



BUSINESS AND PROFESSIONAL PEOPLE
FOR THE PUBLIC INTEREST

Evanston Affordable Housing Needs Assessment

Produced for:

The Evanston Inclusionary Housing Task Force
and the Evanston Housing Commission

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Part I: Trends

- 1. Decreasing Numbers and a Decrease in the Percentage of Middle-Income Households in Evanston.**
 - The percent and overall number of the middle-income households (those making between \$50,000 and \$100,000) in Evanston decreased between 1990 and 2000.
 - Middle-income households decreased by nearly 7 percent over this time period.
 - Lower-income (less than \$50,000) and upper-income (greater than \$100,000) households both increased in overall numbers and percent terms from 1990 to 2000.

- 2. Rising Cost Burdens for Households Across Income Levels**
 - The number of Evanston homeowners paying more than 30 percent for housing increased by nearly 10 percent between 1990 and 2000.
 - In fact, more than 25 percent of all Evanston homeowners were spending more than 30 percent of their household income on housing costs in 2000.
 - Based on census data comparisons of surrounding cities, the Chicago region, the state, and the nation, Evanston has one of the highest percentages of owners paying over 30 percent of their household income on housing.

- 3. Rising Home Sale Prices**
 - Home sales prices have increased dramatically in the last 10 years. Between 1993 and 2002 the median home price increased by nearly 30 percent (adjusted for inflation), with the most significant change occurring between 1999 and 2000, when the median sales price increased by over 25 percent.
 - The mean increased even more drastically, rising more than 50 percent between 1993 and 2002.

- 4. Fewer Homes Sold at a Price Affordable to a Household Earning the Evanston Median Income**
 - The number of homes sold at a price affordable to the Evanston median income has decreased significantly.
 - While in 1994 there were 300 homes sold at or less than the affordable home sales price, in 2002 there were only 157 selling at this price.
 - Because of this trend in Evanston, families near the median income inevitably face the choice of spending an unaffordable portion of their income on housing costs or choosing another community in which to live.
 - There has been a slight decrease in the percentage of middle-income residents taking out new home mortgages when comparing the periods 1993-1994 and 1999-2000.

5. A Decrease in the Percentage of All New Mortgages Taken out by African American Homebuyers in Evanston

- From 1990 to 2000 the overall number of mortgages taken out by African American homebuyers increased, but the percent of mortgages taken out by African American homebuyers decreased by 2.9%.
- From 1990 to 2000, the numbers and the percentage of new mortgages taken by Whites, Asians, and Hispanics, all increased.

6. Rising Rental Rates and Significant Cost Burdens for Renters

- While there has been a slight decrease in the number of renters paying more than 30 percent of their household income on housing between 1990 and 2000, over 40 percent of all Evanston renters were still paying more than 30 percent of their income on housing costs in 2000.
- Based on census data comparisons of a sample of surrounding cities, the Chicago region, the state and the nation, Evanston has the highest percentage of renters paying over 30% of their household income on housing.
- Most apartment rental rates have risen between 1995 and 2002, with most rental rates increasing between 15 and 20 percent in that period, even after prices were adjusted for inflation.

7. Unhealthy Vacancy Rates

- Vacancy rates dropped 1.5 percent between 1990 and 2000, from 4.7 percent to 3.2 percent.
- According to the City of Evanston HUD Consolidated Plan 2000-2004, a healthy vacancy rate is 5 percent.

8. Increased Condominium Development

- There has been a significant rise in the number of condominium units between 1999 and 2002, either through conversions or new developments.
- There was a sharp increase in condominium units developed in 2001 and 2002, with over 800 units constructed or converted in 2002 alone.
- Of the three newly constructed condominium developments studied, all three overwhelmingly developed one- and two-bedroom units. In all three developments, one- and two-bedroom units represented over 75 percent of all units in the development. In fact, 89 percent of all units at 515 Main were built with one or two bedrooms, and 83 percent of all units in Optima Towers were built with one and two bedroom units.

9. Section 8 Voucher population

- The majority of Evanston residents who use Housing Choice Vouchers (HCVs) are families, with the disabled and elderly following behind.
- There are 568 Evanston residents on the waiting list for HCVs.
- Over the last 10 years, the total number of Housing Choice Vouchers has increased from 579 in 1993 to 982 in 2002.

10. Evanston lacks supportive housing units needed for some vulnerable populations while possessing a surplus of supportive housing units needed for other populations

- Evanston lacks sufficient transitional housing and permanent supportive housing units to meet the estimated need in the community.
- As of 2000, Evanston lacked the necessary estimated number of supportive housing units for the HIV/AIDS population.
- As of 2000, Evanston had only one-half of the HUD recommended number of housing units for the developmentally disabled.
- Evanston possesses the HUD recommended number of housing units for the elderly, the frail elderly, and those with developmental and physical disabilities.
- According to the City of Evanston HUD Consolidated Plan, the city possesses the estimated number of emergency shelter units. However, a recent Regional Needs Assessment on homelessness for the City of Evanston shows that 59 homeless individuals and 14 homeless families exist in the unsheltered or unknown category.

11. Salary levels in the Chicago region for occupations likely to exist in large numbers in Evanston are not sufficient to meet the Median Home Sales Price or average rent in Evanston.

- Based on occupational wages for the Chicago PMSA in 2001-2002, many job positions likely to exist in Evanston do not provide enough income to afford a two-bedroom/ one-bath apartment in Evanston in 2002.
- Based on this same data, many job positions likely to exist in Evanston do not provide enough income to afford a home at the Median Home Sales Price in Evanston in 2002.

