

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY
August 17, 2015

The Commissioners of the Chicago Housing Authority held its Regular Meeting of the Board of Commissioners on Monday, August 17, 2015, at approximately 8:40 a.m. at the CHA Corporate Offices located at 60 E. Van Buren, 12th Floor Loft in Chicago, IL.

Chairperson Z. Scott called the meeting to order and upon roll call those present and absent were as follows:

Present:	Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Z. Scott Francine Washington
Absent:	Matthew Brewer Rodrigo Sierra

Also present were Eugene Jones, Acting Chief Executive Officer; Scott Ammarell, Chief Legal Officer; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Upon Motion made by Chairwoman Scott and properly seconded by Commissioner Washington, the Commissioners adjourned to Executive Session. Chairwoman Scott announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one hour to discuss personnel related matters; purchase, sale and lease of real estate property; pending, probable or imminent litigation; review of closed meeting minutes and audit reviews.

The Commissioners subsequently reconvened in Open Session at approximately 10:15 a.m.

Chairwoman Scott then introduced and welcomed Mr. John Hooker who was recently appointed by Mayor Rahm Emanuel as the new CHA Chairman. Per Madam Chair, Mr. Hooker's long history of civic and community building in Chicago will play a critical role in helping to lead CHA as the agency works to meet the ongoing affordable housing needs for families throughout the city. Mr. Hooker comes to the CHA after working at ComEd for 44 years. At ComEd he served as the executive vice president of legislative and external affairs before retiring in 2012. A lifelong Chicagoan, Mr. Hooker also served as a board member of the Peoples Consumer Cooperative which provided low-cost housing for the elderly. Mr. Hooker's confirmation by the City Council is expected in late September;

therefore, he will be presiding over his first official Board meeting in October. Members of the Board of Commissioners, CHA staff and the public then welcomed Mr. Hooker with warm applause.

Mr. Hooker thanked Madam Chair for the introduction and stated that he felt honored to be appointed by the Mayor to continue the great work that Madam Chair and the Board has started. Mr. Hooker concluded his comments by saying that he looks forward to working and engaging with residents and community leaders to further the mission of the CHA.

Chairwoman Scott called the meeting to order and upon roll call those present and absent were as follows:

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|----------|---|
| Present: | Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Bridget Reidy
Rodrigo Sierra
Z. Scott
Francine Washington |
| Absent: | Matthew Brewer |

There being a quorum present, the meeting duly convened and business was transacted as follows:

Madam Chair then announced that since Items 10 and 11 listed on the board meeting agenda were not presented at the August committee meeting, a presentation by staff on both items would be the first order of business. Comments from the audience would then be entertained immediately after discussion by Commissioners.

(Item 10)

An Invitation for Bid (IFB) was released in June 2015 to solicit bids from well qualified security firms experienced in residential housing security. A notice was advertised in the Chicago Sun-Times, Extra and Chicago Defender. In addition to advertising, the IFB was placed on the CHA Web Site. Notices were sent to 65 firms and a Pre-bid meeting was held at the CHA. Five bids were received on the due date set for submissions. For property group 1, Kates Detective & Security Agency is recommended as the second lowest responsive and responsible bidder. The lowest bidder for group 1 was deemed not-responsive. For property group 2, AGB Investigative Services, Inc. is the lowest responsive and responsible bidder. For property group 3, Page Security, Inc. is recommended as the fourth lowest responsive and responsible bidder due to the requirements of the IFB, which do not allow a firm to be awarded more than one group. By the requirements of the IFB, if one company is the lowest responsive and responsible bidder in more than one property group, that company will be awarded the property group with the greatest number of projected hours. Of the three lower responsive and responsible firms for property group 3, one was deemed non-responsive and two are being recommended for award for groups 1 and 2 and therefore ineligible for award for group 3. Therefore, it is determined that AGB Investigative Services Inc., Kates Detective & Security Agency, and Page Security, Inc. would provide the best overall service and value to the CHA. Accordingly, the resolution for Item 10 approves professional service agreements with AGB Investigative Services, Inc., in an amount not-to-exceed \$4,293,089, Kates Detective & Security Agency in an amount not-to-exceed \$4,754,394, and Page Security, Inc. an amount not-to-exceed \$2,829,276 for security services

at various CHA properties for a 6-month base period with an option to extend the contract on a month to month basis for a period not-to-exceed 6-months for a total amount not-to-exceed \$11,876,759.

Commissioner Mark Cozzie then presented a Motion for the approval of the following resolution for Item 10:

RESOLUTION NO. 2015-CHA-59

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 17, 2015 entitled “RECOMMENDATION TO ENTER PROFESSIONAL SERVICE AGREEMENTS FOR SECURITY SERVICES AT VARIOUS CHA PROPERTIES”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer (“CEO”) or his designee to enter into professional service agreements with AGB Investigative Services, Inc. in an amount not-to-exceed \$4,293,089, Kates Detective & Security Agency in an amount not-to-exceed \$4,754,394, and Page Security, Inc. an amount not-to-exceed \$2,829,276 for security services at various CHA properties for a 6-month base period with an option to extend the contract on a month to month basis for a period not-to-exceed 6-months for a total amount not-to-exceed \$11,876,759.

The Motion to adopt resolution for Item 10 was seconded by Commissioner Johnson and the voting was as follows:

Ayes: Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Bridget Reidy
Rodrigo Sierra
Z. Scott
Francine Washington

Nays: None

There being no further questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Tim Veenstra, Deputy Chief Property Officer then presented Commissioners with an overview of Item 11.

(Item 11)

In May 2015 a Request for Proposal (RFP) was released to solicit proposals from well qualified property management firms experienced in the management and operation of low-income, subsidized, affordable, and/or public housing properties to provide property management services to CHA’s residents. The scope of work expected of the selected respondent includes those services customarily associated with third-party multifamily housing management including, but not limited to overseeing occupancy/leasing, marketing, resident selection, resident relations, annual resident re-examinations, lease enforcement, rent collection, evictions, routine and emergency maintenance and repairs, management of the grounds and public spaces, budgeting, accounting and following CHA guidelines regarding procurement, MBE/WBE/DBE, Section 3 and Davis Bacon requirements. Nine proposals were received and evaluated by an evaluation committee consisting of nine members. The evaluators

scored proposals on a two hundred point scale and analyzed eight components: proposed fee, corporate experience in managing multi-family housing, management plan and approach, staffing, customer service and community engagement, quality control, quality of their transition plan and innovation. After the evaluation committee completed its analysis of the proposals, the Contracting Officer set the competitive range for each region. Two firms were deemed non-responsible. Oral presentations were held with seven of the firms, and best and final offers were requested and submitted by six of the firms. Based upon the evaluations of the written proposals, oral presentations and best and final offers, it was determined that The Habitat Company LLC, Realty & Mortgage Co., Woodlawn Community Development Corporation, McCormack Baron Ragan Management Services, Inc., and Eastlake Management Group, Inc. will provide the best overall service and value to the CHA. Accordingly, the resolution for Item 11 approves award of contracts to the stated recommended firms for a three year base period, with a two year option period, for an amount not-to-exceed \$29,345,976 in property management fees for the base period and \$19,285,925.76 in property management fees for the option period. A total of 5 contracts will be awarded, one for each region in the city. The contracts will include management fees based on an incentive and disincentive fee structure. The management fees are earned by the property manager each month based on performance. The total annual base fees are approximately \$29,345,976.00. The firms have the potential to earn \$1,364,348 more if their company exceeds established performance standards, and can lose up to \$682,174 due to failure to meet established performance standards. The base management fees are within the current management fee structure.

Commissioner Cozzi then presented a Motion for the approval of the following resolution for Item 11:

RESOLUTION NO. 2015-CHA-60

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 17, 2015 entitled “RECOMMENDATION TO AWARD CONTRACTS FOR PRIVATE PROPERTY MANAGEMENT SERVICES AT CHA PROPERTIES”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer (“CEO”) or his designee to enter into professional service agreements with The Habitat Company LLC, Realty & Mortgage Co., Woodlawn Community Development Corporation, McCormack Baron Ragan Management Services, Inc., and Eastlake Management Group, Inc. for private property management services at CHA Properties and CHA owned units in mixed-income communities for a three (3) year base period with one (1) two-year option period, for an amount not to exceed **\$29,345,976.00** in property management fees for the base period and **\$19,285,925.76** in property management fees for the option period, based on final rates to be negotiated.

