English proficiency, people with disabilities, and low- and moderate-income households.

The City will publicize new programs, initiatives, opportunities, and meetings via City of Evanston e-News, social media, community events and meetings, and recreational facilities and partnerships with Evanston’s broad network of community organizations. Print and digital materials will be in both Spanish and English, and accommodations will be made for other needs upon request. When feasible, in recognition of people’s time and contributions, stipends will be provided to community members for their participation.

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v. WHAT ARE YOUR BUDGET AND TIMELINE PROPOSALS?

Budget

The activities described within this application will require a total of \$19,061,334 over the length of the grant period. The attached HUD 424-CBW form provides a detailed budget. The following table summarizes the funding sources:

Figure D.1: FY 24 PRO Housing Budget, by funding source

Funding Source		Percent Share
HUD (PRO Housing)	\$7,000,000	33.7%
Leveraged Funds	\$13,745,025	66.3%
City of Evanston	\$6,850,025	33.0%
Other HUD (CDBG)	\$3,600,000	17.4%
Other Federal (ARPA)	\$2,195,000	10.6%
Build America	\$1,000,000	4.8%
Bloomberg Center for Public Innovation	\$100,000	0.5%
Total Cost	\$20,745,025	100%

The following table summarizes program expenses by strategy and activity:

Figure D.2: FY 24 PRO Housing Budget, by strategy and activity

	Strategy/Activity	Budget (millions)	%
Strategy 1	Fund Housing Production Program	\$11.3	54.3
Activity 1.1	Putting Assets to Work Implementation (City-owned land)	\$7.3	35.1
Activity 1.2	Accessory Dwelling Unit Financing and Technical Assistance	\$4.0	19.2
Strategy 2	Expand Preservation Efforts	\$9.5	45.7

Activity 2.1	One-Stop Shop for Home Rehabilitation Programs	\$6.0	28.8
Activity 2.2	Expansion of Shared Ownership and Equity Models	\$2.0	9.6
Activity 2.3	Housing Provider Mitigation Fund	\$1.5	7.2
	TOTAL	\$20.8	

Through data analysis, stakeholder conversations, community feedback, racial equity screening, and prioritization of high-impact activities, the City of Evanston coalesced around two strategies and five corresponding activities. If HUD allocates only a percentage of the requested funds, unfortunately the impact will be reduced. And each activity HUD funds will lead to a meaningful reduction of barriers to affordable housing preservation and production in Evanston.

If the City received less than the requested grant amount, it would scale back the ADU Financing and Technical Assistance Portion of its proposal and likely include fewer sites in the Putting Assets to Work implementation (e.g., instead of 4 or 5 sites, focus on 3).

Timeline

The City of Evanston data collection, planning, policy and program development and financing activities will take some time to set in motion. Outreach, communication and engagement activities will begin sooner and continue throughout the term of the award. The timeline for each proposed activity follows. Blue cells convey the development stage, green cells the implementation + impact phase and red cells show impact having ended.

Figure D.3: Timeline, annual, by activity

Activity	2025	2026	2027	2028	2029	2030
1.1 Putting Assets to Work	Implementation and Impact					
1.2 ADU Financing	Program Development		Implementation and Impact			
2.1 One-Stop Shop	Program Development		Implementation and Impact			
2.2 Shared Equity	Program Development		Implementation and Impact			
2.3 Housing Provider Mitigation Fund	Implementation and Impact					

**Exhibit E - Capacity
City of Evanston**

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i. WHAT CAPACITY DO YOU AND YOUR PARTNER(S) HAVE? WHAT IS YOUR STAFFING PLAN?**Our Capacity**

The City of Evanston has the capacity necessary to fulfill the obligations of this grant including implementation of the proposed activities, quality assurance and oversight, and reporting measures – creating accountable benchmarks for achieving predicted outcomes.

Lead Entity

The City's Community Development Department, the lead entity responsible for this grant including its implementation and quality assurance, engaged Jolene Saul, Principal of Revolve Community Development (Revolve), to assist in writing this application. Revolve had a number of meetings with City staff to discuss goals and priorities for the application, obtain updated program data, and review requirements. Revolve also attended the public hearing and reviewed all submitted public comment. Authors from the City of Evanston include Uri Pachter, Senior Housing Planner, Cade Sterling, City Planner and Historic Preservation Specialist, Marion Johnson, Housing and Grants Supervisor, Elizabeth Williams, Interim Housing and Grants Manager, and Sarah Flax, Community Development Director. The department is responsible for the administration and execution of all building, inspection, planning, zoning, and historic preservation activities. The department also manages affordable housing initiatives and other related programs funded with federal and local grants focused on low- and moderate-income residents. The department comprises three divisions: Housing and Grants, Planning and Zoning, and Building and Inspection Services.

