MEETING OF THE JOINT REVIEW BOARD

Re: Diversey/Chicago River Tax Increment Financing District Redevelopment Project Area

City Hall - Room 1003A
121 North LaSalle Street
Chicago, Illinois

Friday, June 3, 2016
10:12 a.m.

PRESENT:

Elizabeth Tomlins, Chairperson, Park District
Susan Marek, Board of Education
Constance Kravitz, City Colleges of Chicago
Jose Elizondo, Public Member
Raquel Torres, Spanish Interpreter
Ann T. Moroney, Johnson Research Group
Aarti Kotak, Department of Planning & Development
Kevin Bargnes, Department of Planning & Development
Chip Hastings, Department of Planning & Development
JoAnn Worthy, Department of Planning & Development
Terrence Johnson, Department of Planning & Development

Reported by: Leanna Z. Michas
CSR No. 084-004748
CHAIRPERSON TOMLINS: Okay. We're going to go ahead and get started.

Thank you, everyone, for attending the meeting. We usually do not get such a wonderful crowd. I am a government junkie, so I appreciate the public participation.

I wanted to outline one thing very quickly. This is the Joint Review Board Meeting. It is always open to the public to be here, and to experience, and to hear and learn; however, there is no public comment period during this meeting. I do recommend, if you have public comments, to bring them to the City Council meeting on July 12th.

And what time is that meeting?

MS. WORTHY: It's at 1:00 o'clock in the City Council chambers. It's the Community Development Commission public hearing. Many of you will receive a public hearing notice about it.

CHAIRPERSON TOMLINS: So, in general, I right now am going to say a lot of standard language that we have to just have on the record. I usually go very quickly. I will speak more slowly this time because we have people actually here to hear. And then we'll see -- have a presentation by the
consultants on the proposed plan.

All right. So I'm just going to go ahead and get starred.

For the record, my name is Elizabeth Tomlins. I am the representative of the Chicago Park District, which, under Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act, is one of the statutorily designated members of the Joint Review Board. Until election of a chairperson, I will moderate the Joint Review Board meeting.

For the record, there will be a meeting of the Joint Review Board. This meeting is to review the proposed Diversey/Chicago River Tax Increment Financing District. The date of this meeting was announced at and set by the Community Development Commission of the City of Chicago at its meeting of May 10th, 2016.

Notice of this meeting of the Joint Review Board was also provided by certified mail to each taxing district represented on the Board, which includes the Chicago Board of Education, the Chicago Community Colleges District 508, the Chicago Park District, Cook County, and the City...
Public notice of this meeting was also posted as of Wednesday, June 1st, 2016, in various locations throughout City Hall.

When a proposed redevelopment plan would result in displacement of residents from ten or more inhabited residential units or would include 75 or more inhabited residential units, the TIF Act requires that the public member of the Joint Review Board must reside in the proposed redevelopment project area.

In addition, if a municipality's housing impact study determines that the majority of residential units in the proposed redevelopment project area are occupied by very low, low, or moderate income households, as defined in Section 3 of the Illinois Affordable Housing Act, the public member must be a person who resides in the very low, low, or moderate income housing within the proposed redevelopment project area.

With us today is Jose "Elizodo."

"Zoe-doe"?

MS. TORRES: Zondo.

CHAIRPERSON TOMLINS: "Zon-doe"?
MR. ELIZONDO: Elizondo.

CHAIRPERSON TOMLINS: Elizondo.

Mr. Elizondo, are you familiar with the boundaries of the proposed Diversey/Chicago River Tax Increment Financing Redevelopment Project Area?

MR. ELIZONDO: Yes.

CHAIRPERSON TOMLINS: And what is the address of your primary residence?

MR. ELIZONDO: 2723 North Hoyne.

CHAIRPERSON TOMLINS: Is such address within the boundaries of the proposed Diversey/Chicago River Tax Increment Financing Redevelopment Project Area?

MR. ELIZONDO: Yes.

CHAIRPERSON TOMLINS: Have you provided representatives of the City of Chicago's Department of Planning and Development with accurate information concerning your income and the income of any other members of the household residing at such address?

MR. ELIZONDO: Um-hmm.

