

# ZION Development Corporation's Grand Apartments

## The Grand Apartments Rockford, IL

On December 2, 2001, ZION Development Corporation officially opened the Grand Apartments, Rockford's first permanent supportive housing facility. The Grand Apartments offers 45 efficiency apartments to adult men and women who are homeless. Residents at the Grand Apartments may remain there as long as they pay their rent and abide by their lease. Although Rockford has excellent crisis and transitional housing opportunities and a sophisticated Continuum of Care plan, the Grand Apartments provides the community with its first and only permanent supportive housing facility.



The process of developing the Grand was very difficult and complex. The final development cost was \$5.3 million, which included operating reserves needed to guarantee the 30 years of financially strong operations promised by ZION Development Corporation in their funding applications. Development funding came from seven different sources: The IHDA Supportive Housing Investment Program (HOME funds), the IHDA Affordable Housing Trust Fund, the Low-Income Housing Tax Credit program, the Federal Home Loan Bank of Indianapolis Affordable Housing Program, the City of Rockford, the Illinois Department of Commerce and Community Affairs, and ZION Development Corporation.

The process began in 1995 with discussions with the City of Rockford on how to end the tremendous amount of criminal activity going on at the Grand Hotel (then a privately owned SRO). At that time police and other emergency services were visiting the Grand an average of two to three times per day to address crimes that ranged from murder with laser-targeted handguns to assault, theft, robbery, prostitution and drug dealing/use. The city estimated that it was spending \$500,000 per year on police and fire fighter services to address that alone. With the city's help, ZION Development Corporation bought the Grand Hotel on March 31, 1997. It took four years to assemble the funding for the total renovation of the building. Construction began on January 25, 2001 and was completed on November 23, 2001. The ribbon was cut on the "new" Grand Apartments on December 2, 2001 and the first resident moved in three weeks later. Every unit was leased by the end of January 2002.

On-site social services are offered by two Resident Services Coordinators who provide case management to all residents to help them identify aspects of their lives which may have put their housing at risk in the past and to define their own personal "pursuit of purpose" plan. The Grand Apartments also collaborates with many community service agencies which include: Crusader Clinic, which is located one block away and provides free medical evaluations and affordable health care to every resident as well as supplying the employees for the Resident Services Coordinator positions, Janet Wattles Mental Health Center, Rosecrance Health Systems (addictions treatment), and Promised Land Employment Services (employment assessments and job search training). At the Grand Apartments 80% of residents are following through on their service referrals, 68% have registered to vote, and 49% are working. Residents plan and execute their holiday celebrations and bingo events that include prizes they have solicited from neighboring businesses.

ZION Development Corporation owes a huge debt of gratitude to all its funders, and also to all those who provided technical assistance: Lakefront Supportive Housing which helped in the initial conceptualization of the project and consulted on the "blended management" operations strategy, the Corporation for Supportive Housing and the National Equity Fund.

The Grand is a dramatic victory for men and women in Rockford who find themselves homeless and for the community as a whole. This permanent supportive housing project solved a huge crime problem, saved a valuable building and created a new environment of hope and help for its neighbors.

## The Sponsor

ZION Development Corporation is a faith-based neighborhood development organization that focuses its attention to the neighborhoods of the Rockford's Mid Town District. Founded in 1982 as a ministry of Zion Lutheran Church, ZION Development Corporation has leveraged over \$17 million in housing and economic development projects in the neighborhoods it serves. As a neighborhood development organization, ZION Development Corporation has made the neighborhood's agenda its agenda by creating several businesses to provide employment, buying and tearing down bad bars and an adult bookstore, buying and renovating large vacant, blighted buildings and doing many single-family home renovations for sale to low-income buyers.

Besides the Grand Apartments, ZION Development Corporation also developed Longwood Plaza Apartments that provides independent living for seniors and one of the most progressive and successful wellness programs in the country.

The neighborhoods of Mid Town have been identified as having a higher concentration of social, economic and health challenges in the city and yet, through the work of ZION Development Corporation and others, this area is seeing an exciting renaissance without displacing the low-income residents who have made this neighborhood home for decades.

## CSH and the Project

CSH made an \$88,000 pre-development loan to the project to help pay for architectural services, market studies, environmental audits, etc. CSH also provided a grant of \$10,514 to support ZION's hiring of Lakefront Supportive Housing to assist them in developing their property and asset management systems for the project.

In addition to this financial assistance, CSH reviewed and helped to improve the project's development and operating budgets, connected ZION Development Corporation with excellent legal assistance and prospective equity investors, and, at various times throughout the development process, CSH served as an effective advocate for the project to potential funders and others.

The Grand Apartments was ZION Development Corporation's first permanent supportive housing project, and could not have been completed without the help of the Corporation for Supportive Housing.

## Funding Sources

Illinois Housing Development Authority HOME Loan (0%, 30-year loan)	1,078,018
IHDA - Affordable Housing Trust Fund	750,000
Federal Home Loan Bank (30-year grant)	248,800
DCCA Energy Grant	41,100
City of Rockford Grant	293,252
Low-Income Housing Tax Credit Equity	2,857,699
Deferred Developer Fee	64,502
<b>Total</b>	<b>\$5,333,371</b>



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*CSH helps communities create permanent housing with services to prevent and end homelessness.*