

**Planning & Development Committee Meeting
Minutes of January 24, 2010
City Council Chambers – 7:15 p.m.
Lorraine H. Morton Civic Center**

ALDERMEN PRESENT: (J. Fiske), (J. Grover), D. Holmes, L. Jean-Baptiste, A. Rainey,
(M. Tendam), D. Wilson, M. Wynne

STAFF PRESENT: W. Bobkiewicz, K. Cox, G. Farrar, S. Flax, S. Griffin,
C. Hurley, M. Lyons, D. Marino, B. Newman, J. Nyden,
M. Poole, N. Radzevich

PRESIDING OFFICIAL: Ald. Jean-Baptiste

DECLARATION OF QUORUM

A quorum being present, Chair Jean-Baptiste called the meeting to order at 7:16 p.m.

APPROVAL OF THE DECEMBER 13, 2010 MEETING MINUTES

Ald. Wynne moved approval, seconded by Ald. Rainey.

The minutes of the December 13, 2010 meeting were approved unanimously, 5-0.

ITEMS FOR CONSIDERATION

(P1) HOME Funding Request From Housing Opportunity Development Corporation (HODC) For 131 Callan Avenue

The Housing Commission and staff recommend approval of the application for HOME funding from Housing Opportunity Development Corporation (HODC) for the rehabilitation of 4, 1-bedroom units at 131 Callan Avenue with a not to exceed amount of \$520,000. HOME funds will be structured as a \$229,500 loan with a balloon payment at the end of the 20 year term and a HOME grant of \$290,500. The loan portion of the HOME funding will be used for the refinance of the current mortgage on the property. The grant portion will be used for the rehabilitation costs. **For Action**

Ald. Wynne moved approval, seconded by Ald. Wilson.

Ald. Rainey noted that the property is in her ward. She commented that staff applauded the project because NSP2 funds were also being used in this block noting that only \$80,000 of the NSP2 funds have been concentrated on Callan. Ald. Rainey said the memo incorrectly implies that there is a great deal of the \$18.5 million concentrated on Callan. She asked whether the property had been appraised and stated that she supports the renovation but not the refinancing portion of the request. She said she would like the applicant to seek financing elsewhere before coming to the City for refinancing, noting that many people in her ward are in foreclosure and asked why this company should be bailed out.

Ald. Wilson agreed with Ald. Rainey.

Mr. Marino said he understands the Aldermen's position and that the rehab portion is the most important part of their request because it will improve cash flow, as shown in Ms. Poole's financial analysis.

Ms. Poole explained that the refinance is critical to the cash flow of the organization because they are currently repaying their mortgage at a 6.4% interest rate and the proposed refinance would put them in a positive cash flow situation through 2015, allowing them to build on their reserves and be consistent in their upkeep. She explained that the loan is a true loan, and would be repaid in full in 20 years. Ald. Rainey said she would consider the refinancing if HODC were to pay debt service once they had gone elsewhere to try to get refinancing.

Ald. Rainey moved to recommend approval of the rehab grant of \$290,500 but not the refinancing loan, seconded by Ald. Wilson.

Mr. Richard Koenig, Executive Director of HODC, explained that the building was purchased in 2000 for \$220,000 and they have been breaking even and operating on a very tight budget ever since they bought the building. They installed a new roof two and a half years ago and bought new furnaces when it was purchased, but now the furnaces need to be replaced. He said the balloon payment for the refinancing was proposed by the Housing Commission but he would be happy to work out a repayment structure with the City. His current loan of \$230,000 is being paid at 6.4% with a monthly payment of approximately \$1,200 and they can barely afford repairs.

Mr. Koenig was asked to explain the breakdown of the request for the rehab grant. He said it would provide approximately \$60,000 in hard costs per unit plus a 10% contingency per unit. They intend to redo the plumbing, electrical and heating systems, redo the kitchens and bathrooms and purchase energy efficient appliances. They also intend to replace the gutters and do some tuck pointing.

Ald. Jean-Baptiste asked that he come back with a payment structure that includes debt service.

Mr. Marino said staff would continue to work with HODC to explore an alternative means of financing.

The Committee voted unanimously 5-0 to recommend approval of the request to grant \$290,500 for rehabilitation of the building only.