Experience and Quality Assurance

The Community Development Department has significant experience managing grants of substantial size and implementing similar activities. The Planning and Zoning Division oversees and manages consultant and staff-led planning and engagement initiatives including: the development and adoption of the Envision Evanston, the new Comprehensive Plan and Zoning Code, scheduled to be approved in 2025; a Preservation Plan and associated survey and documentation efforts in 2023; and past downtown, neighborhood, and corridor plans developed since 2008.

The Housing and Grants Division provides oversight, administration, and reporting of the City's Community Development Block Grant, HOME Investment Partnership, and Emergency Solutions Grant funds through annual performance and evaluation reports. The department has successfully managed \$43 million of ARPA funds, \$1.3 million of HOME-ARP, \$3 million of CARES Act funds (CDBG and ESG), and \$18.2 million of Neighborhood Stabilization 2 Program funding. The Housing and Community Development Committee and the Social Services Committee provide oversight to the division as well.

The City will manage the grant funding and assure timely and quality completion of the proposed activities. Upon award, the City will initiate an implementation and quality assurance plan, in addition to the PRO Housing Action Plan. This plan will create accountable benchmarks for each activity's implementation and establish lead and support roles within the Community Development Department as well as other City departments. Stakeholder engagement during the creation of the plan will simultaneously add capacity and critical review of product delivery to assure it meets residents' needs while fulfilling the obligations of the grant.

Legal Authority and Leadership Capacity

The City of Evanston is a Council Manager form of government with a City Manager and City Council comprising nine elected council members and a mayor. Pursuant to Article VII of the Illinois Constitution of 1970, the City of Evanston is a home-rule municipality granting us broad authority to implement all proposed activities, stating “powers and functions of home rule units shall be construed liberally”¹⁶ and was written “with intention that home rule units be given the broadest powers possible.”¹⁷ The Illinois Municipal Code also grants municipalities the power to establish zoning regulations and to promulgate rules and regulations that protect the public health, safety, and welfare of its residents.¹⁸

The City's leadership is committed to advancing affordable housing and progressive housing forward policies through City Council's Strategic Goals, chairing and participation in related committees and regularly engaging their constituents on neighborhood implementation.

Staffing Plan

As seen in the table below, the Housing and Grants Division will lead Strategy 1: Fund Preservation and Anti-Displacement and the Planning and Zoning Division will lead Strategy 2: Streamlined Processes and Data-Driven Strategies and Strategy 3: Proactive Partnerships and Stakeholder Engagement. Critical support will be provided by both divisions and other Community Development staff on each of the proposed activities.

Figure E.1: Staffing Lead, by strategy and activity

	Strategy/Activity	Lead
Strategy 1	Fund Production Programs	Housing/Grants
Activity 1.1	Putting Assets to Work Implementation (City-owned land)	Planning/Zoning

¹⁶ Constitution of the State of Illinois, Article VII, Section (6)a

¹⁷ Scandron v. City of Des Plaines, 153 Ill.2d 164

¹⁸ Illinois Municipal Code, Division 13, 65 ILCS 5/11-13-1 et seq.

Activity 1.2	Accessory Dwelling Unit Financing and Technical Assistance	Housing/Grants
Strategy 2	Expand Preservation Efforts	Housing/Grants
Activity 2.1	One-Stop Shop for Home Rehabilitation Programs	Housing/Grants
Activity 2.2	Expansion of Shared Ownership and Equity Models	Housing/Grants
Activity 2.3	Housing Provider Mitigation Fund	Planning/Zoning

Support Staff

The City will work interdepartmentally to increase capacity, create efficiencies and accountability and ultimately expand our reach and impact. Full-time staff from the following departments and divisions will provide additional key support: Communications, Economic Development, Finance, Health and Human Services, Information Technology, Law, Parks and Recreation, Public Works, Sustainability, Transportation and Mobility, Youth and Family Services.

Additional Staff

Given the above staffing, the City of Evanston is still lacking the capacity needed to carry out the proposed activities. Three additional full-time staff are needed to develop and manage the many new and expanded programs proposed above. Specifically, a Marketing and Communications Coordinator in the Community Development Department and two Planners, one senior, in the Planning and Zoning Division.

