



July 19, 2016

Item No. 13

RECOMMENDATION TO EXECUTE 1) AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT (AHAP) FOR EL ZOCALO; 2) HOUSING ASSISTANCE PAYMENTS CONTRACTS (HAP) FOR (A) EL ZOCALO (B) LYNDALE PLACE APARTMENTS, (C) RENAISSANCE WEST APARTMENTS AND (D) EASTWOOD GARDEN APARTMENTS; 3) PRELIMINARY COMMITMENT LETTERS FOR (A) PULLMAN ARTSPACE LOFTS AND (B) MONTCLARE VETERAN’S VILLAGE OF ROSELAND AND 4) ALL OTHER DOCUMENTS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING

Development/Address/Alderman/Ward

Development	Address	Alderman	Ward
El Zocalo	3246 West 47 th Street	Pat Dowell	3rd
Lyndale Place Apartments	2569-2575 West Lyndale 2207-2221 North Rockwell	Joe Moreno	1st
Renaissance West Apartments	2517 West Fullerton Avenue	Joe Moreno	1st
Eastwood Garden Apartments	6501-6561 South Lowe Avenue	Willie Cochran	20th
Pullman Artspace Lofts	11127-29 & 11137-49 South Langley Avenue / 704-706 East 112 th Street	Anthony Beale	9th
Montclare Veteran’s Village of Roseland	11026-11028, 11027-11047 South Eggleston Avenue	Carrie Austin	34th

Presenters: Diana Liu, Chief Development & Construction Officer
Kari Saba, Deputy Chief Development Officer

Recommendation:

The Chief Executive Officer recommends that the Board of Commissioners of the Chicago Housing Authority approve 1) an Agreement to enter into A Housing Assistance Payment Contract (AHAP) for El Zocalo; 2) Housing Assistance Payments Contracts (HAP) for (A) El Zocalo (B) Lyndale Place Apartments, (C) Renaissance West Apartments, and (D) Eastwood Garden Apartments; 3) Preliminary Commitment Letters for (A) Pullman Artspace Lofts and (B) Montclare Veteran’s Village of Roseland and 4) execution of all other documents as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Property Summary

Development Name	Developer / Owner	Target Population	PRA Units	Total Units	% PRA Units
El Zocalo	UPD 47 th Street, LP (to be formed)	Families	8	30	27%
Lyndale Place Apartments	The Lyndale Place Limited Partnership	Families	Up to 67	67	Up to 100%
Renaissance West Apartments	The Renaissance West Limited Partnership	Individuals	Up to 100	100	Up to 100%
Eastwood Garden Apartments	The Eastwood Gardens Limited Partnership	Families	69	188	37%
Pullman Artspace Lofts	Pullman Artspace Lofts Housing LP	Families/ veterans	4	38	10.5%
Montclare Veteran’s Village of Roseland	Montclare Veteran’s Village of Roseland, LLC	Homeless Veterans & their Families	78 VASH	78	100%

Contract Summary

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
El Zocalo	Housing Choice Voucher	15 Years	HAP Contract	\$85,116/year	\$1,471,946 (15 years)	March 2014
Lyndale Place Apartments	Housing Choice Voucher	20 Years	HAP Contract	\$957,072/year	\$23,254,332 (20 years)	March 2016
Renaissance West Apartments	Housing Choice Voucher	20 Years	HAP Contract	\$1,045,200/year	\$25,395,611 (20 years)	March 2016
Eastwood Garden Apartments	Housing Choice Voucher	30 Years	HAP Contract	\$696,720/year	\$28,264,592 (30 years)	March 2016
Pullman Artspace Lofts	Housing Choice Voucher	15 Years	HAP Contract	\$37,176/year	\$642,900 (15 years)	June 2016
Montclare Veteran's Village of Roseland	HCV – HUD Veterans Affairs Supportive Housing	30 Years	HAP Contract	\$789,924/year	\$32,045,699 (30 years)	June 2016