The Motion to adopt resolution for Item 11 was seconded by Commissioner Johnson and the voting was as follows:

Ayes:	Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Bridget Reidy Rodrigo Sierra Z. Scott
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Abstain: Francine Washington

Nays: None

There being no further questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

After Motion made by Commissioner Markowski and properly seconded by Commissioner Washington the Minutes for the Regular and Closed meetings of May 19 and June 16 and the Special Meeting of June 22, 2015, were unanimously approved as submitted.

Pursuant to the Open Meeting Act 5 ILCS 120/2.06 under the exception 2(c) (21), the Commissioners discussed in Closed Meeting the need for continued confidentiality with respect to items consisting of verbatim transcripts of closed meetings, audio recordings of closed meetings, and portions of the closed meeting minutes of the Board. The determination was made that the need for confidentiality still exists as to the verbatim transcripts, the audio recordings, and certain portions of the closed meeting minutes. After motion made by Commissioner Sierra and properly seconded by Commissioner Markowski board members unanimously voted to retain the confidentiality of the verbatim transcripts, the audio recordings, and certain portions of the Closed Meeting Minutes of the Board.

Pursuant to the By-Laws, at the Annual Meeting of the Authority, the election of officers takes place. Chairwoman Z. Scott then presented a Motion to nominate Commissioner Rodrigo Sierra to continue to fill the positions of Vice-Chairman. Per Madam Chair, Commissioner Sierra's outstanding leadership, commitment and tireless efforts to forward CHA's mission make him the perfect candidate for this position. There being no other nomination on the slate, nominations were then closed and upon Motion made and properly seconded by Commissioner Washington the voting resulted in unanimous approval for the re-election of Commissioner Sierra to the position of Vice-Chairman of the Chicago Housing Authority.

Commissioner Harris then nominated Lee Chuc-Gill to fill the position of Secretary and Custodian of Records. There being no other nomination on the slate, nominations were then closed and upon Motion made and properly seconded by Commissioner Washington the voting resulted in unanimous approval for the re-election of Lee Chuc-Gill as Secretary, Custodian and Keeper of Records for the Board of Commissioners of the Chicago Housing Authority.

At this point in the meeting Commissioner Bridget Reidy left the meeting in session.

Per Chairperson Scott, during closed meeting, commissioners discussed matters relating to Item 1. Commissioner Sierra then presented a motion for the approval of Item 1.

(Item 1)

RESOLUTION NO. 2015-CHA-61

WHEREAS, The Board of Commissioners has reviewed the Board Letter dated August 17, 2015 entitled Settlement Agreement for Counts II and III in the matter of The Chicago Housing Authority v. DeStefano Partners, Ltd. 08 L 008376Y.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or his designee, to enter into a settlement agreement in the amount of \$320,000.00 to the Chicago Housing

Item 2 – This Number Not Used)

The Motion to adopt resolution for Item 1 was seconded by Commissioner Washington and the voting was as follows:

Ayes: Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Rodrigo Sierra
Z. Scott
Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Committee Chair, Dr. Mildred Harris, then presented the report of the Tenant Services committee. Per Commissioner Harris, the Tenant Services Committee held its regularly scheduled meeting on Wednesday, August 12, 2015, at approximately 1:05 p.m. at the CHA's Corporate Offices, 12th Floor Loft. In addition to Commissioner Harris, the following committee members were present as well: Commissioners Brewer, Johnson, Sierra, and Washington. Committee members then discussed, voted, and recommended for approval the resolution for Item 3.

On behalf of the Tenant Services Committee, Commissioner Harris then presented a Motion for approval of Item 3.

(Item 3)

Transitional Jobs (TJ) programs are evidence-based programs that lead to sustained unsubsidized employment. The TJ model is designed to address the employment needs of individuals who possess little or no work history. TJ programs are intentionally designed to provide job experience to participants who lack the skills needed to successfully attach to the workforce. TJ has distinct differences from other jobs programs, including supportive services, a literacy component, subsidized work experience, support during transition to unsubsidized employment and retention support after job placement. The subsidized job period typically lasts six weeks, and wages are paid by CHA's workforce provider. The ultimate goal of TJ is to transition workers into unsubsidized positions. CHA's Resident Services Division is charged with helping families move along the path to self-sufficiency. In particular, a key deliverable in Plan Forward: Communities that Work is to help at least 1,500 adults find new or better jobs each year or 6,000 adults by the end of 2015. Through 2014, CHA has attained 73% of the goal. To accomplish this goal, CHA requires specialized workforce development services. Accordingly, the resolution for Item 1 approves the first one year option of contracts with Centers for New Horizons (CNH) in the amount of \$398,679 and with Employment and Employer Services (EES) in the amount of \$692,844 to provide Transitional Jobs programs to CHA residents, for an aggregate amount of \$1,091,523 for the first option year. Following an analysis of the performance and expenditures to date, Resident Services has negotiated with CNH and EES to serve a

total of 300 residents during the first option period for the same cost. The average cost per participant decreased about 32%.

RESOLUTION NO. 2015-CHA-62

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 entitled “RECOMMENDATION TO EXERCISE THE FIRST ONE YEAR OPTION OF CONTRACTS WITH CENTERS FOR NEW HORIZONS AND EMPLOYMENT AND EMPLOYER SERVICES TO PROVIDE TRANSITIONAL JOBS PROGRAMS;”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY;

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer or his designee to:

Exercise the first one year option of contracts with Centers for New Horizons in the amount of \$398,679 and with Employment and Employer Services in the amount of \$692,844 to provide Transitional Jobs programs to CHA residents, for an aggregate amount of \$1,091,523 for the first option year.

This award is subject to the Contractors’ compliance with the CHA’s MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

The Motion to adopt resolution for Item 3 was seconded by Commissioner Sierra and the voting was as follows:

Ayes: Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Rodrigo Sierra
Z. Scott
Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

In the absence of Committee Chair Bridget Reidy, Commissioner Jack Markowski presented the report of the Operations and Facilities Committee. Per Commissioner Markowski, the Operations and Facilities committee met on Wednesday, August 12, 2015 at the CHA Corporate Offices located at the CHA Corporate Offices, 60 East Van Buren in Chicago. Commissioner Reidy chaired the meeting and present also were Commissioners Harris, Markowski, Sierra and Washington. After presentation by staff, committee members discussed and voted on items appearing on the agenda.

On behalf of the Operations & Facilities Committee, Commissioner Markowski then presented an Omnibus Motion for the approval of Items 4 through 8.

(Item 4)

The resolution for Item 4 approves a Sponsor Based Voucher Program and the Transition Aged Youth Demonstration Program. CHA will issue a maximum of 350 vouchers to be used in a Sponsor Based Voucher Program, subject to CHA funding availability and in accordance with the Housing Assistance Payment (HAP) contract. A maximum of 50 of these vouchers will be reserved for a demonstration program targeting 18-24 year old young adults who are currently involved in specific programming and who will not come from CHA's waitlist. Sponsor Agencies will submit a complete application to the CHA that responds to all the requirements in the application. The sponsor agency must agree to provide supportive services to a target population for the duration of the program. Upon approval by the Chief Executive Officer, the Sponsor Agency would enter into a master lease agreement with an owner and obtain Housing Assistance Payments for unit rental. Sponsor Agencies would then sub-lease a unit to a participant. While the Sponsor-Based program will be similar to the Property Rental Assistance program, it will have a separate application with evaluation criteria that emphasizes the focus on supportive services. Applications will be reviewed on a rolling basis until the maximum of 350 units through master leasing has occurred. HAP contracts would be issued for a maximum of seven years, but no less than an initial two year term. CHA will provide a quarterly utilization report to the Board of Commissioners.

