



## FAQs on Zoning Reform

### What is affordable housing?

Affordable housing costs no more than 30% of a household’s income. “Missing middle” housing serves households with an annual income between \$50,000 - \$82,000 who can pay \$1,250 - \$2,050 in rent, without the need for additional subsidy.

For people at lower incomes, affordable housing can include naturally occurring lower-cost apartments, but mostly is housing that is built using government subsidies (like low-income housing tax credits) to reduce rents or market rate homes where rent is paid using a subsidy for the landlord (like a Housing Choice--or Section 8—voucher).

This chart shows what affordable housing would be for people with different sources of income:

<b>Profession/Source of Income</b>	<b>Average Annual Income</b>	<b>Affordable Monthly Rent (30% of Income)</b>
Disability benefits	\$18,456	\$462
Social Security benefits	\$22,884	\$572
Nurses Assistant	\$39,020	\$976
Pre-School Teacher	\$44,289	\$1,107
Police Officer	\$55,950	\$1,399
Paralegal	\$62,830	\$1,571
Automotive Engineering Tech	\$77,791	\$1,995
Financial Investment Analyst	\$96,940	\$2,424
Psychologist	\$106,420	\$2,661

[Source for Social Security Income](#)

[Source for Social Security Disability Income](#)

[Source for Occupation Salaries](#)

This chart shows the average rents in Evanston through 2024 and was created by aggregating the monthly rents shown in the Rent Trends section on [rent.com](https://www.rent.com):

### Average Evanston Rents

<b>Studio</b>	<b>1-Bedroom</b>	<b>2-Bedroom</b>	<b>3-Bedroom</b>
\$1,735	\$2,630	\$3,052	\$3,054



## Why is it difficult to build housing in Evanston?

Developers need several things in order to make a housing project viable:

- **Land** that is appropriate for a residential development and within the project's price range. This is difficult in Evanston because there isn't much available land and what is available is very expensive and limited in its uses by zoning restrictions.
- **Funding** to pay for project hard costs (land, construction, labor) and soft costs (fees, attorneys, architects, insurance, etc.). Developers of market rate housing can more easily raise capital than developers of missing middle and low-income housing, because they can charge higher rents which provide more assurance that they will be able to pay lenders back.
- **Community support** from decision makers like commissioners and council members as well as from their constituents. Evanston has a history of strong opposition toward new developments--especially those that add density or change the "look and feel" of the city. This resistance results in compromises that reduce building sizes, profitability, and the possibility of affordability.

## Why is it even more difficult to build affordable housing for people with low incomes?

90% of the deeply affordable housing in the United States is funded in large part through low-income housing tax credits (LIHTC), which the Illinois Housing Development Authority (IHDA) provides to developers through a highly competitive process. Because of limited funds, IHDA only accepts about 30% of the applications it receives. Additionally, the application process is complex, time-consuming, and expensive.

However, LIHTC isn't enough to fund a whole project. Affordable developers also have to apply for other types of tax credits, low-interest loans, philanthropic contributions, land grants, etc., all of which take time and money. Developers cannot apply to IHDA for LIHTC until they have all their funding lined up.

Finally, developers of affordable housing are often met with greater public resistance to their projects, which can ultimately make the projects cost more. This is because public resistance often triggers more review and approval meetings for which architects, lawyers, and construction experts need to be paid; repeated delays that can make required studies



obsolete so that they need to be repeated with added cost; and the cost of maintaining land that sits dormant during the review and approval process.

## **Why is “density” important for affordable housing?**

Density refers to the number of housing units per acre in a given area. The greater the density, the greater the number of units (and, therefore, households).

Density is important in discussions about affordability for two reasons:

- Most affordable housing gains some of its affordability through economies of scale. Market rate developers can make rents as high as the market will allow. Affordable housing developers, on the other hand, need to keep rents low and in line with their agreements with their funders (e.g., IHDA)—while still bringing in enough to cover operating costs (e.g., repairs, lease administration, insurance, etc.). A building with more units not only brings in more rent, but also has lower operating costs per unit, so it is more likely to be a viable long-term building that can remain affordable.
- Density is one of the few ways to increase housing abundance in communities like Evanston that are built up. The country is having an undeniable housing shortage, and the resulting competition for housing can be one factor in increasing housing prices at all levels. While the jury is out on whether and how quickly increased housing abundance stabilizes or reduces housing prices (check out [this study](#)), light touch density provides many benefits to communities (also look at [this study](#)).

## **How do Evanston’s zoning *rules* prohibit density and the development of affordable housing?**

Evanston’s current zoning includes a variety of restrictions that make it much easier to create luxury buildings and much more difficult to create affordable housing:

- Many zoning districts limit how many units a building can have. Two zoning districts (R1 and R2) don’t allow any multi-unit buildings, and one (R3) only allows 1- and 2-unit buildings. Even R4 and R5 districts limit by-right density significantly through height restrictions (no more than 35 feet in R4 and R4a, and the lower of 50 feet or 5 stories in R5). And the most dense of the downtown districts limit buildings to 85 feet.



