



## Board Letter

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**Agenda Date:** November 19, 2024

**Agenda #:** 1

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Authorization to approve and submit to HUD the Chicago Housing Authority's \$1.3 Billion Budget for 2025.

Presenter: Michael Moran, Chief Financial Officer

### **Recommendation**

The Interim Chief Executive Officer recommends that the Board of Commissioners of the Chicago Housing Authority (CHA) authorize the approval of the Chicago Housing Authority's \$1.3 billion budget.

The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority board policies.

### **Background**

The Chicago Housing Authority is required to submit for approval by the Board, a balanced annual Comprehensive Budget detailing each of its funding sources (MTW Fund, Section 8 Non-MTW fund, and Other Funds) and the use of budgeted funds.

The Chicago Housing Authority's Comprehensive Budget totaling \$1.3 billion includes the following fund categories:

- **MTW Fund.** Total sources for 2025 are \$1,137.4 million. The MTW Fund combines the Low-Rent, Capital and Section 8 programs into a block grant as allowed by HUD under the Amended and Restated MTW agreement. Total MTW Fund revenues consist of Housing Assistance Subsidy, Capital Grant Funds, Operating Subsidy, Block Grant, Dwelling Rental Income, Interest Income and Other Income.
- **Section 8 Fund (Non-MTW).** Total sources for this program are \$128.7 million. Total Section 8 (non-MTW) fund revenues consist of approximately \$84.3 million from RAD vouchers, \$17.9 million from Emergency Housing vouchers, \$13.5 million from Veterans' Affairs Supportive Housing (VASH) vouchers, \$3.2 million from Mod Rehab vouchers, and \$4.2 million from Mainstream vouchers for housing assistance. This fund also includes \$5.6 million other income sources related to RAD properties.
- **Other Funds.** Total sources are \$55.7 million. Approximately \$28.7 million of proceeds from the \$325 million bond issue that closed in September 2018 will be used to fund capital maintenance and repairs at CHA public housing and provide loans to mixed-income developments. Additionally, \$15.3 million from RAD replacement reserves will fund capital work at individual properties that have

already converted into the RAD program. Lastly, \$11.7 million of other federal and local grants, non-federal revenues, and interest income will be used to enhance or augment funding for critical programs and services that the CHA provides to its residents.

The estimated sum of all sources is equal to the estimated sum of all expenditures to be made/incurred during 2025.

Respectfully Submitted:



**Angela Hurlock**  
**Interim Chief Executive Officer**



**RESOLUTION NO. 2024-CHA-50**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated November 19, 2024, entitled "Recommendation to Approve the Chicago Housing Authority's \$1.3 Billion Budget for 2025";

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

**THAT,** the Board of Commissioners, authorizes the Interim Chief Executive Officer, or her designee to Approve the Chicago Housing Authority's \$1.3 Billion Budget, and grants authorization to the Interim Chief Executive Officer, or her designee, to make any final updates as deemed necessary;

**THAT,** the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;

**THAT,** the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations;

**THAT,** all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Amended and Restated Moving to Work Demonstration Agreement of the Chicago Housing Authority with the US Department of Housing and Urban Development; and

**THAT,** the Board of Commissioners grants authorization to submit the recommendation to Approve the Chicago Housing Authority's \$1.3 Billion Budget for 2025 to the US Department of Housing and Urban Development upon Board approval. Such approval shall constitute conclusive evidence of the Board's approval of any and all such updates.



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**Matthew Brewer  
Interim Chairman  
Chicago Housing Authority**