

# ROGERS PARK BUILDER

## City Council OK's Changes to ARO

On March 18, the Chicago City Council approved a series of changes to the city's Affordable Requirements Ordinance (ARO). Taken together, these changes will significantly increase the cost of any new residential development in the city that receives a zoning change, utilizes city-owned land, receives city financial assistance, or is located in a downtown Planned District (PD) and contain ten or more units. These changes will take effect on October 12, 2015.

The new ARO requirements are designed to increase the percentage of affordable units in qualifying developments. ARO mandates that 10% of such units be "affordable" whether that unit is on-site, off-site, rental or owner-occupied. This percentage increases to 20% where city assisted financing is involved.

The term "affordable" is defined as a sales price or rental amount that is less than or equal to the amount at which total monthly housing costs would not be more than 30% of household income. For rental housing, the ARO requires rents to be affordable to households earning no more than 60% of area median income; for owner-occupied housing, the ARO requires unit sales prices to be affordable to households earning no more than 100% of area median income.

Before the March 18 changes were adopted, developers were able to avoid including affordable units in developments by paying a fee to the city's Affordable Housing Opportunity Fund. Under the new regulations, the city now requires that at least 25% of the required affordable units be included at these new developments and increases the "in-lieu" fees for downtown or higher income area developments. There are only three exceptions to this new 25% inclusion requirement:

- Developers of rental properties in higher income areas or downtown can provide this 25% set-aside requirement off-site – i.e., they can build, buy or rehabilitate such units within two-miles of the development so long as this alternate location is still in an area designated higher income or downtown.
- Developers of for-sale properties in higher income areas or downtown can also provide this 25% set-aside requirement off-site by building, buying or rehabilitating such units anywhere in the city.
- Developers of downtown for-sale projects can buy out of the on-site or off-site requirement altogether by paying a \$225,000 per unit in-lieu fee per required unit.

In all cases – whether rental or for-sale – the ARO requires that the affordable unit set-aside be satisfied either at the development, or via payments to a trust fund for affordable housing located in other areas of the city. The new ARO ordinance sets these "in-lieu" fees at \$50,000 per unit in low-moderate income areas; \$125,000 per unit in higher-income areas; and \$175,000 per unit downtown. In a concession to the building industry, the \$175,000 per unit in-lieu fee for the downtown area will be set at \$140,000 per unit through April 15, 2016.

Interest groups advocating for developers and the building industry are not happy with these new requirements. These groups claim that these new requirements will increase the overall cost of development and, consequently, push up rents and condo prices. They also say that developments with thinner

(Continued on back page)

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## Rental Housing Affordability Uneven Across US

It comes as a surprise to no one that rents have been rising in recent years, fueled by the recovery from the recession and the trend among younger folks to choose renting over buying. What may be a surprise is how divergent the impact of these rent increases is on affordability from city to city.

A recent report by Harvard University's Joint Center for Housing Studies finds wide differences in housing costs and their impact on household budgets from one city to another. The study looks at 50 metro areas and ranks them in terms of rental housing affordability from 1980 to 2015. In 2015, four of the six cities where rental housing was the least affordable (i.e., rent took the largest share of median household income) were in California. The other two were on the East Coast.



[Click here for interactive map with detail](#)

Source: Harvard University's Joint Center for Housing Studies

Topping the list is Los Angeles where the average household has to spend almost 50% of median income to pay rent. Following Los Angeles were San Francisco, Miami, San Diego, New York and San Jose. In all of these cities, rent costs took an average of 40% or more of median household income.

In Chicago, by contrast, the study found that the average household paid just 30.3% of median household income, a figure widely viewed as a reasonable share of income to be paid for rent, and very close to the US average for all 50 metro areas.

