



## Board Letter

**Agenda Date:** September 19, 2025

**Agenda #:** 6

Authorization to submit a disposition application to the U.S. Department of Housing and Urban Development ("HUD"), enter into a ground lease, and enter into a Power Purchase and Lease Agreement ("PPLA") for a solar power development at Altgeld Gardens.

Development Address	Community Area	Target Population
Parcel 1 – 13350 S. Langley Avenue Parcel 2 – 13325 S. Dobson Avenue Parcel 3 – 969 E. 130 <sup>th</sup> Street	Riverdale	New solar panel arrays will be installed on three vacant parcels and landscaped buffers will be designed and installed

Presenter: Rishab Mehan, 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/her designee to: 1) enter into a 20-year ground lease with two (2) additional 5-year options to extend with Windfree AG Solar 1 LLC for certain land within Altgeld Gardens to facilitate the installation of solar panels on three (3) parcels totaling approximately 17.96 acres (the "Proposed Development") in the Altgeld Gardens community to be developed by the solar power developer Windfree Wind & Solar Energy Design Company (the "Solar Developer"); 2) submit a disposition application to HUD for the CHA land necessary to enable the Proposed Development; 3) lease the land to Solar Developer or its designee in exchange for the appraised leasehold value being provided to CHA; 4) enter into a Power Purchase and Lease Agreement ("PPLA") with Windfree AG Solar 1 LLC for the supply of renewable electricity at Altgeld Gardens; and 5) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

### **Overview**

This item is for the submission of a disposition application to HUD, the subsequent entry into a ground lease of vacant land (upon HUD's approval) within the Altgeld Gardens development to the Solar Developer to facilitate the Proposed Development, and authorization to enter into a PPLA with Windfree AG Solar 1 LLC for the supply of renewable electricity at Altgeld Gardens. The new solar panels will generate clean energy to help meet the electricity needs of CHA residents at Altgeld Gardens and save CHA an estimated \$8 million in utility costs at Altgeld Gardens over the 20-year period of the initial term of the ground lease. The PPLA with Windfree AG Solar 1 LLC will include terms to ensure responsibility for operations and maintenance of all equipment and materials that collectively generate renewable energy over the 20-year period are with the Solar Developer. This agreement will also confirm a unit price per kilowatt-hour

(kWh) of electricity generated from the solar installation and includes no upfront capital investment from CHA.

**Property Summary and Estimated Contract**

<b>Property/Site</b>	<b>Acreage and Square Feet</b>	<b>Land Lease Value</b>
Parcel 1 – 13350 S. Langley Avenue Parcel 2 – 13325 S. Dobson Avenue Parcel 3 – 969 E. 130th Street	Approximately 17.96 acres (782,301 square feet)	\$430,000

**Developer**

The Solar Developer is a Chicago-based Equity Eligible Contractor and Certified Minority Business Enterprise focused on solar and energy storage installations in the State of Illinois. The Solar Developer has been an installer of small-scale solar projects in the greater Chicago area since 2009 and has participated as a model small-scale developer and installer in the IL Solar for All (ILSFA) Program. The Solar Developer offices are located at 5022 W. Foster Ave., Chicago, IL 60630. The proposed ground lease will be with Windfree AG Solar 1 LLC, the Solar Developer's entity created specifically for this project.

**Funding Considerations**

This Proposed Development does not commit any CHA capital funds. The proposed ground lease that is subject to this board action will generate \$430,000 in value for CHA.

The PPLA that CHA anticipates entering with Windfree AG Solar 1 LLC upon project completion would commit CHA funds to pay for electricity at Altgeld Gardens. Under the PPLA, CHA will buy the electricity generated by the Proposed Development from Windfree AG Solar 1 LLC. The current technical performance model for the solar installation anticipates that it will generate approximately 50% of Altgeld Gardens' annual electrical usage. The Proposed Development and PPLA are expected to save approximately \$8 million in utilities costs at Altgeld Gardens over the base 20-year period.