RESOLUTION NO. 2015-CHA-63

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 12, 2015 entitled: "RECOMMENDATION TO AUTHORIZATION TO APPROVE A SPONSOR BASED VOUCHER PROGRAM AND THE TRANSITION AGED YOUTH DEMONSTRATION PROGRAM"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to:

- 1) Approve the Sponsor Based Voucher Program utilizing up to 350 vouchers; individual projects that meet all eligibility criteria shall be pursuant to approval by the Chief Executive Officer or his designee; and 2) Approve the Transition Aged Youth Demonstration Program to utilize 50 of the 350 vouchers in the Sponsor Based Voucher Program under the Demonstration/Pilot Program Initiative process established and approved by the Board of Commissioners in August 2014; transition aged youth (18-24 years old) may not be selected from CHA's waiting list.

(Item 5)

The resolution for Item 5 approves CHA's Proposed FY2015 Moving to Work (MTW) Annual Plan Amendment and grants authorization to submit the documents to HUD for approval. Proposed Annual Plan Amendments include the demolition of 182 offline units in blocks 15 and 16 of Murray Homes. The demolition is part of the overall redevelopment plan for the Altgeld Murray community. The amended Plan also include 17 additional phase 1 RAD sites and updated language to reflect that RAD-specific resident policies were released for public comment in November 2014 and approved by the Board in January 2015. A 30-day public comment period was conducted from July 6 through August 5, 2015. Announcements for the public comment process appeared on CHA's website and in the Chicago Defender (July 8 and July 15) and Chicago Sun-Times and Hoy newspapers (July 6-July 10). During the public comment period, both residents and the public alike were able to submit comments orally and in writing, regarding the information contained in the Proposed FY2015 MTW Annual Plan Amendment. CHA held a public hearing during the 30-day comment period, on July 15, 2015. Prior to finalizing the Proposed FY2015 MTW Annual Plan Amendment, CHA gave consideration to comments received during the public comment period. CHA has complied with the requirements of

the Amended and Restated MTW Agreement and HUD regulations regarding annual plans and amendments.

RESOLUTION NO. 2015-CHA-64

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 requesting approval of the Proposed FY2015 MTW Annual Plan Amendment, attached hereto;

THEREFORE BE IT RESOLVED BY CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby approves the Proposed FY2015 Moving to Work Annual Plan Amendment and grants authorization to the Chief Executive Officer, the Board Chairperson, or their designee to make any final updates as deemed necessary.

THAT this approval of the Proposed FY2015 MTW Annual Plan Amendment supersedes any and all conflicting language found in prior CHA MTW Annual Plans.

THAT the Board of Commissioners grants authorization to submit the Proposed FY2015 MTW Annual Plan Amendment to the U.S. Department of Housing and Urban Development upon Board approval. Such approval shall constitute conclusive evidence of the Board’s approval of any and all such changes.

(Item 6)

The resolution for Item 6 approves contract modifications to Oakley Construction in the amount of \$9,204 for Life Safety upgrades at Las Americas Apartment and Old Veteran Construction in the amount of \$475,285.52 for façade replacement and interior improvements at Judge Slater Apartments. The contract modification at Las Americas Apartment include a new catch basin and extended piping for the new catch basin. Modification at Judge Slater Apartments include removal of the existing emergency generator; associated gas line; conduit and switches. The contractor will also enlarge the existing enclosure to accommodate the larger generator and will install a new generator with a new larger gas line and associated electrical work. Staff have verified that the amount to perform the work by these contractors is within the acceptable range of the CHA’s Independent Cost Estimates for both projects.

RESOLUTION NO. 2015-CHA-65

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 “AUTHORIZATION TO EXECUTE CONTRACT MODIFICATIONS FOR VARIOUS CHA PROJECTS”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer or his designee to execute contract modifications for the following Chicago Housing Authority projects and contracts in the amount of \$484,490.00:

Original Contract Value	Current Contract Value	Contract Modifications to be Approved (August 2015 Board)	% of Contract - This Change Order	Cumulative Change Order Total	All Change Orders as a Cumulative % of Original Contract	Cumulative Amount Over \$100,000?	Revised Contract Amount

C-11289 Oakley Construction Life Safety Upgrades at Las Americas Apartments (1611 S. Racine)							
\$ 1,747,080.00	\$ 1,864,763.00	\$ 9,204.00	0.53%	\$126,887.00	7.26%	Yes	\$ 1,873,967.00
C-11119 Old Veteran Construction Façade Replacement & Interior Improvements at Judge Slater Apartments (740 E. 43rd St.)							
\$ 13,577,000.00	\$ 15,631,791.17	\$ 475,285.52	3.50%	\$2,530,076.69	18.64%	Yes	\$ 16,107,076.69
Cumulative Total				\$484,490			

This item is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 and insurance requirements.

(Item 7)

The resolution for Item 7 approves a Contract Amendment for Contract No. 9049 with Holabird and Root, LLC in the not-to-exceed amount of \$845,000. The contract amendment is required to provide funding for potential task order modifications for architectural/engineering services until current construction projects issued under existing task orders under the contract have been completed. This increase in the NTE amount will allow additional capacity for the prime design consultant to address potential design and/or construction administration issues related to: discovered conditions; scope changes; construction time extensions and code compliance.

RESOLUTION NO. 2015-CHA-66

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 entitled “AUTHORIZATION TO EXECUTE A CONTRACT AMENDMENT FOR CONTRACT 9049 WITH HOLABIRD AND ROOT, LLC”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Acting Chief Executive Officer or his designee to execute an amendment to Contract No. 9049 with Holabird & Root, LLC to increase the not-to-exceed amount of the contract by \$845,000.

(Item 8)

In September 2009, the CHA received official notice from HUD of multiple grant awards under HUD’s Energy Efficient, Green Communities initiative, which had to be promptly executed by CHA and returned to HUD. The 23 CHA efficiency projects at various CHA properties included one property that was inadvertently referenced in CHA’s grant application by an inaccurate name and AMP designation. Each of the 23 properties were slated by CHA for energy efficiency capital improvements, but became eligible for funding under the American Recovery and Reinvestment Act of

2009 (ARRA) as priority “shovel-ready” projects. During the CFRC grant closeout process for the 23 energy efficiency projects the erroneous listing of the one property that was not accurately referenced in the CHA’s grant application was discovered. Despite CHA’s attempts to administratively correct the error in the grant application, the stringent requirements of ARRA compliance did not permit the correction, and HUD has required the adjustment of the grant award to recapture funds for the project that was incorrectly referenced. The CFRC grant language does not allow for ARRA funding to be used at CHA properties other than the properties specified in the grant agreement. While the CHA did complete energy efficiency improvements at the intended 23 properties, only 22 of these properties were correctly included in the CFRC grant agreement. Accordingly the resolution for Item 8 amends the ratification of the Board’s previous Resolution in November of 2009 (Resolution No. 2009-CHA-159), which ratified the acceptance of a HUD grant award for 23 CHA energy efficiency projects and authorized a corresponding increase in the CHA’s FY2009 Comprehensive Budget. The recommended action would amend the 2009 ratification of the HUD grant award by reducing the award amount from \$22,240,736 to \$21,741,330, and would authorize the Acting Chief Executive Officer or his designee to execute the revised Capital Fund Program Amendment to the Annual Contributions Contract C -1014 to memorialize the adjusted award.

RESOLUTION NO. 2015-CHA-67

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 12, 2015, entitled “Resolution to amend the ratification of the 2009 HUD CFRC ENERGY EFFICIENCY grant award”, requesting authorization to approve the attached Resolution to amend the Board’s prior 2009 ratification of a HUD CFRC grant award under Resolution No. 2009-CHA-159, by reducing the award amount from \$22,240,736 to \$21,741,330, and requesting the Board to authorize the Acting Chief Executive Officer (CEO) or his designee to execute the Capital Fund Program Amendment to the Annual Contributions Contract C -1014 to memorialize the adjusted award.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners amends its prior authorization under Resolution No. 2009-CHA-159 by reducing the CFRC energy efficiency grant award amount from \$22,240,736 to \$21,741,330, and further authorizes the Acting Chief Executive Officer or his designee to execute a Capital Fund Program Amendment to the Annual Contributions Contract C -1014 to memorialize the adjusted CFRC energy efficiency grant award, and to provide HUD with recaptured funds for the CFRC energy efficiency grant in the amount of \$499,406.

