

The City of Lake Forest
Housing Trust Fund Board
Proceedings of the September 20, 2018

A Regular Meeting of the Housing Trust Fund Board was held on Thursday, September 20, 2018, at 7:30 a.m. at the City's Municipal Services Facility, 800 Field Drive, Lake Forest, Illinois.

Board members present: Chairman Donald P. Schoenheider, Board members Chris Baker and Charlie King

Board members absent: None

Guests present: Kim Ulbrich, Executive Director of Community Partners and representatives from the Senior Resources Commission and the Senior Foundation (see below)

Staff present: Catherine Czerniak, Director of Community Development

1. Consideration of the Minutes from the October 26, 2017 Housing Trust Fund Board meeting.

The minutes of the October 26, 2017 meeting were approved as submitted.

2. Public Comment on Non-Agenda Items.

Chairman Schoenheider invited comments on non-agenda items. Hearing none, he invited an update from Kim Ulbrich of Community Partners for Affordable Housing (CPAH). He stated that CPAH has been a tremendous partner and because of that partnership, the City has made great strides in its affordable housing efforts.

3. Update: Community Partners for Affordable Housing – Kim Ulbrich, Executive Director

Ms. Ulbrich stated that CPAH is appreciative of its partnership with the City of Lake Forest. She provided an update on the single family home purchase program which is supported through CPAH's partnership with the City. She stated that an additional house was recently purchased, on Park Avenue, in Lake Forest. She stated that the market is tougher than it has been in recent years because prices are increasing. She stated that it took a while to find this house, but noted that it is a great find. She said that the house has two bedrooms and two bathrooms and is in great shape. She stated that a third bedroom will be added prior to the sale of the home to a local family. She stated that the family lives nearby and has rented a home in Lake Forest for

decades. She said that the family has been on CPAH's waiting list for a while and has worked hard to address some credit issues and put themselves in a position where they are now eligible and good candidates for the home purchase program. She stated that the plan is to proceed quickly with the improvements to the house and prepare it for purchase by the family in the coming months. She said that CPAH is now looking for another house, ideally, with three bedrooms, in the low to mid \$300,000's to make the numbers work depending on much work the house needs prior to re-sale. She stated that in addition to the funds supplied for the program by the City, CPAH is also able to secure funds from Lake County. She stated that the County requires CPAH to use prevailing wage. She stated that the house on Park Avenue will be sold to the identified family for \$180,000. She provided an update on the five Senior Cottages on Conway Road explaining that the cottages were generously donated to CPAH five or six years ago. She stated that all of the cottages, except for one are occupied by the original tenants. She stated that the tenants are aging, some are in their 90's, adding that the one new tenant is a "young" senior. She stated that the cottages have proven to be very sustainable noting that they have been able to manage the cottages and the site without increasing the rent. She stated that the current rent is \$804 per month. She explained that CPAH takes care of maintaining the landscaping, snow removal and capital improvements and pointed out that the driveway was recently resurfaced. She noted that when the tenant of one of the cottages recently passed away, before the new tenant moved in, new carpet and new appliances were installed, and the interior was painted. She explained that currently, the hot water heaters are not accessible without cutting a hole in the wall so as units turn over, the water heaters are being relocated to make them more easily accessible. She stated that the roofs on the cottages will soon need to be replaced. She explained that when the Senior Cottages were transferred to CPAH, tax credits were obtained and provided significant dollars that was put into reserves to sustain the cottages and allow the rents to be kept as affordable as possible. She stated that up to this point, the reserves have not been tapped to pay taxes or make improvements. She provided an update on some changes occurring at CPAH explaining that CPAH is joining forces with two other agencies. She emphasized that The City of Lake Forest will still be a priority. She noted that the merger is mission driven and not being done out of necessity. She stated that all three agencies are currently healthy however, the merger is seen as an opportunity to have a greater impact in the region by providing more housing and services to current and future residents. She stated that CPAH will merge with the Affordable Housing Corporation of Lake County which is led by Rob Anthony, the Executive Director. She noted that Rob was also her predecessor at CPAH. She stated that the third agency is the Lake County Residential Development Corporation, led by Mary Ellen Tamasy who was Rob Anthony's predecessor at CPAH. She stated that it is a great comfort to the CPAH board that the current leaders of all three entities know and