The final payment terms for the lease value are still being finalized. The ILSFA program requires that the Solar Developer provide CHA with at least a minimum 50% reduction in electricity costs over the duration of the agreement. The expected power savings alone will recover the value of the land in less than 5 years. Terms for how the land value will be paid are still being finalized but payment will be provided to CHA in one of three ways:

- 1) As a direct payment to CHA in installments within five years;
- 2) An equivalent reduction in the price of power or credit for power generated; or
- 3) Equivalent community benefits which are required under the ILSFA program which requires that a minimum of 50% of the power cost savings generated by the solar installation be reinvested into the surrounding community.

**Property Profile**

The Proposed Development includes three CHA vacant parcels:

Reference	Address	Area	Previous Use
Parcel 1	13350 S. Langley Avenue	3.63 acres	Block 16 (62 units) Demolished 2016-17
Parcel 2	13325 S. Dobson Avenue	6.43 acres	Vacant land
Parcel 3	969 E. 130th Street	7.9 acres	Block 12 (91 units) Demolished 2017-18
		<b>17.96 acres</b>	

Altgeld Gardens provides over 1,500 homes to CHA families in Chicago's Riverdale Community Area. The total site area spans over 190 acres.

**Site Plan:****Compliance**

This project will meet all CHA Compliance Requirements.

**Background and Approach****Overview**

This Board action is seeking authorization to enter into a 20-year ground lease with two (2) additional 5-year options to extend with Windfree AG Solar 1 LLC or its designee for certain Altgeld Gardens land to facilitate Proposed Development in the Altgeld Gardens community to be developed by the Solar Developer; submit a disposition application to HUD for the CHA land necessary to enable the Proposed Development; lease the land to Solar Developer or its designee in exchange for payment or equivalent consideration of appraised leasehold value, and enter into a PPLA with Windfree AG Solar 1 LLC for the supply of renewable electricity at

Altgeld Gardens. The Proposed Development and PPLA will generate clean energy to meet the electricity needs of CHA residents at Altgeld Gardens and save CHA an estimated \$8 million in utility costs at Altgeld Gardens over a 20-year period.

The Solar Developer has secured funding for the design and construction of the Proposed Development from local, state, and federal programs. The ILSFA Program is one of the main programs supporting the Proposed Development at Altgeld Gardens. This program incentivizes providing low-cost solar energy to low-income and/or environmental justice communities. The ILSFA Program also requires that funding recipients establish workforce training opportunities and hire trainees from within the community where the clean energy project is being built.

### **Previous Related Board Actions**

On May 14, 2021, the CHA Board, per Resolution No. 2021-CHA-24, authorized a solar developer vendor pool to be created. The Solar Developer for this Proposed Development and PPLA is one of three vendors selected into that vendor pool. This item does not change or otherwise affect the terms of that vendor pool.

### **Proposed Development Approach**

CHA will continue to own the land proposed for the Proposed Development. The disposition authorization requested in this Board action is for a 20-year ground lease with two (2) additional 5-year options to extend between CHA and the Solar Developer or its designee. The Solar Developer will compensate CHA a total of \$430,000 for the ground lease, either as direct payment or an equivalent amount invested on Altgeld Gardens residents through workforce development and local hiring programs. The Solar Developer will install, maintain, and own all the solar equipment related to the Proposed Development. The Proposed Development will produce an estimated 136,004 megawatt-hours (MWh) over a 20-year period.

There are several options for what happens at the end of a 20-year period, including, but not limited to:

- Ground Lease and PPLA renewal (subject to CHA Board and HUD approval, and any future applicable laws or regulations)
- Ground Lease and PPLA termination (all equipment removed at the solar developer's cost, and possession of the land will be returned to CHA)

The Solar Developer will be responsible for securing all needed funding, permits, regulatory and utility permissions and other necessary approvals to build and operate the solar panel systems and begin generating electricity.

As contemplated in the May 14, 2021 Board action, CHA will secure a lower price for the solar electricity generated by the solar panels compared to the cost of traditionally generated electricity. Any electricity CHA purchases from the Proposed Development is expected to lower the projected expenses in CHA's annual utility budgets.