The Motion to adopt resolutions for Items 4 through 8 was seconded by Commissioner Sierra and the voting was as follows:

Ayes:	Mark Cozzi Dr. Mildred Harris Harriet Johnson Jack Markowski Rodrigo Sierra Z. Scott Francine Washington
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Nays:	None
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There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

(Item 9)

The resolution for Item 9 approves the second and third one-year extension options with Constellation NewEnergy-Gas Division for the supply and delivery of natural gas to various CHA residential sites and facilities in an amount not-to-exceed \$8,168,449. The CHA is planning to utilize this contractual capability and current low pricing in the energy market to lock in favorable natural gas commodity and interstate pipeline delivery rates in an effort to decrease CHA’s exposure to market volatility since market indicators suggest that the current natural gas commodity rates are expected to increase in the next two years. The approval of this resolution also enables the CHA to more flexibly lock in current rates for future usage instead of waiting for the expiration of the current term and only exercising a one year extension option at that time. Under this contract, Constellation provides the supply and interstate delivery of wholesale natural gas to the Chicago central utility gate. Peoples Gas then delivers this natural gas to all CHA family, senior and scattered site properties in the CHA traditional public housing portfolio, as well as four locations in the mixed income portfolio. The CHA continues to utilize Peoples Gas for the distribution of natural gas from Chicago’s central delivery gate to actual CHA buildings. The associated local distribution costs are not included within the scope or budget of this contract and will continue to be billed separately.

Madam Chair then presented a Motion for the approval of Item 9.

RESOLUTION NO. 2015-CHA-68

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated August 12, 2015 - entitled “AUTHORIZATION TO EXERCISE TWO ONE-YEAR EXTENSION OPTIONS WITH CONSTELLATION NEWENERGY – GAS DIVISION FOR THE SUPPLY AND DELIVERY OF NATURAL GAS TO VARIOUS CHA RESIDENTIAL SITES AND FACILITIES”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract amendment exercising both the second and third options reserved under Contract #11228 with Constellation NewEnergy – Gas Division for the period from April 1, 2016 through March 31, 2018, to purchase natural gas supply and delivery services and to increase the existing not to exceed compensation amount under Contract #11228 by an amount not to exceed \$ 8,168,449, resulting in a new aggregate compensation in an amount not to exceed \$ 26,465,189.

The Motion to adopt resolution for Item 9 was seconded by Commissioner Johnson and the voting was as follows:

Ayes: Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Rodrigo Sierra
Z. Scott

Abstained: Mark Cozzi
Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Jack Markowski, Chairman of the Real Estate Development committee, then presented his report. Per Commissioner Markowski, the Real Estate and Development committee met on Wednesday, August 12, 2015 at the CHA Corporate Offices located at the CHA Corporate Offices, 626 W. Jackson in Chicago. Present at the meeting were Commissioners Brewer, Cozzi, Harris, Reidy and I. Present also, but not counted for the quorum were Commissioners Johnson and Washington. Committee members then discussed the resolutions for the six items appearing on the Real Estate Development committee agenda. After presentation by staff, Items 12 and 17 were deferred for vote to today's board meeting, pending clarification and follow-ups by staff. At the request of staff, Item 17 has been held.

Following the August 12th Real Estate Committee Meeting, Item #16 was amended to reflect that (1) the HUD loan has not been pre-paid but has reached maturity; and (2) Residents do not have to choose PRA for their unit to be part of the PRA program. HUD will issue up to 46 tenant protection vouchers and current residents will remain in their units. The specific authorization that was approved by the Real Estate Committee was not amended.

On behalf of the Real Estate Development Committee, Commissioner Markowski then presented an Omnibus Motion for the approval of Items 12 through 15 and Amended Item 16.

(Item 12)

The resolution for Item 12 approves submittal of a development proposal and evidentiary documents to the HUD; commits CHA funds not to exceed \$5,778,500 for St. Edmund's Oasis, LLC or related entity; approves the Tenant Selection Plan, lease, and lease riders for the St. Edmund's Oasis development; and approves any such actions as may be necessary or appropriate to implement the foregoing. St. Edmund's Oasis (Oasis) is a single phase, mixed income rental development to be built upon 4 vacant, City of Chicago-owned parcels located on Indiana and Prairie Avenues at 61st Street in the Washington Park community. Located within the St. Edmund's redevelopment area, Oasis is an extension of St. Edmund's broader affordable housing commitment to improve the quality of life for its residents and community. Oasis will consist of 58 units comprised of 19 public housing units and 39 affordable units within four residential, three story walk up buildings. Of the 19 public housing units, one (1) will be fully accessible and four (4) will be adaptable. St. Edmund's Oasis MM, LLC is the developer of St. Edmund's Oasis. It is managed by affiliates of St. Edmund's Redevelopment Corporation and Tria Adelfi, LLC. St. Edmund's Oasis II, Inc. and Tria on Prairie II, LLC are the members, each having a 50% interest. St. Edmund's Oasis, LLC, the owner of the development is comprised of St. Edmund's Oasis MM, LLC (managing member) with 0.01% interest and Investor Members which are affiliates of Hunt Capital Partners, LLC. The Investor Member will hold a 99.99% interest in the owner entity and will be the tax credit investor. The total estimated development budget for the Oasis rental development is approximately \$20,533,420, including the CHA Loan of approximately \$5,750,000 to be funded with CHA MTW funds. Additional project sources includes \$28,500 of CHA MTW funds for CHA Administration and CHA Initial Operating Deficit Reserve. It is understood that the developer has an interest and desire to implement its own lease forms and policy that encourages consistent community standards for the effective management of its development.

RESOLUTION NO. 2015-CHA-69

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated August 12, 2015 entitled “Authorization to: 1) Submit a Development Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds not to exceed \$5,778,500 for St. Edmund's Oasis, LLC or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the St. Edmund's Oasis development; and 4) Execute and deliver such other documents and perform such actions 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 Acting Chief Executive Officer or his designee to: 1) Submit a development proposal and evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds not to exceed \$5,778,500 for St. Edmund's Oasis, LLC or related entity; 3) Approve the Tenant Selection Plan, lease, and lease riders for the St. Edmund's Oasis development; and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing

This award is subject to each Contractor’s compliance with CHA’s MBE/WBE/DBE, Section 3 resident hiring, bonding and insurance requirements.

(Item 13)

The resolution for Item 13 ratifies the formation of Fannie Emanuel Housing Development, LLC and Fannie Emanuel Senior Housing Limited Partnership with related documents needed for the formation of said entities and to close the transaction for the rehabilitation of Fannie Emanuel Senior Apartments; approves the issuance and sale of Multifamily Housing Revenue Notes (Fannie Emanuel Senior Apartments), 2015 Series A, Series B, and Series C in an aggregate principal amount not to exceed \$35,000,000 (Notes); and approves execution and delivery of all note documents in connection with the issuance and sale of the Notes; commits CHA funds not to exceed \$23,500,000; submit a Rental Assistance Demonstration (RAD) Finance Plan to HUD and enter into a RAD Conversion Commitment with HUD for the Fannie Emanuel Senior Apartments (RAD Commitment) ; execute a Housing Assistance Payments (HAP) Contract under the HUD Rental Assistance Demonstration program and execute such other documents as may be required under RAD for the financing and operation of the Fannie Emanuel Senior Apartments. Item 13 also approves the transfer of the Fannie Emanuel property and finance the sale through seller financing to Fannie Emanuel Senior Housing Limited Partnership and approves a contract with Gilbane Building Company for construction management services. Fannie Emanuel, formerly known as Park View Apartments, is a CHA owned senior property located at 3916 W. Washington Blvd. in the West Garfield Park community on the City’s West side. This 20-story masonry structure was built in 1963 to house 181 apartment units. The building was closed in 2007 due to significant mechanical system problems. The CHA controlled entity, Fannie Emanuel Housing Development, LLC, acting as the developer, will redevelop the Fannie Emanuel property to provide quality senior housing using a mixed-finance approach to leverage first mortgage debt and private equity. The building will be renovated to a high and sustainable standard; meeting life safety, accessibility and city energy codes. It will provide CHA senior residents with modern conveniences, recreational spaces, and a 2.5 acre landscaped site that includes active walking paths, gardens and other activity areas. The Fannie Emanuel redevelopment will return the original 181 quality housing units to CHA’s leasing portfolio. Most significant, it will provide CHA senior residents with quality, safe, and dignified housing. The CHA controlled entity, Fannie Emanuel

