



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Bruce K. Walden, Chief Administrative Office

FROM: Elizabeth H. Tyler, AICP, City Planner/Director

DATE: October 10, 2002

SUBJECT: Lakeside Terrace Redevelopment Update

Description

At the September 9, 2002 City Council Meeting, staff and consultants from the Housing Authority of Champaign County shared information regarding their objectives and plans for the redevelopment of Lakeside Terrace apartments. A similar presentation of information was provided to the Community Development Commission at their meeting on September 24, 2002. This memo provides City Council with new information that has been developed since the September 9, 2002 Council meeting. Housing Authority staff will again be present at the October 14, 2002 Committee of the Whole meeting to present updated information on the redevelopment project.

Issues

The issue continues to be formulating a redevelopment plan that meets the goals and expectations of all stakeholders. For Urbana, these goals include those that are articulated in our five-year Consolidated Plan as set into action through annual funding decisions for CDBG/HOME funds. The City's affordable housing goals and programs were further refined and prioritized as part of two joint study sessions that were held with the Community Development Commission earlier this year. These study sessions revealed that redevelopment of Lakeside Terrace is a high priority for the City.

Specific issues to be considered by the City in evaluating redevelopment proposals for Lakeside Terrace include the following:

- Provision of replacement affordable housing consistent with Consolidated Plan objectives
- Fiscal impacts on the City with respect to use of CDBG/HOME funds and trade-offs for competing projects and programs
- Staff resources in redevelopment planning assistance
- Improvements to the units, layout, and urban design of Lakeside Terrace
- Impacts upon the surrounding neighborhood
- Displacement of residents and potential for reassignment to the redevelopment project
- Disposition of the Don Moyers' Boys and Girls Club
- Accessibility of units

Additional issues may arise as redevelopment plans are further refined.

Background

A significant amount of information regarding the redevelopment of Lakeside Terrace has been assembled and distributed to date. One of the key pieces of information is the financial analysis for the different redevelopment options/alternatives. The Housing Authority has advised staff that the financial analysis will not be provided until it can be conducted in conjunction with the selected development partner. (See attached correspondence from Bob Grewe and response from Steve Clark). Staff has requested this information since it will be key in helping to determine the extent of public subsidy that will be needed to meet the Consolidated Plan objectives.

The information provided to date has focused upon site boundaries, site layout, and unit design options. At the September 9, 2002 meeting of the Committee of the Whole, Housing Authority staff and consultants distributed a bound document entitled PROPOSAL FOR LAKESIDE TERRACE REDEVELOPMENT PROJECT September 9, 2002. The document provided the following draft concept options for the redevelopment of the Lakeside Terrace:

Option "A"

Size: 9 acres
Housing Units: 55
Density: 6.1 units per acre

Option "D"

Size: 12.7 acres
Housing Units: 81
Density: 6.4 units per acre

Option "B"

Size: 10.6 acres
Housing Units: 67
Density: 6.3 units per acre

Option "D.1"

Size: 12.7 acres
Housing Units: 81
Density: 6.4 units per acre
No connection to Cunningham Avenue.

Option "C"

Size: 11.1 acres
Housing Units: 68
Density: 6.12 units per acre

The document also provided information on proposed unit types and proposed unit layouts. At this meeting, Council members requested additional options that would provide for a more efficient layout of units and somewhat smaller unit sizes.

At the September 24, 2002 Community Development Commission meeting, Housing Authority staff and consultants distributed a bound document entitled PROPOSAL FOR LAKESIDE TERRACE REDEVELOPMENT PROJECT September 24, 2002. The document included the following additional draft concept options for the redevelopment of the Lakeside Terrace, which provided for great densities that the options previously provided at the Committee of Whole. Housing Authority staff indicated that these additional options were in response to comments made at the meeting of Committee of Whole related to increasing the number of units. The options provided in this document included the following:

Option "A"
 Size: 9 acres
 Housing Units: 72
 Density: 8 units per acre

Option "D.1"
 Size: 12.7 acres
 Housing Units: 100
 Density: 7.8 units per acre
 *No connection to Cunningham Avenue.

Option "D"
 Size: 12.7 acres
 Housing Units: 105
 Density: 8.2 units per acre

The document also provided revised elevations based on comments received at the Committee of the Whole meeting. Minutes from the Community Development Commission meeting are attached. At this meeting, several Commissioners expressed concern that the redevelopment involve a "community of choice" that would appeal to many residents and would be significantly less dense than the existing complex. It was suggested that additional options be provided that are midway between the lower density options provided in the September 9, 2002 proposal package and the higher density options provided in the September 24, 2002 proposal package.