understand how CPAH works. She stated that Rob Anthony will be the President of the merged organization which will retain the Community Partners for Affordable Housing name. She stated that no jobs will be lost and no services will be cut. She stated that the new organization will be able to do more with specialists in various positions. She stated that she will be the Vice President of Home Ownership. She stated that she will focus on purchasing homes, working with resident homeowners and will be responsible for the land trust and inclusionary housing areas. She stated that staff of all three agencies are excited and believe that the merger is a good way for all parties to diversify. She noted that as a combined organization, housing counseling and home rehabilitation will be offered to help seniors and others to make needed health and life safety improvements to their homes. She noted that Mary Ellen Tamasy will manage the rental program and the rental properties held by CPAH. She noted that together, the three entities will be holding an event to celebrate the merger, but also the anniversaries of each entity as independent organizations: CPAH, 15 years; Affordable Housing Corporation of Lake County, 25 years; and Lake County Residential Development Corporation, 40 years. She concluded noting that CPAH and the City of Lake Forest have worked in partnership since 2011 and that region-wide, CPAH has created over 90 affordable housing units.

In response to questions from Chairman Schoenheider, Ms. Ulbrich confirmed that the Park Avenue house will be the seventh house acquired through the Lake Forest/CPAH partnership. She stated that for rental units in Lake Forest, people with 60 percent of the Area Median Income are eligible and for home ownership in Lake Forest, families at 80 percent of the Area Median Income are eligible. She noted that at 80 percent, a family of four can have an income of up to \$60,000. She added that in some cases, the homes are made available to families with up to 100 percent of the Area Median Income to provide for more flexibility. She stated that the waiting list for the Senior Cottages is updated every year and as of May, 2018, there are nine people on the waiting list, three of those from Lake Forest.

4. Update: Laurel/Western Avenues Redevelopment/Focus Development – Status of Affordable Rental Units – Courtney Brower, Development Manager

Ms. Brower introduced Ryan, the property manager from Marquette Management. She reviewed that as required by the development approvals, 12 inclusionary rental units are available on the site, nine one bedroom units and three two bedroom units. She stated that to qualify, individuals or families must fall in the 80 to 120 percent range of the Area Median Income. She stated that currently, half of the units are rented which is consistent with the status of the overall project which is also 50% leased. She stated that the larger inclusionary units have been the most popular. She reviewed how the rentals to date align with the five priority groups as described by the Lake Forest Inclusionary Housing

provisions. She stated that four of the units meet the priority categories. She stated that one unit is occupied by a Lake Forest resident head of household who is at least 75 years. She noted that two units are occupied by Lake Forest families with a family member who is 65 years of age or older and one unit is occupied by parents of a Lake Forest resident with a head of household 65 years of age or older. She stated that currently, none of the units are rented to a family with a head of household who is employed in Lake Forest which is also an identified target group. She noted that the ages for the tenants in the affordable units range from 59 to 92 years of age. She noted that three heads of households are from Lake Forest, two are from Highland Park and one is from Lake Bluff. She distributed information on the income limits, affordable rental rates and the market rates for comparable units to illustrate the savings offered. She stated that the 2018 Area Median Income ranges will be implemented soon which should make the units available to additional households. She added that moving forward, a minimum of two people will be required to occupy the two bedroom units.

Ryan reviewed the marketing approach for the affordable rental units noting that specific outreach efforts are being made to reach the target family categories. He noted that as part of the marketing, contacts have been made with the schools, the Police Department and the senior center. He said that informational flyers about the affordable units and floor plans are being distributed in the community. He stated that marketing efforts are ongoing for both market rate and affordable apartments. He stated that going forward, a waiting list will be maintained of people who express an interest in the affordable units and those on the list will be contacted as units turn over. He stated that the marketing team is in contact with CPAH and floor plans of the units are available for interested families. He reiterated that currently, only one bedroom affordable units are available because all of the two bedroom units are occupied.

In response to questions from Board member Baker, Ryan stated that of the people who have applied for the one bedroom apartments have all been qualified from an income perspective.

Chairman Schoenheider encouraged Ryan to work with Jill Becker from Dickinson Hall to spread the word about the availability of the units.

In response to questions from Chairman Schoenheider, Ms. Brower provided an update on the other components of the Focus Development project. She noted that the first condominium building and three of the single family homes are under construction. She stated that about 50% of the market rate apartments are rented.