Part II: Population, Income, and General Housing Trends

Population Demographics

	1990	2000
Population	73,233	74,239
Median Household Income	\$41,115 (\$55,000 in 2000 dollars)	\$56,335
African American	22.9%	22.5%
American Indian	.2%	.2%
Asian	4.8%	6.2%
Hispanic	3.7%	6.1%
White	70.6%	65.2%
Two or more races	0	3%

Source: U.S. Census 1990, U.S. Census 2000.

Housing Trends for Current Residents

	1990	2000
Residents below the federal poverty level	9.8%	11.1%
Families below the federal poverty level	5.3%	5.1%
Renters paying over 30% HH income for housing	43.7%	40.7%
Owners paying over 30% HH income for housing	17.7%	26.1%
Renter-occupied units	13,682	14,039
Vacancy rate (rental)	4.7%	3.2%

Source: U.S. Census 1990, U.S. Census 2000.

Household Income

	1990		2000	
	Number	Percent	Number	Percent
Total Households	27,955	100	29,675	100
HH earning less than \$50,000*	11,983	42.9	13,219	44.5
HH earning \$50,000 to 100,000*	10,101	36.1	8,747	29.5

HH earning more than \$100,000*	5,871	21	7,709	26
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Source: U.S. Census 1990, U.S. Census 2000.

*1990 dollars adjusted to 2000 dollars.

Lower-Income Households, According to the Area Median Income (AMI)*

	1990	2000
AMI Median Household Income	\$43,400 (approximately \$58,000 in 2000 dollars)	\$67,900
HH earning less than 30% AMI	13.9%	17.3%
HH earning less than 50% AMI	24.8%	29.4%
HH earning less than 80% AMI	42.8%	35.4%

Source: U.S. Census 1990, U.S. Census 2000, Housing and Urban Development.

*Area median income is based off of 4-person household incomes, as determined by HUD and refers to the entire Chicago metropolitan region.

*Numbers approximated in order to conform to Census household income categorizations.

Lower-Income Households, According to the Evanston Median Income*

	1990	2000
Evanston Median Household Income	\$41,115 (approximately \$55,000 in 2000 dollars)	\$56,335
HH earning less than 30% Evanston MI	13.2%	14.2%
HH earning less than 50% Evanston MI	23.2%	24.4%
HH earning less than 80% Evanston MI	39.8%	39.8%

Source: U.S. Census 1990, U.S. Census 2000.

*1990 Evanston median household income is based off of the 1990 Census median household size of 2.31.

*2000 Evanston median household income is based off of the 2000 Census median household size of 2.27.

*Numbers approximated in order to conform to Census household income categorizations.

Housing Choice Vouchers

	1993	1996	2002
Total Number of Vouchers	579	893	982

Source: City of Evanston, Planning Department.

Housing Choice Vouchers

	Number	Percent
Total Number of Vouchers*	982	100
Families	599 (548 w/ children)	61
Elderly head of household	126	12.8
Disabled head of household	216	22
Single	41	4.2

Source: City of Evanston Planning Department.

*As of November 2002.

Statistics on Census Tracts With More Than 10 Vouchers

Tract No.	Total Households	Households in Poverty	Percent in Poverty	Total Vouchers
8092	4,980	832	16.71%	426
8093	4,456	1,162	26.08%	27
8095	3,246	633	19.50%	13
8096	3,443	630	18.30%	128
8097	3,873	251	6.48%	68
8098	2,816	424	15.06%	10
8103.01	3,916	259	6.61%	40
8103.02	3,403	177	5.20%	63
8100	4,470	264	5.91%	18
8101	4,510	368	8.16%	149
	39,113	5,000	12.78%	942
Percent in Poverty with Vouchers				18.84%
Percent of Total Households with Vouchers				2.41%

Source: Housing Authority of the County of Cook 2000.

Notation: See Appendix for Map of Census Tracts.

Assisted Housing Units

- There are 45 scattered-site public housing units in Evanston that are owned by the Housing Authority of Cook County (HACC). 16 two BR, 23 three BR, 6 four BR.
- 365 units assisted through HUD or IHDA subsidies.
- 149 units subsidized by the Mayor's Special Housing Funds.
- Currently there are 568 Evanston residents on the waiting list for housing choice vouchers.

Source: Housing Authority of Cook County, City of Evanston Planning Department, IHARP Database.

Housing Characteristics—Evanston

	1990	2000
Total Units	29,164	30,817
One-Unit Detached	9,665 (33.14%)	9,799 (31.79%)
5+ Units	13169 (45.15%)	14,891 (48.32%)
Occupied Housing Units	27,954	29,651
Owner-Occupied	14,272 (51.05%)	15,612 (52.65%)

Source: U.S. Census 1990, U.S. Census 2000.

Housing Characteristics—Oak Park

	1990	2000
Total Units	25,571	23,723
One-Unit Detached	9,598 (37.53%)	9,710 (40.9%)
5+ Units	10390 (40.63%)	10,569 (44.55%)
Occupied Housing Units	22,607	23,079
Owner-Occupied	12,084 (53.45%)	12,986 (56.26%)

Source: U.S. Census 1990, U.S. Census 2000.

One-Unit Detached and 5+ Units are values divided by the total number of housing units.

Owner-Occupied according to tenure.

Percent is equal to the number divided by total occupied units.

Overcrowded/Substandard Living

	1990	2000
Median household size	2.31	2.27
Lack complete plumbing facilities	.4%	.4%
Lack complete kitchen facilities	1.7%	1.4%
No telephone service	1.2%	.9%

Source: U.S. Census 1990, U.S. Census 2000.