The latest version of the Housing Authority's redevelopment options are included in the three-ring binder document entitled PROPOSAL FOR LAKESIDE TERRACE REDEVELOPMENT PROJECT October 4, 2002. The three-ring binder is designed to hold future options and alternatives. This document provides the following additional options not referenced in the previous documents mentioned above:

Option "C"
 Size: 11.1 acres
 Housing Units: 70
 Density: 6.3 units per acre

Option "A"
 Size: 9 acres
 Housing Units: 72
 Density: 8 units per acre

Option "D"
 Size: 12.7 acres
 Housing Units: 79
 Density: 6.2 units per acre

Option "D"
 Size: 12.7 acres
 Housing Units: 105
 Density: 8.26 units per acre

Option "D.1"
 Size: 12.7 acres
 Housing Units: 79
 Density: 6.2 units per acre
 *No connection to Cunningham Avenue.

Option "D.1"
 Size: 12.7 acres
 Housing Units: 100
 Density: 7.87 units per acre
 *No connection to Cunningham Avenue.

The following additional options were developed in response to comments regarding project density expressed by the Community Development Commission:

Option "A"
 Size: 9 acres
 Housing Units: 62
 Density: 6.8 units per acre

Option "D.1"
 Size: 12.7 acres
 Housing Units: 93
 Density: 7.3 units per acre
 *No connection to Cunningham Avenue.

The document also provides revised elevations based on comments expressed at the September 9 Committee of the Whole meeting.

Also enclosed for your review is an excerpted version of a development proposal submitted in response to the Housing Authority's Request for Proposal for a development partner for Burch Village and Lakeside Terrace. The proposal for the Burch Village and Lakeside Terrace

Revitalization Project is from Brinshore-Michaels Development Partners. Brinshore-Michaels are experienced affordable housing developers who have been involved in numerous successful projects in Chicago and in downstate Illinois, including a HOPE VI redevelopment project in Decatur. Brinshore-Michaels have included the local CHDO's of the Urban League and Homestead Corporation as additional development partners. Grants Manager Bob Grewe participated in the review and selection of the consultant.

At the September 25, 2002 Housing Authority regular meeting, the Board agreed to negotiate a contract agreement with Brinshore-Michaels to serve as the development partner for the redevelopment of Burch Village and Lakeside Terrace.

Considering that the development partner will have considerable influence on all aspects of this project, it is likely that the earlier project timeline submitted by the Housing Authority will change. City staff have requested that a representative of the developer attend an upcoming City Council meeting to discuss their approach to the project and to answer questions.

Options

As additional information is submitted, staff will conduct analysis of different funding and development options. This analysis will include the broader alternatives of the proposed redevelopment, rehabilitation of the existing facility, and the potential for demolition of Lakeside Terrace without redevelopment. Staff will also provide options and recommendations for site boundaries and number of replacement units to be provided on the site versus off-site.

Fiscal Impacts

Redevelopment of Lakeside Terrace will have significant fiscal impacts. City participation could involve major allocations of CDBG and HOME funds that could impact the ability to fund other affordable housing initiatives over a limited period of time. Redevelopment activities also affect City resources in that Community Development Services and Public Works staff has contributed resources and time toward pre-development activities. This commitment of staff resources and time would extend through the life of the redevelopment project.

Future fiscal analysis by the Housing Authority will aid in identifying the specific level of financial investment the City of Urbana may be requested to provide under various development options.

Recommendations

Staff has reviewed the conceptual studies provided by the Housing Authority and prefers Option "D1" for the following reasons: 1) the larger site of 12.7 acres will allow for additional units to be developed (thereby providing for a larger number of affordable units); 2) the larger site will also allow for increased flexibility with respect to site layout and provision of green space; and 3) allowing no connection to Cunningham Avenue will help to minimize impacts upon the surrounding

neighborhood and will help to separate commercial and residential traffic. Staff also recommends that a variety of unit types and layouts be developed and that the Don Moyer's Boys and Girls Club be integrated into the project, as shown in the revised Option D-1 from the October 4, 2002 package (93 units of housing).

Staff recommendations regarding redevelopment options, affordability, and City participation will be developed as additional information is submitted.

Memorandum Prepared By:

Bob Grewe, AICP
Grants Management Division Manager

Attachments:

1. Letter from Steve Clark to Bob Grewe, dated September 28, 2002.
2. Letter from Bob Grewe to Steve Clark, dated September 19, 2002.
3. Draft Minutes from Community Development Commission meeting of September 24, 2002.
4. Excerpted version of Brinshore-Michaels Development Partner Burch Village and Lakeside Terrace Revitalization Project Housing Authority of Champaign County August 29, 2002.
5. PROPOSAL FOR LAKESIDE TERRACE REDEVELOPMENT PROJECT prepared by ADG Ltd. (separate notebook)

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TO: Bruce K. Walden, Chief Administrative Office
FROM: Elizabeth H. Tyler, AICP, City Planner/Director
DATE: October 10, 2002
SUBJECT: **Lakeside Terrace Redevelopment Memo ATTACHMENTS**

The materials referenced in the memo are not available in electronic form.

Please contact Bob Grewe for copies.

Bob Grewe, AICP
Manager, Grants Management Division
400 S. Vine Street
Urbana, Illinois 61801
217.384.2441
bpgrewe@city.urbana.il.us