Chairman Schoenheider and the other members of the Board complimented the project noting that the buildings and overall site are all taking shape nicely.

5. Presentation of Senior Cottage Concept – Senior Resources Commission

At the request of Chairman Schoenheider, Ms. Czerniak offered a brief introduction of the agenda item. She stated that after being contacted by Jill Becker, Manager of the Senior Center, she met a few times with Ms. Becker, Mr. Potsic and others for high level discussions about what a senior cottage project at Grove Campus might look like and the process that might be followed to vet the concept. She noted that the idea of providing senior housing near Dickinson Hall has been discussed on and off for about 10 years and continues to be raised so it seems worthwhile for the Housing Trust Fund Board to have some discussion of the concept.

Chairman Schoenheider invited a presentation from Steve Potsic, Chairman of the Senior Resources Commission.

Mr. Potsic stated that the Senior Resources Commission is a bi-municipal commission with members from both Lake Forest and Lake Bluff. He stated that the Commission was established a number of years ago by the City Council. He stated that he is also the Vice President of the Senior Foundation. He asked other attendees to introduce themselves.

Prue Beidler stated that she is the First Ward Alderman and the City Council liaison to the Senior Center. She stated that the idea of affordable senior housing at Grove Campus is not a new topic. She stated that there is no question that there is a need for this type of housing in the community and the need appears to be growing.

Jill Becker stated that she is a City employee and the manager of the Senior Center. She stated that she is interested in bringing more traffic to Grove Campus and offering housing for seniors near Dickinson Hall may be a way to do that. She stated that her only concern is the remote location.

Gail Strenger Wayne stated that she is a member of both the Senior Resources Commission and the Senior Foundation.

Sally Swarthout stated that she is the Director of Parks, Recreation, Forestry and the Senior Center.

Paul Lemieux stated that he is the President of the Senior Foundation.

Chairman Schoenheider confirmed that the Board received the memo prepared by Mr. Potsic and had a chance to review it before the meeting. He invited comments from him.

Mr. Potsic noted that the Commission's role is to advocate for Dickinson Hall and consider ways to address unmet needs of seniors in Lake Forest and Lake Bluff. He noted that over time, the Commission has discussed and made recommendations around various issues like transportation needs and is now turning its focus to housing. He stated that the Commission is charged with making recommendations to the Senior Foundation around funding. He clarified that the Foundation was established as an entity to accept donations made in the interest of seniors. He added that the Commission is charged with working to preserve the dignity and independence of seniors in the two communities. He noted that the population group including people over 65 continues to grow and he pointed out that Lake Forest and Lake Bluff appear to have a slightly higher percentage of individuals in this age group than many other communities across the Country. He referred to materials provided in the Board's packet. He stated that although Lake Forest and Lake Bluff are perceived as wealthy communities, statistics show that about 1,200 people in the communities are low income. He stated that information about low income seniors helped to shape the Commission's discussion. He stated that Ms. Czerniak attended meetings and helped the Commission to understand a road map for considering a senior cottages project. He noted that a first point of discussion for the Commission was to understand whether in fact a need existed for more affordable senior cottages. He noted that although there are only a limited number of people on the current waiting list, the list may not fully reflect the level of need. He noted that some people are not able to wait for housing and as a result, may not appear on a waiting list. He stated that after determining that a need exists, the Commission approached the Senior Foundation to see if there was a willingness to consider providing funding for an affordable senior housing development at Grove Campus. He stated that as a next step, the Commission is before the Housing Trust Fund Board to determine whether there is support for this type of project. He stated that without key financial partners, the project cannot happen. He acknowledged that additional financial partners, in addition to the Senior Foundation and the Housing Trust Fund Board, will be needed to allow the project to proceed. He stated that in the discussions to date, the Commission looked at the existing Senior Cottages on Conway Road as a successful model and had discussions with CPAH about the role that organization may be able to play in the project and ongoing ownership and management of the cottages. He commented that the Master Plan for Grove Campus recognizes senior housing as a potential use for the site. He presented a concept plan showing a possible location for five cottages in a fairly open area near Dickinson Hall. He stated that the

