



connections
FOR THE HOMELESS

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October 20, 2022

Mayor Daniel Biss
Councilmember Jonathan Nieuwsma
City of Evanston
Lorraine Morton Civic Center
2100 Ridge Ave.
Evanston, IL 60201

Dear Mayor Biss and Councilmember Nieuwsma,

I am writing to respond to the idea proposed at our meeting on October 10, 2022 of alternative locations for the services that Connection's is currently providing at the Margarita Inn. While the team raised several objections to these options at the meeting, I thought it important to make sure the ideas were given serious consideration and report back to you our findings.

Background

The process to determine if the Margarita Inn was the best place for Connections' operations began in earnest in April 2021, as led by Connections' Board of Directors. The Board created a task force made of Board members and other volunteers with expertise in hotel acquisition, remodeling and operations of hotels, multifamily properties, and other asset classes in Evanston. This task force included the original developer of Church Street Plaza, a manager of a Real Estate Investment Trust specializing in hotel acquisition, a Vice President of a real estate asset management and development firm, and a co-founder of a privately-held real estate investment, commercial development and advisory company. In addition to evaluating the Margarita Inn, the task force weighed all possible options, including acquiring land and developing a new building, acquiring a different hotel and modifying it, and acquiring a similar building (such as a nursing home) and reconfiguring it.

It was through this thorough analysis that the task force determined that the Margarita is, by far, the best facility available. We're already established there, and, assuming the renewal of our SUP, can finalize ownership in a matter of months. The sheer cost in time and money of these alternate proposals, even with reduced purchase prices, make them unviable.

Starting over with a new site would require Connections to duplicate attorney fees for transactional expenses, zoning approvals, and due diligence, additional architecture fees, and to continue to pay rent at our current location until we can move into an alternate space.

These costs don't include the cost of staff and board time that these proposals would take, the wear and tear on staff who are anxious about our future, the cost to our clients of potentially fragmented shelter services across multiple locations, and the goodwill of our supporters who want us to be at the Margarita Inn.

Adequacy of the Proposed Sites to Serve as Shelter

Of course, with an empty lot, we would have the potential to build a facility fully suited to a shelter use. The apartment buildings proposed could be rehabbed to meet our needs. However, this would require extensive time and reconfiguration to make them useable as non-congregate shelter that also provides the clinical support, including:

- Adding bathrooms
- Creating office space for staff
- Creating common spaces for meetings, eating, events, and recreation

Cost to Operate Multiple Shelter Sites

None of the proposed sites are large enough to use as a replacement for the Margarita Inn and would require multiple shelter locations. This would require 24-hour staffing solutions across several locations, significantly increasing costs and inefficiencies. Connections has experience operating multiple shelter facilities at once the summer of 2020), and we have deliberately decided to consolidate services in one location, the Margarita Inn.

Proximity to Other Shelters

Northside Housing & Supportive Services is building a new 72-bed shelter just south of Howard and Clark, within 1,000 feet of one of the proposed alternate sites.

Cost of Operations during Development

Current operations at the Margarita Inn, where Connections is renting rooms at increasing prices, is more expensive than if we owned our own building. We have been able to sustain operations this way because of emergency funding related to the pandemic. It is now time to move to a permanent solution, which is why we are looking to purchase the Margarita Inn. It has worked well for us operationally, but it will not work well financially until we can stop paying rent that exceeds what occupying the building as an owner would cost. The prospect of a multi-year process to develop one or more new locations is contrary to Connections' fiduciary duty to our donors and funders.

Appropriateness of Placing the Shelter in the Poorest Part of the 8th Ward

With the City citing equity as one of its primary goals, it does not make sense to move the shelter from a highly functional and unique location that is ready to use, and happens to be located in a primarily white neighborhood, to a primarily black, high-poverty neighborhood that would be "more receptive" while imposing additional cost to Connections and delaying our programmatic growth. This proposal perpetuates both segregation and inequity in how Evanston serves its residents and where they can live.

The suggestion that Connections move Margarita operations and residents - many of whom are members of protected classes under the Fair Housing Act (FHA) - to another location (which is owned by one of our most prominent and public objectors), while a Special Use application is pending before the City, is analogous to Illinois cases where courts have upheld a claim for improper denial of housing due to a disability, under the FHA.

Connections is confident that there is no better place in the City of Evanston for its operation than the Margarita Inn. We have submitted a Special Use application to continue operations at the Margarita, which is pending City review. We stand by our assertion that the Margarita is the most suitable location for this use, and are working with City Staff, Elected Officials, neighbors and other stakeholders, like the Police Department to ensure that this project will do the most good while creating the least impact possible.

Respectfully,



Betty Bogg, Executive Director