



March 19, 2019

Item No. 5

AUTHORIZATION TO RENEW AND EXECUTE A PRELIMINARY COMMITMENT LETTER FOR 5150 NORTHWEST APARTMENTS

Development	Address	Ward	Community Area
5150 Northwest Apartments	5150 North Northwest Highway	45 th Ward	Jefferson Park

Presenters: Derek Messier, Chief Property Officer
Jewell Walton, Deputy Chief RAD

Recommendation

It is recommended that the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer or his designee to renew and execute a 1) Preliminary Commitment Letter for 5150 Northwest Apartments; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with applicable CHA Board policies and all applicable federal laws. Staff have completed all necessary due diligence to support the submission of this initiative.

Property Summary

Developer / Owner	Target Population	PRA Units	Total Units
5150 Northwest LP Full Circle Communities, Inc.	Families	30	75

Estimated Contract Summary

Development	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
5150 Northwest Apartments	Housing Choice Voucher Program	30 years	AHAP & HAP contract	\$ 531,300	\$ 21,553,820 (30 years)	December 2018 (update)

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.

5150 Northwest Apartments

5150 Northwest Apartments is seeking renewal of CHA's Preliminary Commitment Letter approved by the Board of Commissioners at the June 20, 2017 meeting. The letter will be utilized as preliminary support for financing applications, including to the Illinois Housing Development Authority.



- 5150 Northwest Apartments is a new construction, 7-story masonry, elevator building located in an Opportunity and General area in Chicago's Jefferson Park community. The building will offer 75 total units: 5 studios, 16 one-bedroom, 16 two-bedroom, and 38 three-bedroom units. 14 units will be accessible with 3 units meeting federal requirements for Type A 504; all units will be adaptable and sensory adaptable.
- PRA will assist 30 units: 4 studios, 9 one-bedroom, 7 two-bedroom, and 10 three-bedroom units. 5150 has received approval from the US Department of Veteran's Affairs (VA) to utilize 10 VASH vouchers as part of the PRA voucher commitment. The target population for the 10 VASH units will be homeless veterans that have been approved by the VA and meet VASH requirements. The target population for the remaining 20 PRA units will be families from the CHA waitlist, with a preference for veterans and persons with disabilities.
- Property amenities include on-site management and leasing offices, a controlled entry system, outdoor recreation space at the rear of the property, a community garden, picnic area, and dog run. A ground level retail / community space will be created. 43 parking spaces will be available for the residential and commercial tenants.
- Unit amenities include condo quality finishes, dishwashers, balconies/patios, Energy Star appliances, and some units will have an in-unit washer/dryer. Supportive services will be available to all residents of the building through a full-time, on-site service coordinator. All utilities, including heat and electricity, will be paid by the owner.

Property Owner /Manager

5150 Northwest LP is a subsidiary of Full Circle Communities Inc. (FCC), an Illinois non-profit 501(c)(3) organization which was founded in 1999 to create and preserve affordable housing with supportive services available to the residents. FCC is the Managing Agent and General Partner and will contribute 75% of the project's cash flow and developer fee to provide supportive services to tenants of 5150 Northwest Apartments. FCC has partnered with CHA and provides 11

PRA units in the Milwaukee Avenue Apartments (3064 North Milwaukee Avenue) and 9 units at Brainerd Park Apartments (8920 South Loomis Avenue).

Full Circle Management, LLC (FCM) manages 830 residential units located in 8 properties. FCC will provide an on-site service coordinator and will link residents to area programs that support education, health, financial awareness, insurance, and VA benefit assistance. Full Circle Communities, Inc. is the sole and managing member of FCM.

Respectfully Submitted:

Derek Messier
Chief Property Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the board letter dated March 19, 2019 entitled "Authorization to Renew and Execute a Preliminary Commitment Letter for 5150 Northwest Apartments".

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 renew and execute a 1) Preliminary Commitment for Letter for 5150 Northwest Apartments; and 2) all other documents as may be necessary or appropriate to implement the foregoing.

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