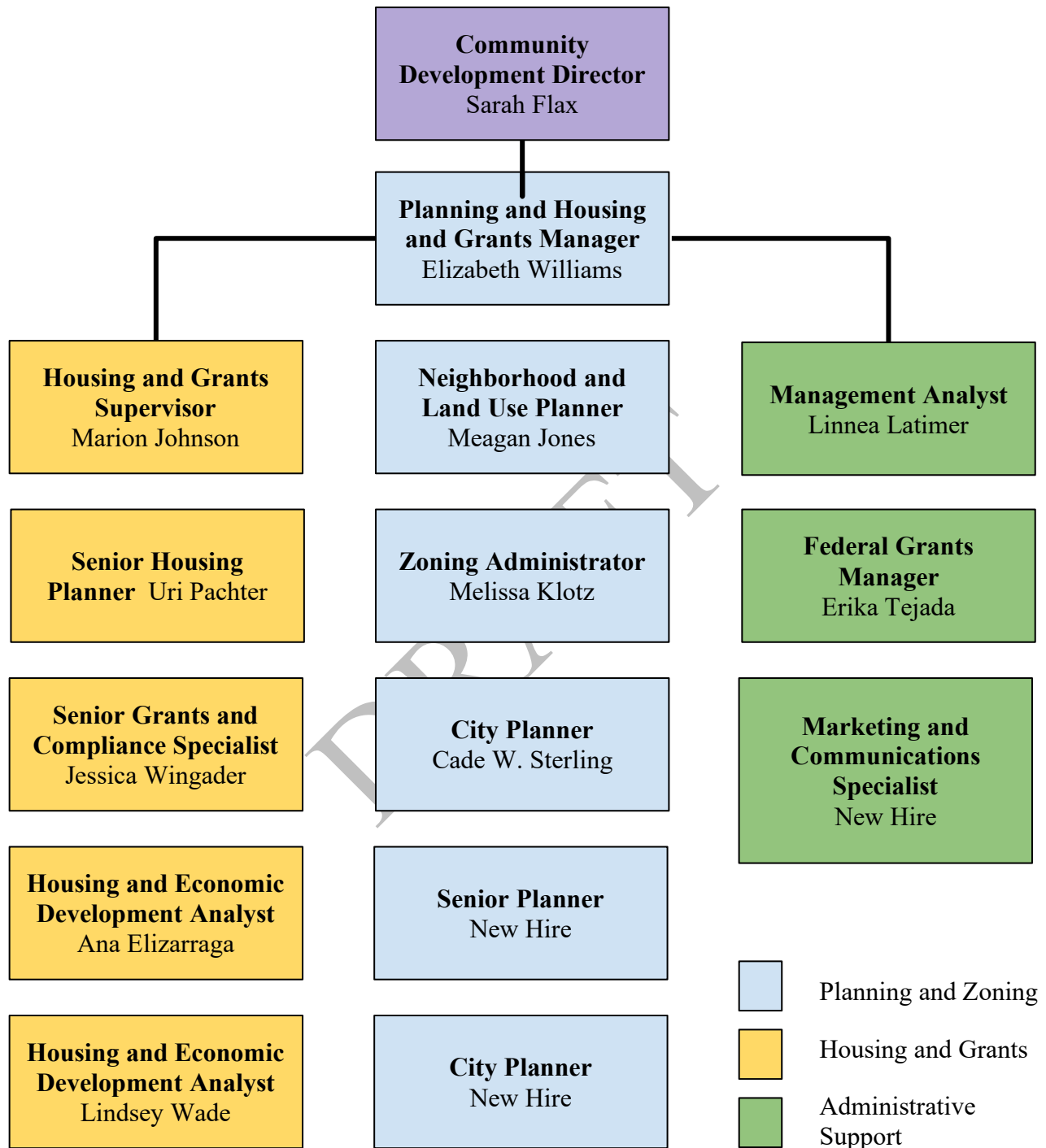
Community Partners

The City anticipates that several of the activities will be implemented by community partners, at least in part. Potential examples include expanding shared equity and ownership models, the housing provider mitigation fund, and the home rehab one-stop shop. The City will conduct requests for proposals as necessary to select these partners.

Key Personnel

An organizational chart of the Community Development Department highlighting key FY 24 PRO Housing personnel, including the Housing and Grants Division and the Planning and Zoning Division, follows:

Figure E.2: Organizational Chart of Community Development Department



**Exhibit F - Leverage
City of Evanston**

DRAFT

i. ARE YOU LEVERAGING OTHER FUNDING OR NON-FINANCIAL CONTRIBUTIONS?

