

January 11, 2012

ITEM NO. A3

AUTHORIZATION TO 1) EXECUTE AN AGREEMENT TO ENTER INTO HOUSING ASSISTANCE PAYMENTS CONTRACT FOR BOXELDER COURT, LLC; AND 2) AMEND THE HOUSING ASSISTANCE PAYMENT CONTRACT FOR NUESTRO HOGAR.

To the Honorable Board of Commissioners:

RECOMMENDATIONS

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract for Boxelder Court, LLC; 2) Amend the Housing Assistance Payment (HAP) Contract for Nuestro Hogar; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing. The purpose of entering into the AHAP and amending the HAP contracts is to provide Property Rental Assistance (PRA) for a maximum of seven (7) apartments as more specifically set forth below and to take all actions necessary or appropriate to implement the foregoing for the terms listed herein, subject to any required HUD approvals.

Development Name	Community Area	Sponsor Owner/ Agent	Supportive Housing	Const/ Rehab Date	Contract Type & Term	Target Population	PRA Units	Total Units
Boxelder Court	Woodlawn	Boxelder Court, LLC (Brinshore Development, LLC as 90% GP)	YES	Substantial Rehab – projected 2012 delivery	AHAP & HAP 20 Years	Families in need of Supportive Services	6	18
Nuestro Hogar (Amendment to existing 11-unit PBV contract)	Humboldt Park	Bickerdike Redevelopment Corporation	No	Rehab 2002	HAP 30 Years	Working Families	1	31

7 PRA Units of 49 Total Units (14.2%)

FUNDING SOURCE

Housing Choice Voucher Program (Property Rental Assistance)

- Boxelder Court Annual HAP Payment \$48,600/Base Contract Value \$972,000
- The current Nuestro Hogar Annual HAP Payment \$130,320/Base Contract Value \$3,909,600; with the Amendment the Nuestro Hogar Annual HAP Payment \$143,064/Base Contract Value \$4,291,920

EXPLANATION

Boxelder Court Boxelder Court is a vintage courtyard 18-unit building, built in approximately 1914, located at 6205 S. Langley in the Woodlawn neighborhood. The sponsor, Brinshore Development, will complete the building's substantial rehabilitation using \$2 million in NSP funds and a \$480 thousand loan from the Community Investment Corporation. Brinshore has nearly 20 years of experience and has completed more than 30 tax credit projects comprised of over 2,800 apartments and homes valued at more than \$450 million. The tenant selection plan for the proposed 6 PRA units provides a preference for families with severe and persistent mental illness. Thresholds will provide the supportive services to the individuals and families in the proposed PRA units. The tenant selection plan for the proposed 6 PRA units provides a preference for families with severe and persistent mental illness. Thresholds will provide the supportive services to the individuals and families in the proposed PRA units. A tiered referral process to lease the units will consist of: first, families from CHA's public housing developments; second, families whose right of return has not been satisfied under CHA's Relocation Rights Contract (RRC); third families from the waitlists. The remaining 12 unassisted units will be rented to working families. Unit amenities include private balconies, air conditioning, new appliances, and large floor plans. Construction is expected to be complete in 2012. The 6 PRA units are two-bedroom/1 bath units that range from 942-962 square feet. The proposed rents are \$650-\$700/ per month and are comparable with market rents for the neighborhood. Since the units will be substantially rehabilitated, the certificate of occupancy will document compliance with HQS requirements.

Nuestro Hogar consists of 31 units located in two existing multifamily buildings located at 3655 W. Wabansia and 4101 W. Kamerling, both in the Humboldt Park community. There are currently 11 Project Based Voucher (PBV) units at Nuestro Hogar. This resolution seeks approval to amend the existing 30-year HAP contract and add 1 additional vacant three-bedroom unit thereby making the total number of contract units in Nuestro Hogar 12 (39%). The sponsor, Bickerdike Redevelopment Corporation, has over 42 years of developing and managing affordable housing. The Bickerdike portfolio consists of more than 1,000 affordable units of housing. On October 13, 2010, CHA approved 8 units located in these two buildings selected through the Regional Housing Initiative (RHI) evaluation process. The RHI is an intergovernmental agreement (IGA) between the CHA, the Housing Authorities of Cook County, Lake, McHenry, Joliet, Waukegan, Oak Park, the Illinois Housing Development Authority, and the Metropolitan Planning Council to pool PBV's in order to create regional housing opportunities for program participants. The Board Resolution approving the IGA was passed on February 19, 2002. On August 16, 2011 the CHA Board of Commissioners approved a recommendation to amend the 8-unit HAP contract to add 3 vacant two-bedroom apartments. These additional units are now occupied by referrals from CHA's waiting lists. The proposed 1,014 square foot three-bedroom unit substantially complies with Housing Quality Standards (HQS) requirements. Applicants from CHA's waiting lists will be referred for this unit. The proposed PRA rent is \$1,062/per month and is comparable with market rent units.

Based on the foregoing, It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract for Boxelder Court, LLC; 2) Amend the Housing Assistance Payment (HAP) Contract for Nuestro Hogar; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

RESOLUTION NO. 2012-CHA-2

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated January 11, 2012, requesting authorization to 1) execute an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract for Boxelder Court, LLC; 2) Amend the Housing Assistance Payment (HAP) Contract for Nuestro Hogar; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract for Boxelder Court, LLC; 2) Amend the Housing Assistance Payment (HAP) Contract for Nuestro Hogar; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

