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Lake County Simplified Application  
Pre-2015 Community Development Block Grant Funds  
*South Sheridan Road Bluff Housing in  
Waukegan, Lake County, Illinois*

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*Prepared and Submitted by:*



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Mayor Wayne Motley

*In Partnership with:*

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**1. Describe in detail the activity for which you are requesting funds. Please include detailed location information, where available, and photos and maps where applicable.**

The City of Waukegan, in partnership with Development Concepts, Inc. (DCI), is requesting funding for the initial Phase of South Sheridan Revitalization Plan (SSRP). The potential location is in southeast Waukegan, less than a quarter of a mile west of Lake Michigan (shown in **Figure 1**).

DCI has collaborated with Perkins and Will of Chicago in project planning. Local stakeholders and community groups that have been introduced to this project and who have shown support for it include:

- Local Church Groups-- Sign of Dove Church, Shiloh Baptist Church, Trinity AME Church
- Waukegan Library
- Waukegan School District
- Lake County Workforce Development
- Lake County Government Administration and Department Heads
- Waukegan City Council
- Waukegan Public Housing Authority
- Waukegan Park District
- North Chicago Mayor's Office
- Sheridan Road Business Group

The Site is comprised of 80 parcels of land (10 acres total) located at the southeast corner of the intersection of South Avenue and South Genesee Street in Waukegan, Lake County, Illinois. Physical addresses on-site include 601-677 South Genesee Street, 602-622 Hill Street, 115 South Avenue, 630-680 Kennard Street, 650-680 Clinton Street, 112-120 Browning Avenue, and 103-121 Lakeview Avenue. The Site location has been separated into four sections depicted below. **Figure 1** presents a general location map for the Site.