This finding may come as a surprise given the dramatic rent increases that have occurred in recent years, particularly in the city's downtown area and close-in neighborhoods. But that may be the reason the Chicago area's overall affordability index has not increased as much as in some of the region's coastal competitors. While the downtown and Central Area have indeed seen big rent increases, this trend has not been uniform across the region, with areas of the city and suburbs further from downtown less impacted by this trend. Affordability is also driven by average incomes that continue to be higher in the Chicago region than in many other US metro areas.

The 30.3% affordability figure in the Harvard report represents an average across the Chicago region. It is likely that this figure masks some of the impact of recent rent increases in the "hottest" areas of the city. Depending on where in Chicago you live, you may be spending a lot more (or less) of your average income on rent. Thus, rent affordability depends not just on where you live in the country, but also on where you live within the city. At least, that seems to be the situation here in Chicago.



# Ups and Downs

by Steve Cain • Summer 2015



Maybe this edition of the “Ups and Downs” article should just read “Downs.” Stock markets around the world have been in a virtual free-fall as the Chinese stock market and broader Chinese economy seem to be disintegrating before our eyes. We’ve been hearing for some time now of a slow down in the Chinese economy, but over the last week, these vague feelings of uneasiness have morphed into what can only be described as a dead panic.

The US has not been spared. The Dow Jones has fallen from its lofty highs of over 18,000 as recently as mid-July, to a Monday, August 24 close of 15,871. The Dow see-sawed dramatically throughout the day, opening 1,100 points below its Friday close, then rebounding to near parity by the middle of the day, and finally dropping again before the closing bell with a final loss of just under 600 points. This loss followed sizable losses both Thursday and Friday of last week.

After such a dramatic retreat in the markets, people are wondering what it all means, and whether this is the first sign of a new downturn in the economy. Like the markets, analysts are divided in their opinions about what is going on. Some will tell you that this is a market correction that needed to happen, and that it is not reflective of underlying problems with the US economy. Others will tell you that no country is an island, and that any major disruptions in the world’s second largest economy (China) are bound to have an impact on the world’s largest economy (the US).

As a casual observer of these trends, all I can say is that both arguments seem correct. The US economy added another 215,000 jobs in July, and unemployment remains low at 5.3%. But a greatly weakened China presents its own set of risks on all sorts of levels – economic, political and social. Continued upheaval there is bound to have an impact here. It is just a question of how big that impact will be.

But there are silver linings to the market implosion. Slowing industrial production in China has pushed down prices for basic commodities everywhere. Crude oil has not sold for below \$40 per barrel since 2003. Lower gas prices and less expensive imports from Chinese manufacturers have been great for the American consumer and cause for celebration just about everywhere except the Oil Patch and Mountain West.

A strengthening dollar has been more of a mixed blessing, pushing up the price of American goods abroad while lowering the price of imported goods. But, unlike many countries with large export sectors, the US is also a huge domestic market, still by far the largest on the planet. So, those US manufactured goods may cost more abroad. But they don’t cost any more within the confines of the 50-states. The simple truth is that the US has more built-in economic resilience than any other economy.

One other question one might ask about the current economic turmoil is how it will impact interest rates? Just a week ago, most analysts predicted the Fed would raise short-term rates before the end of the year. Now, all bets are off, at least until the markets have settled down and the panic has subsided. There is no question that US Treasuries have rallied strongly as risk-averse capital has exited the equities markets to seek “safe haven” in US Treasuries. The 10-year Treasury, which had risen all the way to 2.5% in early June, closed Monday at 2.01%. Rates on real estate loans will follow suit. Last month’s tip to refinance soon is probably still a good one. Cheap money will be available for a while longer. And that’s a good thing for anyone who owns, or might want to refinance, their real estate assets.



## As I See It

### The Sullivan Project

Allen Smith, President

After coming to the final open meeting last year and making a short introduction to the group, Sullivan High School Principal Chad Adams and Special Ed Classroom Assistant Andrea Graham inspired a new relationship with the Rogers Park Builders Group. Their ask was fairly simple – help turn a dated classroom into a working apartment, with kitchen, bedroom and laundry facilities for their “low incidence” special education program.

