
Memorandum

To: Village of Oak Park Plan Commission & Community Members

From: William Woodley, Chicago Director of Development, The Community Builders, Inc.

Date: September 19, 2018

RE: Developer Responses to Questions About the Proposed Development at 801 S Oak Park Avenue

The plan for 801 S Oak Park Avenue reflects The Community Builders (TCB) best efforts to balance multiple factors to deliver an exceptional mixed-use development that benefits the community, while also helping to keep the community affordable to a mix of household incomes. At 801 S Oak Park Avenue it is particularly important to us that community stakeholders and the Plan Commission know this. At the September 6th Plan Commission meeting, a number of good questions were raised during the public comment period. The meeting ended at public comment and we were unable to answer these questions. Below are answers to key questions:

Will this property be too dense? Will it have too many units and/or too many people?

The current underlining zoning for this location permits 16 units. However, developing 37 units as we propose at 801 S Oak Park Avenue is not only appropriate for this location, but also beneficial for the following reasons.

First, a defining feature of Oak Park are buildings of the scale and density proposed for 801 S Oak Park Avenue. One block away at the corner of Euclid and Van Buren is 801 S Euclid Avenue, a four-story 36-unit apartment building consisting of 1 bedroom apartments and studios. 801 S Euclid Avenue is on an entirely residential block, while 801 S Oak Park Avenue is on a mixed-use retail block, which actually favors more density than S Euclid Avenue. Regardless, 801 S Euclid Avenue does not negatively impact the community and nor will 801 S Oak Park Avenue. Instead both capture an important feature of Oak Park housing stock: Apartment buildings exceeding 30 apartments at corner and corridor locations that help provide a wider range of housing options as well as more density to support businesses like those found on the 800 block of S Oak Park Avenue.

Second, an evaluation of density must also consider the number of bedrooms per unit, not just the number of units. The number of bedrooms per unit in a building significantly dictates how large households may be and therefore how many people may live in the building. A standard profit-driven approach for 16 apartments at 801 S. Oak Park would likely be all or mostly 3-bedroom condos. (All 28 units at The District House at Lake Street and N Euclid Avenue are 3-bedroom condominium units.) A building of 16 3-bedroom condos would have 48 bedrooms. 801 S Oak Park Avenue, which is mostly 1-bedroom apartments, will only have 39 bedrooms. We cannot predict the exact number of residents per unit, but it is very possible that 16 3-bedroom apartments would average over 3 people per

household meaning 48 or more residents in such a building. 801 S Oak Park Avenue with all but two apartments being 1-bedroom apartments or studios, will likely average no more than approximately 1.2 to 1.3 persons per unit or approximately 42 to 50 people in the building.

Third, it is essential that we raise enough funding to ensure excellent design and construction. We are receiving significant funding commitments, including tax credits and private debt, which are partially contingent on the number of apartments. While we have already stated why 37 apartments as proposed at this location is appropriate from a design and community planning perspective, it is also essential for securing the financing to deliver the necessary quality.

Finally, it is important to note that 2 of the 37 apartments are ground floor live-work units to support entrepreneurs, such as artists, with affordable space to work and live. These apartments will be adjacent to our corner retail space and will help activate the street and enhance the pedestrian experience.

Are there occupancy limits?

Yes, no more than 2 people per bedroom. TCB does enforce its leases and related rules and regulations and performs annual inspections of apartments to confirm compliance. Also, while a 1-bedroom apartment could have up to 2 people, we looked at similar 1 bedrooms and overwhelming they are occupied by 1-person households. The average household size for similar 1- bedroom apartments is 1.10 or less.

What kind of affordable housing is being provided?

A central goal is to provide well-located apartments that are and will remain affordable to individuals working or living in Oak Park who are earning up to \$17/hour. Twenty-four (24) of our apartments are simply apartments with rents restricted to a certain amount ("rent control") for households who earn up to certain income. For a 1-person household it is \$35,600; 2-person it is \$40,600; 3-person it is \$45,700 and 4-person it is \$50,750. With these income restrictions, it is entirely possible that some residents could earn over \$24/hour. However, given that nearly all apartments are 1-bedroom apartments or studios, we do expect mostly one-person households earning up to \$17 per hour if they are working 40 hours per week. It is important to note these are working individuals paying rent (about \$750 for a studio, \$850 for a 1 bedroom, and \$950 for a 2-bedroom) and they are just benefiting from rent control. There are also five additional 1-bedroom apartments with an operating subsidy and restricted to households earning up to about \$18,000. For these five apartments, residents would pay no more than about 30% of their income. However, for all these apartments, we have a work preference for individuals working or in training for 30 hours a week or more. This means that prospective renters qualifying for this preference would receive an available apartment before a prospective renter who does not qualify under the work preference.

