



Board Letter

Agenda Date: January 27, 2026

Agenda #: 3

Authorization to increase CHA loan funds for Lathrop 1C.

Development Address	Community Area	Target Population
Lathrop 1C Corner of Leavitt St. & Clybourn Ave. to the north, Damen Ave. to the east, corner of Chicago River & Damen Ave. to the South, and Chicago River to the west	Lincoln Park	Families

Presenter: Kemena Brooks, Chief of Staff

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) increase the maximum CHA loan by an amount by \$4,000,000 for an amount not to exceed \$41,000,000 for the development of Lathrop 1C and 2) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

Property Summary and Estimated Contract

CHA Loan Source	Type of Loan	Not to Exceed Amount
CHA Funds	Construction/Permanent	\$41,000,000

Contract Term	Total Units	RAD PBV Units	Initial Estimated Contract – 1 st Year*	Total Estimated Contract – 20 Years
RAD HAP 20 years (with automatic renewal)*	309	121	\$3,008,817	\$71,156,408

* The 1st Year contract rent will be updated to include the 2026 operating cost adjustment factor once it is issued.

Funding

This item recommends approving a maximum of \$4,000,000 in additional loan funds for the Lathrop 1C development. This change would result in a not-to-exceed total of \$41,000,000 in CHA funds and taxable bond proceeds for this project.

Compliance

Subject to compliance with M/W/DBE & Section 3 Participation.

Background and Approach

Lathrop 1C is the third phase of the Lathrop redevelopment project. The overall revitalization plan for Lathrop is a multi-phased, mixed-income, mixed-use redevelopment effort. The first two phases of Lathrop delivered 179 CHA units and 488 total units.

Phase 1C preserves seven of the existing historic residential buildings and one new construction building to deliver a total of 309 new and renovated mixed income residential rental units. The project also includes 3,500 sq ft of community space in the new construction residential building and the exterior renovation of the "Powerhouse" building.

The CHA Board previously approved a maximum loan amount of \$37,000,000 under Resolution No. 2024-CHA-13 on March 19, 2024. Since March 2024, construction costs have significantly increased resulting in the need for additional soft funding from the City of Chicago, Illinois Housing Development Authority (IHDA), and CHA. These increased costs have resulted in a significant financing gap that must be filled for this phase of Lathrop development to proceed. CHA has been working closely with the Developer and other government funding partners to find solutions to address the funding shortfall.

Since the initial CHA funding approval in March 2024, the City of Chicago has approved an additional \$20 million funding through Tax Increment Financing (TIF).

The recommended additional \$4,000,000 in CHA loan funds, alongside additional funding approved by the City of Chicago will address the current financing gap and enable the development to move forward.

Unit Summary

Unit Type	CHA	Affordable	Market	Total
Studio	0	18	6	24
One-Bedroom	54	69	42	165
Two--Bedroom	60	37	13	110
Three-Bedroom	7	3	0	10
Total	121	127	61	309

The 121 CHA units will be subsidized using a RAD project-based voucher (PBV) transaction.

Next Steps

CHA staff will continue working with the Lathrop 1C developer partners and other public funders to finalize the financial structure for the development and ensure all available opportunities to advance the project are exhausted before using additional CHA funds. The financial closing for this project is now anticipated in the Winter/Spring 2026, and construction is anticipated to start around the same time.

Respectfully Submitted:

A handwritten signature in black ink, appearing to be 'MB', written over a horizontal line.

Matthew Brewer
Operating Chairman



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RESOLUTION NO. 2026-CHA-3

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 27, 2026, entitled "Authorization to increase CHA loan funds for Lathrop 1C".

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

THAT, the Operating Chairman or his designee to increase the maximum CHA loan by \$4,000,000 for an amount not to exceed \$41,000,000 for the development of Lathrop 1C

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




James Matanky
Vice Chairman
Chicago Housing Authority