CHAIRPERSON TOMLINS: Mr. Elizondo, are you willing to serve as the public member for the Joint
Review Board for the proposed Diversey/Chicago River Tax Increment Financing Redevelopment Project Area?

MR. ELIZONDO: Yes.

CHAIRPERSON TOMLINS: I will entertain a motion that Jose Elizondo be selected as the public member.

Is there a motion?

MS. KRAVITZ: Motion.

CHAIRPERSON TOMLINS: Is there a second?

MS. MAREK: Second.

CHAIRPERSON TOMLINS: All in favor, please vote by saying aye.

(Chorus of ayes.)

CHAIRPERSON TOMLINS: All opposed, please vote by saying no.

(No response.)

CHAIRPERSON TOMLINS: Let the record reflect that Jose Elizondo has been selected as the public member for the proposed Diversey/Chicago River Tax Increment Financing Redevelopment Project Area.

Our next order of business -- and thank you for your time, Mr. Elizondo.

MR. ELIZONDO: Yes.
CHAIRPERSON TOMLINS: Is there a second nomination -- oh. The next order of business is to select a chairperson for this Joint Review Board. Are there any nominations?

MS. MAREK: I'll nominate Beth Tomlins.

CHAIRPERSON TOMLINS: Is there a second nomination?

MS. KRAVITZ: I will second that.

CHAIRPERSON TOMLINS: Are there any other nominations?

(No response.)

CHAIRPERSON TOMLINS: Let the record reflect that there were no other nominations. All in favor, please vote by saying aye.

(Chorus of ayes.)

CHAIRPERSON TOMLINS: All opposed, please vote by saying no.

(No response.)

CHAIRPERSON TOMLINS: Let the record reflect that Beth Tomlins -- that's me -- has been selected as chairperson and will now serve as chairperson for the remainder of the meeting.

Thank you for the honor.
Okay. So, as I mentioned, at this meeting, we will be reviewing a plan for the proposed Diversey/Chicago River Tax Increment Financing District proposed by the City of Chicago. Staff of the City's Departments of Planning and Development and Law and other departments have reviewed this plan, which was introduced at the City's Community Development Commission on May 10th, 2016.

We will listen to a presentation by the consultant on the plan. Following the presentation, we can address any questions the members might have for the consultant or City staff.

An amendment to the TIF Act requires us to base our recommendation to approve or disapprove the proposed Diversey/Chicago River Tax Increment Financing District on the basis of the area and the plan satisfying the plan requirements, the eligibility criteria defined in the TIF Act, and objectives of the TIF Act.

If the Board approves the plan, the Board will then issue an advisory, nonbinding recommendation by the vote of the majority of those
members present and voting. Such recommendations shall be permitted to the City within 30 days after the Board meeting. Failure to submit such recommendation shall be deemed to constitute approval by the Board.

If the Board disapproves the plan, the Board must issue a written report describing why the plan and area fail to meet one or more of the objectives of the TIF Act and both the plan requirements and the eligibility criteria of the TIF Act.

The City will then have 30 days to resubmit a revised plan. The Board and the City must also confer during this time to try and resolve the issues that led to the Board's disapproval. If such issues cannot be resolved or if the revised plan is disapproved, the City may proceed with the plan, but the plan can be approved only with a three-fifths vote of the City Council, excluding positions of members that are vacant and those members that are ineligible to vote because of conflicts of interest.

Okay. We will now hear a
presentation by the consultants on the project,

Johnson Research Group, Incorporated.

Thank you.

MS. MORONEY: Good morning. My name is Ann Moroney with Johnson Research Group. Pleased to be here today and talk to you about the Diversey Avenue/Chicago River TIF District.

Today we're going to talk a little bit about the project area; where it is, summary of the TIF eligibility, conditions that we looked at and criteria that we reviewed, the housing impact study that was required by law, a summary of some highlights from the redevelopment plan, including the budget.

The Diversey/Chicago River TIF is at the corner of Clybourn, Damen, and Diversey. It's right along the river. It's 21 acres in size. There are 18 Lathrop Home buildings included. You can see the green project area around it.