Since then, we have seen first-hand the tremendous passion and commitment Chad and Andrea have for their students in the face of great adversity. These are challenging times to be a Chicago Public School administrator with declining enrollment and budget cuts. But Chad and Andrea are always thinking outside the box to move their school forward. They continue to look for ways to improve the school and learning environment for the kids of Rogers Park with limited resources. It’s impressive and humbling to see what they and their coworkers have been able to accomplish with hard work, passion and creativity.

We took a little time to think about their request and to determine if the project was a good fit with the core vision and competencies of RPBG. It was! Here in our own neighborhood was a public high school with a well-defined need. Not only was this the type of project that many of us do as property owners day-in and day-out, but it presented a unique opportunity to demonstrate our commitment to the Rogers Park community while partnering with a dynamic team of neighborhood educators. The alignment of interests and abilities was clear and there has been no looking back since the decision was made.

People from across our organization and beyond have whole-heartedly embraced this project. Countless individuals have collaborated, leveraging their diverse skills, relationships and expertise to make Chad’s vision a reality. From fundraising, concept, design, construction and project management all the way through completion, this project has tapped into all of the resources of our group. Our ability to collaborate and deliver on this project bears witness to the deep skills, dedication and commitment of our membership base. When you see the new facility at our September meeting, you will be proud. There is no doubt our efforts will have a positive impact on the school and the students enrolled in the “low incidence” program.

This project has been a real eye-opener for me – giving me insight into the tremendous impact RPBG is capable

*...President’s Message continued on back page*



## Eight-Story Apartment Building Approved at Morse and Wayne

Tawani Enterprises recently got the green-light from Alderman Joe Moore to move forward with their plans to build an eight-story apartment building on the site of a now-shuttered strip mall at 1313 W. Morse Avenue at the southeast corner of Wayne Avenue. In order to proceed with this plan, Tawani required a zoning change and permission to exclude retail space from the ground floor of the new building. After much deliberation and community input, the Alderman decided to support this proposal, in consideration of the strong commitment of Tawani to the Rogers Park community and their excellent track record of new construction and renovations.



to the commercial district that never seems to have sufficient parking, particularly during the many special events that occur regularly at the Mayne Stage Theater.

The decision to waive the ground floor commercial space requirement was not without controversy. Some neighborhood activists believed that this site, located close to the Red Line and other commercial uses to the west, should be preserved as

The current zoning (B3-3) would have permitted just 35 dwelling units on the site with a maximum building height of 65 feet. The new zoning (B3-5) will permit 45 dwelling units and a building height of 80 feet. The new building will also include garage parking for 75 cars on the first three floors of which 25 will be reserved for residents of the building and 50 will be made available for patrons of the Mayne Stage, another Tawani development located directly across the street from the proposed new apartment tower.

a retail location. Others, including the Tawani organization, believed that changes in the retail market have lowered overall demand for the kinds of traditional retail spaces that are ubiquitous in older Chicago neighborhoods. These changes include the rise of the big-box stores and competition from online retailing. Ultimately, the Alderman decided to give the benefit of the doubt to Tawani.

The building will benefit from the city's new Transit Oriented Development (TOD) rules which permit parking of less than one space per unit in areas well served by public transportation (the new building will be a block from the CTA Red Line station at Morse Avenue). The 50 additional parking spaces will be a boon

The Rogers Park community has seen little new construction of residential space since the great recession. Indeed, the only two developers who have made significant additions to the neighborhood's housing stock have been Loyola University and Tawani Enterprises.

RPBG congratulates Tawani for moving forward with this project, and the Alderman for backing it. The addition of new housing to Morse Avenue will only increase foot traffic and spending power in the neighborhood and add to the growing appeal of the Morse/Glenwood Arts District as a place to live, shop, eat and go for entertainment.