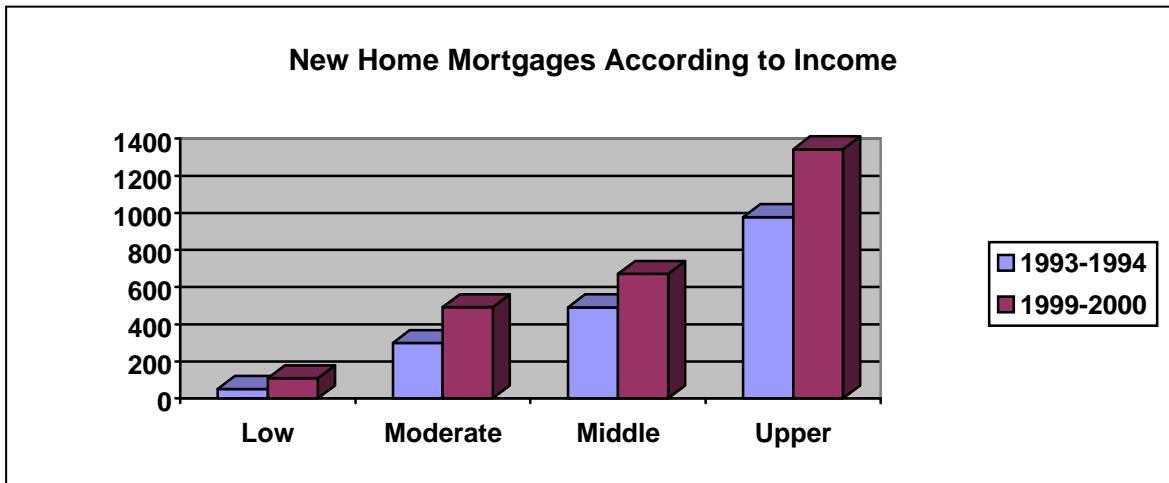
Part III: Evanston Mortgage Trends

New Home Mortgages Held by Evanston Residents, According to Income Level

	1993-1994		1999-2000	
	Number	Percent	Number	Percent
Total new mortgages	1817	100	2613	100
Low-income mortgages	51	2.8	109	4.2
Moderate-income mortgages	299	16.4	491	18.8
Middle-income mortgages	490	27	671	25.7
Upper-income mortgages	977	53.8	1342	51.3

Source: Woodstock Institute.

*Low Income – Less than 50% of Area Median Income (AMI). Moderate Income – 50-80% of AMI. Middle – 80-120% of AMI. Upper – More than 120% of AMI.



New Home Mortgages Held by Evanston Residents, According to Race

	1993-1994		1999-2000	
	Number	Percent	Number	Percent
Total New Mortgages	1783	100	2423	100
White	1434	80.4	1977	81.6
Black	217	12.2	226	9.3
Hispanic	63	3.5	97	4
Asian	51	2.9	86	3.6
Other	18	1.0	37	1.5

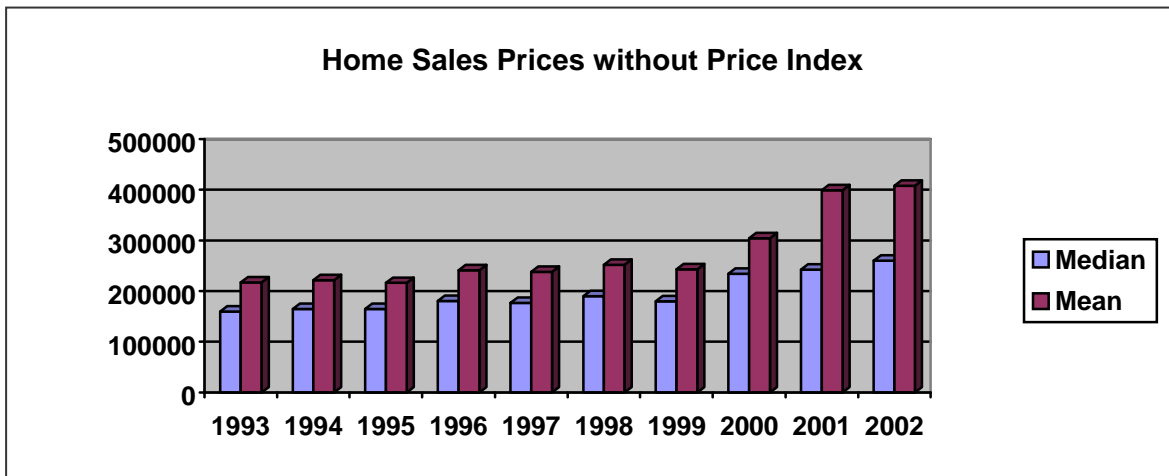
Source: Woodstock Institute.

Part IV: Home Sales Trends

Home Sales Prices 1993-2002, without Price Index

Year	Number	Mean	Change	Median	Change
1993	1320	\$217,046	N/A	\$160,000	N/A
1994	1313	221,142	+1.85%	165,000	+3.13%
1995	1310	216,054	-2.3%	165,000	0
1996	1392	240,871	+10.3%	180,750	+9.55%
1997	1371	237,657	-1.33%	177,000	-2.12%
1998	1623	251,665	+5.57%	190,000	+7.34%
1999	919	242,937	-3.47%	180,000	-5.56%
2000	1480	304,630	+25.4%	234,000	+30%
2001	1615	398,602	+30.8%	242,000	+3.42%
2002	1472	407,690	+2.28%	259,500	+7.02%

Source: Multiple Listing Services, Chicago Tribune.

