



MOMENTUM



CHA

CHICAGO HOUSING
AUTHORITY™

ANNUAL
REPORT

2018



MESSAGE FROM THE MAYOR

Innovation. Opportunity. Partnerships. These form the cornerstone of CHA's work to create new housing and opportunities for families across our city.

Whether it is investing in new rental housing, the preservation of housing or community assets, CHA has led the way in forming innovative partnerships to create new opportunities for people and communities from Rogers Park to Pullman, from Pilsen to Old Irving Park and beyond.

It is with great pride that I look back at 2018 and know that CHA's work has set a foundation for a future that will ensure that Chicagoans in every neighborhood have the chance to prosper.

Mayor Rahm Emanuel



FROM THE CEO AND BOARD CHAIRMAN

2018 was a remarkable year for CHA. Perhaps our greatest achievement was the settlement agreement reached with BPI that would end the landmark 52-year-old Gautreaux litigation. That the judge approved a settlement written jointly by former adversaries - BPI and CHA - speaks volumes about the great strides CHA has made in ending the isolation and stigmatization of those who rent with government subsidies.

The agreement creates a detailed road map for CHA to complete its Gautreaux obligations by July 31, 2024.

The settlement was a fitting cap to a year filled with successes and work that helped reshape lives and communities and positioned CHA as a leader in affordable housing and community development in Chicago and beyond. Other highlights of which we were very proud: The first residents moved into a renewed Lathrop. CHA proudly invested in new housing in Logan Square, Irving Park and Rogers Park. Construction began on the much-anticipated co-located housing and library developments and we sponsored the most successful HCV Owner Symposium yet with 1,800 attendees.

We joined our partners to welcome the new Pullman Community Center and the started work on the new Williams Park Fieldhouse. Our commitment to ending isolation, enhancing neighborhoods, maintaining affordability and creating opportunity through partnerships and investment was evident in all of our work.

We are grateful for the support of our stakeholders who help guide us, our staff who implement our innovative programs, and most of all CHA residents and the people of Chicago who keep us engaged and accountable.

All of this shows the momentum at CHA and how we are moving forward, better equipped to support our residents and neighborhoods. Onward!

Regards,

Eugene E. Jones, Jr., CEO

John T. Hooker, Chairman, Board of Commissioners



GAUTREAUX

Making History

Fifty-two years after the landmark *Gautreaux v. Chicago Housing Authority* federal lawsuit was filed, CHA and BPI reached a settlement in the case. The lawsuit sought to end systemic racial discrimination in Chicago's public housing and changed public housing policy for families of color across the nation after the federal court ruled in favor of *Gautreaux*.

This historic outcome was made possible thanks to partnerships formed by CHA, BPI, community and resident leaders and the commitment of CHA staff to equitable access to decent and safe housing, good schools, community amenities, training, jobs and parks and recreation for all who depend on CHA for their housing.

“We believe this settlement provides a victory for public housing residents who will gain substantial new opportunities under the agreement, while at the same time giving CHA management additional latitude to achieve the agreement’s goals over the next five years.”

Alexander Polikoff, lead *Gautreaux* counsel, BPI





OPPORTUNITY

IMPACT

Across the city, CHA's investment is creating greater housing opportunities for CHA residents and others, from Belmont Cragin and Rogers Park to Logan Square and West Town. New housing is being built across the city, demonstrating CHA's commitment to investing in new communities to ensure access to housing for all. In communities once dominated by towering high rises that isolated CHA residents and communities alike, CHA has invested in new mixed-income communities that are thriving with new schools, jobs, parks and more. In traditional CHA developments, CHA has rehabilitated buildings and strengthened family services and amenities. Across the city, CHA has partnered with both public and private developers and owners to preserve or create affordable housing opportunities.

Today CHA has investment in 76 of the city's 77 community areas and through its aggressive development initiatives will have delivered more than 25,000 units of housing by the end of 2019 with 1,068 of those units substantially completed or in progress with funding and sites identified and to be delivered by the end of 2019.

LEGACY

2018 marked the 80th anniversary of Lathrop Homes and a major milestone in the redevelopment of CHA's very first public housing site, as Residents began moving into newly rehabbed units. Lathrop demonstrates the pattern for what comes next for CHA: more affordable housing and investments that create community amenities, jobs and programs that use agency resources for the benefit of residents and the broader community.





