



Board Letter

**Agenda Date:** November 25, 2025

**Agenda #:** 5

Authorization for the Surf Apartments General Partner to accept the assignment of Limited Partner Interest from the Investor.

Development Address	Community Area	Target Population
Britton Budd Apartments 501 West Surf Street Chicago, IL 60657	Lakeview	Seniors

Presenter: Lee Pratter, Deputy Chief Development

**Recommendation**

The Operating Chairman of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) authorize the Operating Chairman or his designee to: 1) accept the assignment of Limited Partnership Interest from the Investor Limited Partner, Redstone Equity Holding, LLC and Red Stone Equity Manager, LLC (collectively referred to Red Stone) in Surf Senior Housing Limited Partnership; and 2) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

**Property Summary**

Britton Budd Apartments (also known as Surf Apartments) is located in the Lakeview community area at 501 W Surf Street. The development is an 11-story public housing building comprised of 173 total units, studios and one-bedrooms for seniors.

Britton Budd was constructed in 1917, acquired by the Authority in the 1950s and has been designated as a contributing element to the Surf-Pine Grove District, which is designated by the City Council as a Chicago Landmark District.

**Funding**

N/A

**Compliance**

N/A



### **Background and Approach**

In 2008, CHA completed a gut rehabilitation of the 91-year-old building through a mixed finance, 4% low-income housing tax credit transaction. The tax-exempt bond/low-income housing tax credit financing required that a single-purpose limited partnership be established.

CHA created Surf Senior Housing Limited Partnership, whose purpose was to rehabilitate and operate Britton Budd Apartments. Surf Housing Development LLC was formed to serve as the general partner of the limited partnership. The CHA is the only member of the general partner, Surf Housing Development, LLC, with .1% ownership. As the sole member of the general partner, CHA is responsible for the overall management of the property and engages a third-party property manager, WinnCompanies, to handle day-to-day management issues. At initial project closing, Red Stone Equity Holding, LLC, joined the Limited Partnership as the Limited Partner with 99.899% ownership and Red Stone Equity Manager, LLC, as the Special Limited Partner with 0.001% ownership of Surf Senior Housing Limited Partnership. The Limited Partner is an investor in the property and does not participate in the general operations or assume liability for the property.

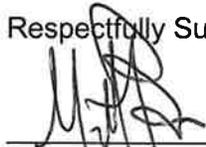
As is customary for a low-income housing tax credit limited partnership at the completion of the tax credit compliance period in year 15, Red Stone wants to exit from its combined 99.9% ownership in the partnership. Red Stone has agreed to assign their interest to CHA or a CHA-

controlled entity, and it is anticipated that the transfer will be completed in Q1 2026. Red Stone has agreed to exit in return for a \$70,000 exit payment to cover asset management fees, the capital transaction fee, and legal costs owed to them.

Once Red Stone's interest is transferred, CHA will be able to make long-term financial decisions regarding capital needs for the property without the consent of an investor partner. Once Red Stone exits the partnership, the property will no longer have to pay Asset Management fees to the investor, and all cash flow returns to CHA. Through this action, Britton Budd Apartments will continue to serve existing senior residents and the community as a CHA senior affordable housing asset.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA policies. CHA staff have completed the necessary due diligence, including required reviews of project documents and regulatory compliance and consulted with Rubin Brown, the project's tax advisor, to support the submission of this request.

Respectfully Submitted:



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**Matthew Brewer**  
**Operating Chairman**



**Agenda #:5**

**RESOLUTION NO. 2025-CHA-51**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated November 25, 2025, entitled "Authorization for the Surf Apartments General Partner to accept the assignment of Limited Partner Interest from the Investor."

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

**THAT,** the Operating Chairman or his designee may accept the assignment of Limited Partnership Interest from the Investor Limited Partner, Redstone Equity Holding, LLC and Red Stone Equity Manager, LLC (collectively referred to as the Investor Limited Partner) in Surf Senior Housing Limited Partnership; and

**THAT,** the Operating Chairman or his designee may execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.



  
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James Matenky  
Vice Chairman  
Chicago Housing Authority