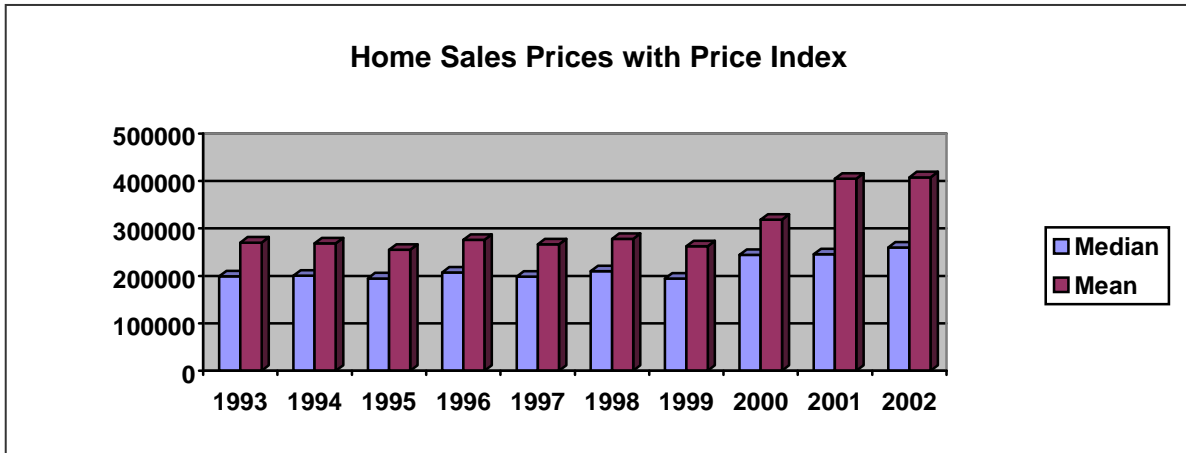


Home Sales Prices 1993-2002 with Price Index*

Year	Number	Mean	Change	Median	Change
1993	1320	\$270,219	N/A	\$199,197	N/A
1994	1313	268,444	-.66%	200,294	+.55%
1995	1310	255,040	-5.3%	194,774	-2.83%
1996	1392	276,180	+8.29%	207,246	+6.4%
1997	1371	266,383	-3.68%	198,394	-4.5%
1998	1623	277,758	+4.3%	209,699	+5.7%
1999	919	262,331	-5.9%	194,370	-7.9%
2000	1480	318,252	+21.3%	244,463	+25.8%
2001	1615	404,904	+27.2%	245,826	+.56%
2002	1472	407,690	+.69%	259,500	+5.6%

Source: Multiple Listing Services, Chicago Tribune.

*All prices adjusted to 2002 dollars.



Overall Change in Evanston Home Sales Prices 1993-2002 with Price Index

Median: \$60,303

Mean: \$137,471

Affordable Home Sales Prices for a Family Earning the Evanston Median Income*

	1990	2000
Affordable home price for households earning median household income	\$102,788	\$140,838

Source: U.S. Census 1990, U.S. Census 2000.

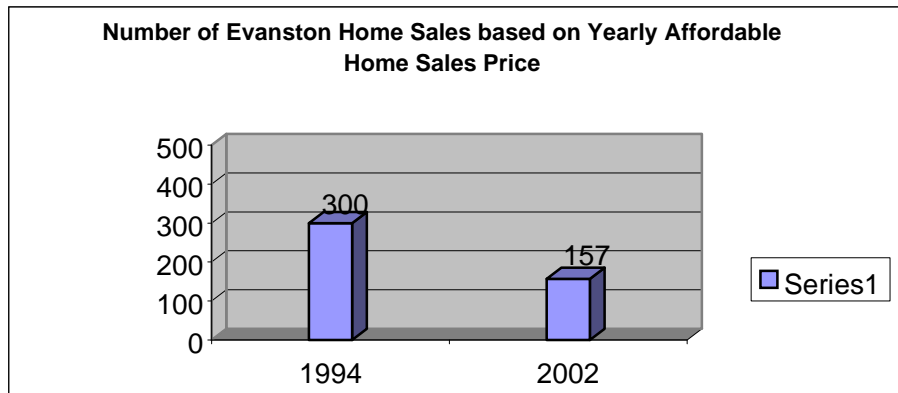
*Assuming Affordable Home Sales Price = 2.5 x the household income.

Affordable Home Sales Price

	1994	2002
Affordable home price for households earning median household income	\$110,000*	\$150,000*
Number of homes sold at or below affordable Homes Sales Price	300	157
% of Total Home Sales	22.8%	10.7%

*Estimated affordable home sales price for a household making the Evanston median household income.

Source: Multiple Listing Services, Chicago Tribune .



Source: Multiple Listing Services, Chicago Tribune.

Affordable Home Sales Price for the First Time Homebuyers Program

	1995	2002
Affordable home price for households earning median household income	\$135,000*	\$175,000**
Number of homes sold at or below affordable Homes Sales Price	478	300
% of Total Home Sales	36.46%	20.4%

*Estimated affordable home sales price for a household making the Evanston median household income.

**Affordable Home Sales Price when the City of Evanston uses HOME funds to produce affordable housing.

Source: Multiple Listing Services, Chicago Tribune.