The -- on the north, the boundary is Wellington Avenue. On the west, the boundary is Leavitt Avenue and the Chicago River. On the east is Clybourn Avenue and Damen Avenue. And on the south is an irregular line that follows the
frontage buildings on South Diversey.

As I said, there are 18 homes -- or 18 buildings in the project area. There are a total of 570 residential units within those 18 buildings, and there are two non-residential buildings, including -- oh.

Oh, there we go. Sorry, pressed the wrong button.

There's a community center right here (indicating), and there is an administration building at the corner of Clybourn, Damen, and Diversey.

The area is located at the nexus of two community areas. North Center lies from Diversey north, and Lincoln Park lies from Diversey south.

The Lathrop Homes development, which includes all of these buildings you see here, is part of a historic district listed on the National Register of Historic Places as of 2012.

We reviewed a number of documents, we did a physical assessment of the buildings, and we identified -- we reviewed the criteria in the TIF Act. In order to qualify as a conservation
area, 50 percent of the buildings must be 35 years of age or older. All of the buildings are 35 years of age or older. They -- 17 of the 18 buildings were built in 1937, and the one building, community center, was built in the 1960s.

There are six out of 13 possible factors present in the project area. Three are required for qualification as a conservation area. Factors found present include obsolescence, deterioration, structures below code, excessive vacancies, inadequate utilities, excessive land coverage, and overcrowding of structures.

And on the next couple pages, we have a couple examples of what you'll find there. This (indicating) is an example of obsolescence, obsolete mechanical utilities. Deterioration both in the minor and major portions of the building, and deterioration on the site as well.

This (indicating) is an example of structures below code. The -- none of the buildings are ADA-compliant, although efforts have been made over the year to -- over the years to try to adapt. But none of these adaptations meet code for American -- or Americans with Disabilities Act.
requirements.

As part of the TIF statute, if a project area has 75 or more units -- 75 or more residential units in the area or if ten or more occupied units may be displaced, a housing impact study is required.

For purposes of this study, we defined relocation, including on-the-site relocation, as displacement. We found that there are 67 occupied units. They are all located here in these (indicating) southern buildings, and those will be -- those will experience displacement in the form of relocation. 18 of those units located over here (indicating) will be temporarily displaced during construction, and then upon completion of the project, all the residents, all 67 occupied units, will be offered a home in the renovated project area. So they will never be asked to leave the project area, as you see described here.

MS. MAREK: Ann, can I ask a question?

What are those two buildings that look like they're kind of outside of the boundary?

MS. MORONEY: Up here (indicating)?

CHAIRPERSON TOMLINS: To the left of --
MS. MORONEY: In here?

CHAIRPERSON TOMLINS: Yeah. Yeah.

MS. MORONEY: Those are part of the larger Lathrop Homes, but not part of the TIF.

And if you look to the south, there are additional previous -- there are additional Lathrop Home sites. This is a phased development, and what you see here and -- is largely the area that's going to be developed --

MS. MAREK: Okay.

MS. MORONEY: -- as part of this redevelopment phase.

As part of the redevelopment plan, we identify objectives to direct redevelopment activities. Those focus largely on these four items: Affordable housing, open space and parks, historic preservation, and public infrastructure.

We've prepared a very generalized land-use plan. It's not beautiful pictures and renderings, but it gives you an idea of the land uses that will exist and remain on the project.

We have residential in the light gray that'll be rehabbed residential. We have new construction over here (indicating) that will be
mixed use; commercial first floor, residential above. We have public/institutional, which will be the community center/day care facility that is at the north end of the project area. And, lastly, we have open space right here (indicating).

As part of the analysis, we also identified, based on projected redevelopment activities, including 170 -- 197 CHA units, 110 affordable residential units, and 228 market rate residential units, that the area will generate $17.5 million in projected TIF revenue over the life of the 23 years. So, by 2039, as much as 17,000 -- 17,500,000 will be generated in TIF revenue.

So, with that, we provide a -- we identify a budget to go along with that. This project budget has been limited only to four categories of spending, TIF-eligible spending. Those include City administration costs, site prep and demolition costs, affordable housing and rehab costs, and public works and improvement costs, for a total of 17.5 million in maximum spending 2016 dollars.

