



September 9, 2015

Item No. 5

AUTHORIZATION TO: 1) ENTER INTO A LEASE AGREEMENT BETWEEN THE CHICAGO HOUSING AUTHORITY AND THE CITY OF CHICAGO FOR USE OF THE NEAR NORTH HIGH SCHOOL BUILDING AT 1450 NORTH LARRABEE STREET; AND 2) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY TO IMPLEMENT THE FOREGOING

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (“Board”) authorize the Acting Chief Executive Officer or his designee to: 1) enter into a Lease Agreement between the Chicago Housing Authority (“CHA”) and the City of Chicago (“City”) for use of the Near North High School building at 1450 North Larrabee Street; and 2) execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

The Deputy Chief Development Officer, Chief Legal Officer and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL #1

The proposed action supports the Chicago Housing Authority’s (CHA) corporate goal to reimagine the final Phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities.

FUNDING

Not Applicable

SOLICITATION SUMMARY

N/A

GENERAL BACKGROUND

In furtherance of Plan Forward: Communities that Work, the CHA entered into a Land Transfer Intergovernmental Agreement (“IGA”) with the City of Chicago and Chicago Park District in 2014. This IGA provides that the City will convey and CHA will acquire the Near North High School and adjacent field (collectively referred to as “the NNHS Property”) at 1450 -1500 North Larrabee Street in exchange for CHA conveying to the City a portion of CHA-owned land that was formerly part of the Harold Ickes Homes development site. The City will, thereafter, convey such property to the Board of Education of the City of Chicago for the construction of a new artificial turf field and running track for Jones College Prep High School.

The City conveyed the NNHS Property to CHA on August 17, 2015. The NNHS Property is needed by CHA for mixed-income residential development, retail/commercial development and green space. It is a part of the revitalization of the former Cabrini-Green development community and is included in the Cabrini Consent Decree. The redevelopment of the land is being planned through the Near North Working Group and is anticipated to commence in 2018.

Currently, the NNHS building sits on a portion of the acquisition site and is being used by the Chicago Police Department (“CPD”) and the Chicago Fire Department (“CFD”) for training purposes. The CPD and the CFD desires to continue to utilize the building until such time as CHA commences redevelopment activities. The CHA and City have negotiated a lease with an initial term of two (2) years with an option to extend the term for another one (1) year period. The CHA received HUD approval to enter into the Lease Agreement with the City in June 2015.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) regulations.

The Deputy Chief Development Officer concurs with the recommendation to: 1) enter into a Lease Agreement between the CHA and the City for use of the Near North High School building at 1450 North Larrabee Street; and 2) execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

The Acting CEO/President recommends: 1) entering into a Lease Agreement between the CHA and the City for use of the Near North High School building at 1450 North Larrabee Street; and 2) executing and delivering such other documents and performing such actions as may be necessary to implement the foregoing.

RESOLUTION NO. 2015-CHA-84

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 9, 2015 entitled "AUTHORIZATION TO: 1) ENTER INTO A LEASE AGREEMENT BETWEEN THE CHICAGO HOUSING AUTHORITY AND THE CITY OF CHICAGO FOR USE OF THE NEAR NORTH HIGH SCHOOL BUILDING AT 1450 NORTH LARRABEE STREET; AND 2) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY TO IMPLEMENT THE FOREGOING"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer or his designee to: 1) enter into a Lease Agreement between the Chicago Housing Authority (CHA) and the City of Chicago (City) for use of the Near North High School building at 1450 North Larrabee Street; and 2) execute and deliver such other documents and perform such actions as may be necessary to implement the foregoing.