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

EL ZOCALO



Property Profile/Building Amenities

- El Zocalo will be a new construction 30-unit, six-story building for families located in the Brighton Park Community in a General Area. The building will consist of 9 one-bedroom units, 10 2-bedroom units and 11 three-bedroom units. Three units at the property will be accessible, and one unit will be available for hearing and/or vision impaired residents.
- Target population for PRA units is families and individuals. PRA assistance will be provided to 8, or 27% of the 30 units. The 8 PRA units will be two (2)-1BR, three (3)-2BR, and three (3)-3BR units. The owner will lease all PRA assisted units to eligible families from CHA waitlists. PRA assistance will fill a critical need by providing new quality affordable rental housing in the Back of the Yards neighborhood.
- Building amenities include a community room, property management office, and 2,000 square feet of commercial space on the first floor. El Valor will lease and operate the space as two Head Start classrooms. On-site parking will also be provided.
- The project has secured the financing required to close and start construction. The major funding sources for the development include approximately \$6.7Million of tax credit equity from the National Equity Fund, \$2.9Million City of Chicago TIF, and a \$1.8Million first mortgage from IHDA.

Property Owner

- UPD 47th Street, LP (to be formed) will be the owner entity. UP Development, LLC and the Back of the Yards Neighborhood Council (BYNC) are partners in this development.

LYNDALE PLACE GARDENS



Property Profile/Building Amenities

- Lyndale Place Apartments is a 67-unit, three-story courtyard building located in the Logan Square community area. This family property is in a General Area. The building was built in 1924 of conventional masonry construction with brick exteriors and flat asphalt roofs. The building is comprised of three (3) one-bedroom units, fifty-seven (57) two-bedroom units, and seven (7) three-bedroom units. Currently, the property is 100% occupied.
- Target population is families. Rental assistance will serve eligible existing residents who are not currently assisted through HCV (up to 43 units). At unit turnover for these 43 units, CHA will refer applicants from its waitlists.
- In addition, there are currently 24 units with HCV assistance. Within the first three years of the HAP contract, if an HCV holder moves from a unit within the building, applicants will be referred from CHA waitlists and that unit will be added to the HAP contract. Thus, the maximum PRA units will be 67, or 100% of the property, if all current HCV residents move and are replaced with new CHA residents in the first three years of the HAP contract. PRA assistance will provide preservation of affordable housing in a strong location.
- Building amenities include window air conditioning in all units, laundry facilities, and private management office.
- In 1998, the building underwent a complete gut rehab that addressed major structural work and provided significant interior and exterior improvements financed with low-income housing tax credits.
- Habitat plans to use 4% Low Income Housing Tax Credits in 2017 to fund redevelopment of the property. While the property is currently stable, redevelopment will address major capital needs, provide improvements to units and common areas and ensure the property's long term viability.

Property Owner

- THC Lyndale Place Limited Partnership, an Illinois limited partnership, is an affiliate of The Habitat Company (Habitat) which was established in 1971 to manage and develop market-rate, affordable, and public housing units. Habitat currently serves as the property manager for Region 1 of CHA's portfolio.