So, we come to the end of this
JRB, but -- our presentation, but the next step in the process, as Beth mentioned earlier, is the July 12th public hearing. Then, there -- the next time for public hearing -- or public forum will be the City Council introduction, and then the finance and City Council review and pending approval.

I'm -- that concludes the presentation, but I'm happy to answer any questions you have.

CHAIRPERSON TOMLINS: Do you have a general idea of the schedule for the project overall? The redevelopment project.

MS. MORONEY: The bulk of the project is anticipated to be completed over the next two to three years, starting -- well, it'll be completed in approximately three years, starting in 2017.


MS. MAREK: So the fact that it's a historic district, how does that affect what they do with the actual buildings that are there now? Are they going to demolish them or ...

MS. MORONEY: No. The buildings will largely be rehabbed. They will be preserved. And because
it's a historic district, they have to rehab them in accordance with the preservation guidelines.

MS. MAREK: So, I know a lot of them are vacant now, so is this going to increase the overall -- the number of people that are living in that area, based on if it was like at full capacity? Or...

MS. MORONEY: Yes. Yes, it will.

So, there's currently, as we said, 67 occupied units, and we have about 490 or so expected after the completion of this new development project.

MS. MAREK: But that would have been the same number if all of the units would have -- were fully occupied now. That -- so it's not like you're adding a lot of extra units?

MS. MORONEY: No.

And we've done -- as part of the plan, we've done an assessment of how it will impact the taxing districts, particularly the schools, and, currently, Alcott Elementary, which is about a block north of the site, and Jahn Elementary, which is about two and a half, three blocks north and east of the site, are both
under capacity and are looking forward to taking
on the students. So they have the capacity to
accommodate students that will be generated by
the families -- or families living in the renovated
area.

MS. MAREK: Okay. Thank you.

CHAIRPERSON TOMLINS: From a park perspective,
I have to say I appreciate the inclusion of open
space. Obviously, communities need open space to
thrive and survive, and I know that the -- in the
additional phases, there is quite a bit more open
space proposed for the project, so I appreciate
the -- I guess, on the City side, everyone keeping
that as a key component of the project plan.

Are there any other questions?

(No response.)

CHAIRPERSON TOMLINS: Jose?

MR. ELIZONDO: No.

CHAIRPERSON TOMLINS: Okay. If there are no
further questions, I will entertain a motion that
this Joint Review Board finds that the proposed
Diversey/Chicago River Tax Increment Financing
Redevelopment Project Area satisfies the
redevelopment plan requirements under the
TIF Act, the eligibility criteria defined in Section 11-74.4-3 of the TIF Act, and the objectives of the TIF Act, and that, by such findings, approves such proposed plan under the TIF Act.

Is there a motion?

MS. MAREK: So moved.

CHAIRPERSON TOMLINS: Is there a second?

MS. KRAVITZ: Second.

CHAIRPERSON TOMLINS: Is there any further discussion?

(No response.)

CHAIRPERSON TOMLINS: If not, all in favor, please vote by saying aye.

(Chorus of ayes.)

CHAIRPERSON TOMLINS: All -- aye.

All opposed, please vote by saying no.

(No response.)

CHAIRPERSON TOMLINS: Let the record reflect that -- the Joint Review Board's approval of the proposed Diversey/Chicago River Tax Increment Financing Redevelopment Project Area under the TIF Act.
MS. WORTHY: Before we adjourn, can we please, for the record, identify the members of the Joint Review Board?

MS. MAREK: Susan Marek, Chicago Board of Education.

CHAIRPERSON TOMLINS: Beth Tomlins, Chicago Park District.

MS. KRAVITZ: Connie Kravitz, City Colleges.

MR. ELIZONDO: I am Jose Elizondo. I represent Lathrop Homes.

CHAIRPERSON TOMLINS: Okay. Gracias, and thank you guys all for attending.

(The proceedings adjourned at 10:30 a.m.)
REPORTER'S CERTIFICATE

I, Leanna Z. Michas, do hereby certify that
I reported in shorthand the proceedings of said
hearing as appears from my stenographic notes so
taken and transcribed under my direction.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my seal of office at Chicago,
Illinois, this 8th day of June 2016.

Leanna Michas
Illinois CSR No. 084-004748