Part V: Condominium Development

Condominium Conversions

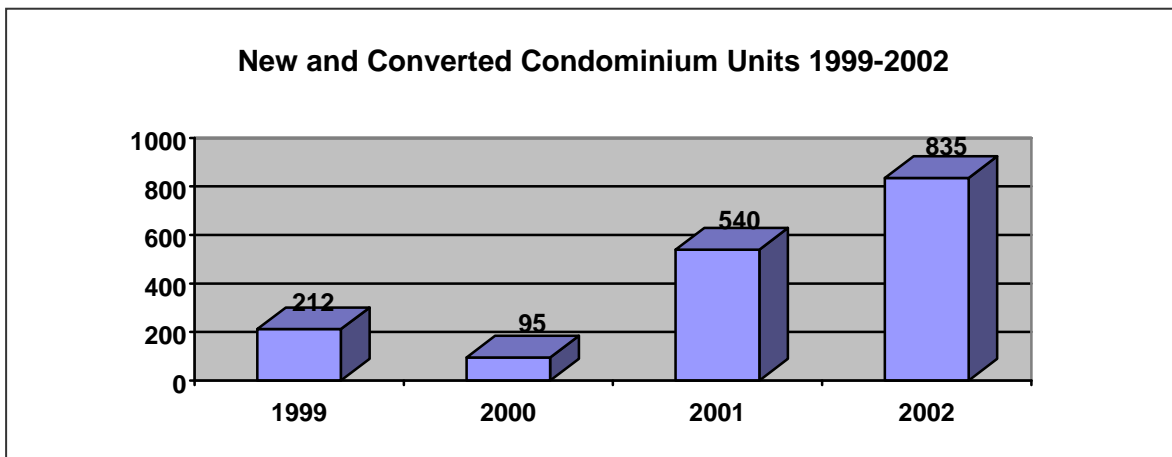
Year	Number of Conversions	Number of Units
1990	3	48
1991	3	63
1992	4	101
1993	6	184
1994	2	62
1995	2	25
1996	3	30
1997	1	9
1998	5	64
1999	10	131
2000	4	47
2001	11	313
2002	14	125
Total	68	1202

Source: City of Evanston HUD Consolidated Plan 2000-2004, City of Evanston Planning Dept.

New Condominium Development

Year	Number of New Condos	Number of Units
1999	3	81
2000	2	48
2001	3	227
2002	9	710
Total	17	1066

Source: City of Evanston Planning Department.



Source: City of Evanston Planning Department.

Three Newly Constructed Condominiums*

Address	Price Range	Total Units	1-Bedroom	2-Bedroom	3-Bedroom
515 Main	\$156,000 - \$285,000	63	14 units (22.2% of total units)	42 units (66.7% of total units)	7 units (11.1% of total units)
Optima Towers (1580 Sherman)	\$186,000 - \$478,000	105	18 units (17.15% of total units)	69 units (65.7% of total units)	18 units (17.15% of total units)
Optima Views (1720 Maple)	\$146,000 - \$1.5 million	207	58 units (28% of total units)	102 units (49.3% of total units)	47 units (22.7% of total units)

Source: City of Evanston Planning Department.

*Data from three newly constructed condominium developments are intended to be a snapshot of condominium development, and are not intended to serve as a representative sample of all new condominium development. Sufficient data from the city of Evanston were not available to allow us to make more comprehensive conclusion.

Condominium Conversions—Oak Park

Year	Number of Buildings Converted	Number of Units
1994	6	51
1995	16	280
1996	4	85
Total through 1998	174	2,773
1999	16	228
Total through 1999	190	3,001

Source: The Town of Oak Park, Cynthia Breunlan.

New Condominium Construction-Oak Park

Year	Number of Buildings Constructed	Number of Units
2002	3	56

Source: The Town of Oak Park, Bob Clemins.

Condominium and Townhouse Sales-Oak Park

Year	Number of Homes Sold	Average Sale Price
1990	178	\$74,243
1991	187	\$84,893
1992	178	\$80,391
1993	175	\$87,524
1994	182	\$87,328
1995	298	\$95,088
1996	299	\$105,136
1997	282	\$107,518
1998	298	\$113,948
1999	442	\$123,154
2000	339	\$143,801
2001	393	\$160,536

Source: Oak Park Board of Realtors.

Part VI: Evanston Rental Rates

Rental Rates 1995 – 2002 without Price Index*

Size	1995	1996	1997	1998	1999	2000	2001	2002
Studio / Efficiency	\$545	\$565	\$585	\$590	\$640	\$655	\$670	\$765
1 Bedroom / 1 Bath	680	710	745	760	800	825	930	925
2 Bedroom / 1 Bath	825	865	925	925	955	975	1,090	1,130
2 Bedroom / 2 Bath	990	1,060	1,080	1,275	1,285	1,370	1,360	1,795
3 Bedroom / 1 Bath	1,045	1,050	1,215	1,200	1,240	1,420	1,465	1,420
3 Bedroom / 2 Bath	1,215	1,250	1,420	1,430	1,580	1,825	1,605	1,810
3 Bedroom / 3 Bath	N/A	N/A	1,750	N/A	2,190	990	2,365	1,610
4 Bedroom / 1 Bath	1,595	N/A	N/A	N/A	N/A	1,725	1,695	1,705
4 Bedroom / 2 Bath	1,450	1,545	1,575	1,526	1,840	1,845	1,870	1,855
5 Bedroom / 3 Bath	N/A	1,791	1,927	2,013	2,110	2,200	2,295	2,365

Source: Arthur Goldner and Associates, Inc. Annual Apartment Survey for Evanston, Illinois.

*Not all Evanston apartments included in survey.

Rental Rates 1995 – 2002 with Price Index*

Size	1995	1996	1997	1998	1999	2000	2001	2002
Studio / Efficiency	\$643	\$648	\$656	\$651	\$691	\$684	\$681	\$765
1 Bedroom / 1 Bath	803	814	835	839	864	862	944	925
2 Bedroom / 1 Bath	974	992	1,037	1,021	1,031	1,019	1,107	1,130
2 Bedroom / 2 Bath	1,169	1,215	1,211	1,407	1,388	1,431	1,382	1,795
3 Bedroom / 1 Bath	1,234	1,204	1,362	1,324	1,339	1,483	1,488	1,420
3 Bedroom / 2 Bath	1,434	1,433	1,592	1,578	1,706	1,907	1,630	1,810
3 Bedroom / 3 Bath	N/A	N/A	1,962	N/A	2,365	1,034	2,402	1,610
4 Bedroom / 1 Bath	1,883	N/A	N/A	N/A	N/A	1,802	1,722	1,705
4 Bedroom / 2 Bath	1,712	1,771	1,765	1,684	1,987	1,928	1,900	1,855
5 Bedroom / 3 Bath	N/A	2,054	2,160	2,222	2,278	2,298	2,331	2,365

Source: Arthur Goldner and Associates, Inc. Annual Apartment Survey for Evanston, Illinois.