NORTHTOWN APARTMENTS/NORTHTOWN BRANCH LIBRARY

INNOVATION

Modern, Cutting Edge Design

CHA's partnership with Chicago Public Library has helped bring co-located housing and libraries - among the first in the country - that will serve as neighborhood anchors in the Irving Park, West Ridge and Little Italy communities. Opening in 2019, these innovative developments will join Concord at Sheridan in Rogers Park, another co-located project that combines a ground floor Target store and other commercial space with Chicago Housing Authority and market rate apartments above.

"When we unite the strengths of our neighborhood libraries with great housing that is affordable and accessible, it is truly the best of both worlds. Chicago is breaking the mold of what world-class libraries and housing can look like and staying at the cutting edge of creating shared spaces that bring communities together."

- Mayor Rahm Emanuel





CONCORD AT SHERIDAN



COMMUNITY



Choice and Opportunity

CHA's Housing Choice Voucher program is a vital part of Chicago's rental market, offering choice and mobility to renters and support for landlords whose participation keeps buildings occupied and neighborhoods strong and stable. Today, vouchers are used in all 77 community areas of the city and CHA's financial impact on the rental market is significant: Almost \$500 million annually and nearly 13,000 property owners helping to drive a strong rental market.



COMMUNITY ASSETS

It takes more than housing to create a community - it takes jobs, amenities, schools, parks and more. CHA supports investments to help every Chicago community become a community of choice. A new Target store on the ground floor of a mixed-income apartment building in Rogers Park adjacent to a CHA senior property will bring a neighborhood amenity to residents in the building and beyond, demonstrating how CHA's investment can leverage other assets.

XS Tennis, the \$16.9 million, 112,000-square-foot facility at 54th and State in Washington Park, connects more than 5,000 students to the sport of tennis and features 10 courts, a fitness center, a running track and classrooms to support recreational and educational opportunities for area residents.

U.S. Bank Pullman Community Center, the \$20 million facility located at 10355 S. Woodlawn Ave., is the region's largest indoor sports and education facility featuring three indoor turf playing fields for baseball, soccer, football and lacrosse and three hardwood courts for volleyball and basketball. CHA's \$2 million investment will ensure access to the center for CHA residents from several Far South Side family developments.

Williams Park fieldhouse, the \$9.3 million, 10,000-square-foot facility in the heart of Dearborn Homes in Bronzeville, features a half-court gym and multi-purpose rooms for art, education, performances, meetings and exercise. CHA, Chicago Park District and City of Chicago partnered to fund it.



INVESTMENT

Modernization

CHA invested \$225 million in 2018 in capital improvements at its own properties across the city, bringing to \$484 million the total CHA has invested since 2011 in capital projects to upgrade and modernize more than 10,000 units and provide updated HVAC, life-safety systems and elevators. From senior properties across the city, including Fannie Emanuel on the West Side, to fully rehabbed family units, the result has been improved conditions for residents.





IMPACT





Persistence

CHA has always focused on more than bricks and mortar. By using its resources to support educational opportunities, economic independence and homeownership, CHA helps residents achieve their goals. With support for college enrollment, scholarships and the Partners in Education programs which provides financial support for residents to attend City Colleges of Chicago, the results are clear: Residents are attending some 200 schools across 32 states. CHA's Family Self-Sufficiency program assists families in reaching their economic independence goals: 65 graduates received an average payout of \$9,300. Forty-one households purchased a home in 2018, increasing the homeownership program to 590 owners.

FUTURE



Scholarships awarded since 2013



Total scholarship aid



Of scholarships are awarded to returning students, enabling them to persist.