## \$30 Million Approved for Purple Line Renovation



In theory, the commute to downtown Chicago from Rogers Park can be a lot quicker on a Purple Line Express train from Howard than a Red Line Local from any of the Rogers Park L stations. In reality, the sorry condition of some of the tracks along the Purple Line route makes this "express" service not much faster than the local alternative. This should come as no surprise, given the fact that some of the Purple Line has been in service for 100 years with tracks that date back almost that far.

The \$30 million approved will improve tracks and ties between Lawrence and Jarvis and comes on top of the track work on the Purple Line completed north of Howard Street in 2013. If all goes as planned, the new track replacement work, which began on July 20, will be completed by the end of November. Most of this work will be done during weeknights and weekends, minimizing the disruption to the 13,000 people who use the line each day, mostly commuters during the morning and evening rush periods.

Ironically, this project is only intended to be a temporary fix. The city hopes to procure funding for a complete \$3 billion rebuild of the entire Red/Purple viaduct from Belmont all the way north to Howard Street. Funding for this massive project is uncertain, but would certainly provide a more permanent fix to an aging but vital bit of Chicago's transportation infrastructure. With or without the larger project, the CTA promises a smoother and faster ride between downtown, Howard Street Station, and points north once the current track replacement program is completed later this fall.





# Divvy Finally in Rogers Park

The city's popular bike ride share program just got bigger with expansions outward from its original footprint, including north to Rogers Park. The many biking enthusiasts who call Rogers Park home have worked hard to get Divvy to Rogers Park, and are ecstatic that Divvy is finally here.

The first Divvy Bike Station was installed in May at Clark Street and Columbia Avenue. Six additional stations have since opened around the neighborhood, including the Morse and Loyola CTA stations, and other points along Clark and Ridge as far north as Touhy. Eventually, the Divvy system will extend all the way north through Rogers Park into Evanston with ten more stations planned once funding for this expansion is obtained.

The Divvy bike share program has proven immensely popular in the downtown area and closer-in neighborhoods, allowing people to more easily bike to work, or get "the last mile" from suburban train stations to their final work or leisure destinations in the downtown area. The system currently has 11,000 annual members and has registered more than 725,000 trips since its inception two years ago. Anyone who has walked or biked in the downtown area or along the Lakefront in the last year or two is familiar with the light-blue Divvy bikes that have proven so popular with locals and tourists alike.

Divvy is an essential component in the city's efforts to make Chicago a more bike-friendly place, and an important component in the city's plans to reduce traffic congestion on local streets and highways, and improve the health and wellbeing of local residents. Divvy is just one part of a broader movement to make Chicago a better place to bike. In addition to the implementation of Divvy, the city has expanded the network of protected bike paths, and even created the city's first elevated bike train with the opening earlier this summer of the "606," the popular 2-1/2 mile bike and pedestrian trail that connects the near Northwest Side neighborhoods of Bucktown, Wicker Park, Humboldt Park and Logan Square.



The absence of Divvy from the streets of Rogers Park has been a sore point in a neighborhood that counts many bike commuters and enthusiasts among its residents. The addition of Divvy to Rogers Park will rectify this situation and give both local residents and visitors another way of traveling to and through the community.

## AROUND ROGERS PARK

# Another Reason to Spend Time (and Money) on Glenwood

The last several years have seen a revival of retail and entertainment along Morse and Glenwood Avenues located close to the CTA Red Line station. One of the new businesses in this area is the Rogers Park Social, a cocktail bar that has become a popular watering hole for a broad cross-section of the Rogers Park community.

The "Social," as it is popularly known, is in the same space formerly occupied by Duke's Bar, owned and operated by RPBG Director Mary Bao and her husband, Neil Lifton. The Social opened in May 2014 and has already become a fixture in the community.



Erik Archambeault, the owner of the Social, has resided in Rogers Park with his partner, William Meek, for about ten years.

