



**June 19, 2018**

**Item No. 12**

**RECOMMENDATION TO: 1) SUBMIT A DISPOSITION APPLICATION TO HUD FOR THE DISPOSITION OF CHA LAND; 2) EXECUTE A GROUND LEASE WITH SOS CHILDREN'S VILLAGES FOR REAL ESTATE COMMONLY KNOWN AS 1301 S. RACINE AVENUE; AND 3) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIVITIES AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING.**

Address: 1301 S. Racine Avenue  
Alderman: Jason Ervin Ward: 28

Presenter: Ann McKenzie, Chief Development Officer  
Tracy Sanchez, Deputy Chief Development Officer

**Recommendation**

It is recommended that the Board of Commissioners (Board) authorize the Chief Executive Officer (CEO) or his designee to: 1) Submit a Disposition Application to HUD for the disposition of CHA land 2) Execute a ground lease with SOS Children's Villages (SOS) for real estate commonly known as 1301 S. Racine Avenue and 3) Execute and deliver such other documents and perform such activities 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 Chicago Housing Authority (CHA) board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

**Background**

In 2013, CHA disposed of seven parcels of CHA land to SOS for the construction of their 72-unit foster home facility located on the 1400 block of Washtenaw in Roosevelt Square. At the

time, the site was valued at \$1,500,000. SOS agreed to a three-year community benefit program valued at \$684,559 annually.

In 2016, SOS requested 39,000 SF of vacant land located 1301 S. Racine for the construction of a new community and administrative facility. The community center would provide programming for youth located at their foster home facility, programming for the greater community, and administrative offices for SOS staff.

A January 2017 appraisal completed by PF Appraisals valued the Racine property at \$1,900,000. An update completed by PF Appraisals in May 2018 value the land at \$2,070,000. SOS has committed to a new community benefits program valued at \$3,400,000.

Respectfully Submitted:

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Ann C. McKenzie  
Chief Development Officer

**RESOLUTION NO. 2018-CHA-**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 19, 2018 entitled “Authorization to 1) Submit a Disposition Application to HUD for the disposition of CHA land 2) Execute a ground lease with SOS Children’s Villages for real estate commonly known as 1301 S. Racine Avenue and 3) Execute and deliver such other documents and perform such activities 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 1) Submit a Disposition Application to HUD for the disposition of CHA land 2) Execute a ground lease with SOS Children’s Villages for real estate commonly known as 1301 S. Racine Avenue and 3) Execute and deliver such other documents and perform such activities as may be necessary or appropriate to implement the foregoing.

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