



May 13, 2015

Item No. 8

AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR 3714 W. WRIGHTWOOD

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1.) execute a Housing Assistance Payments Contract (HAP) for 3714 W. Wrightwood; and 2.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for families by providing Property Rental Assistance (PRA) for five (5) apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
3714 W. Wrightwood	Logan Square/ 31 st Ward/Ray Suarez	Data Properties	Families	5	12

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
3714 W. Wrightwood	HCV	10 Years	HAP Contract	\$75,192/ year	\$823,331 (10 years)	February 2015

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 Chicago Housing Authority (CHA) policy.

Proposed Development: 3714 W. Wrightwood

- 3714 W. Wrightwood is a 3-story, 12-unit building located in the Logan Square community area, containing 12 units consisting of 2 one-bedroom units, 7 two-bedroom units, 2 three-bedroom units and 1 four-bedroom unit . The PRA unit mix will be 1 one-bedroom unit, 2 two-bedroom units, 1 three-bedroom unit and 1 four-bedroom unit.
- Data Properties purchased the previously foreclosed building in April 2013 through the City of Chicago's Troubled Building Program Initiative.
- Substantial rehabilitation was completed in April 2015 and included the new installation of all major building systems, including plumbing, electrical, heating and air conditioning, drywall, hardwood flooring and all new kitchens and bathrooms.
- Building amenities include stainless steel appliances, back porches, in-unit washers & dryers and a parking lot in the rear of the building which provides secure off-street parking.
- Developer is required to rent 80% of the building (10 units) to households earning 80% of area median income or lower. PRA units would satisfy part of that requirement.
- PRA units would count towards CHA's Altgeld Match Unit and/or Horner Superblock replacement obligations.

Developer Background: Data Properties

- In 2004, Data Properties, Inc., a for-profit real estate investment and property management firm, was created to acquire and manage rental property in Chicago. Initially, Data Properties purchased, rehabbed and managed small 2-flat buildings.
- In 2012, Data Properties expanded to include investment partners to purchase multifamily buildings in need of rehab. They currently own and manage 220 units in 19 buildings in the city.
- In January 2013, Data Properties was selected by CHA to become a member of the Housing Choice Voucher Owners Excellence Program.

Development Financing

Not applicable.

Waiting List / Occupancy Process

The owner/manager of 3714 W. Wrightwood will 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 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.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable CHA board policies and all applicable federal laws.

The CEO/President recommends the approval to execute a HAP contract for 3714 W. Wrightwood.

RESOLUTION NO. 2015-CHA-42

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 13, 2015 requesting authorization to execute a Housing Assistance Payments Contract for 3714 W. Wrightwood;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1.) execute a Housing Assistance Payments Contract (HAP) for 3714 W. Wrightwood; and 2.) execute all other documents as may be necessary or appropriate to implement the foregoing.



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