With the success of the Social, Mr. Archambeault and Mr. Meek are ready for their next venture. They are making plans to open the new Rogers Park Provisions a couple of storefronts down at 6928 N. Glenwood. If all goes as planned, the neighborhood will soon have a new place to shop for specialty foods and liquors, featuring fine wines, cheeses, bread, charcuterie, craft beers and spirits. The store will even offer gift items, making it a one-stop-shop for fancy dinner parties, special occasions or just an occasional indulgent evening.

The possibility of a new fine foods and liquors store in Rogers Park took a big step forward on August 4th when Alderman Joe Moore announced his support for the lifting of the moratorium on packaged goods liquor licenses

along Glenwood Avenue. This moratorium was originally put in place to get rid of problem liquor stores that were impeding development in the area. With the improvements that have taken place along Morse and Glenwood in recent years, many community residents considered the moratorium to be outdated and an impediment to development in its own right.

Enthusiasm for the new store was confirmed at a recent community meeting where many Rogers Parkers voiced their strong support for this potential addition to the Glenwood strip. The general consensus was that

the new store would be a great addition to the burgeoning Morse/Glenwood retail, restaurant and entertainment scene.

With the Alderman's support assured, the owners plan to do a soft opening just before the Glenwood Avenue Arts Fest. Since it is unlikely the store would have its food license that soon, the opening would be more of a "get acquainted" event with only non-food and liquor items available. The food license could be issued by early to mid-September, allowing the store to ramp up its offerings to everything but beer, wines and spirits by October.

RPBG applauds Alderman Moore for his support of lifting the moratorium on packaged goods liquor licenses and wishes Messrs. Archambeault and Meek continued success with both of their ventures on Glenwood Avenue. We believe that this newest addition to the Morse/Glenwood District will only increase the area's overall appeal.



## Sullivan Project Nears Completion

By the time you read this article, the new “low incidence” facility at Sullivan High School will be finished. From conception to completion, RPBG has single-mindedly worked to insure that this new facility would be ready by the beginning of the 2015-2016 school year. We are delighted that this goal has been realized, and that Sullivan High School will benefit from this beautiful new facility for its low-incidence students.

The Fall Newsletter will provide a final recap of the project and it’s successful completion. For the current edition, here are some photos of the almost completed project. We also want to give our heartfelt congratulations to all who made it happen, from

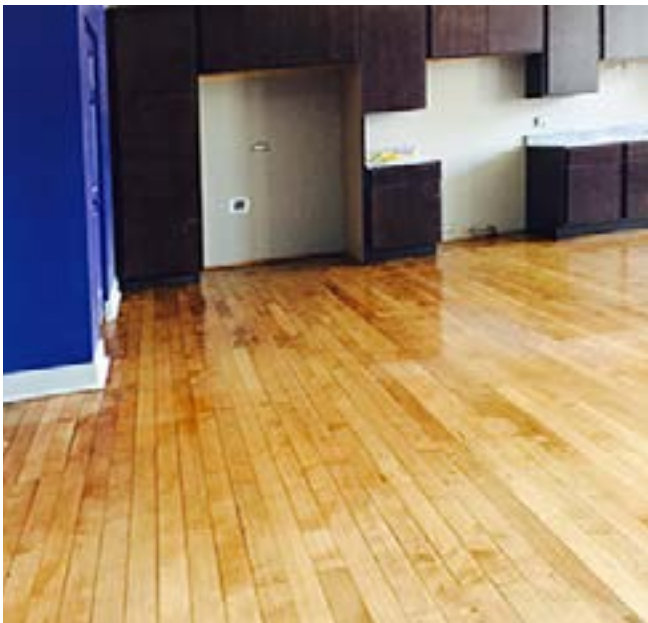


*(Pictured left to right) Brian Semel – RPBG Director & Fundraising Chair, Chad Adams – Sullivan High School Principal and Allen Smith – RPBG President*

the people who donated money and materials, to the contractors and construction specialists who turned a beat-up old classroom into this beautiful mini-apartment, complete with kitchen, bedroom and laundry facilities.

