

ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

DATE: February 6, 2023

TO: Mayor Julie Moore Wolfe and City Council Members

FROM: Scot Wrighton, City Manager
Cordaryl "Pat" Patrick, Director of Economic and Community Development

SUBJECT: Resolution Authorizing American Rescue Plan Act (ARPA) Funds and HOME Investment Partnership Funds for the Redevelopment of Garfield School

RECOMMENDATION: Staff recommends the City Council approve a resolution allocating ARPA and HOME funds for the redevelopment of Garfield School located 1077 W. Grand Avenue.

BACKGROUND: At the last two Neighborhood Revitalization Study Sessions, staff presented several recommendations to Council relative to combating our housing challenges in Decatur and investing in catalyst projects in the City's urban core. The Economic and Community Development staff has been working hand in glove with a developer and the Decatur Park District to master plan an overall campus style redevelopment on the Garfield School site, to include Garfield Park, which will be completed in a series of highly coordinated phases. One of the primary goals would include the redevelopment of Garfield School to high-quality residential uses (Independent Senior Living Apartments), and other mix-income housing intended to grow the population of the area and support nearby businesses by adding the "purchase power" in the Neighborhood United neighborhood. The second overall goal will be to realign and reconfigure Garfield Park into a smaller, but attractive neighborhood pocket park that will complement the entire project site as a catalyst for change. The third overall goal will be for later phases to take on a mixed-use development style and, once there are additional roof tops at this catalyst location, the developer will seek to create new neighborhood commercial space on the site.

The proposed first phase involves the rehabilitation of Garfield School and converting it to affordable, independent senior housing for individuals 55 and older. The project will be aimed at active seniors who are able to participate in activities and the economy of the community. Significant design focus will be centered on the creation of an attractive, connected site with shared utilities, services, green spaces and amenities. The rehabilitation, along with construction of a new wing of the building, will create 63 high-quality affordable apartments, but most importantly, it will reclaim a historic school complex that has been put out of service at one of the most critical intersections in Decatur's urban core. The first phase of this catalyst project will be a \$19.6 million investment and will create new full-time construction period jobs and new permanent full and part-time jobs.

The first phase of the project is contingent upon the developer receiving tax credits from the Illinois Housing Development Authority (IHDA), which will be determined by June 2023. When this project was submitted to IHDA for tax credits last year it did not include any direct financial contribution from the city. Inflationary pressures and increased competition for limited IHDA

resources have changed the calculations, such that a contribution from the city will make a significant difference in IHDA's review and approval. In order to get this project approved by IHDA, and unleash the developer's investment, some local subsidy is required. Decatur Housing Authority has committed funding for 18 of the 63 affordable units for this project. Staff recommends that Council allocate \$375,000 of ARPA funds and \$300,000 of HOME funds, for a total of \$675,000 for the project, contingent upon the approval of IHDA tax credits. If approved, the developer will commit to a community benefits agreement with the City of Decatur, including providing \$275,000 for neighborhood revitalization efforts in and around the Neighborhood United neighborhood. There is precedent for this request. The City Council most recently provided \$250,000 in HOME Investment Partnership funds to support the new Woodford Homes facility on North Charles Street.

ATTACHMENTS: Draft project drawings (Phase one)

POTENTIAL OBJECTIONS: Staff is not aware of objections.

INPUT FROM OTHER SOURCES: Neighborhood United Association

STAFF REFERENCE: Should the City Council have any questions, they may contact Cordaryl M. Patrick, Director of Economic and Community Development, at 424-2727 or e-mail cpatrick@decaturil.gov.

BUDGET/TIME IMPLICATIONS: None.