Housing Development, LLC, will serve as the developer and CHA has created a new ownership entity known as Fannie Emanuel Senior Housing Limited Partnership. The purpose of the Partnership will be to acquire, own, rehabilitate, and operate Fannie Emanuel Senior Apartments. As further set forth in the partnership agreement, the General Partner will be responsible for managing the affairs of the Partnership. The General Partner will also contract with the Partnership to provide development services, for which the General Partner will be paid a development fee. The General Partner will guarantee to the Limited Partner and/or the Partnership certain matters customary in tax credit transactions. However, such guarantees will be satisfied solely from assets of the Partnership and General Partner (including the development fee) and not from the assets of CHA. Pursuant to the Operating Agreement governing the General Partner, the designated officers of the General Partner will be the Chief Executive Officer, the Chief Financial Officer, and the Chief Legal Officer, respectively, of CHA. The General Partner Designated Officers will have authority to conduct the day to day affairs of the General Partner subject to the control of the CHA Board of Commissioners. In addition certain significant actions set forth in the Operating Agreement will require approval by the CHA Board of Commissioners. CHA plans to issue approximately \$35 million of tax-exempt bonds or notes to provide interim and permanent financing for acquisition and rehabilitation. The bonds will be issued in three series. The Series A bonds of approximately \$6.95 million will fund a permanent first lien position mortgage. The Series B bonds of approximately \$10.35 million will be 100% collateralized by cash or pledged securities provided by the CHA. The Series C bonds of approximately \$15.4 million will bridge equity proceeds and other financing sources, as required. The total estimated budget of \$59,591,824 includes the following from CHA: Loan of approximately \$20.1 million, approximately \$2.2 million derived from RAD Project-Based Voucher payments made during the construction period, plus a CHA Seller Financing Loan of approximately \$5 million as financing for the sale of the property. The balance of the permanent budget will be funded primarily by a Bank of America first mortgage loan of approximately \$6.95 million and approximately \$25.2 million tax credit equity from the sale of the Low Income Housing Tax Credits (LIHTC). The purchase price payable by the Partnership for the Property will be deferred and evidenced by a promissory note, the CHA Purchase Loan. RAD will be used to provide a long-term rental assistance contract to leverage debt and equity financing sources that will help fund the renovation of Fannie Emanuel's 181 housing units. Through the RAD program, HUD provides rental subsidies to the owners of properties pursuant to a long-term HAP (Housing Assistance Payment) contract that will be renewed, for a total period of forty years. This ensures the units remain affordable to low-income households. Residents continue to pay 30% of their income towards rent. CHA will sell the Fannie Emanuel property to Fannie Emanuel Senior Housing Limited Partnership. The Owner will be comprised of a Limited Partner represented by a private tax credit investor, a Special Limited Partner, an affiliate of the Limited Partner, and a General Partner represented by Fannie Emanuel Housing Development, LLC, of which CHA is the sole member. The value and sale of the property will help leverage additional private investment equity that helps fund the development budget. The \$368,400 construction management service contract was procured through a non-compete process in order to secure the current high tax credit equity pricing and low construction and permanent interest rates and meet the 2015 development transaction closing deadline. The contract will be funded directly from project loan and equity proceeds during construction. The Gilbane Building Company (GBC) was selected based on their proven CHA construction experience, specific knowledge and experience with the Fannie Emanuel project, and its national industry recognition. These qualities provide CHA and the finance partners with the confidence that GBC is the best construction management fit for the project and are therefore being recommended for the contract

RESOLUTION NO. 2015-CHA-70

WHEREAS, the Chicago Housing Authority, a municipal corporation and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the

State of Illinois (the “Authority”), including without limitation the Housing Authorities Act, 310 ILCS 10/1 et seq., and all laws amendatory and supplemental thereto, including in particular the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (the “Act”), is authorized by the laws of the State of Illinois (the “State”), including without limitation in the Act, to issue its revenue Bonds and Notes for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance the cost of the development, construction and renovation of multifamily rental housing located in the jurisdiction of the Authority; and

WHEREAS, Fannie Emanuel Housing Limited Partnership, an Illinois limited partnership (the “Borrower”), proposes to rehabilitate the “Fannie Emanuel Senior Apartments” Project consisting of the renovation of 181 rental units of public housing in Chicago, Illinois (the “Project”); and

WHEREAS, a portion of the costs of the Project will be financed through the issuance by the Authority of its Multi-Family Housing Revenue Note, Series 2015A (Fannie Emanuel Senior Apartments Project) (the “Series 2015A Note”), its Multi-Family Housing Revenue Note, Series 2015B (Fannie Emanuel Senior Apartments Project) (the “Series 2015B Note”), and its Multi-Family Housing Revenue Note, Series 2015C (Fannie Emanuel Senior Apartments Project) (the “Series 2015C Note”) (collectively, the “Notes”); and

WHEREAS, the proceeds of the Notes will be loaned to Borrower; and

WHEREAS, the General Partner of Borrower is Fannie Emanuel Housing Development, LLC, an Illinois limited liability company (the “General Partner”); and

WHEREAS, the sole member of the General Partner is the Authority; and

WHEREAS, a determination has been made by the Authority that the Project constitutes “multifamily rental housing” within the meaning of the Act and that the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority is now prepared to proceed with the financing of a portion of the costs of the Project through the issuance and sale of the Notes pursuant to a Note Issuance Agreement (the “Note Issuance Agreement”) among the Authority, Bank of America, N.A., or an affiliated entity, as the purchaser of the Notes (the “Note Purchaser”) and Bank of America, N.A., or an affiliated entity, as fiscal agent (the “Fiscal Agent”); and

WHEREAS, the proceeds of the Notes will be loaned by the Authority to the Borrower pursuant to a Loan Agreement between the Authority and the Borrower (the “Loan Agreement”) and the obligations of the Borrower to pay debt service under the Loan Agreement will be evidenced by a Note with respect to the Series 2015A Note debt service (the “Series 2015A Borrower Note”) from the Borrower to the Authority, a Note with respect to the Series 2015B Note debt service (the “Series 2015B Borrower Note”), and a Note with respect to the Series 2015C Note debt service (the “Series 2015C Borrower Note”) and, together with the Series 2015A Borrower Note and the Series 2015B Borrower Note, (the “Borrower Notes”) from the Borrower to the Authority, each of which will be assigned by the Authority to the Fiscal Agent as security for the Notes; and

- WHEREAS,** certain income and other rental restrictions required by Sections 42 and 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”) related to the Project will be specified in one or more Regulatory Agreements, Declarations of Restrictive Covenants and a Land Use Restriction Agreement (each, collectively, the “Regulatory Agreement”); and
- WHEREAS,** certain arbitrage requirements of Section 148 and related provisions of the Code will be specified in one or more Arbitrage and Tax Certificates (the “Arbitrage Certificates”) of the Authority and the Borrower; and
- WHEREAS,** each series of Notes will be sold by private placement to the Note Purchaser pursuant to the Note Issuance Agreement; and
- WHEREAS,** the Borrower’s obligations under the Borrower Notes will be secured by one or more mortgages, security agreements and/or collateral assignments with respect to the Project (the “Collateral Documents”) from the Borrower to the Authority or the Fiscal Agent and, if to the Authority, the rights of the Authority to such instruments and, as applicable, the Borrower Notes may be assigned by the Authority to the Fiscal Agent pursuant to an assignment (an “Assignment”); and
- WHEREAS,** the Series 2015A Note will be secured by and payable from certain MTW Funds (“MTW Funds”) received by the Authority and deposited into escrow pursuant to a Pledge Agreement (the “Pledge Agreement”) among the Authority, the Borrower and the Fiscal Agent, as Escrow Agent, and such MTW Funds, upon withdrawal from such escrow, will constitute a loan from the Authority to the Borrower pursuant to a loan agreement (the “MTW Funds Loan Agreement”) with the Borrower; and
- WHEREAS,** the Borrower will be required to operate 181 housing units within the Project for the use and occupancy of eligible individuals and, in connection therewith, the Borrower will enter into a Housing Assistance Payment Contract with the Authority, and a Rental Assistance Demonstration Use Agreement with HUD, and a mortgage and other collateral documents and related agreements and instruments (collectively, and together with the MTW Funds Loan Agreement, the “MTW Funds Borrower Agreements”); and
- WHEREAS,** other funding for costs of the Project will be provided pursuant to equity contributions and other sources; and
- WHEREAS,** the proceeds of the Notes and the other funding sources may be disbursed pursuant to a disbursement or construction agreement (the “Disbursement Agreement”); and
- WHEREAS,** all or a portion of the expenditures relating to the Project (the “Expenditures”) (i) have been paid within the sixty days prior to the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and
- WHEREAS,** the Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Borrower for the Expenditures with proceeds of the Notes; and