- Zoning also imposes restrictions on density by requiring large lot sizes and yards. Allowing more flexibility will increase the variety of housing that can be built and can create the possibility for more multi-family units at lower price points.
- Evanston’s zoning currently requires 2 parking spaces for single-family homes and 1.25 to 1.65 spaces for multi-family homes, depending on the building location and configuration. At the same time, particularly in the downtown districts, parking garages in larger buildings are underutilized. Parking is an expensive use of space and can contribute greatly to the cost of a building. For affordable buildings, this space could be better used for apartments, which could further increase affordability instead of adding to costs. This [NPR interview](#) with the author of [Paved Paradise](#) provides an interesting discussion of parking.
- One way that people make their own housing affordable is by sharing housing costs with others. However, in Evanston, the zoning code prohibits more than 3 unrelated people from living together in one unit.

## **How do Evanston’s zoning *processes* prohibit the development of affordable housing?**

Most new proposals for multi-unit buildings in Evanston require variances—allowances for the building to NOT follow some of the zoning rules. Variances can range from requests to build higher or bigger than normally allowed, to use a building for work when only a residential use is allowed, to have more units than allowed, etc.

The processes for requesting and being granted a variance include:

- A detailed application
- Private reviews by City staff, often requiring revisions and subsequent review
- At least one public review by the City’s Land Use Commission (preceded by public notices sent to near-by property owners in some instances)—and often more than one
- Voting by the Land Use Commission on whether or not to recommend the variance to the City Council
- Public reviews by the City Council, with public input
- Voting on approval or denial by the City Council



Because of the time, cost and unpredictability of this process and how many reviews will actually be required, very few developers of affordable housing choose to work in Evanston. The process often chips away at project density and adds costs that ultimately make a project no longer viable. By comparison, Chicago, Los Angeles and several smaller communities in Maryland and other states have updated zoning processes to set timelines for review, eliminate repetitive steps, and focus public engagement only at critical decision points. Some have done so for all developments, and others have done so only for projects that meet affordability requirements.

### **Are Evanston’s zoning *rules* equitable?**

The current housing environment in Evanston echoes the zoning of the past which was established based on redlining that occurred in the 1930’s. Redlining was the practice of lenders and insurance providers demarcating areas where it was “safe” to invest and not safe to invest, with the redlined areas being those that were considered not safe and that were largely inhabited by people of color.

When redlining was banned in the U.S., zoning took over as a way to separate people of different races and of different income levels. That has resulted in zoning districts today that still only allow one type of housing—usually single-family housing—and mandate expensive uses of land that make the housing prohibitively expensive for people with lower incomes. Those people who are thus excluded are disproportionately people of color.

At the same time, zoning districts that were redlined continue to experience disinvestment, and some are starting to experience displacement of people with low incomes as investors come in to flip the relatively inexpensive housing there into more expensive housing.

The current zoning will perpetuate these patterns.

### **Are Evanston’s zoning *processes* equitable?**

No.

The City code does not require the membership of the Land Use Commission (LUC) to reflect the diversity of Evanston and include representatives from different walks of life. There are no requirements to include renters, people with low incomes, people of color, or people with disabilities—all groups who experience the greatest hardships with housing.



Therefore, the viewpoints represented on the LUC, depending on its make-up at a given point, have the potential to be biased against those who need the greatest support.

When public notice goes out to the community about a zoning change or a major variance, only property owners are targeted. Renters, who are vastly more likely to be low income and people of color, are not included and can only find out about the notice if they are signed up for the City’s newsfeeds, find the notice in the *Evanston Review*, or hear about it via word of mouth. This means that the voices heard during public comment on zoning changes and variances usually lack those of these people.

### **Will zoning reform cause displacement or low-income people or otherwise hurt communities that have been redlined or experienced disinvestment?**

Evanston has struggled for years with displacement of low-income residents, and displacement is happening right now. Zoning reform creates a variety of possibilities related to displacement:

- The worst-case scenario would be if for-profit developers “invade,” force or buy out low-income residents, and flip the City’s most affordable buildings into luxury units—with no intervention or support for low-income residents.
- The best scenario would be for the City to implement a new anti-displacement strategy to support low-income residents while it conducts community planning sessions in its disinvested areas and then makes investments and incentivizes developers to help to implement community plans to meet the full range of needs among residents.

Anti-displacement strategies must include creation of new affordability options both now and for the long term—many of them only possible with zoning reform. In addition to new development, strategies should include strengthening the inclusionary housing ordinance as planned and reducing the immediate housing cost burden of current residents through innovative approaches like guaranteed income or cash relief programs. Long-term components of a plan should include additional incentives for local developers to include more affordable units, land banking, property tax reductions for residents and providers of affordable housing and continuing to improve current City funding for affordable housing creation and preservation.



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for Affordable Housing



Last, the City should commit to monitor and adapt to trends in displacement, particularly in neighborhoods vulnerable to gentrification. City staff should track displacement metrics periodically and report them annually to the City Council and appropriate commissions and committees, along with recommendations on how to reduce the chances of losing more of Evanston's invaluable residents and resources.