**Representative Site Photographs (Current Day Conditions)**



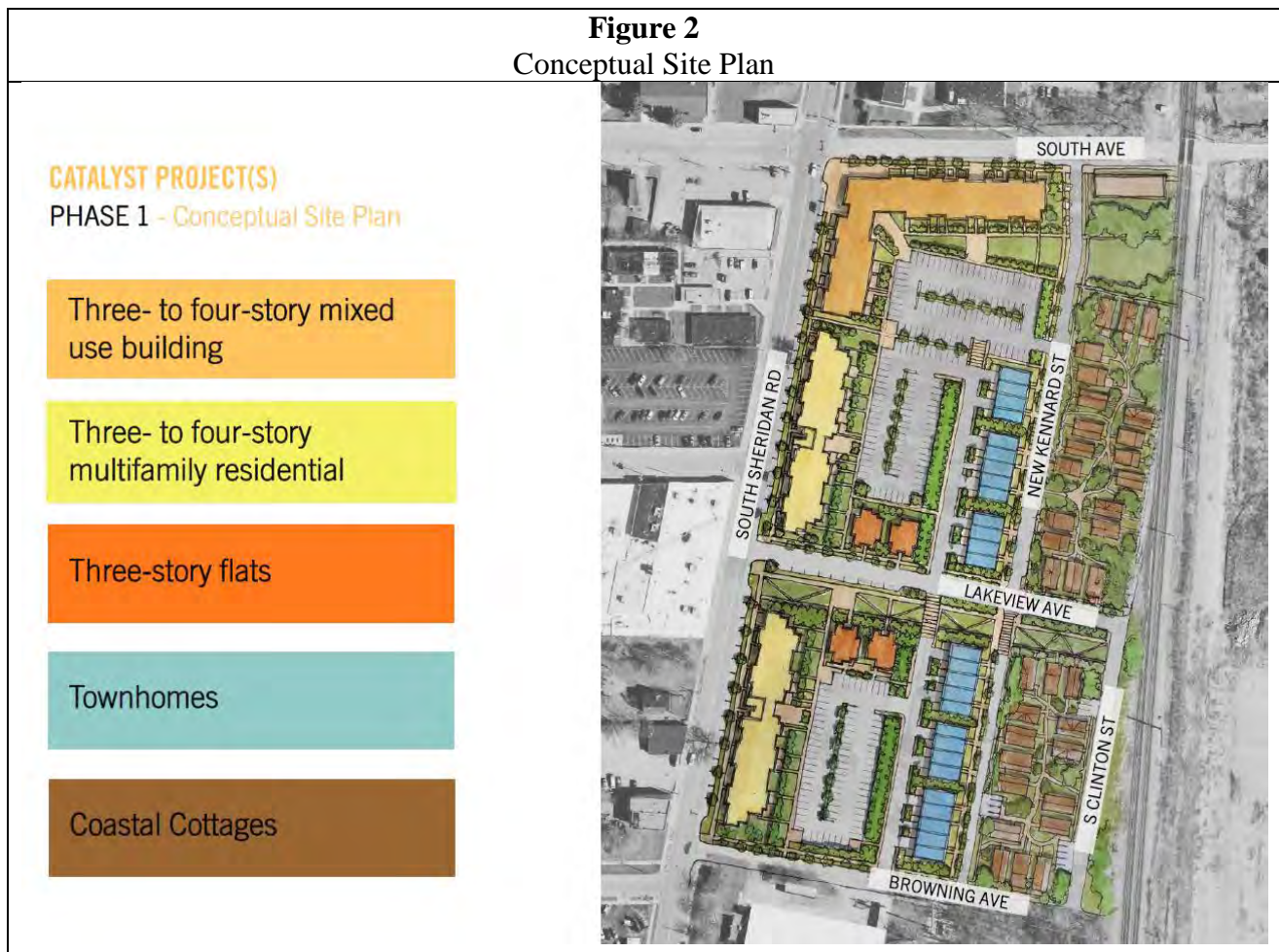
**Figure 1**  
Site Location Map



The main objective of the SSRP is to create new opportunities in the South Sheridan Neighborhood, including the neighborhood to the west of Sheridan Road, through affordable housing options. Fundamental strategies to urbanize the Site location include intensifying the Sheridan/South Avenue corner, improving the Sheridan streetscape with sidewalks and street trees, utilizing building mass and architecture to create a street wall, limiting surface parking lots and dispersing parking across the Site, taking advantage of the groves of trees to create parkland, preserving the existing street network, and maintaining the bluff edge as public open space.



The SSRP provides for approximately 214 units of housing, with enough parking to yield 1.25 spaces per unit. The existing Kennard Street has been maintained as a parking access alley to avoid utility relocation, while a new Kennard has been designed to connect with the existing curb cut at South Avenue. The inaugural project will be a 3-4 story apartment building comprised of 1, 2 and 3 bedroom units. In addition to the apartment buildings, a 3 or 4 story Flats building typology and a 2-story townhome concept are also planned for the Site. The third proposed typology is a series of clustered single-family 2-4 bedroom cottages. The Conceptual Site Plan is shown below in **Figure 2**.



The final outcome will be an affordable, dynamic lakefront neighborhood that will welcome the business and residential market back to a once again full service South Sheridan neighborhood. The project Site is located in close proximity to public transit to allow easy access to available jobs. A Pace Bus Stop is located at the northwest corner of the Site, at the intersection of South Avenue and South Sheridan Road. Waukegan Train Station is located less than a mile to the north of the project Site, and North Chicago Train Station is located approximately 1.25 miles to the south of the project Site.

## **2. Why is this project needed today?**

The City of Waukegan's Lakefront was once a thriving center for industry and served as source of employment for hardworking citizens. Currently, much of the lakefront sits idle and vacant, while the City of Waukegan has had to work hard to address issues related to job loss and personal income decline. The south lakefront, South Sheridan road, and their neighbor-hood to the west have all suffered from unimaginable dis-investment over the past 30+ years. Industrial development along the south lakefront has completely disappeared. What has been left behind are a series of unsightly vacant land parcels overtaken by invasive vegetation. South Sheridan Road hosts a mix of uses ranging from empty lots and storefronts to dated public housing units and larger neighborhood institutions. The residential neighborhood is filled with single-family homes and some smaller multi-family structures. Forty-six percent of the homes were built over 77 years ago. Their age and the fact that over 66% are now rental properties has led to a growing long term maintenance and repair issue. The combined 30 years of persistent disinvestment in these three areas requires a well formulated redevelopment response if the property is to be reclaimed and able to sustain a long term re-investment program which is required to assure an adequate revitalization response.

In order for the South Sheridan neighborhood to establish a clear path to successful revitalization it must fully utilize its number one asset, location! Its' proximity to two Metra stations, active Pace bus lines, and a bus transfer hub provide excellent mobility to regional assets, opportunities and amenities. Downtown is within a 15 to 20-minute walk providing convenient access to a broad array of Lake County and City of Waukegan services, College of Lake County education offerings and numerous cultural amenities. The Waukegan Parks Department has invested in several parks and unique open spaces including the unique ravine park system which runs through the neighborhood, and greater Waukegan to the Lakefront with beautiful topography and natural features. Of course, the former industrial Lake Michigan waterfront is waiting to be reclaimed. The goal is to create an authentic neighborhood, Sheridan Corridor and lakefront that works as well as the original version once did. To honor the past but through careful planning, design and execution and to welcome regional and national market opportunities creating long term prosperity for existing residents and businesses as well those that are new to the area.

Waukegan's southern neighborhoods suffer from a lack of quality, well maintained affordable housing choices. Currently, many of the "affordable" options suffer from deferred maintenance, high energy cost and generally lack the amenities desired by today's families. Additionally, these units are becoming less affordable; as rents continue to rise and household incomes remain stagnant, forcing low- to moderate-income households to spend too much on housing. This forces families to choose between quality housing that addresses their household needs and the need to support other basic necessities like food, healthcare and transportation.