### **Proposal Benefits**

The Proposed Development will benefit CHA and CHA residents in several ways, including:

- Decreasing CHA's annual electricity costs by at least 50% with an estimated saving of \$8 million in energy costs over the 20-year period of the initial ground lease term, which can be used for other purposes to serve CHA's mission.
- Establishing workforce training and green jobs opportunities for CHA residents. The Solar Developer anticipates creating approximately 50 jobs for construction (90 days) and 10 jobs for maintenance and security (year-round). The job training provisions



associated with this project include providing paid training to two cohorts of people per year, with each cohort having approximately 20 to 25 participants.

- Adding new landscaped buffers around the solar panel systems, creating new planting areas and other related amenities.
- Supporting CHA's commitment to reduce greenhouse gas emissions by 50% from 2022 levels by 2033 under the U.S. Department of Energy's Better Climate Challenge.

### **Additional Considerations**

The Proposed Development will generate clean energy and significantly reduce greenhouse gas emissions. Based on U.S. Energy Information Administration data for Illinois, the traditional energy use reduction for this proposal could reduce carbon dioxide emissions from Altgeld Gardens electricity by 29,912 tons over a 20-year period (the equivalent of the carbon captured by 30,003 acres of American forests in one year).

Altgeld Gardens is considered the birthplace of the environmental justice movement based on the advocacy efforts of CHA residents beginning in the 1970s. A solar development of this size and scale would be a significant contribution to advancing environmental justice in this community. The Proposed Development will connect the Altgeld Gardens community even more deeply to the future of the environmental justice movement through workforce development and job training opportunities in the sustainable energy sector.

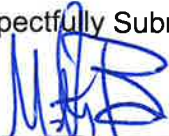
The timing of the Proposed Development also aligns well with several other community investments happening at Altgeld Gardens. These include the Chicago Transit Authority's Red Line Extension, the Chicago Department of Transportation's plans for expanding a bicycle trail, and the Forest Preserves of Cook County project consisting of a new trail connection linking Altgeld Gardens with the Beaubien Woods boat launch area and a new water service line that will deliver drinking water to a new comfort station that will be developed at the boat launch area, and the By the Hand Club for Kids rehabilitation and expansion of the historically significant Up Top building.

### **Timeline & Next Steps**

The Proposed Development is undergoing environmental review under the National Environmental Policy Act (NEPA), which must be completed prior to the HUD Disposition application submission. CHA is targeting a HUD disposition application submission in late Q3/early Q4-2025 with an approval from HUD by late Q4/early Q1-2026. The proposed project is expected to complete all financing steps by Q1-2026. Solar panel array construction and installation is expected to begin in Q2-2026, depending on weather and supply conditions, with the panels placed in service by Q3-2026.

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

Respectfully Submitted:



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





**Agenda #: 6**

**RESOLUTION NO. 2025-CHA-39**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 19, 2025, entitled "Authorization to submit a disposition application to the U.S. Department of Housing and Urban Development ("HUD"), enter into a ground lease, and enter into a Power Purchase and Lease Agreement ("PPLA") for a solar power development at Altgeld Gardens".

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

**THAT,** the Operating Chairman, or his designee, is authorized to submit a disposition application to HUD for the disposition of CHA land located at Parcel - 1 13350 S. Langley Avenue, Parcel 2 – 13325 S. Dobson Avenue, and Parcel 3 – 969 E. 130th Street in Altgeld Gardens;

**THAT,** the Operating Chairman, or his designee, is authorized upon receipt of HUD disposition approval to enter a 20-year ground lease with two (2) additional 5-year options to extend with Windfree AG Solar 1 LLC, a special purpose entity affiliated with Windfree Wind & Solar Energy Design Company, or its designee;

**THAT,** the Operating Chairman, or his designee, is authorized, pursuant to the foregoing approval(s) and action(s) to enter into a PPLA with Windfree AG Solar 1 LLC for the supply of renewable electricity at Altgeld Gardens, or its designee; and

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



  
**James Matanky**  
Interim Vice Chairman  
Chicago Housing Authority