*Not all Evanston apartments included in survey.

*All rental rates adjusted to 2002 dollars.

Rental Rate Changes 1995 – 2002 (With Price Index)

Size	Change (Percent)
Studio / Efficiency	+19.0
1 Bedroom / 1 Bath	+15.2
2 Bedroom / 1 Bath	+16.0
2 Bedroom / 2 Bath	+53.6
3 Bedroom / 1 Bath	+15.9
3 Bedroom / 2 Bath	+26.2
3 Bedroom / 3 Bath	-17.9
4 Bedroom / 1 Bath	-9.50
4 Bedroom / 2 Bath	+8.40
5 Bedroom / 3 Bath	+15.1

Source: Arthur Goldner and Associates, Inc. Annual Apartment Survey for Evanston, IL.

Part VII: New Development

New Construction Costs*

Type of Construction	2001	2002
Single-Family	\$2,799,650	\$4,448,584
Multi-Family	\$39,943,500	\$61,862,033
Existing Residential	\$62,525,967	\$44,276,846

Source: City of Evanston Community Development.

*Number of units unavailable for breakdown of construction costs. Because unit numbers are unavailable, we are unable to draw conclusions about the implications of these data.

Vacant Land

- As of March 2003, there were 21 vacant land parcels.
(See Attachment)

Part VIII: Vulnerable Populations (estimated)

Estimation of Homeless Individuals in Evanston

	Homeless Individuals	Individuals in Homeless Families	Totals
Number homeless	119	71	190
Sheltered	60	57	190
Unsheltered/Unkn own	59	14	
Adult	118	25	190
Youth	1	46	195
Chronic substance abuse	51	10	
Serious Mental Illness	46	3	
Dually diagnosed	11	1	
Veterans	2	0	
HIV/AIDS	0	0	
Victims of domestic violence	16	49	
Developmental disability	5	1	

Source: Evanston Housing Commission, Regional Needs Assessment, February 2002.

Homeless and Special Needs Shelter Facilities for Individuals

Housing Type	1990			2000			2002		
	Estim. Need	Current Invent.	Gap	Estim. Need*	Current Invent.	Gap	Estim. Need*	Current Invent.	Gap
Emerg- ency Shelter	N/A	30	N/A	25	44	+19	26	44	+18
Trans- itional Housing	N/A	N/A	N/A	27	12	-15	37	0	-37
Perm. Support. Housing	N/A	N/A	N/A	26	10	-16	56	25	-31

Source: City of Evanston Comprehensive Housing Affordability Strategy 1992-1997, City of Evanston HUD Consolidated Plan 2000-2004, 2002 Evanston Continuum of Care (Task Force on Homelessness) HUD submission.

*Estimated by the Point Prevalence Survey Work Group.

Supportive Housing Units

	1993 Number of Units	2000 Number of Units	2000 HUD Recommended Number of Units*
Elderly	1695	1877	1695
Frail Elderly	851	1142	851
Developmental Disabilities	68	39	73
Physical Disabilities	N/A	63	57
Mental Disabilities	597	599	599
HIV-AIDS	0	0	497

Source: City of Evanston Comprehensive Housing Affordability Strategy 1992-1997, City of Evanston HUD Consolidated Plan 2000-2004.

*Recommendation is based on the number of people that currently receive supportive housing services which means that they live in a supportive housing unit in Evanston. The recommendation is likely an underestimate of the actual need, as determination of needy individuals is difficult to ascertain.

HIV/AIDS Population—Evanston has the second highest number of AIDS cases in the state of Illinois on a per capita basis. This should be a large concern for Evanston residents. Currently there are no supportive housing units in Evanston for HIV/AIDS residents. However, BE-HIV (Better Existence with HIV) utilizes funds from HUD’s HOPWA program (Housing Opportunities for Persons with Aids) to provide an extensive array of housing referrals and counseling. In 1998 BE-HIV stabilized housing for 137 individuals and families. In 1999, the program provided rental assistance to 140 households.

Source: City of Evanston HUD Consolidated Plan 2000-2004.

Part IX: Predatory Lending

What is Predatory Lending?

Predatory lending is particularly devastating to vulnerable populations. It targets individuals when they are in a time of great financial need and aren't in a good position to bargain. As a result, they become vulnerable to lending practices that can strip them of large sums of money and ultimately their homes. Predatory lenders drain equity from consumers in a variety of ways. Such practices include: deceptive marketing, lending without regard to a borrower's ability to repay the loan, incomplete loan disclosure and fraud, excessive fees and insurance, broker yield-spread premiums, high interest rates and "balloon payments," frequent refinancing, and prepayment penalties.

Who is at Risk?

Predatory lenders systematically target families who can least afford high-cost loans. Loans are considered high-cost based on the interest rate, the fees charged, and the treatment of prepayment penalties. These loans are made in disproportionate numbers to minority and low-income neighborhoods. Additionally, elderly homeowners, who often have high home equity but limited incomes, are the most vulnerable to predatory lending abuses. With limited and fixed-incomes, these homeowners are "cash-poor" even though they are "asset-rich." When faced with large or unexpected bills for medical expenses or home repairs, these homeowners must tap into their home equity.

The Predatory Lender's Ideal Customer

- Uneducated widow with fixed income from deceased husband's pension and social security.
- Has house paid off, lives off credit cards, has a difficult time making payments.
- Must make a car payment in addition to credit card payments.