RPBG is proud of what we have done on behalf of Sullivan High School. We are also delighted with the new relationships we have forged while working on this project, both with the school and with the broader Rogers Park community.

The September meeting will be held at the new facility so that everyone can see first-hand what their time and donations have created. It should be an exciting meeting, and a proud moment for us all. Don’t miss it – it will be held on Tuesday, September 22 at 6:30 pm at Sullivan High School.



## RPBG Holds Directors' Meeting at Historic Emil Bach House

The Board of the Rogers Park Builders Group got a rare treat this past June, holding their Director's Meeting at the landmark Emil Bach House, designed by Frank Lloyd Wright, and lovingly restored by Tawani Enterprises. The house is located at 7515 N. Sheridan Road and now operates as a private rental and venue for special events.

The Bach House is a Prairie-style classic. It was built in 1915, just a few years after Wright's highly productive and innovative Oak Park years. Like many of the famous homes that Wright designed in Oak Park, the Emil Bach house is replete with many of the features that have come to define Prairie-style architecture, including cantilevered roofs and strong horizontal lines. Interiors are open and uncluttered, a radical departure from the design norms of the Victorian era in which Wright began his career.

Today, this beautifully restored home can host events for up to 75 people including small weddings, holiday parties, family celebrations, meetings, retreats and private rentals. Although there are only two guest rooms in the Emil Bach house, additional overnight guests can be accommodated in the Lang House Bed and Breakfast, located right next door at 7421 N. Sheridan Road. Both the Bach House and Lang B&B are under the same ownership.

The Director's Meeting was held on Tuesday, June 23rd. A cocktail reception on the beautifully landscaped grounds was the first order of business. During this time, guided tours of the house were offered for anyone with a curiosity about the building and its famous designer. After the tours were finished and cocktail hour concluded, the group adjourned to the living room for dinner and RPBG business meeting. Directors lingered after the meeting wrapped up to enjoy the company and the unique surroundings. The cost of the event was paid for by special donations from some of the RPBG Directors – no general membership dues were used.

For anyone who has not been to the Emil Bach House, tours are available even if you are not holding an event at the house. Just call managers Wayde Cartwright or Bruce Boyd to inquire. They will also tell you more about rentals if you are looking for a unique venue for any of the events they are able to host. Wayde and Bruce are available by phone at 773-654-3959, or by email at [stay@emilbachhouse.com](mailto:stay@emilbachhouse.com).

## AROUND ROGERS PARK

## Budget Cuts Hurt Chicago Public Schools Impact Felt in Rogers Park

The financial outlook for the Chicago Public Schools continues to go from bad to worse. In an "only in Illinois" political arrangement, Chicago taxpayers help pay for the pension costs of school districts around the state through their state income taxes, but the state does not return the favor, contributing funds to the pension plans of every school district in the state – except CPS.

Combine this fiscal reality with a deep distrust between the Emanuel Administration and the CPS Teachers' Union, recent judicial rulings that overturned last year's attempt at pension reform, and the recent "junk status" downgrades by the ratings agencies, and the magnitude of the pension crisis becomes clear. It looks increasingly like CPS will go broke, or the city will go broke trying to save it.

In Rogers Park, the crisis has been keenly felt with the recent announcement of funding cutbacks as CPS struggles to balance its budget. School funding is based in part on school enrollment; if enrollment declines, funding goes down with it. In Rogers Park, a number of schools have seen significant declines in enrollment including Gale, Kilmer and Jordan Elementary Schools, and Sullivan High School. The three elementary schools will see



## 14th Annual Glenwood Arts Festival

If it's August, it must be Glenwood Avenue Arts Fest. This year's event was held over the weekend of August 14, 15 and 16. The Opening Night kickoff event took place from 6 to 10 pm at the North Stage on Friday, August 14.