RENAISSANCE WEST APARTMENTS



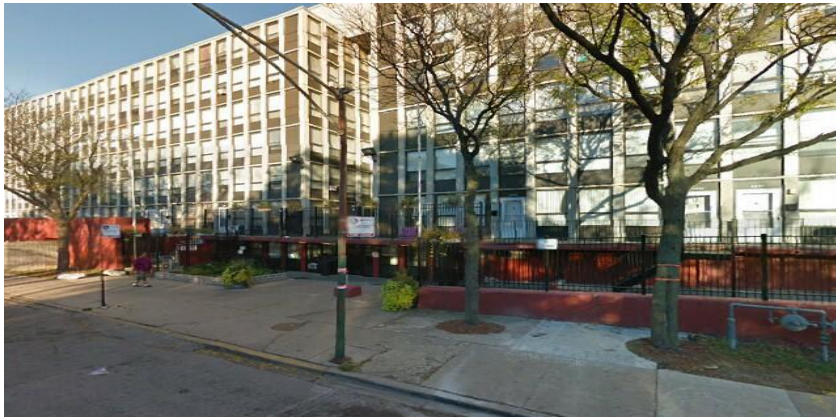
Property Profile/Building Amenities

- Renaissance West Apartments is an existing 100-unit single room occupancy building located in the Logan Square community area. The property is a contemporary five-story walk-up building in a General Area with studio units.
- The target population is individuals. The property is currently 100% occupied and PRA assistance is requested to serve eligible existing residents not currently assisted through HCV (up to 99 units). As units turn over for these 99 units, CHA waitlist applicants will be referred to the property. PRA assistance would provide preservation of affordable housing in a strong location.
- There is currently 1 unit with HCV assistance. Within the first three years of the HAP contract, if the HCV holder moves from the building, applicants would be referred from CHA waitlists and that unit would be added to the HAP contract. Thus, the maximum PRA units will be 100, or 100% of the property, if the current HCV resident moves and is replaced with a new CHA resident in the first three years of the HAP contract
- The property was built in 1992, using pre-cast concrete construction with masonry bearing steel studs. It has a brick exterior, flat asphalt roof, and two elevators. In 2012, several common area improvements were completed including a tenant lounge, computer center and new office space.
- Habitat plans to use 4% Low Income Housing Tax Credits in 2017 to fund redevelopment of the property. While the property is currently stable, redevelopment will address major capital needs, provide improvements to units and common areas and ensure the property's long term viability.
- Building amenities include air conditioning in all units, laundry facilities, private management office, resident lounge, fitness center, and computer room.

Property Owner

- THC Renaissance West Limited Partnership, an Illinois limited partnership, is an affiliate of The Habitat Company (Habitat) which was established in 1971 to manage and develop market-rate, affordable, and public housing units. Habitat currently serves as the property manager for Region 1 of CHA's portfolio.

EASTWOOD GARDEN APARTMENTS



Property Profile/Building Amenities

- Eastwood Garden Apartments is a 188-unit, six-story elevator apartment building located in an improving area of the Englewood community, which is in a Limited Area. The 88% occupied building is comprised of 16 one-bedroom units, 152 two-bedroom units, and 20 three-bedroom units.
- Target population for PRA units is families. PRA assistance will be provided to 69, or 37%, of the 188 units. The property is currently 88% occupied with 23 vacant units. The 23 vacant units will be leased to CHA waitlist applicants. The remaining 46 PRA units will be provided for eligible, existing residents. As those 46 units turnover, applicants will be provided from CHA waitlists. PRA assistance would maintain quality affordable housing in the area.
- There are also 39 current HCV residents at this property.
- The rental property was built in 1974. The property has received ongoing maintenance and capital replacements.
- Habitat plans to use 4% Low Income Housing Tax Credits in 2017 to fund redevelopment of the property. While the property is currently stable, redevelopment will address major capital needs, provide improvements to units and common areas and ensure the property's long term viability.
- Building amenities include laundry facilities, private management office, outdoor parking, and 24-hour security.

Property Owner

- THC Eastwood Gardens Limited Partnership, an Illinois limited partnership, is an affiliate of The Habitat Company (Habitat) which was established in 1971 to manage and develop market-rate, affordable, and public housing units. Habitat currently serves as the property manager for Region 1 of CHA's portfolio.

