



Regarding the Proposed Expansion of 1710 W Lunt and 1730 W Greenleaf

Prepared by the Network 49 Housing & Community Development Committee

Summary:

- **Public benefit:** 5 affordable housing units worth \$14,760 in annual rent concessions.
- **Private benefit:** \$426,240 in additional annual rental income and a one-time savings of \$647,500 in costs for parking.

Background

Developer David Gasman is requesting Alderman Moore support a zoning change allowing Gasman to redevelop 1710 W Lunt from an existing 8-unit building to a 20-unit building and to redevelop 1730 W Greenleaf from an existing commercial building to a 30-unit residential building. The two developments combined comprise 35 additional units of rental housing. Gasman would like to take advantage of the city's Transit Oriented Development (TOD) Ordinance to add units without adding parking. Under the current zoning, adding 35 total units would require adding 35 units of parking. Gasman intends to add 0.

Because the developments involve a change in zoning and would be larger than 10 units, they trigger the Affordable (housing) Requirements Ordinance (ARO) and Gasman will be required to set aside 5 units as affordable housing.

N49's Housing and Community Development Committee considered the proposals, using information gleaned from the Alderman's June 8 announcement, research on the city of Chicago's website, and emails to Michael Land.

Community Benefits

N49 identified a quantifiable public benefit in the form of 5 affordable housing units. Based on projected rents provided to N49 by Michael Land, the rent on the affordable units would average -\$246/unit per month. This equates to **\$2952/unit or \$14,760/year in rent concessions.**

TOD and an anticipated reduction in the use of private cars by building residents is another possible benefit. There is no certainty that residents would not have cars, however, so this "benefit" is impossible to quantify. We also do not see any green space in these projects. In the case of 1710 W Lunt, an existing rear yard is used to build additional units.

Private Benefits

The two main benefits for Gasman are the value of additional rents on the units and the savings to NOT build parking. Using figures provide by Land, N49 estimates the approximate value of the rents on the additional 35 units at \$1050 per unit per month. This equates to \$36,750/month or \$441,000 per year. **Subtracting the concessions on 5 affordable units, Gasman gains \$426,240/year in rental income from the additional apartments.**

MORE ON REVERSE

N49 researched the cost of adding parking from the Center for Neighborhood Technology and the Victoria Transport Policy Institute and found costs vary from \$7500 for a surface lot to \$22,000 for an enclosed lot. We estimate an average cost of \$18,500 per parking space and **savings to Gasman for NOT building 35 parking spaces of \$647,500.**

Before the community decides whether this is a fair trade, we think it is appropriate that the proposed developments be modified. We identified the following possible ways:

1. Increase the % of units set aside as affordable from 10 to 30%.¹
2. Incorporate identifiable “green” or environmentally friendly design and construction, such as a green roof or energy efficient HVAC, solar panels, etc.
3. Add to the community’s green space by paying for the planting of 50 parkway trees by the community or urban ecology organizations.
4. Ensure that all units built at or below grade are handicapped accessible to persons with physical impairments.
5. Add a bike room and/or dedicated space for a car sharing service to park onsite at one or both locations².
6. Commit to hire local residents for any jobs created with the projects and to pay people employed at the projects living wages.
7. Commit to contract at least 15% of any jobs from the projects to Women and Minority Business Enterprise firms.

We also believe that any commitments made by Gasman and/or the Alderman should be executed in the form of a written Community Benefits Agreement that makes clear:

- what the commitments are,
- when they will be provided and by who, and
- what are the penalties for not delivering on the commitments.

We believe there is room to create a better win-win for Gasman and the community and we stand ready to help.

Housing and Community Development Committee of Network 49

¹ The TOD Ordinance provides incentives to increase the density of a building if 50% or 100% of the onsite units are affordable. 10% seems too low for a project that will increase the unit counts by 330%.

² The TOD Ordinance requires that bike parking be provided in an equal amount to the number of parking spaces that are NOT being provided. Does 1710 W Lunt have bike parking for 12 bikes. Does 1730 W Greenleaf have bike parking for 30 bikes?