Once again, RPBG's own Al Goldberg was instrumental in bringing this event to fruition and can take credit for coming up with the idea for the festival in the first place.

This year's event featured more than 40 groups on three stages. And that's just at the Festival. Nearby venues were also hopping during the Festival weekend, hosting more than 15 other bands.

As in past years, a wide range of performances and musical groups took part in the Festival, including Funk, Rock, R&B, Bluegrass, Opera, Reggae and Jazz. There were also artists and artisans of every description selling their wares, from painters and sculptors to jewelers, ceramists and photographers.

The Glenwood Avenue Arts Fest has become a right of passage for the neighborhood and looks like it will remain a summer event fixture for many years to come. If you missed this year's Festival, never fear. It will be back again next year on the third weekend of every August at Morse and Glenwood. The Rogers Park Builders Group is proud to be one of the sponsors of this event and looks forward to many more to come.

cuts in funding ranging from approximately \$250,000 to \$370,000. But the biggest single cut will come at Sullivan – the high school will see a \$645,107 reduction in funding, according to DNAInfo.

There is never a good time to have your funding reduced; but these budget cuts for Sullivan come at a particularly bad time, given the great strides the school has made over the past two years, improving academic performance and school pride. These gains have not come easily, and will be harder to sustain in the face of reduced funding. These budget cuts will impact both educational programs and school improvement projects.

Fortunately for Sullivan, the school benefits from a dynamic principal and the support of local community groups such as RPBG (see related article about RPBG/Sullivan low-incidence project). Good intentions notwithstanding, there is only so much well-meaning individuals or organizations can do in the face of such large budget cuts. Solution to CPS's budget problems are daunting and will only happen if all sides in this dispute can work in a more cooperative manner. Ultimately, it looks like Springfield will have to enact legislation that deals with pension and budget imbalances across the board. So far, our elected officials have proven incapable of doing so. The way things are going, the prospects for this changing anytime soon look remote. Unfortunately, it is the kids who suffer the most for the inactions of others.



# RPBG Hosts Summer Soirée

For the past several years, RPBG and EUBA have hosted a joint event that we call the Summer Soirée. This event has as its sole mission to bring together property owners and industry professionals from across the city to relax over cocktails and good food for a relaxing night of conversation, live music and the beautiful surroundings of the Chicago Lakefront.

This year's event took this concept one step further. Instead of being a joint event between RPBG and EUBA, the 2015 Summer Soirée was sponsored by our two groups, plus the Lincoln Park Builders Group, the South Side Community Investors Association, the Greater Austin Development Association, and the Neighborhood Building Owners Alliance. With all this participation, the 2015 Summer Soirée was a truly city-wide event, bringing together property owners from all parts of the city of Chicago and, with the

participation of the NBOA, the entire city together.

As in past years, the event was held at Piper Hall on the beautiful Lakeshore campus of Loyola University. Piper Hall is a grand house at the center of campus just steps from the Lake. It combines the elegance of a stately old mansion with beautiful grounds, Lake views, and the cultural amenities of a great university.

This is one event where the goal is simply to have fun, enjoy the venue and the surroundings, and relax with the terrific people who make all of our groups so vital and productive. The money raised at this year's event was donated to the NBOA for the important work they do on behalf of property owners in Chicago.

The Summer Soirée was held on Thursday, August 13, beginning at 5:30 and going well past sunset. The weather could not have been nicer – an absolutely perfect summer evening with the warmth of the day mixed in with just the right amount of cool off the Lake. The crowds were impressive, much larger than previous events. It seems that word has gotten out that this is the summer Builder's Group event not to miss.

And who knew Lee Kaiser is a rock star when he's not an Investment Sales star? His group – 6FM – got the crowd going with its mix of rock standards, country and folk.