(P2) Approval of Plat of Subdivision for 2408 Orrington Avenue, former site of Kendall College

Staff recommends approval of the proposed plat of subdivision of the former site of Kendall College – the block bounded by Orrington Avenue, Colfax Street, Sherman Avenue, and Lincoln Street and also referred to as 2408 Orrington Avenue – into nineteen single-family lots as shown in the plat dated November 3, 2010, to City Council for approval. For Action

Ald. Wynne moved approval, seconded by Ald. Wilson.

Ald. Fiske asked that this item be held by Committee to allow time for her to meet with staff and the developer.

Ald. Wynne moved to hold the item in Committee, seconded by Ald. Rainey.

The Committee voted unanimously to hold the item in Committee.

In response to Ald. Rainey's question as to the nature of the issues, Ald. Fiske said they are general issues related to the budget crunch at the end of the year.

Mr. Griffin added that there were questions about whether the City's construction of public infrastructure related to alleys, utilities, and storm water management particularly, would occur prior to the sale of the lots. He said they would report back to the Committee regarding these issues.

(P3) Ordinance 11-O-11, accepting the Dedication of Public Alleys as a Product of Approval of a Plat of Subdivision for 2408 Orrington, the Former site of Kendall College

Staff recommends approval. The cost of constructing alleys for the proposed subdivision is a developer responsibility. Ordinance 11-O-11 accepts the dedication of public alleys included in the proposed plat of subdivision for 2408 Orrington. If the plat is approved on January 24, 2011 then Ordinance 11-O11 should be introduced. For Introduction

Chair Jean-Baptiste explained that this issue would be held as well as Item P2 since they are related.

Ald. Wynne moved to hold the item in Committee, seconded by Ald. Rainey.

The Committee voted unanimously to hold the item in Committee.

(P4) Ordinance 07-O-11 Granting a Special Use for a Type 2 Restaurant at 824 Clark Street in the D2 Downtown Retail Core Zoning District

Staff and the Zoning Board of Appeals recommend the adoption of ordinance 7-O-11, granting a special use permit for the operation of a type 2 restaurant at 824 Clark Street. ZBA recommends allowing the proposed business to operate until, 2 AM on Friday and Saturday nights, while staff recommends that the store operate until midnight on Friday and Saturday nights, due to nearby residential development, with deliveries allowed until 1 AM. For Introduction

Ald. Rainey moved approval, seconded by Ald. Wynne.

Ald. Fiske commented that this restaurant is a wonderful opportunity and she is happy to welcome them to Evanston. She said Willard Hall's dining room at Northwestern University is open until 2:00 a.m. and considering there is no residence adjacent to the restaurant, she requested that the Committee approve the 2:00 a.m. closing hour on Friday and Saturday nights.

Mr. Felipe Caro of 1720 Maple, proprietor of the proposed restaurant, in defense of his request to stay open until 2:00 a.m. on Friday and Saturday nights, stated that he does not serve alcohol and his record at his other restaurant in Chicago is nearly flawless. He suggested a probation period allowing him to stay open until 2:00 a.m. The restaurant would close at midnight the other nights of the week.

Mr. Marino said staff initially objected but having done additional due diligence, agree that they are comfortable with the 2:00 a.m. closing time.

The Committee voted unanimously 5-0 to recommend approval of the special use and the 2:00 a.m. closing hour on Friday and Saturday nights.

(P5) Ordinance 6-O-11 Granting a Special Use for a Dwelling - Multiple-Family at 1932 Maple Avenue in the B1 Business District

Staff recommends denial of the proposed Special Use Permit to protect the integrity and potential revitalization of the commercial area centered at Maple Avenue and Foster Street. Approval of the special use application would remove the possibility of commercial space occupying current commercial storefronts and lessen the critical mass of commercial space in the business district. The ZBA, by a 4-2 vote, recommended approval of the application. The Site Plan and Appearance Review Committee also recommended approval of the project.

For Introduction

Ald. Wynne moved approval seconded by Ald. Rainey.

Chair Jean-Baptiste called the public who wished to speak to the podium:

Ms. Mona Ghobrial of 2005 Pratt Court and a citizen of Evanston for 3 and a half years, said she is in favor of more residential buildings in the area because there were people hanging around in front of the empty store fronts who she had tried to avoid when walking on Maple. She added that the building and empty store fronts are an eyesore.

