

CITY OF EAST CHICAGO
ECONOMIC BUSINESS DEVELOPMENT COMMISSION
July 22, 2021

BOARD MEMBERS:

Jesse Avitia
Leon Valdez
Ezell Foster

STAFF:

Richard Morrisroe, Legal
Douglas Powers, Planner
Ateria Allen, Secretary

Reported by: Peggy S. LaLonde, CSR, RPR
Fissinger & Associates

Call to Order: 4:30 p.m.

Pledge of Allegiance:

Roll Call: Present: Jesse Avitia, Ezell Foster

Staff Present: Richard Morrisroe, Legal Counsel
Ateria Allen, Recording Secretary
Douglas Powers, City Planner

MR. AVITIA: I'd like to call the
Economic Development Commission meeting of Thursday,
July 22, 2021 to order.

Next, approval of minutes. I make a
motion to approve the minutes of Thursday, June 24,
2021.

MR. FOSTER: Second.

MR. AVITIA: Roll call.

Roll Call: "All in Favor": All Abstain: None
Opposed: None

MR. AVITIA: Motion carries.

Move on to Old Business: None

New Business: We have the Infill
Development Project.

MR. POWERS: Commissioners, today this is
a little preliminary in this project. I want to make
you apprised to talking about various things that have
economic impact within the community. So recently --
well, not too recent -- we knew back when the

1 Comprehensive Plan was done in 2008, and a few areas
2 that were mentioned in regards to need to Infill
3 Development because there is a good amount of vacant
4 land. One of those areas is -- you know -- along the
5 Carey Street and Drummond area within the City of East
6 Chicago. I wanted to show you a few images.

7 There was an individual that contacted us
8 and they are trying to see if they are able to get
9 federal funding to be able to develop new homes. If
10 they do, these would be lease-to-purchase options. They
11 will not be rental units. I'm going to share with you a
12 few of the images that were provided to us, and then I
13 can speak a little bit more. If you have any questions,
14 I will try to field as much as possible.

15 So this is an example of a single family
16 unit they build. (Slides as presented.) Here's the
17 additional one single family. These are some of the
18 town homes that -- you know -- they are proposing with
19 their development. These are about one-third of the
20 density of the units that you would see in the 139th and
21 Main Street area, the properties that were built by the
22 National Hispanic Coalition. So these are -- you
23 know -- similar outside, but interior wise a lot more
24 spacious. And this is an example of an existing home
25 that they have built.

1 The group is -- you know -- it's a group
2 that works across like 15 different states. They have
3 their own project managers. They have their own
4 developers, architectural designers. They basically do
5 it all.

6 So, what this project is that they are
7 looking at trying to do, there is various scoring
8 systems to see whether or not they would potentially be
9 able to get enough federal funds to facilitate this
10 development and that determines what will be made in
11 November. If they are able to get enough funding, then
12 they would come back and there may be some actions
13 needed. There more likely will need to be brought
14 before the Redevelopment Commission, then the Economic
15 Development Commission, as well as Common Council.

16 However, I still wanted to apprise you of
17 this in case there is need for action to be taken after
18 that time. If you have any questions, anything you'd
19 like to see.

1 MR. AVITIA: What is the price range of
2 those homes?

3 MR. POWERS: Price range is -- how they
4 work this is, it will be a 15-year lease to purchase.
5 So they would lease the property for the first 15 years,
6 where they would develop equity. Certain percentage of
7 the rent would be the equity. At the end of that
8 15-year mark, what they would do is, they would rehab
9 the homes. They would put new roofs, new
10 heating/cooling units, all that type of stuff. So it's
11 like a new home. At which time then the tenant could
12 purchase that property at a very reduced cost. I can't
13 say what that cost would be at this point since it's
14 very preliminary.

15 MR. AVITIA: I think my question would
16 be, would it be affordable to the future homeowners in
17 the area?

18 MR. POWERS: Absolutely. So if Home
19 Funds were used, for example -- that may be one of the
20 potential funding services -- if Home Funds are used,
21 the maximum would be \$75,000 for a family. Just to give
22 you an idea. If that was not the economic source, that
23 limitation may not be there though.

24 MR. AVITIA: Another question that I
25 have, what is the difference between this contract to
own and this building of equity?