- WHEREAS,** the City Council of the City of Chicago (the “City”) is expected to approve the transfer to the Authority of a portion of the City’s available unused volume cap for calendar years 2015 and/or subsequent years pursuant to Section 146 of the Code for use by the Authority in connection with the issuance of the Notes, and the City and the Authority may enter into a volume cap transfer agreement (the “Cap Transfer Agreement”) to reflect such transfer; and
- WHEREAS,** the Authority will submit a Rental Assistance Demonstration (RAD) Finance Plan to the United States Department of Housing and Urban Development; enter into a RAD Conversion Commitment with HUD; execute a Housing Assistance Payments (HAP) Contract under the United States Department of Housing and Urban Development Rental Assistance Demonstration program; and execute such other documents as may be required under RAD for the financing and operation of the Project, including but not limited to amendment to the MTW Agreement Attachment A, as required by HUD (referred to collectively herein as the “RAD Authority Documents”); and
- WHEREAS,** the Authority will transfer Fannie Emanuel property and finance the sale through seller financing to Fannie Emanuel Senior Housing Limited Partnership; and
- WHEREAS,** the Authority will enter into a contract with Gilbane Building Company for construction management services and assign the contract to the Partnership; and
- WHEREAS,** the Note Issuance Agreement, the Loan Agreement, the Notes, the Borrower Notes, the Regulatory Agreement, the Arbitrage Certificates, the Assignment, the Pledge Agreement, the Disbursement Agreement, the Collateral Documents, the Cap Transfer Agreement, the RAD Authority Documents and the MTW Funds Borrower Agreements (or such similar documents as are generally used in similar financing structures) are referred to collectively herein as the “Authority Agreements”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT,

- Section 1. The Authority is authorized to submit a Rental Assistance Demonstration (RAD) Finance Plan to the United States Department of Housing and Urban Development in connection with the Fannie Emanuel Senior Apartments project, to sell the property and to finance the sale price through seller financing; and to enter into the Authority Agreements with the other party or parties thereto. The forms, terms and provisions of the Authority Agreements be, and they hereby are, in all respects approved. The Chairman, the Acting Chief Executive Officer or his designee, or the Chief Financial Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, where necessary, the Acting Chief Executive Officer or his designee, or the Custodian and Keeper of Records/Secretary, Board of Commissioners be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Agreements in the name, for and on behalf of the Authority, and thereupon to cause the Authority Agreements to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual executing the Authority Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Agreements now before the Authority. When the Authority Agreements are executed,

attested, sealed and delivered on behalf of the Authority as hereinabove provided, they shall be binding on the Authority. From and after the execution and delivery of the Authority Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Agreements as executed. The Authority Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the executed Authority Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

- Section 2. The Notes shall be issued in fully registered form, in an aggregate principal amount not to exceed \$35,000,000, in authorized denominations as provided in the Note Issuance Agreement. The Notes shall bear interest at a variable rate of interest as shall be set forth in the Note Issuance Agreement, as executed, in no event to exceed the maximum rate set forth in the Note Issuance Agreement. The Notes shall mature on such date or dates as shall be set forth in the Note Issuance Agreement. The Notes shall be subject to redemption prior to maturity as provided in the Note Issuance Agreement, as executed.
- Section 3. The Notes and the interest thereon will be special, limited obligations of the Authority, payable solely from the payments to be made by the Borrower under the Loan Agreement and from the other sources specified or referred to in the Note Issuance Agreement, which shall be specifically assigned and pledged to such purposes in the manner and to the extent provided therein. The Notes and all other obligations of the Authority in connection therewith shall not be a debt of the City or any other city, village, incorporated town or county, the State of Illinois or any political subdivision thereof and neither the City, nor any other city, village, incorporated town or county, nor the State of Illinois or any political subdivision thereof shall be liable thereon, nor in any event shall the Notes or such obligations be payable out of any funds or properties other than those pledged under the Note Issuance Agreement or those other agreements specifically securing the Notes. The Notes shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.
- Section 4. The forms of the Notes set forth in the Note Issuance Agreement, subject to appropriate insertions and revisions in order to comply with the provisions of the Note Issuance Agreement (as executed) be, and the same hereby are approved. The Notes shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman or Acting Chief Executive Officer or his designee (or such other officer authorized by law to execute the Notes on behalf of the Authority) and attested with the manual or facsimile signature of its Secretary or Assistant Secretary (or such other officer authorized by law to execute the Notes on behalf of the Authority) and the seal of the Authority shall be impressed or imprinted thereon. The officers of the Authority shall cause the Notes, as so executed and attested, to be delivered to the Fiscal Agent for authentication. When the Notes shall be executed on behalf of the Authority in the manner contemplated by the Note Issuance Agreement and this Resolution, they shall represent the approved forms of Notes of the Authority.
- Section 5. The sale of the Notes to the Note Purchaser at a purchase price of not less than 98% of the aggregate principal amount thereof plus accrued interest, if any, to the date of delivery, is hereby approved.

- Section 6. The Chairman, Acting Chief Executive Officer or his designee, Chief Financial Officer, and the Custodian and Keeper of Records/Secretary, Board of Commissioners be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority (including, without limitation, environmental remediation agreements, investment agreements, book-entry registration agreements, intercreditor agreements and other agreements pertaining to the security of the Notes) and to take such other actions as may be required or desirable in connection with the execution, delivery and performance of the Authority Agreements, the financing of costs of the Project, the MTW Funds and the issuance, sale and delivery of the Notes. In addition, subsequent to the issuance of the Notes, any of the foregoing officers of the Authority are hereby authorized to enter into amendments to the Authority Agreements or other agreements or instruments entered into by the Authority in connection with the Notes (without the necessity of obtaining approval by the Board of Commissioners of the Authority to such action) which are not inconsistent with the parameters set forth in this Resolution and which, in the judgment of the officers executing the same, are not materially adverse to the interests of the Authority.
- Section 7. All acts of the officers, employees and agents of the Authority that are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, approved and confirmed.
- Section 8. The publication on behalf of the Authority of the notice of public hearing pursuant to Section 147(f) of the Code and the conduct of such public hearing by and on behalf of the Authority with respect to the issuance of the Notes is hereby ratified, authorized and approved.
- Section 9. The Authority hereby allocates to the Notes the “volume cap” reallocated or to be reallocated by the City to the Authority in an amount equal to the aggregate principal amount of the Notes actually to be issued.
- Section 10. The Authority reasonably expects (based upon information supplied by the Borrower, upon which it is reasonable and prudent for the Authority to rely) to reimburse the Expenditures with proceeds of the Notes.
- Section 11. The Notes, or any one or more series thereof, may be, but are not required to be, initially issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York (“DTC”), or its nominee, as securities depository.
- Section 12. The formation of Fannie Emanuel Housing Development, LLC, and Fannie Emanuel Senior Housing Limited Partnership with related documents needed for the formation of said entities is hereby ratified; and authorization is hereby given for various significant actions to be undertaken by the General Partner (either in its own capacity or as the general partner of the Partnership). Such actions include the execution and delivery of the operating agreement of the General Partner, the execution and delivery of the amendment to the limited partnership agreement of the Partnership, the execution and delivery of the development agreement, and the execution and delivery of various financing, acquisition, and other development and/or management documents.
- Section 13. The General Partner Designated Officers, and each of them hereby, is authorized to execute and deliver such documents, certificates, and undertakings of the General

Partner (either in its own capacity or as the general partner of the Partnership) as may be required by this Resolution.

