



May 13, 2015

Item No. 5

**AUTHORIZATION TO PROCEED WITH THE APPLICATION PROCESS FOR ADDITIONAL PROPERTIES UNDER PHASE 1 OF THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM FOR APPROXIMATELY 13 PROPERTIES AS NECESSARY OR REQUIRED.**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing CHA staff to proceed with the application process for an additional 13 properties under Phase 1 of CHA's RAD portfolio application to the U.S. Department of Housing and Urban Development (HUD). These additional properties serve, in part, as a contingency plan for original Phase 1 properties that may not move forward in accordance with Phase 1 programmatic deadlines.

The Office of the Chief Housing Officer, the Asset Management Department, and the Office of the General Counsel support the submission of this resolution and recommend the approval of this item accordingly.

**CORPORATE GOAL**

The transition to RAD and the approval to proceed with applications for additional properties supports all three of the primary Plan Forward goals:

**Plan Forward Goal #1:** Reimagine the final phase of the Plan for Transformation coordinating public and private investments to develop healthy, vibrant communities.

**Plan Forward Goal #2:** Ensure that CHA's housing portfolio is safe, decent and sustainable.

**Plan Forward Goal #3:** Expand services to more residents, targeted to their needs, and at critical milestones in their lives.

As the largest RAD applicant in the country, CHA is taking the necessary precautions to position the agency as a strong implementer of this important preservation program.

**FUNDING:** No additional funding required. Authorization request is only to submit individual property applications and as necessary, process substitutions with HUD.

**GENERAL BACKGROUND**

In 2012, Congress authorized the Rental Assistance Demonstration (RAD) program. RAD provides an opportunity for housing authorities to utilize either project-based voucher (PBV) or project-based rental assistance (PBRA) contracts to stabilize funding for up to 185,000 units<sup>1</sup> of public housing. A primary

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<sup>1</sup> In December 2014, Congress approved an omnibus bill that included an increase in the RAD unit cap from 60,000 units to 185,000 units.

goal of RAD is to use long-term contracts to leverage private financing for capital improvements while preserving affordability.

CHA submitted a portfolio application to HUD on October 24, 2013 to transition 10,935 units within two phases under the RAD program. CHA anticipates an award will be issued soon. Once an award is issued, CHA will be required to achieve certain programmatic milestones within specified deadlines. In the event there are properties within Phase 1 that cannot meet the deadlines associated with the RAD award, CHA has identified 13 properties originally reserved for Phase 2 that may move up in queue either as additional Phase 1 properties or as substitutions.

Below is the list of properties anticipated to be additional Phase 1 RAD transactions or possible substitutions for Phase 1 properties that do not move forward:

	<u>Property Name</u>	<u>Address</u>	<u>Portfolio</u>	<u># Units</u>
1	Mary Jane Richardson Apts. (incl. Maudelle Brown Bousfield Apts.)	4930 S. Langley Ave. 4949 S. Cottage Grove Ave.	Traditional Senior	266
2	Kenneth Campbell Apts.	6360 S. Minerva Ave.	Traditional Senior	165
3	Mahalia Jackson Apts.	9141-77 S. South Chicago	Traditional Senior	282
4	Long Life Apts.	344 W. 28 <sup>th</sup> Pl.	Traditional Senior	116
5	Vivian Gordon Harsh Apts. (incl. Judge Green Apts.)	4227 S. Oakenwald Ave. 4030 S Lake Park Ave.	Traditional Senior	278
6	Hattie Callner Apts.	855 W. Aldine Ave.	Traditional Senior	147
7	Mary Hartwell Catherwood Apts.	3920/30/40 N. Clark St.	Traditional Senior	357
8	Edith Spurlock Sampson Apts.	2720 N. Sheffield Ave.	Traditional Senior	394
9	Margaret Day Blake Apts. (incl. Maria Diaz Martinez and Elizabeth Woods Apts.)	2140 N. Clark St. 2111 N. Halsted St. 1845 N. Larabee St.	Traditional Senior	317
10	Flannery Apts.	1507/31 N. Clybourn Ave.	Traditional Senior	252
11	Zelda Ormes Apts.	116 W. Elm St.	Traditional Senior	269
12	Wicker Park Apts.	1414 N. Damen/2020 W. Schiller	Traditional Senior	225
13	Horner Westhaven	123 N. Hoyne	Mixed-Income	95

The Chief Housing Officer concurs with the recommendation to move forward with the application process for the aforementioned properties as necessary.

The CEO recommends authorizing the additional Phase 1 properties in order to properly prepare for program implementation and execution.

**RESOLUTION NO. 2015-CHA-40**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 13, 2015 requesting authorization to proceed with the application process for 13 properties within Phase 1 of CHA's RAD portfolio application.

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners hereby authorizes CHA staff to proceed with the application and substitution process for Phase 1 of CHA's RAD application, as needed or required.



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