Data from: <http://www.responsiblelending.org>

Minority Neighborhoods Most At Risk

According to the Woodstock Institute, minority neighborhoods are targeted by predatory lenders at a disproportionate rate. In African American neighborhoods, the percentage of loans that are subprime vastly exceeds the percentage of subprime loans for both racially mixed and white neighborhoods. Over 80% of all subprime loans are made in neighborhoods with at least a 50% minority population. Less than 10% of all subprime loans are made in white neighborhoods. Subprime loans are much more likely to involve predatory practices than conventional loans. Of course, not all subprime loans involve predatory lending. In fact, subprime loans provide credit to consumers that typically are more difficult to serve. Nonetheless, an overwhelming presence of subprime loans in minority areas should cause policy makers and citizens to take a second look and ensure that such lending does not involve predatory practices.

Data from Woodstock Institute: Publication "Two Steps Back."

Part X: Comparisons

Comparable Housing Trends—Those paying over 30% of HH income for housing

	2000 Renters	2000 Owners
Oak Park	28.9%	21.6%
Winnetka	31.8%	24.4%
Skokie	37.3%	26.2%
Wilmette	40.6%	22.2%
Evanston	40.7%	26.1%

Source: U.S. Census 2000.

Comparable Housing Trends-Those paying over 30% of HH income for housing

	Renters	Owners
Illinois (2000)	35.3%	21.0%
Chicago PMSA (2000)	36.4%	24.5%
United States (2000)	36.8%	21.8%
Cook County (2000)	37.9%	27.8%
Evanston (2000)	40.7%	26.1%

Source: U.S. Census 2000.

Home Sales Prices of Communities Comparable to Evanston

Community	2001 Median	2002 Median
Rogers Park	\$140,000	\$145,000
Skokie	230,000	247,500
Evanston	242,000	259,500
Oak Park	205,000	292,000
Wilmette	366,000	460,000
Winnetka	725,000	785,000

Source: Multiple Listing Services, Chicago Tribune.

A breakdown of those paying over 30% of HH income for housing

	2000 Renters		2000 Owners	
	30% -34.9%	35% or more	30% -34.9%	35% or more
Oak Park	6.6%	22.3%	6.0%	15.6%
Skokie	10.0%	27.3%	6.6%	19.6%
Evanston	6.5%	34.2%	6.4%	19.7%

Source: U.S. Census 2000.

Part XI: Employment Statistics

Top Five Employers (2000)

Employer	Employees
Northwestern University	5,325
Evanston Hospital	2,000
St. Francis Hospital	1,649
Evanston School District 65	1,100
City of Evanston	1,000

Source: City of Evanston Chamber of Commerce.

Employment Facts (2000)

Working Evanston residents	40,200
Persons who both live and work in Evanston	17,434
Jobs provided by Evanston businesses	39,727

Source: City of Evanston Chamber of Commerce.

The top five employers, including the City of Evanston, were unable to produce any detailed employment data. However, we have collected data on salary/wages for the Chicago region for jobs likely to be performed in Evanston. This information can provide a point of reference as to whether people who work in Evanston are likely to be able to afford to live in Evanston.

Evanston Affordability Data (2002)

	2002
Average Rent for a 2Br/1 Bath Apt.	\$1,130
Median Home Sales Price	\$259,500

Employment Statistics

Occupation	Annual Salary	Affordable Monthly Rent**	Affordable Home***
Chief Executive	\$130,978	\$3,274.45	\$327,445
Lawyers	\$106,466	\$2,661.65	\$266,165
H. R. Managers	\$72,044	\$1,801.10	\$180,110
Management	\$70,156	\$1,753.90	\$175,390
Med./ Health Manager	\$69,150	\$1,728.75	\$172,875
Plumbers	\$64,214	\$1,605.35	\$160,535
Education Admin. Post-secondary	\$53,281	\$1,332	\$133,203
Secondary School Teacher	\$52,715	\$1,317.88	\$131,788
Registered Nurse	\$50,864	\$1,271.60	\$127,160
Post Secondary. Teacher	\$48,973	\$1,224.33	\$122,433
Fire Fighter	\$45,068	\$1,126.70	\$112,670
*Secondary School Teacher	\$44,652	\$1,116.30	\$111,630
Middle School Teacher	\$43,615	\$1,090.38	\$109,038
*Registered Nurse	\$38,308	\$957.70	\$95,770
Clergy	\$36,224	\$905.60	\$90,560
*Middle School Teacher	\$30,734	\$768.35	\$76,835
*Post Secondary. Teacher	\$28,772	\$719.30	\$71,930
Barbers	\$26,725	\$668.13	\$66,813
*Firefighters	\$25,483	\$637.08	\$63,708
Janitors	\$21,041	\$526	\$52,603
Security Guards	\$20,569	\$514.23	\$51,423
Preschool teacher	\$20,110	\$502.75	\$50,275
Nursing Aides	\$19,820	\$495.50	\$49,550
Retail Salesperson	\$19,122	\$478	\$47,805
Child Care Worker	\$18,292	\$457.30	\$45,730
Home Health Aides	\$17,543	\$438.58	\$43,858

All values based on the median wage for each occupation unless specified differently.

*Values based on entry wage for each occupation.

**Affordable Monthly Rent by → 30% of annual income divided by 12 months.

***Affordable Home Determined by → 2.5 x annual income.

Source: State of Illinois, Department of Employment Security, Economic Information and Analysis Division, Occupational Wages: Chicago PMSA, 2001-2002.