- Section 14. The Authority is authorized to enter into a RAD Conversion Commitment with HUD for the Fannie Emanuel Senior Apartments (RAD Commitment).
- Section 15. The Authority is authorized to enter into a Housing Assistance Payments (HAP) Contract under the United States Department of Housing and Urban Development Rental Assistance Demonstration program and execute such other documents as may be required under RAD for the financing and operation of the Project including but not limited to amendment to the MTW Agreement Attachment A, as required by HUD.
- Section 16. The Authority is authorized to enter into a contract with Gilbane Building Company for construction management services and assign the contract to the Partnership.
- Section 17. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.
- Section 18. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.
- Section 19. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

This award is subject to each Contractor's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring, bonding and insurance requirements.

(Item 14)

A Request for Proposal (RFP) was advertised in January 2015 for General Contractor Services at the Fannie Emanuel Senior Apartments in area newspapers, CHA website and Strategic Sourcing. Three proposals were received and evaluated by a cross-functional evaluation team. This interview presentation and discussion was in accordance with the RFP proposal document and evaluation criteria. The scope of work, team composition and experience, schedule and other project matters were discussed. There was support for Old Veterans Construction, Inc. (OVC's) high-rise capital improvement experience, masonry trade expertise, strong subcontractor team's expertise, and experience with the project's specialized Variable Refrigerant Flow (VRF) mechanical system and the exterior metal panel system. Based on the RFP evaluation point criteria, OVC had the highest score. Accordingly, the resolution for Item 14 approves contract award Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at the Fannie Emanuel Senior Apartments and to assign the contract from the Chicago Housing Authority to Fannie Emanuel Housing Development, LLC.

RESOLUTION NO. 2015-CHA-71

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH OLD VETERAN CONSTRUCTION, INC. FOR GENERAL CONTRACTOR SERVICES AT FANNIE EMANUEL SENIOR APARTMENTS AND TO ASSIGN THE

CONTRACT TO FANNIE EMANUEL SENIOR HOUSING LIMITED PARTNERSHIP.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners (“Board”) authorizes the Acting Chief Executive Officer or his to designee to execute a firm fixed fee contract with Old Veteran Construction, Inc. in the amount of \$39,089,027 for General Contractor Services at Fannie Emanuel Senior Apartments, a vacant senior high-rise building located at 3916 W. Washington Street, for a 14 month construction period from the date set forth in the Notice to Proceed, and assign the contract to Fannie Emanuel Senior Housing Limited Partnership.

This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3, bonding and insurance requirements.

(Item 15)

The resolution for Item 15 approves a Housing Assistance Payments Contract (HAP) under the second component of the HUD Rental Assistance Demonstration Program (RAD) for Miriam Apartments. Miriam Apartments has been in CHA’s Mod Rehab portfolio since 1991. This is the Substantial Rehabilitation of a 4-story elevator building containing 66 SRO units to be converted to 62 units. The property has been consistently in good & stable condition throughout CHA’s Asset Management Department reviews. The building is currently 100% occupied. Mercy Housing, Inc. (MHI) will continue to service as the property manager. MHI was established in 1981 and has over 34 years of experience in developing and managing affordable housing across the country. MHI’s national portfolio consists of over 14,000 units within 230 communities. The RAD program requires that all SRO conversions retain and preserve the original purpose of the Mod Rehab SRO properties, which is to serve the homeless population that meets the HEARTH definition of homeless. As such, the owner will continue to use the Central Referral System for tenant referrals. Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and CHA policy.

RESOLUTION NO. 2015-CHA-72

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 12, 2015 requesting authorization to execute a Housing Assistance Payments Contract for Miriam Apartments;

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.) execute a Housing Assistance Payments Contract (HAP) for Miriam Apartments; and 2.) execute all other documents as may be necessary or appropriate to implement the foregoing.

(Item 16)

The resolution for Item 16 approves a Housing Assistance Payments Contract (HAP) for Leigh Johnson Apartments. Leigh Johnson Apartments is an existing development located in the Grand Crossing community area. The development consists of seven two-story buildings totaling 77 residential units plus a property management office and a daycare space on the ground level. The project contains 38 two-bedroom units and 39 three-bedroom units. The PRA unit mix will be up to 25

two-bedroom and 21 three-bedroom units. The buildings were built in 1973 with HUD Section 236 financing, including a HAP contract for 31 units. The other 46 were rent restricted under the Section 236 affordability requirements. Due to the maturity of the HUD loan, HUD will issue up to 46 tenant protection vouchers, which the owner has requested CHA administer as project-based vouchers. The PRA contract will be funded by new HUD funds, not from CHA's existing HCV allocation. The owner has also been approved for an FHA loan to take out the balance of the existing first mortgage, replenish the project's replacement reserve and provide approximately \$26,000 for minor building repairs. According to the Project Capital Needs Assessment, the development is in good physical condition because the ownership and management agent have taken consistent measurable effort and provided capital improvements over the years to maintain the function and appearance of the buildings. The Developer for this property is 73rd & Dobson Housing Corporation (DHC), a not-for-profit corporation and is governed by a board of volunteers. For the last 20 years, Doris Leach has been the president. This is the only property that the DHC owns. The project is managed by East Lake Management (ELM), which has a long history of participation in HUD projects throughout the Chicago metropolitan area as well as in Indiana and Ohio. ELM began managing HUD-projects in 1974, and since then its portfolio has grown to over 13,000 units, most of which are in HUD-related or affordable projects including CHA. The building is currently fully occupied and current residents will remain in their units. At turnover, it is the intent of the owner/manager of Leigh Johnson Apartments to lease all of the PRA-assisted units to eligible families from CHA's waiting lists. CHA will make these referrals from the Public Housing and PRA waiting lists as well as to families whose right of return under the Relocation Rights Contract has not been satisfied. CHA's waiting lists will be exhausted prior to utilization of a site-based waiting list. Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and CHA policy.

RESOLUTION NO. 2015-CHA-73

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 17, 2015 requesting authorization to execute a Housing Assistance Payments Contract for Leigh Johnson Apartments;

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.) execute a Housing Assistance Payments Contract (HAP) for Leigh Johnson Apartments; and 2.) execute all other documents as may be necessary or appropriate to implement the foregoing.

(Item 17 – This Number Not Used)

The Motion to adopt resolutions for Items 12 through 15 and Amended Item 16 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Rodrigo Sierra
Z. Scott

Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolutions adopted.

Committee Chairman Mark Cozzi then presented the report of the Finance & Personnel Committee meeting. Per Commissioner Cozzi, the Finance & Personnel committee met on Wednesday, August 12, 2015 at the CHA Corporate Offices located at 60 E. Van Buren, 12th Floor Loft in Chicago. Present at the meeting were Commissioners Brewer, Cozzi, Johnson and Markowski. Present also, but not counted for the quorum was Commissioner Washington. Commissioners then adjourned to closed session to discuss Item 20 - Personnel Actions. Commissioners then returned to open session and approved the items appearing on the committee agenda.

On behalf of the Finance & Personnel Committee, Commissioner Cozzi then presented an Omnibus Motion for the approval of Items 18 through 20.

(Item 18)

The resolution for Item 18 approves the second one-year option under the Actuarial Services contract with Aon Risk Services, Inc., for the period of January 1, 2016 through December 31, 2016, in the firm-fixed fee amount of \$28,121.60, and the third and final one-year option under the contract, in the firm-fixed fee amount of \$29,246.60, for the period of January 1, 2017 through December 31, 2017, based upon performance of the vendor and subject to the discretion of the CEO or his designee. Given the scope and breadth of the CHA's reserve fund for the payment of claims for which the authority may be legally liable, it is essential that the CHA have an actuarial review process in place to ensure the adequacy of reserving policies and practices. Responsibilities of the actuarial review include determining an accurate estimate of liabilities for the CHA's self-insured workers' compensation, public officials & employment practices liability, auto liability and general liability claims as of the end of a calendar year. The review is performed using relevant Actuarial Standards of Practice.