MR. POWERS: So, you are correct. So if
people had a contract stating that you are putting so
much in, how that money is used, it's similar. It's
just in regards to they are making that promise also to
rehab the home at the time of purchase. So this isn't
just ten percent of your rent is going towards the down
payment of that property, but they can rest assured --
as many of us experience -- at year 15 sometimes things
happen around that time. So they are going to get it as
if it is a new home, having the necessary improvements
being made. So they are far less likely to have the
types of issues 15-year homeowners may have.

MR. AVITIA: Because there is small
difference in there, at least ten percent of that.

MR. POWERS: That's correct. They are
just not wanting to say you have these contracts, year

1 15 you have to purchase the home. Or if you don't want
2 to, you could potentially stay in the contract and
3 someone else would get it. They would most likely sell
4 the property at that time either way. The security we
5 have is knowing that they are going to be required to
6 rehab the home, so far less likely to have these types
7 of issues that an older home may have.

8 MR. AVITIA: Now, the question I have --
9 maybe you don't know -- what is the extent of the number
10 of homes that could be possibly built in that area?

11 MR. POWERS: If this was to be
12 constructed as of this year, it could be upwards to 42
13 homes. There is various checks and balances outside of
14 the City's control at this point that would have to be
15 done at the federal level. So we'll see what that
16 actual number of homes is, but that would be the maximum
17 for this year, if there were agreements later on in the
18 following year to be determined.

19 MR. AVITIA: Would it be a combination of
20 rentals?

21 MR. POWERS: No.

22 MR. AVITIA: Strictly homeowners.

23 MR. POWERS: One of the big pushes has
24 been, since opportunities created Work Force Housing,
25 that's what this is. If you are interested in learning
26 about Work Force Housing, there's all kinds of
27 information on the website, as long as I can answer that
28 as well. That's the big push. There is federal dollars
29 that helps these types of projects.

30 Im regard to rentals, that was previously
31 established in 2008. We actually have a high volume of
32 rental units, so that those are not necessarily
33 something that we would be eligible to try to get
34 additional assistance financially to accrue, because
35 it's already kind of exceeding what the desirable levels
36 are for the community.

37 MR. FOSTER: I was wondering what block
38 are they talking about?

39 MR. POWERS: The area they are referring
40 to right now is in the Carey and Drummond area. I'm

1 sure you can see that looking at the property
2 information.

3 MR. MORRISROE: Carey and Drummond, above
4 Columbus Drive, between Columbus and Michigan.

5 MR. FOSTER: I own the home I grew up in,
6 which is in the 3900-block of Drummond, so 62 years. So
7 I know 37, 38, 39 and 40-block, so that's why I was
8 asking what blocks.

9 MR. POWERS: They are looking at all of
10 those.

11 MR. FOSTER: And plus 41 and 42, other
12 side of the bridge?

13 MR. POWERS: I don't believe so. The
14 Comprehensive Plan did mention Carey and Drummond in
15 regards to how the Comprehensive Plan said the
16 community, it states the Harbor. So the area you would
17 see in the Harbor, where it suggests Infill was needed
18 is Carey and Drummond. The community felt the need was
19 in 2008, which is the year the Comprehensive Plan was
20 adopted.

21 MR. FOSTER: Okay. From Columbus Drive
22 to Michigan Avenue?

23 MR. POWERS: Today, that is correct.

24 MR. FOSTER: That's the way it should be.
25 I just wanted to make sure they are in the right spot.
I know that for a fact.

MR. POWERS: And that's the thing, is
that they look at the community and say, hey, are we
able to do something or not. The likelihood of getting
assistance at local, state, federal levels, it all could
be contingent on the demands of the local community.
Some of the determining factors will be how much federal
funding, such as Hardest Hit funds, can be utilized in
those areas, because that helps with their points on our
end, as well as the federal end.

The Comprehensive Plan, such as zoning,
comes into play as to whether the properties are zoned
accordingly and where the Comprehensive Plan was looking
for this type of housing. So the Comprehensive Plan

1 said, we were looking for more single family homes or
2 multi, whatever that case was within the district. We
3 are discussing that would be a determining factor on
4 whether this is something that we would be able to
5 proceed forward with.