Part XII: Assessment of Current Programs

Local Programs

Program	Benefit Group	Assistance Offered	Average Assistance	Restrictions	Number of Individuals or Families Assisted
Evanston Housing Corporation First Time Homebuyer Program	1 st time homebuyers of single-family homes, townhouses, or condos whose income is below MI	Offers below-market interest rates to first-time homebuyers	\$188,000 (1999 to current) as the average amount of mortgage for individual buyers	Cannot have owned a home in the previous 3 years; income cannot exceed 100% of MI	91 Total (Since program's inception in 1989)
Families in Transition Program (FIT)	Low-income families	City provides rental subsidy up to 50% FMR, family pays 30% of income, and org. pays remainder	N/A	Maximum of 2 years assistance per family; must earn less than 40% of MI	23 Total (Since program's inception in 1989)
Emergency Assistance Services (EAS)	Elderly, very low- & low-income persons who are displaced or facing eviction	One month's rental/mortgage payment; utility bills; assistance in obtaining food	Max. rental assistance - \$500; max. utility assist. - \$125; food depends on family size	Short-term assistance; must verify Evanston residency	Approx. number of individuals assisted per month = 40* (Dec. 2002 assisted 41 individuals)
Evanston Township General Assistance program	Very low-income residents who have no other sources of income; those who are not eligible for other types of assistance.	Individuals receive monthly stipend; subsidized medical care	Maximum assistance of \$334/month per individual; annual budget of \$1.4 million	Must live in Evanston, receive no other types of public assistance (except food stamps), no other source of income	Approximate average number of clients = 80*

Source: City of Evanston HUD Consolidated Plan 200-2004, Interview with staff personnel at programs.

*Indicates estimate.

Federal Programs

Program	Benefit Group	Assistance Offered	Total Annual Federal Funds
Federal Home Loan Bank of Chicago—Affordable Housing Program	Owner-occupants or renters under 80% AMI	Grants for acquisition, construction or rehab of owner-occupied or rental housing.	Affordable Housing Program funds have been used in recent years in 3 Evanston multi-family rental projects for approximately 70 units of low/moderate multi-family rental housing.
Emergency Shelter Grants Program	Homeless	Homeless prevention services, rehabilitation, renovation, acquisition, conversion of buildings for uses as emergency shelters	\$83,000
Low-Income Housing Assistance Programs (Public Housing and Section 8 Vouchers)	Low-income households	HACC rents public housing to low-income persons who are required to pay 30% of their income on rent; Vouchers are used to pay portion of rent that exceeds 30% of income & can be used in various locations.	HACC-owned public housing units - \$437,123 Section 8 Vouchers - \$5,970,888
Community Development Blocks Grant (CDBG)	Primarily low- and moderate-income residents	Funds allocated to 33 programs and activities that primarily benefit various housing and public improvement projects.	\$2,822,261

<p>HOME Investment Partnership Plan</p>	<p>Households at or below 80% AMI</p>	<p>Helps to increase the affordable housing supply through various projects, such as assisting multi-family rental projects with low-cost loans or assisting in the rehabilitation of multi-family homes; funds can be used for the construction, acquisition, or rehabilitation of rental or owned units.</p>	<p>\$3.7 allocated million since 1995 to Evanston as a Participating Jurisdiction. Disbursed \$2.2 million for 12 projects with 76 units; 5 funded through City's Single Family Rehab program; 4 Multi-family rental rehab projects, 3 of which were developed by CHDO's and 1 by a for-profit developer; 1 multi-family homeownership project developed by a CHDO; 2 single-family homeownership, new construction projects, developed by a for-profit developer.</p>
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Source: City of Evanston HUD Consolidated Plan 2000-2004, Evanston One Year Action Plan FY 2003-04, City of Evanston Planning Department.

State Programs

Program	Benefit Group	Assistance Offered	Examples of Past Use of Trust Fund Monies
Illinois Affordable Housing Trust Fund	Very low-and low-income households	Assist in provision of affordable, decent, safe, and sanitary housing: acquisition, rehabilitation, new construction, adaptive re-use of non-residential buildings, special needs housing. Also provides technical assistance to non-profit organizations	<p>-\$1.25 million for 319 Dempster, 48 rental units developed by Housing Opportunity Development Corporation (HODC) completed in May 2002.</p> <p>-\$440,000 for 743 Brummel, 13 rental units developed by HODC in 1998</p> <p>-Monies for House of Peace, 12 rental units developed maybe in 1998 by Reba Place Development Corp.</p>

Source: City of Evanston HUD Consolidated Plan 2000-2004.

Other Programs

- Community Home Buyer's Program (CHB) – Federal National Mortgage Association
- Community Investment Corporation
- Habitat for Humanity
- Multi-Family Housing (IHDA)
- Single-Family Homeownership Program (IHDA)
- Homestart Mortgage Program
- Low-Income Housing Tax Credit Program (IHDA)
- Assistance to the Homeless Fund (Illinois Department of Public Aid)
- Connections for the Homeless
- Evanston Housing Coalition
- Evanston Housing Corporation
- Housing Options for the Mentally Ill of Evanston
- Interfaith Housing Development Corporation
- Reba Place Development Corporation (RPDC)
- SHORE: Community Services for Retarded Persons
- McGaw YMCA
- Evanston/Northshore YWCA
- CEDA/Neighbors at Work
- Over the Rainbow Association
- Anixter Center

- Local Initiatives Support Corporation (LISC)—LISC receives funds from corporations and individuals and then uses the funds to provide grants, loans and equity investments, technical expertise and workshop advisory conferences for neighborhood revitalization (i.e. affordable housing, commercial and industrial facilities, etc.) To date, LISC has raised over \$4 billion from over 2,200 investors, lenders, and donors. This money has leveraged nearly \$11 billion in public and private sector funds.

Source: City of Evanston HUD Consolidated Plan 2000.