Leverage

The City of Evanston is leveraging significant funds – \$13,745,025 , or almost double of the City’s requested funds – to support the proposed activities outlined above. Funding sources, amounts, and activities are provided below. Leverage documentation will be submitted per the terms of the NOFO.

Figure F.1: Leverage Sources

Activity	Program - Source	Amount
1.1, 1.2, 2.1	Affordable Housing and Livable Communities - CDBG	\$3,600,000
	Affordable Refugee Housing (PB Evanston) - ARPA	\$645,000
All	Staff Time - General Fund	\$850,025
All	Production + Preservation - Affordable Housing Fund	\$6,000,000
2.1	One-Stop Shop Housing Retrofit Program (Green Homes Evanston) - ARPA	\$800,000
1.1, 1.2	Comprehensive Plan/Zoning Code - ARPA	\$750,000
1.1	Putting Assets to Work - Build America	\$1,000,000
2.1	Love My Block - Bloomberg Center for Public Innovation	\$100,000
	Total	\$13,745,025

**Exhibit G - Long-term Effect
City of Evanston**

DRAFT

i. WHAT PERMANENT, LONG-TERM EFFECTS WILL YOUR PROPOSAL HAVE AND WHAT OUTCOMES DO YOU EXPECT?

Long-Term Effect

With the activities funded by the PRO Housing grant, the City of Evanston will create replicable models for community-informed project and partner selection for publicly owned land, creating long-term affordability, empowering tenants, improving housing quality while addressing climate change, and increasing housing access in higher-income areas. Grant funds will allow the City and its partners to develop its expertise in these areas and evaluate program outcomes to inform future implementation.

The City will continue to measure success based on three metrics: households retained, housing units produced, and housing units preserved. The City will collect data on income, race and ethnicity, disability, and language spoken at home to confirm that low- and moderate-income households are the primary recipients and course-correct to affirmatively market our activities.

Figure G.1: Anticipated Outcomes, by activity

Activity	Initial Benefit	Households Retained	Units Produced	Units Preserved	Post-Grant Impact
1.1 Putting Assets to Work Implementation	2028	-	approx. 150	-	
Subtotal		-	approx. 150	-	
1.2 ADU Financing and Technical Assistance	2026	25	50	-	NA
Subtotal		25	50	-	
2.1 One-Stop Shop	2025	100	-	100	All
Subtotal		100	-	100	
2.2 Shared Equity	2026	50	-	50	All
Subtotal		50	-	50	
2.3 Mitigation Fund	2025	50	-	-	All
Subtotal		50	50	50	
Total		225	250	200	

Measures of Success

The above table outlines the City's anticipated annual outcomes in each of the three metrics: households retained, housing units produced, and housing units preserved. Since the benefits of each activity will begin in various years (2024 - 2026), outcomes for each activity are calculated annually and in total over the course of the grant period. Through FY 24 PRO Housing grant funds and the City of Evanston's leveraged funds, we project 225 households retained, 250 housing units produced, and 200 housing units preserved. Beyond the number of units produced and preserved and households retained, the City will see new affordable housing—from multifamily developments to ADUs—in higher-income and transit-rich neighborhoods where affordable housing has not traditionally existed. In lower-income areas of the City,

Expected Outcomes

The proposed activities are expected to result in increased housing production across Evanston, expanded housing choice via as-of-right new housing typologies, affordable housing on opportunity sites in high-income neighborhoods. Naturally occurring affordable housing (NOAH) will be identified, actively managed, and supported and expanded anti-displacement programs will allow low- to moderate-income households and people to remain Evanston residents.

This will help to reverse historic trends of health and opportunity gaps, support Evanston's many vibrant neighborhoods, schools and rich tapestry of business, art, and industry. Success sets an expectation that housing matters in Evanston. The way our City functions and for whom it functions matters. Design, arts and culture, preservation, economic development, affordable housing, and sustainability are not competing goals, rather they together support a lasting sense of place and community.

While Evanston has made significant progress to create a land use and zoning environment that reduces barriers to affordable housing, with the PRO Housing grant it will be able to go a step further and demonstrate what more can be done once that new foundation is established. Evanston believes this approach can be a model for similarly sized, built-out legacy cities, creating a strategic path toward more human-scaled, inclusive, and resilient communities across the country.

Replicability

The City will build on and improve existing models—whether those initiated by the City or learned from other jurisdictions across the country—to carry out its PRO Housing grant activities. One of its priorities with PRO Housing implementation is establish systems that are both replicable and adaptable as housing needs and funding environments change over time.