6 MR. AVITIA: Any more questions --

7 MR. MORRISROE: Ezell, had you grown up
8 there and then moved to east Calumet?

9 MR. FOSTER: My youngest brother still
10 had the house that we had at 4908 Drummond. As a matter
11 of fact, there's only two families that have been there
12 since the sixties that are still there now, the Fosters
13 and the Lewis's -- that's it -- and Zion Church.

14 MR. POWERS: Well, this would be
15 something, like I said, in the November timeframe we'll
16 know whether this is something to be discussed or
17 potentially moving forward. Right now I just wanted to
18 make you aware of this, because this may be something
19 proceeding in a few months.

20 MR. MORRISROE: They did plan -- was it
21 three to five single family homes in there? I remember
22 one lady from Chicago contacting me who bought one. It
23 might have been 3800.

24 MR. FOSTER: It's like 4821 Carey Street,
25 on the other side of the street.

MR. MORRISROE: The two or three homes
that were put in.

MR. FOSTER: Yes, because two of the
girls used to work for the City. They bought two of
them, two sisters. And then the one lady that's from
Chicago. Two ladies from Chicago that bought some of
the new houses, two of them still got the homes.

MR. MORRISROE: Those were scattered away
from the Washington High School -- Washington Square
property.

MR. POWERS: The only other projects we
have currently to-date, or things that you may be aware
of is, I believe the address is 4612 Indianapolis
Boulevard. The property next door to Casablanca will be

1 seeking plan approval to become a Dunkin Donuts
2 restaurant.

3 MR. FOSTER: Is that part connected to
4 Casablanca?

5 MR. POWERS: Well, they look connected.

6 MR. MORRISROE: No, it's a new building
7 and the parking lot.

8 MR. POWERS: It's separate. I'd have to
9 show you like on a map, but it's separate. It may be
10 mistaken for the same property.

11 MR. AVITIA: Just an aside comment, I
12 think I mentioned before, I was going through this
13 committee who approved the 10,000 home assistance and we
14 continue seeing a demand or at least a need for housing
15 in East Chicago. And what you just told me gives me
16 some idea maybe we can satisfy that need with something
17 like this. People are purchasing homes here. I have
18 seen the range of prices extending to very large
19 numbers. So it's a pretty good project that follows
20 through with a lot of economic improvement for the City.
21 Bring in the City taxpayers.

22 MR. MORRISROE: I guess to me the
23 interesting part is, I watch St. John, where even
24 so-called simple single family homes start at 350,000.
25 And I know when they talk about doing housing here, they
are trying to do somewhere between 80 and maybe 180,000
and sometimes the numbers don't quite work. I assume
they are looking for federal monies, but they'd be
expecting some City or other contribution from other
partners. They don't like to just have it be only
federal money.

MR. POWERS: No, you are correct. They
are most likely going to be asking for tax abatement,
TIF, or Home Funds as was mentioned. Possibly CDBG, not
likely, but maybe others.

MR. AVITIA: That range is what I have
seen 180,000 is the top, but they are coming.

Any more comments? (None) Thank you
for the insight.

No public, so there is no public
comments.

1 We will move on to any other
Commissioner comments. (None)

2 Our next meeting will be on
3 Thursday, August 26, 2021. Can I have a motion to
adjourn?

4 MR. FOSTER: So moved.

5 MR. AVITIA: Second. Roll call.

6 Roll Call: "All in Favor": All Abstain: None
7 Opposed: None

8 MR. AVITIA: Motion carries.
9 Meeting adjourned.

10 ***** Meeting Adjourned *****

11 Approval of the Meeting Minutes of Thursday
12 July 22, 2021

13 Approved and signed August 26, 2021

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16 
17 Jesse Avitia, President

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19 Leon Valdez, Vice-president

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22 Ezell Foster, Member

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25 Ateria Allen, Secretary

C E R T I F I C A T E

I, Peggy S. LaLonde, a competent and duly qualified court reporter, do hereby certify that I did report in machine shorthand the foregoing proceedings and that my shorthand notes so taken at said time and place were thereafter reduced to typewriting under my personal direction.

I further certify that the foregoing typewritten transcript constitutes minutes of the said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Munster, Indiana, this 26th day of July, 2021.

Peggy S. LaLonde

Peggy S. LaLonde, CSR, RPR



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