existing cottages, on Conway Road, are about 1,300 square feet each and five units are located on a half-acre. He stated that based on discussions with builders, the cost of construction is estimated at \$200 per square foot. He noted that pro bono and reduced cost materials and labor were offered in support of the previous Senior Cottages. He noted that Bob Shaw was one of several people who were involved in the construction of the existing cottages adding that he has expressed a willingness to get involved in the proposed project and seek contributions for the project. He stated that the Senior Commission is enthusiastic about the potential for a public/private partnership to support senior cottages at Grove Campus. He noted that the City's Inclusionary Housing Ordinance and Affordable Housing Plan both support this type of effort and both specifically support affordable senior housing. He noted a survey done in 2010 that revealed that many seniors are concerned that they may not be able to remain in Lake Forest the next time they move. He addressed the concern about the remoteness of Grove Campus noting that the proximity to Dickinson Hall is a good tradeoff because of the amenities, activities and oversight offered by the Senior Center. He added that the Senior Center has an expanded transportation program. He commented that since Grove Campus is separated from the adjacent neighborhood, there may be fewer objections from neighboring property owners and nearby residents than may occur if affordable senior housing is located elsewhere. He added that to make the project financially feasible, City owned property is likely needed. He concluded asking the Board to support the concept of senior cottages at Grove Campus as one of several partners.

Ms. Ulbrich clarified that it is quite simple to be placed on the waiting list for the senior cottages noting that detailed documentation is only required when a unit becomes available.

Chairman Schoenheider thanked Mr. Potsic for the informative presentation. He stated that he was part of the development of the City's Affordable Housing Plan and agreed that providing affordable housing opportunities for seniors in Lake Forest and Lake Bluff has always been a high priority. He stated that it was recognized that a majority of seniors have significant equity tied up in their homes and the goal was to try to provide opportunities for people to maintain their lifestyles, remain in a familiar community and close to family. He stated, on behalf of the Housing Trust Fund Board, that there is certainly a willingness to continue to work on the concept presented and explore ideas and options. He cautioned however that the community was very fortunate that CPAH was able and willing to step in and really rescue the five existing senior cottages from a troubled financial situation. He stated that the concept is great, but figuring out not only how to construct additional cottages, but how to create a sustainable model going forward will be key. He stated that the project will need to be very carefully thought out.

Mr. Potsic acknowledged that the project will require the support of various community partners.

Alderman Beidler acknowledged that some people have expressed concern about the Grove Campus site being remote in comparison to a location such as Kelmscott Park which is within walking distance to the business district. She noted however the advantages of Grove Campus are that public land is available and there is space for the proposed cottages. She added that the proximity to Dickinson Hall is a great benefit noting that members of the community will be nearby and people will keep an eye on each other.

Ms. Ulbrich clarified that although CPAH may be able to provide management oversight, daily supportive services are not provided by CPAH. She stated that having Dickinson Hall nearby will certainly be a benefit.

Chairman Schoenheider thanked Mr. Potsic and all involved and encouraged continued due diligence around the idea of senior cottages at Grove Campus.

6. Housing Trust Fund Revenue Report

Ms. Czerniak stated that the current Housing Trust Fund balance is \$1,417,922. She stated that \$335,000 is encumbered as approved by the City Council. The approved budget includes \$330,000 for two single family residential homes to be purchased by CPAH in partnership with the City and \$5,000 for reimbursing CPAH for consulting related to the Focus Development project, the McKinley Condominium project and the senior cottages concept.

7. Future Agenda Items and Meeting Dates

At the request of Chairman Schoenheider, Ms. Czerniak confirmed that as a follow up to the Board's discussion at the last meeting, City staff, along with CPAH staff, toured the Joytime property. She stated that after visiting the site and some further due diligence, it was determined that the existing structure is not well suited for adaptive reuse as one or more affordable housing units. CPAH staff confirmed that the CPAH Board does not see this site as a viable opportunity. She noted that at the current time, the various community partners; Lake Forest Academy, Lake Forest College and Northwestern Lake Forest Hospital, have indicated that they are not in a position currently to have discussions about additional affordable housing opportunities.

Chairman Schoenheider suggested that the Housing Trust Fund Board meet again after the first of the year.

8. Public Testimony on Non-Agenda Items

The meeting was adjourned at 8:32 a.m. and for the record, two minutes late.

Respectfully submitted,

Catherine J. Czerniak
Director of Community Development