As stated we expect these households to be working households earning up to \$17. Many current workers and residents of Oak Park earn these types of wages, but they are being priced out of the community. We are simply seeking to provide a good apartment in a good location that will be affordable in the long run for these workers.

Also, 6 additional apartments are reserved for individuals with disabilities who are seeking to live independently. These apartments may also have an operating subsidy. We are happy to provide these apartments. They are needed. They are also a priority for the Illinois Housing Development Authority, the agency that allocates tax credit funding, and a condition for the tax credits the development will receive. Finally, one of the live-work units will be restricted to households earning up to \$40,600 and the other live-work unit will have no income restriction.

Hopefully, this explanation makes it clear that we are not concentrating poverty. We are not recreating troubled public housing complexes of the past as some community members have feared. We are simply seeking to provide apartments for working individuals who are being priced out of Oak Park.

Why do nearly all apartments have income restrictions? Can more market-rate units be included?

There are two reasons why all the apartments except for one live-work apartment have income restrictions. First, as evidenced in our market analysis there is a significant and growing shortage of affordable housing in Oak Park, particularly for working individuals earning lower wages. It is very difficult to secure the funding and support to provide such apartments. Our 36 income restricted apartments will help address this increasingly problematic shortage. Second, we explored mixing in some additional market rate apartments, but the market rents at this location for a relatively small amount of apartments do not provide the necessary financing for the building type and quality we seek to provide. The tax credits are necessary to fund the development and those tax credits have income restrictions.

Will this have too many “affordable units” at one location? Are we concentrating poverty as was an issue in past public housing sites in Chicago?

As stated above, 29 apartments are for working individuals earning up \$17/hour or more. These will be working households and our target market is for individuals living or working in Oak Park. Another 6 apartments are reserved for individuals with disabilities capable of living independently. And 2 apartments are live-work, one restricted to a household earning up to \$40,600 and one with no income restriction. We are not “concentrating” impoverished households into an area. We are supporting working households being priced out of Oak Park. The term “affordable housing” can be often be misconstrued. We are providing workforce housing with rent controls.

One of the reasons TCB pursued this opportunity is because Oak Park is an inclusive community that seeks to provide quality housing and communities for a diverse range of households. We believe that the vast majority of Oak Park residents will support a development whose ground floor strengthens the commercial district and whose apartments help Oak Park workers and residents earning up to \$17/hour.

Is 4-stories too tall? And, why are we requesting to go from 45 to 48 feet?

There are multiple 4- story developments nearby, particularly at corner locations. 801 S Euclid Avenue (1 block east) and 946 S Oak Park Avenue (2 blocks south) are 4 stories tall. Notably, both are also corner

buildings. A 4-story building at this corner location makes sense and is in-line with the community context.

Our request to go from 45' to 48' is important and entirely focused on delivering the best development possible. The three extra feet allows the apartments to have 9' ceilings and the retail 13' ceilings. This will deliver a better living and retail space. The Village's adopted Planning Together Plan for South-Town and Harrison Street specifically recommends for this site a mixed-use building up to 4-stories and up to 55' tall.

Will 23 parking spots be enough for 37 apartments?

For these smaller households, one block from a CTA train station, along a bus route, and within a very close walk to grocery, pharmacy, banks and basic services, 23 parking stalls are appropriate for the 37 apartments. Substantial review of data included in our application supports this conclusion.

What will TCB's role be in the long-term as a developer and owner?

TCB will be a long-term owner. We do not develop and then sell our properties. When TCB enters a community, it is as a long-term stakeholder focused on helping to support and strengthen the community. We will have a property management office on-site. We have an experienced property manager and we will be an owner committed to the long-term success of this development and its community.