Of homeowners have assumed their mortgage



Of FSS participants have accumulated savings, doubling 2017 percentage



EMPLOYMENT



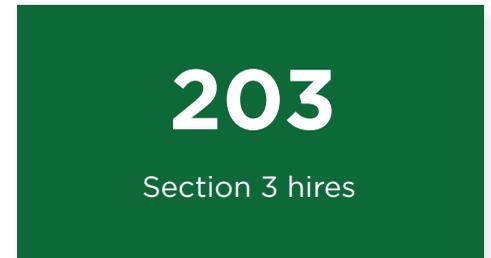
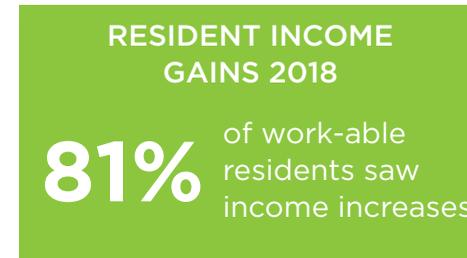
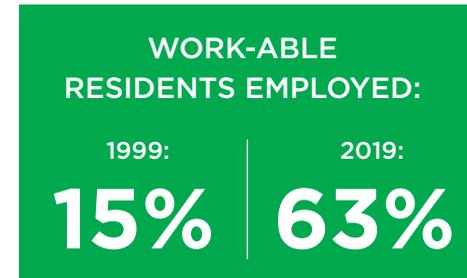


WORKFORCE AND JOB CREATION



Enterprise

CHA is deeply committed to preparing residents for the workforce through transitional jobs, vocational training and the Section 3 and Job Order Contracts (JOC) programs. CHA's investment in workforce and related programs has helped residents find employment opportunities and, most importantly, stay employed. CHA households are achieving higher income and employment levels than ever before. Meanwhile, the Section 3 Field Office, established in 2017, now serves as the blueprint for the way public housing Section 3 programs are managed throughout the nation. It provides training, employment and economic opportunities to low-income businesses, helps resident-owned businesses gain access to contracting opportunities and offers supports to Section 3 residents and businesses. As the program has expanded, so has the opportunity for growth for small businesses, offering greater access to jobs and economic opportunity.





PARTNERSHIPS

Relationships

CHA is proud of its partnerships and relationships with stakeholders that align their work with the needs of communities CHA serves. Interaction with community members and organizations is at the heart of CHA's work. From community and resident meetings to monthly CHA board meetings, input and feedback is valued. CHA has partnered with a number of organizations that provide meaningful engagement, such as the Central Advisory Council and the Community Alliance, a partnership with Erie Neighborhood House and Spanish Coalition for Housing. The Alliance increases awareness of CHA programs across the city through a monthly series of workshops that inform residents how they can benefit from CHA programs.





FINANCES

38992.44
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+ 3542.55
+ 1352.14
+ 2100.36
+ 854.94

31142.45

672.08

1547.20

42.68

41

+ 689.45

+ 874.48

+ 954.36

+ 1312.25

59.14

54

12

+ 2

205

+ 1804.