RESOLUTION NO. 2015-CHA-74

WHEREAS, The Board of Commissioners has reviewed the memorandum dated August 12, 2015 entitled "AUTHORIZATION TO EXERCISE OPTION YEARS TWO AND THREE WITH AON RISK SERVICES, INC. FOR ACTUARIAL SERVICES"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the Second Option Year of the actuarial services contract Aon in the firm-fixed fee amount of \$28,121.60, and authorizes the Chief Executive Officer or his designee to exercise the Third Option Year of the contract in the firm-fixed fee amount of \$29,246.26, based upon satisfactory performance of the vendor, at the discretion of the CEO or his designee.

(Item 19)

The resolution for Item 19 approves participation in City Colleges of Chicago Contract for Compensation and Classification Study, to have Deloitte Consulting, LLP perform such study for the CHA effective August 19, 2015 in an amount not-to-exceed \$149,500. It is critical that CHA provide a compensation plan that has competitive salaries in order to attract and retain top talent. The existing method of

compensation administration is no longer adequate. Typically companies perform market and compensation analysis annually or bi-annually. The CHA has not conducted an authority-wide compensation and classification study since 1996.

RESOLUTION NO. 2015-CHA-75

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 12, 2015 entitled: “AUTHORIZATION TO PARTICIPATE IN CITY COLLEGES OF CHICAGO CONTRACT FOR COMPENSATION AND CLASSIFICATION STUDY”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to participate in City Colleges of Chicago Contract for Compensation and Classification Study, to have Deloitte Consulting LLP perform such study for the CHA effective August 19, 2015 in an amount not-to-exceed \$149,500.

(Amended Item 20)

The Board is required to ratify the selection, appointment and removal of employees below Grade 72. Accordingly, Amended Item 20 ratifies the following employment actions: offer of employment for 9 employees; promotion of 12 employees; reclassification of 4 employees; 2 salary adjustments; 1 transfer of employee; and provides for the continued retention of outside counsel. The CEO certifies that all these actions were properly vetted and evaluated pursuant to established CHA protocols.

RESOLUTION NO. 2015-CHA-76

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 17, 2015, entitled “Approval of Personnel Actions”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the requested personnel actions.

The Motion to adopt resolution for Items 18, 19 and Amended Item 20 was seconded by Commissioner Sierra and the voting was as follows:

Ayes: Mark Cozzi
Dr. Mildred Harris
Harriet Johnson
Jack Markowski
Rodrigo Sierra
Z. Scott
Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

In the absence of Committee Chair Matthew Brewer, Commissioner Mark Cozzi then presented the report of the Audit Committee. On behalf of the Audit Committee, Commissioner Cozzi then presented an Omnibus Motion for the approval of Items 21, 22 and 23.

(Item 21)

The Authority is required to submit the Single Audit report to HUD by September 30, 2015, nine months after the end of its fiscal year, which is December 31. HUD requires public housing authorities to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. For the year ended December 31, 2014, the Authority engaged Ernst and Young to audit its results and issue the Comprehensive Annual Financial Report in accordance with HUD requirements. Accordingly, the resolution for Item 21 accepts and approves submittal to HUD the CHA's Single Audit Report, Financial Statement Audit and Comprehensive Annual Financial Report for the year ended December 31, 2014

RESOLUTION NO. 2015-CHA-77

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 and attached hereto entitled “Recommendation to Accept and Submit to HUD the Chicago Housing Authority’s Single Audit Report, Financial Statement Audit and Comprehensive Annual Financial Report for the Year Ended December 31, 2014”

THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT The Board of Commissioners hereby accepts the Authority’s

- 2014 Single Audit Report,
- 2014 Financial Statement Audit, and
- Comprehensive Annual Financial Report For The Year Ended December 31, 2014; and

THAT the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to submit the 2014 Single Audit Report, Financial Statement Audit and Comprehensive Annual Financial Report for the Year Ended December 31, 2014 to the U.S. Department of Housing and Urban Development.

(Item 22)

At the request of the Audit Committee, the Inspector General amended the guidelines to be consistent with the guidelines and policies set forth by the City of Chicago and the new CHA Ethics Policy. The proposed amendments include the following: name change of the document from “Inspector General Guidelines” to Inspector General Charter; provides that the OIG staff shall adhere to the OIG’s Rules and Regulations and Standard of Conduct specifically related to OIG operations; extends the OIG’s jurisdiction and powers and duties to sub-contractors, vendors and licensees of the Authority; provides for the selection of an outside investigative company to investigate complaints made against the Inspector General and the Deputy Inspector General and requires employees, officers, Board members, agents, contractors, sub-contractors, vendors, and licensees of the Authority to cooperate with OIG inquiries. Accordingly, the resolution for Item 22 approves the amended Inspector General Guidelines.

RESOLUTION NO. 2015-CHA-78

WHEREAS, the Board of Commissioners hereby finds and determines that it is necessary and in the best interests of the Authority to amend the Inspector General Guidelines by adopting the Inspector General Charter as set forth in Exhibit A attached hereto;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

Section 1. Incorporation of Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated in their entirety as if fully set forth in this Section 1.

Section 2. Approval and Adoption of the Inspector General Charter. The Inspector General Charter in substantially the form attached hereto as Exhibit A is hereby approved and adopted.

Section 3. Effective Date. This Resolution shall be in full force and effect after its passage as provided by law.

(Item 23)

At the request of the Audit Committee, the Inspector General was requested to procure investigative services to assist with the investigations of any entity receiving funds from CHA. These services may include assistance in the areas of Digital Forensics, Forensic Accounting and Intelligence; and Due Diligence. A Request for Proposal (RFP) was released in January 2015 to provide investigative services to the Office of the Inspector General. Of the five proposals received, Deloitte Financial Advisory Services LLP was recommended as the most responsive and responsible bidder to provide investigative services to the Office of Inspector General in an amount not to exceed \$250,000.00 for a base period of two (2) years, with one (1) one-year option, which may be exercised at the discretion of the Inspector General, subject to funding availability and satisfactory performance by the contractor. Deloitte Financial Advisory Services is the world’s largest professional services firm with almost a quarter million employees. They have extensive familiarity and experience supporting investigations with HUD, as well as local, state and federal agencies including other Inspectors General. Their staff contain a significant number of professionals who possess the skills responsive to each area of this RFP. Deloitte’s Chicago-based engagement leads have extensive skills and experience managing this talented and deep pool of professionals conducting Forensic Accounting, Digital Forensics and Due Diligence and Business Intelligence, and are readily available to address any needs or issues.

RESOLUTION NO. 2015-CHA-79

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 12, 2015 entitled “AUTHORIZATION FOR THE CHA OFFICE OF THE INSPECTOR GENERAL TO ENTER INTO A CONTRACT WITH DELOITTE FINANCIAL ADVISORY SERVICES FOR INVESTIGATIVE SERVICES.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Inspector General or her designee to enter into a firm fixed rate contract with Deloitte Financial Advisory Services LLP for investigative services in an amount not to exceed \$250,000.00, and for a base term of two (2) years, with one (1) one-year option. The one year option may be exercised at the discretion of the Inspector General, subject to funding availability and satisfactory performance by the contractor.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 requirements and insurance requirements.

The Motion to adopt resolution for Items 21 through 23 was seconded by Commissioner Washington and the voting was as follows:

Ayes: Mark Cozzi
 Dr. Mildred Harris
 Harriet Johnson
 Jack Markowski
 Rodrigo Sierra
 Z. Scott
 Francine Washington

Nays: None

There being no questions or discussion, Chairwoman Scott thereupon declared said Motion carried and said resolution adopted.

Chairwoman Scott then invited residents and the public at large to address the Board.

There being no further business to come before the Commissioners, upon Motion made and seconded, the Annual and Regular board meeting of August 18, 2015, was adjourned at approximately 11:55 a.m.

Z. Scott
Chairwoman, Chicago Housing Authority

Lee Chuc-Gill, Secretary
Custodian and Keeper of Records