July 21, 2020

Item No. 9

CLARIFICATION AND AFFIRMATION OF THE PURCHASE OF A 14.4% OWNERSHIP INTEREST IN CONCORD SHERIDAN DEVELOPER LLC

Address: 6438 N. Sheridan Road

Community Area: Rogers Park

Presenter: Ann McKenzie, Chief Development Officer

Recommendation
The Chief Executive Officer recommends that the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) take the following actions: 1) Clarify and affirm the purchase of a 14.4% ownership interest in Concord Sheridan Developer LLC, and 2) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

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

Funding
None

Compliance
Not applicable

Background
Concord at Sheridan, 6438 N. Sheridan, is a fully constructed new 7-story new construction mixed-use, mixed-income building with 111 residential units above approximately 136 parking spaces and approximately 30,000 square feet of ground-level retail space. There are residential amenity spaces located on the second floor. Directly south of the building is a newly constructed community room and roof terrace solely for the benefit of the Caroline Hedger residents and controlled by CHA. Farther south is Caroline Hedger Apartments, a 449-unit building for senior citizens.
The constructed Concord at Sheridan building provides 65 RAD project-based voucher assisted units and 46 market rate units. The building fully leased up in just a few months and financing has converted to permanent.

The owner of 6418 Residential LLC held a 16% interest in JNB Concord Sheridan LLC, the general partner (“General Partner”) of Concord Sheridan LP—the owner of the Concord at Sheridan and held a 14.4% interest in Concord Sheridan Developer LLC, (the “Developer”) of Concord at Sheridan. On March 30, 2020, this Board authorized entering into a Purchase and Sale Agreement to purchase the 16% ownership interest in the General Partner of the residential owner of Concord at Sheridan, owned by 6418 Residential LLC (Resolution No. 2020-CHA-25). Even though Resolution No. 2020-CHA-25 did not address the intended purchase of the 14.4% interest in the Developer entity also owned by 6418 Residential LLC, staff briefed the Board on the purchase of the 14.4% interest in the Developer entity and it was an oversight that said intended purchase was not included in Resolution No. 2020-CHA-25. In May 2020, CHA purchased all of 6418 Residential LLC’s interests in both the General Partner and the Developer entity per the terms of the Purchase and Sale Agreement executed between the parties on May 8, 2020.

Recommendation to Affirm Purchase of Developer Interest
This action is to affirm the purchase of both the 14.4% Developer ownership interest as well as the 16% General Partner’s ownership interest held by 6418 Residential LLC. It is recommended that the Board affirm this action.

Respectfully Submitted:

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Tracey Scott
Chief Executive Officer
RESOLUTION NO. 2020-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated July 21, 2020 entitled “Clarification and Affirmation of the purchase of a 14.4% ownership interest in Concord Sheridan Developer LLC.”

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

THAT, the Board of Commissioners affirms the purchase of a 14.4% ownership interest in Concord Sheridan Developer LLC.

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

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Angela Hurlock
Chairperson
Chicago Housing Authority