+ 2008.6

+ 1204.2

+ 1445.65

14092.69

+ 428.4

+ 840

+ 1211

14092.69

14092.69

**CHICAGO HOUSING AUTHORITY
STATEMENTS OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS:		
Current Assets:		
Cash and Cash Equivalents, Unrestricted	\$ 184,164,138	\$ 80,001,789
Cash and Cash Equivalents, Restricted	43,980,049	22,459,339
Investments at Fair Value, Unrestricted	271,825,477	144,600,187
Tenant Accounts Receivable, Net of Allowance	2,787,686	2,729,674
Intergovernmental Receivable (HUD and Other)	16,694,118	46,372,967
Miscellaneous Receivable	9,023,660	5,588,089
Interest Receivable, Current Portion	1,054,823	621,269
Notes and Mortgages Receivable, Current Portion	4,840,150	-
Prepaid Expenses	2,984,155	3,971,399
Advances to Resident and Private Managers	49,151	172,750
Total Current Assets	537,403,407	306,517,463
Noncurrent Assets:		
Cash and Cash Equivalents, Restricted	44,367,618	37,752,502
Investments at Fair Value, Restricted	159,968,758	84,124,257
Net Pension Asset, Restricted	-	5,917,839
Notes and Mortgages Receivable	630,821,436	493,480,293
Interest Receivable	186,064	56,011
Other Noncurrent Assets	12,327,781	11,096,935
Capital Assets, not Depreciated:		
Land	265,493,437	266,593,294
Construction in Progress	86,773,681	96,852,261
Capital Assets, Net of Accumulated Depreciation:		
Structures and Capital Leases	912,253,282	879,538,385
Equipment	5,106,599	5,091,702
Total Noncurrent Assets	2,117,298,656	1,880,503,479
Total Assets	2,654,702,063	2,187,020,942
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Amount on Pension	12,496,512	875,427
LIABILITIES:		
Current Liabilities:		
Accounts Payable	30,283,148	30,738,610
Intergovernmental Payable (HUD)	929,342	625,881
Accrued Wages & Payroll Taxes	2,135,790	1,517,216
Accrued Compensated Absences	2,228,974	1,721,234
Accrued Interest Payable	104,589	-
Accrued Liabilities	82,633,680	76,010,025
Tenant Security Deposits	2,891,853	2,911,809
Unearned Revenue	7,111,697	8,364,249
Insurance Reserves, Current Portion	8,629,228	1,942,769
Capital Lease Obligations, Current Portion	2,231,987	2,060,342
Current Maturities, Long-Term Debt and Current Portion of		
Net Unamortized Bond Premium	39,484,576	24,325,000
Other Current Liabilities	15,763,441	12,863,770
Total Current Liabilities	194,428,305	163,080,905
Noncurrent Liabilities:		
Family Self-Sufficiency Liability	1,206,136	1,440,122
Insurance Reserves, Net of Current Portion	5,433,514	12,926,678
Net Pension Liability	12,246,986	-
Capital Lease Obligations, Net of Current Portion	151,599,161	153,605,136
Long-Term Debt, Net of Current Maturities and Current		
Portion of Net Unamortized Bond Premium	393,143,955	14,570,000
Other Noncurrent Liabilities	68,335,574	37,634,778
Total Noncurrent Liabilities	631,965,326	220,176,714
Total Liabilities	826,393,631	383,257,619
DEFERRED INFLOWS OF RESOURCES:		
Deferred Amount on Pension	1,164,419	4,484,745
NET POSITION:		
Net Investment in Capital Assets	1,054,578,800	1,053,515,164
Restricted for:		
Demolition Grants	15,581,294	7,105,432
Unrestricted	769,480,431	739,533,409
Total Net Position	\$ 1,839,640,525	\$ 1,800,154,005

The notes to the basic financial statements are an integral part of these statements.

**CHICAGO HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
OPERATING REVENUES:		
Tenant Rent, Net of Allowance	\$ 53,884,365	\$ 51,271,870
Other Tenant Revenue	265,735	279,162
Administrative Fees	58,123,355	52,514,100
Other Revenue	5,539,279	2,931,861
Total Operating Revenues	117,812,734	106,996,993
OPERATING EXPENSES:		
Administrative	129,189,093	122,755,375
Tenant Services	37,685,176	41,921,318
Utilities	26,707,013	24,260,759
Maintenance	107,914,722	91,845,409
Protective Services	40,640,075	42,471,490
General	8,513,162	11,535,051
Depreciation	131,955,376	134,861,720
Total Operating Expenses	482,604,617	469,651,122
OPERATING LOSS	(364,791,883)	(362,654,129)
NONOPERATING REVENUES (EXPENSES):		
Intergovernmental Revenue (HUD)	763,641,823	736,423,352
Intergovernmental Revenue (Other)	14,589	1,837,764
Nonintergovernmental Revenue	1,160,000	1,398,871
Investment Income	7,490,718	3,101,108
Interest Expense	(16,943,241)	(12,039,850)
Housing Assistance Payments	(497,421,426)	(474,103,937)
Bond Issuance Cost Amortization	(2,982,894)	-
Loss on Disposition of Assets	(5,133,969)	(13,051,691)
Other Nonoperating Revenue	5,940,356	2,450,696
Net Nonoperating Revenues	255,765,956	246,016,313
LOSS BEFORE CAPITAL CONTRIBUTIONS	(109,025,927)	(116,637,816)
Intergovernmental Capital Contributions (HUD and Other)	148,512,447	25,082,650
CHANGE IN NET POSITION	39,486,520	(91,555,166)
TOTAL NET POSITION, JANUARY 1	1,800,154,005	1,891,709,171
TOTAL NET POSITION, DECEMBER 31	\$ 1,839,640,525	\$ 1,800,154,005

The notes to the basic financial statements are an integral part of these statements.





CHA

**CHICAGO HOUSING
AUTHORITY™**

BOARD OF COMMISSIONERS

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Craig Chico, Vice Chairman

Matthew Brewer

Dr. Mildred Harris

Meghan Harte

James Matanky

Cristina Matos

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Francine Washington

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José Alvarez, Chief Operating Officer

Tenelle Barnes

James Bebley

Dionna Brookens

Cheryl Burns

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