



March 9, 2024

Mr. Jeff Prior, Neighborhood Services Manager
Village of Oak Park
123 Madison Street
Oak Park, IL 60302

Dear Jeff,

Thanks so much for your note following up on the February 21st HPAC meeting, and for passing along to us the additional information request from the Commissioners. We are happy to provide you with this summary of our efforts to date in advancing the Condo Deconversion and Affordability Program.

Property Identification

The purpose of the program is to identify condominium properties (initially 1 to 2 buildings with a cumulative total of 7-15 units) having one or more of the following characteristics:

- Good candidates for deconversion
 - Facing financial/operational challenges (foreclosures, non-payment, etc.)
 - Substantial deferred maintenance
 - Material levels of capital investment required
 - Majority of owners looking to exit/willing to sell
 - Etc.
- Possessing some larger units (2BR, 3BR), or with floorplates that could lend themselves to potential consolidation to create some larger units, that could accommodate households with children.
- Located in “affordable rental housing desert” areas of the community (e.g. northwest Oak Park which has less rental housing generally, or downtown Oak Park which has fewer affordable rental units available).

We have evaluated and been in communication/negotiation with several properties that meet one or more (generally more) of these characteristics. A number of these conversations are ongoing. These have included:

- 1) An 8-14 unit condominium building adjacent to an “affordable rental housing desert” area of the community. The building consists entirely of 1BR units. Given the location (and proximity to a highly resourced elementary school), the building would present an opportunity to be reconfigured to combine and create larger units that could serve families with children. The property was not troubled and is located in a highly desirable area. In turn, as we were conducting our reconfiguration assessment and determining

total outlay requirements, the property went under contract with another potential buyer. We continue to be in communication with the sellers.

- 2) A 4-6 unit condominium building in south Oak Park that is experiencing financial challenges due to a combination of non-payment of assessments over a multi-year period, the lack of timely and effective enforcement action to recoup funds that are owed, and multiple major capital expenditure needs coming due in close succession. The larger units in this building make it an attractive potential candidate building, however, the majority of the ownership concluded that they wanted to first pursue additional avenues that might enable them to continue to remain in their units (and as an association), but we are maintaining contact in the event that they conclude that the sale option is their best way out of their current challenging situation.
- 3) An 8-12 unit condominium building in northern Oak Park that is in poor condition. The association has not been well managed, and the exterior façade and structural elements have not been well maintained. The interiors will also require considerable investment. We are currently actively pursuing this property, given that the current owners have not been able to maintain it (a fact that they readily acknowledge), and that the combination of the location and the level of capital investment required will limit the marketability of the property (as for-profit entities are simply not going to be able to make the numbers work). Negotiations with these owners have not been a simple proposition. Nonetheless, we believe that there is real potential with this project, and we are pursuing it in large part because the majority of the building is composed of 3BR and 2BR units (including multiple 3BR/2BA units) which would add desperately-needed affordable “family” units to Oak Park’s housing stock.

Financing

In conjunction with the Village’s awarding of the Affordable Housing Trust Fund grant for OPRC’s Condo Deconversion and Affordability Program, we initiated (and are in the process of now renewing) a seven-figure line-of credit with Byline Bank to ensure our immediate access to capital for the purpose of securing acquisition opportunities related to the Condo Deconversion Program. In conjunction with our recent request to HPAC and the Village that we be permitted to extend the grant period through the end of 2025, we have similarly worked with Byline to ensure that the LOC will be extended for 2 years (from its initial annual renewal requirement). In turn, we are well equipped to ensure that we can move quickly in the market regarding acquisition opportunities that will enable us to advance this program.

We have also worked with our other two primary funding providers (Wintrust and PNC) to reposition and free up assets to make additional capital available for the acquisition and rehabilitation of qualifying properties. These financial institutions are well aware of our interest in advancing this program, and they recognize that success with initial affordable-oriented deconversion(s) can serve as an important model for others to follow as well.

I hope that the foregoing provides some insight into the work that we have been undertaking to advance the Condo Deconversion and Affordability Program since the Village's awarding of the associated grant funding. We are grateful for, and continue to recognize, the importance of this partnership in advancing affordability here in Oak Park.

OPRC has invested, and continues to invest, considerable time as well as financial resources toward securing the initial acquisition properties to advance the program. We've known, as highlighted by our inclusion of the two-year implementation timeframe in our initial AHTF grant application, that this work would take time. And we can reconfirm for you that we are in this for the long haul. Our objective is, and has always been, to meaningfully impact affordability, diversity, and access to high quality rental housing throughout Oak Park. We believe that this program is an important piece of that effort, and we are grateful for your continued support.

In turn, I would like to restate on behalf of OPRC and this important program our request from my February 5th letter:

"We anticipate that, with a reasonable extension of the term of the original 12-month grant timeline, we will be in position to move forward with the acquisition and deconversion process, thereby adding to the number of affordable units available here in the community (as outlined in our original grant application). To ensure that we can address all necessary activities within the term of the extension, we would like to request that the term of the grant be extended through the end of 2025."

Again, thank you so much for your continuing commitment, and for the time and work that you, your colleagues, and all of the members of HPAC dedicate in order to assist those most at risk here in our community.

Please don't hesitate to reach out to me with any questions, or for any additional information that may be of assistance in this process.

Kindest regards,



David Pope
President