The proposed project represents a component (Phase 1a) of a larger multi-phase mixed-use, mixed-income project. The Phase 1a project's 53 units and upwards of 3,000 square feet of community space will serve as the kick-off to the South Sheridan Revitalization Initiative. The Phase 1a development team will partner with the City of Waukegan to attract new economic and residential development to an area that has been mostly dormant for over three decades. The full Phase 1 will effectively redevelop

12 acres of land, including diverse housing product (multi-family flats, town homes and single-family detached) as well as new retail and community services. Lake County funding would ideally cover the Phase I tasks outlined above. Phase 2 plans to replace an outdated 120-unit family public housing development.

### **3. Who will be served by this project?**

The targeted impact area consists of the South Sheridan Corridor neighborhood. The South Sheridan Corridor neighborhood underperforms when compared to the rest of Lake County or the State of Illinois. Household incomes in the area are almost half that of the rest of Lake County. The eastern half of the neighborhood (Census Tract 8623) household poverty rate in 2014 was 46%. Neighborhood unemployment was 20% for the same time period. Residential vacancy hit a high of 26% in 2010 and sat at 20% in 2014.

### **4. Why are CDBG funds needed for this project? What other funding sources have been solicited?**

The CDBG funds will assist with the redevelopment of the Site into affordable housing. Given the site was previously developed with most of its original improvements having been removed it will be necessary to perform extensive site due diligence and some anticipated remediation. The CDBG funds will be used to perform site due diligence and leverage other private and public dollars for potential remediation.

Funds are needed for the preparation of affordable housing, including surveying, parcel assemblage, acquisition, demolition, vegetative clearing, environmental reviews, subsurface borings, sustainable site engineering and environmental testing and isolated areas of cleanup.

### **5. Any construction contract over \$2,000 will be subject to federal Davis Bacon prevailing wage and Section 3 requirements. How do you plan to meet these requirements?**

The City and DCI will incorporate the required Davis-Bacon and Prevailing Wage language into all construction contracts greater than \$2,000. DCI will not encounter budget implications; as prevailing wage has been incorporated into the calculated budget.

### **6. Please indicate how this project will be completed by April 30, 2018, including a proposed schedule for this project.**

The site due diligence is currently in progress, including the Phase I Environmental Site Assessment (ESA). It is anticipated that the funds will be expended in calendar year 2016 or early 2017 at the latest. Key project benchmarks are projected as follows;

- Pre-development – April 2016-April 2017
- Construction Start – Summer 2017
- Phased Delivery of Residential Units and Opportunity Hub – Spring 2018-Summer 2019.

**7. Please attach proposed budget (sources & uses) for this phase of the project. Leverage is helpful but not required.**

Phase I of the planned development is a \$40 Million project. This CDBG application requests the following funding for key front-end activities to jump start the project:

<b>Table 1</b>	
<b>Pre-development Budget (Sources &amp; Uses)</b>	
<b>Uses</b>	
Phase I Environmental	\$ 5,000
Soil Borings/Phase II	\$ 20,000
Site Engineering	\$ 125,000
Green Infrastructure Design	\$ 100,000
Site Remediation/NFR	\$ 100,000
Other Site Prep	\$ 500,000
<i>Total</i>	<b>\$ 850,000</b>
<b>Sources</b>	
Private Investment	\$ 650,000
Lake County CDBG (requested)	\$ 200,000
<i>Total</i>	<b>\$ 850,000</b>

<b>Table 2</b>	
<b>Summary of Overall Phase I Budget</b>	
Site Acquisition	\$ 650,000
Initial Site Prep	\$ 600,000
Site Engineering & Green Design	\$ 225,000
Building Architecture and Engineering	\$ 900,000
Other Soft Costs	\$ 4,750,000
Financing Costs	\$ 2,250,000
Construction	\$ 29,900,000
Operating and Replacement Reserves	\$ 1,200,000
<i>Total</i>	<b>\$ 40,475,000</b>

**8. The City of Waukegan and Development Concepts, Inc. (DCI) are not non-profit organizations and thus non-profit organization attachments are not included in this Application.**

**9. Please explain the extent to which your proposed activity will serve residents *at or below* the following CDBG-Eligible income level (based on household size):**

Sheridan on the Bluff will be a mixed-income project including public housing residents, low to moderate income residents (120% and below), and market rate home buyers. Approximately seventy-five percent of the units will be available and affordable for low to moderate income households (60% of AMI). Sheridan on the Bluff will serve residents at or below the following CDBG-Eligible income level (based on household size):

Income Limits								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>80% of Median</b>	\$43,050	\$49,200	\$55,350	\$61,500	\$66,450	\$71,350	\$76,300	\$81,200