Mr. Tomislav Cirovic of 2037 Pratt Court agreed with Ms. Ghobrial, adding that since the store fronts are empty, it would be good if they were residential instead of commercial.

Ms. Nefrette Halim, owner of 1932 Maple, explained that she bought the building in 2005, which at the time was not habitable and needed an exorbitant amount of work. She mentioned trouble she had with difficult tenants and how she tried to help them. She said she has worked with her commercial tenants as well, trying to help them stay in business to no avail, leaving the commercial space empty for three and a half years. She has submitted to the Committee a list of businesses who wanted to rent but chose better locations, including the current sign shop which chose Foster Street, adding that even on Foster there are 3 vacant storefronts. She argued that the 2 storefronts in her building are separated from the commercial area by an alley and are surrounded by other residential style buildings and that even the businesses on Maple are in residential style buildings. She has collected signatures and obtained verbal approval by neighbors.

Mr. Cameel Halim, the owner's father, who has an ownership interest in the property,

stated that the economic situation is changing with the increased use of the internet, causing a diminished need for commercial space throughout the country. He said his daughter has put ads in the paper weekly, that there is no parking outside the store fronts, further stressing to the Committee that it has been very difficult to rent the commercial spaces. He said they propose to build two beautiful apartments with master bedroom suites which will appeal to families, and that the building may even be required to be sprinklered, providing more safety to Evanston residents.

Mr. Jonathan Bean, an employee of Ms. Halim's, testified that he has assisted her in trying to rent the spaces and it has been very difficult. Ald. Rainey agreed that the commercial space would not come back, even if the economy did in 20 years. Mr. Bean said the possibility of this area coming back is slim to none. He said the downtown is still alive, Noyes Street is hanging on, but Foster Street is not coming back.

Ms. Halim stated that she currently has a mix of graduate students and a family in the building. She said it is difficult to get families in one bedroom units but the proposed units would have more bedrooms with master bedroom suites which attract families.

Ald. Holmes said she is opposed to changing the zoning just because the economy is bad. She asked the Committee to support her. She hopes that renovating the front would attract commercial renters. She asked that staff assist Ms. Halim in finding a tenant.

Ald. Rainey said she has considered the problems in these situations and it is not always wise to require commercial where it is just not happening. She said a focus group of developers had concurred that Howard Street needed residential infill and she believes "the proof is in the pudding" and that the biggest plus is that the owner agrees to restore the front of the building, at which her family is expert.

Mr. John Mintier of 1111 Foster since 1971, testified that it is not impossible to get a commercial tenant. He said they do not need more residents as the area is over-populated and many families may not want to live below students. He said the Fireman's Park Neighborhood Association of which he is a member, opposes changing the building to residential.

Mr. Steve Griffin, Director of the Community & Economic Development Department, said he agrees that it is wrong to have the storefronts converted to residential because the predominant pattern is already commercial. He asked for the applicant's patience.

Ms. Halim argued that she has been trying to rent it for three and a half years. She said she had submitted photos showing that the appearance of the street is not commercial, that houses are adjacent to the property.

Mr. Halim suggested that the Committee hold the item in Committee for 6 months and if staff cannot help them rent it by then, come back to the Committee.

Ald. Wynne moved that the proposal return to Committee on June 27th, 2011 for review, seconded by Ald. Wilson.

The Committee voted unanimously 5-0 to hold the item in Committee until June 27th, 2011.

Chair Jean-Baptiste called Mr. Junad Rizki to the podium:

Mr. Rizki stated that he had seen former Alderman Art Newman interview City Manager Wally Bobkiewicz on public television and agreed with Mr. Newman's suggestion that given the condition of the economy, the City eliminate the affordable housing fee that it had been charging developers, as an incentive to help new development in Evanston. He added that all fees to developers to be given to funds should be eliminated.

ITEMS FOR DISCUSSION

(PD1) Update on Evanston Foreclosure Activity in October, November and December 2010

Chair Jean-Baptiste commented that all we can do is continue to raise consciousness about the foreclosure situation.

COMMUNICATIONS

There were no communications.

ADJOURNMENT

The meeting was adjourned at 8:24 p.m.

Respectfully submitted,
Bobbie Newman