

**ANALYSIS of the Proposed Redevelopment of the Heartland
Cafe Site**
**Prepared by the Network 49 Housing & Community
Development Committee**



Their Rights to Build without Zoning Relief:

Under the current zoning, AGE can build up to 40 units in a Transit-Oriented Development building up to 70'. Present zoning requires certain set-backs and at least 1 parking space for every 2 units in the building (20 spaces). Given the allowable floor area, height, and other considerations, we estimate a 40-unit building comprising mostly studio apartments might be built. The Affordable Requirements Ordinance (ARO) would not apply, but 20% of the units would need to be handicapped-accessible and all of the units must be adaptable, meaning they can be modified for accessibility in the future. Rents could be set at AGE's discretion.

Their Rights to Build with Zoning Relief

With zoning relief, AGE proposes to build 60 units and 1 parking space for every 4 units (15 spaces). AGE requests relief from certain setbacks and to build up to 70' tall, or nearly twice the height of the building next door. AGE proposes to build 5 studio apartments, 35 1-bedroom, 15 2-BR and 5 3 BR apartments. Of the 60 units, ARO requires that 6 units be rented as affordable to households earning not more than 60% of the Chicago area median income. AGE is proposing rents on the other 54 that would likely set the top of the Rogers Park market. The same accessibility requirements apply: 20% must be accessible and the balance must be adaptable.

Our analysis leads us to conclude this is not a fair deal to the community.

With relief, AGE will build a taller and denser building, with less parking and with larger units rented at substantially higher rents. The estimated value of the zoning relief: nearly \$400,000 in additional annual rental income to AGE, even after accounting for the 6 discounted ARO units (see analysis table, below).

As to the 6 affordable units, while they are much needed, they hardly offset in a meaningful way the project's likely adverse impacts: increased traffic on Glenwood; reduced on-street parking; crowding of the buildings nearby; and rents well beyond the reach of typical residents. Same with the accessible units; yes, they are much in demand, but that is why they are required. There are no new community benefits being offered in this plan.

We believe Alderman Hadden should encourage AGE to go back to the drawing board and develop a project that better offsets private and public benefits and that starts with the question: what public interest will be served by changing the zoning?

Our General Recommendations:

- We'd prefer much more affordable housing and some units targeted to less than 60% AMI. AGE expressed a willingness to work with rental voucher holders. We request AGE commit to reserving enough units for voucher holders earning not more than 30% AMI to achieve at least a 30% affordable housing commitment.
- We would like to see AGE increase the number of units that are fully accessible to persons with disabilities. We'd like to see AGE commit to at least 40% or more, with 10% of the accessible units set at market rate and at least 30% should be held as affordable and accessible, either as part of the ARO commitment or as set-asides for voucher households.
- The proposed rents for the commercial space(s) appears to position the property for a national chain. We ask AGE commit to lease only to independent and locally owned businesses, even if that means lowering the rents or seeking public subsidies.
- AGE discussed how it would retain the front patio space, in recognition of the café outdoor space that neighbors previously used for gathering. AGE failed to point out that the front set-back of the proposed building is only on the ground floor; the upper floors extend over the front open area. We'd prefer AGE preserve the front-setback all the way to the top of any building and formally commit to making the front space a publicly-accessible space.
- AGE discussed other "community benefits", such as inclusion of bike parking and a bike repair station, a rooftop garden, rooftop solar, and transit notifications in the lobby. These are not community benefits, these are amenities for tenants and benefits to the property owner directly (for example, the solar).

We recognize that to achieve these goals, the community needs to get behind the developer and may need to advocate for more public subsidy and support. We may also need to absorb things we don't like, such as more height, to achieve things we do, like more open space along Lunt Ave. Those are trade-offs that can and should be discussed as part of a future redevelopment plan.

Below, we include for disclosure our analysis of the proposed rents and unit count. The analysis represents our best effort to estimate the cash value in additional rents that the requested zoning relief might provide. We do not attempt to calculate acquisition or construction costs, operating expenses, or other items for which we lack information. We simply want to provide a way for the public to see how the change in zoning would generate additional rental income and at what amount.