PULLMAN ARTSPACE LOFTS



Property Profile/Building Amenities

- Pullman Artspace Lofts will be located in the important Pullman Historic community in a Limited Area. The development will combine historic renovation of two three-story, blockhouses with a new construction infill building. The two historic blockhouses will each provide 6 units and the new construction building will provide 26-units for a project total of 38 units of affordable housing for artists and their families.
- The unit mix consists of 3 studios, 16 one-bedroom units, and 19 two-bedroom units. Of the 38 units, 6 will be accessible and 2 units will be for persons who are audio or visually impaired.
- Target population for the 4 PRA units will be veterans from CHA waitlists and services will be coordinated with Catholic Charities. PRA assistance will be provided for four units, or 10% of the total project, dispersed throughout the property. PRA assistance will provide quality affordable housing in an improving area of Pullman to veterans.
- The two historic block houses that bookend the project site will undergo a substantial historic renovation that will replace all major building systems, create 12 apartments and restore historic features including mansard roofs, dormer windows, new porches, windows and doors with restoration of interior stairwells, wood flooring, and casement work. Masonry tuck-pointing and brick restoration will be done, as well as the use of specified paint colors on porches and trim work.
- The new building will be three stories in height, clad in masonry with mansard roofs, and dormers at the top floor. It will also feature a more polished masonry similar to most other homes in Pullman.
- Property amenities include on-site management and leasing offices, in-unit laundry in the historic buildings, central laundry room in the new building, indoor and outdoor bicycle storage, 17 off-street parking spaces, resident lounge, gallery space, and community art center.

Property Owner

- Pullman Artspace Lofts Housing LP will be the owner of the property. The property is being developed by the following partners: Artspace Projects, Inc., Chicago Neighborhood Initiatives and PullmanArts.

MONTCLARE VETERAN'S VILLAGE OF ROSELAND



Property Profile/Building Amenities

- Montclare Veteran's Village of Roseland is a new construction affordable housing development designed for veterans and their families located in the Roseland community area in a Limited Area. The development will be built on land donated by the City of Chicago. It will be a campus-style community with six new construction buildings, the largest of which will be a four-story masonry building consisting of 48 units. There will also be five (5) three-story walk-up six-flat buildings along Eggleston Avenue consisting of 30 units.
- The total unit mix for this new development includes 27 studios, 22 one-bedroom units, 9 two-bedroom units, and 30 three-bedroom units. All 78 units will be accessible and 8 units will be for residents who are audio and/or visually impaired.
- Target population is homeless veterans and their families approved for VASH assistance. VASH combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). VASH assistance is planned for all 78 units. Funding is subject to VA and HUD approval. Services including job training, legal assistance, peer support groups, educational programming, computer training, addiction counseling, and mental health support will be provided by Featherfist and the Jesse Brown VA Medical Center (JBVAMC).
- The proposed buildings will all consist of masonry construction. The site will include a park/green space area nestled between the six flat buildings and the central building. The park will include landscaped areas and a play area.
- Amenities include a community room, computer and meeting rooms, on-site supportive services, in-unit laundry, fifty off-street parking spaces and a park on the premises.

Property Owner

- The property will be owned by Montclare Veteran's Village of Roseland, LLC. MR Properties, LLC and Featherfist are partners in this development.

Respectfully Submitted:

Diana Liu, Chief Development & Construction Officer

RESOLUTION NO. 2016-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated July 19, 2016 entitled "Recommendation to Execute 1) an Agreement to enter into A Housing Assistance Payment Contract (AHAP) for El Zocalo; 2) Housing Assistance Payments Contracts (HAP) for (A) El Zocalo (B) Lyndale Place Apartments, (C) Renaissance West Apartments, and (D) Eastwood Garden Apartments; 3) Preliminary Commitment Letters for (A) Pullman Artspace Lofts and (B) Montclare Veteran's Village of Roseland and 4) all other documents as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute 1) an Agreement to enter into A Housing Assistance Payment Contract (AHAP) for El Zocalo; 2) Housing Assistance Payments Contracts (HAP) for (A) El Zocalo (B) Lyndale Place Apartments, (C) Renaissance West Apartments, and (D) Eastwood Garden Apartments; 3) Preliminary Commitment Letters for (A) Pullman Artspace Lofts and (B) Montclare Veteran's Village of Roseland and 4) all other documents as may be necessary or appropriate to implement the foregoing.

Eugene E. Jones, Jr.
Chief Executive Officer
Chicago Housing Authority