All in all, it was a Summer Soiree to remember, an event that truly brought together the entire city from the North Side to the West Side to the South Side. Congratulations to everyone who worked so hard to make it happen and a big thank you to all the event sponsors.







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## RPBG Executive Committee

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**Paul Goguen, Founding President**

## OUR MISSION

The Rogers Park Builders Group's mission is to encourage and support responsible residential and commercial property investment, development, and ownership in the Rogers Park community. Looking far beyond bricks and mortar, the RPBG initiates and supports collaboration on city and community actions to create a destination community.

*If you would like to receive membership information, please visit our website at [www.rpbg.org](http://www.rpbg.org), or contact Dan Starzyk at 224-216-9369.*

## City Council ...Continued from page 1

profit margins that cannot get started before October 12 may no longer be feasible, reducing the supply of housing in areas where demand is strong.

On the other side of the argument, affordable housing advocates say the new ARO provisions will increase not only the amount of affordable housing in Chicago for working families, but also the distribution of this housing with more of it integrated into the booming downtown area and higher income neighborhoods.

It is probably fair to say that the impact of these new requirements on members of the Rogers Park Builders Group will be minimal. (In fact, it may actually benefit our members, pushing up rents as the same level of demand competes for a reduced supply of units.) Rents and condo prices in the neighborhood do not appear to have recovered sufficiently from the Great Recession to justify new construction on a scale that would fall under the ARO requirements. Other than Loyola University and Tawani Enterprises, there have been few if any developers in the neighborhood who have built, or are proposing to build, new rental or for-sale developments of ten units or more.

However, larger developments do appear to be heading up the Lakefront from downtown where they had been concentrated. There are now some projects of significant scale being proposed for Uptown and Edgewater, and Evanston has seen considerable new residential development for the past several years. With this activity gaining momentum all around us, it is conceivable that new construction could also return to Rogers Park.

RPBG has long advocated for affordable housing. Indeed, many of our members own and operate properties which meet the city's definition of affordable housing, and provide quality housing to working families. However, we also believe that government must be fair and reasonable when privatizing public costs.

As an organization, we believe that the ARO changes do just that – putting too large a share of the burden for affordable housing on the shoulders of developers and the building industry who are simply trying to respond to a demand for more housing in areas of the city where this need is greatest.

The city must be careful not to make the burden of these developer contributions so great as to significantly impede the very development that makes these fees possible. We all know that Chicago currently faces significant budget and economic challenges. While the downtown area is doing well, much of the rest of the city and suburbs are lagging. We view the ARO as a potential threat to the rebounding downtown economy – the proverbial killing of the golden goose.

RPBG believes that a better course of action for the city to take would be to encourage more development, not less. Such development will grow the tax base and increase the appeal of the city to residents and businesses alike. The ARO seems to accomplish the opposite, putting yet another hurdle in the path of developers and businesses. If this proves to be the case, ARO will hurt the entire housing market and could drag down the recovery now taking hold in the Central Area. The ironic, and surely unintended, result will be fewer new dwelling units – affordable and market.

## President's Message ...continued from page 2

of making, but also revealing the real challenges faced by our local governments and the downstream effects those challenges have at all levels. You can't pick up a newspaper or magazine or even our own newsletter without seeing an article about the pending crisis – and there is no doubt that it has and will continue to have a direct impact on our neighborhoods.

RPBG's Sullivan project serves as a lesson that we are all going to have to pitch in to solve our budget problems. This includes not just our elected officials, but also and perhaps more importantly leaders from across the business, education, and non-for-profit sectors. The consequences of not working together could be an exodus from our neighborhoods as residents give up on our stagnant schools and deteriorating communities. In this scenario, it will be the property owners who will be left to bear the full weight of the sharp increases in real estate taxes that are looming on the horizon. We all need to do more to keep this from happening. I'm proud to say that, on this subject at least, RPBG has put actions before words.