



Board Letter

Agenda Date: January 27, 2026

Agenda #: 2

Authorization to forgive the predevelopment loan made to Near North Cabrini, LLC and accrued interest for Clybourn and Larrabee redevelopment.

Development Address	Community Area	Target Population
Clybourn and Larrabee	Near North	Family

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) forgive the predevelopment loan made to Near North Cabrini, LLC and accrued interest; and 2) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

Funding

N/A

Compliance

N/A

Background and Approach

In February 2017, the Chicago Housing Authority Board approved and selected the Hunt Companies development team for the redevelopment of the Clybourn and Larrabee site. In February 2018, CHA entered into the Contract for Redevelopment of Cabrini Green's Clybourn and Larrabee Site with the owner entity, Near North Cabrini, LLC, whose members were Hunt/Imagine Development and Cabrini Green LAC CDC.

In August 2017, Pennrose Properties, LLC entered into a partial acquisition agreement with Hunt Companies and subsequently assumed the lead development role for the Clybourn and Larrabee project.

In February 2019, CHA executed a Predevelopment Loan Agreement with the development team for up to \$1.5 million, followed by two amendments (December 2020 and August 2023) extending interest set at 6% with a maturity date of December 31, 2025.

After unsuccessful Low-Income Housing Tax Credit (LIHTC) submissions in 2019, 2021, and 2024-2025 to the City of Chicago Department of Housing and Illinois Housing Development Authority in 2023, and a lack of approval from the Department of Planning and Development on

the project's zoning and design plan, the development team formally notified CHA in August 2024 of its withdrawal from the project and plan to divest from all Illinois projects.

Predevelopment Loan Forgiveness

From 2018 through January 2024, CHA paid a total of \$975,516.29 for eligible third-party project master planning, design, engineering, zoning, and environmental costs. By January 27, 2026 (the anticipated January Board date), the accrued interest is projected to be \$142,893.86 for a total of \$1,118,410.15. The daily interest rate accrual is \$162.50.

This work product was used as part of previous attempts to redevelop the site with the previous developer and may be used to inform continued predevelopment activities on the site.

Next Steps

Following board action on this item CHA will issue a formal notice to Near North Cabrini LLC to forgive the outstanding predevelopment loan and terminate the Contract for Redevelopment of the Clybourn and Larrabee Site in Cabrini-Green.

Respectfully Submitted:



Matthew Brewer
Operating Chairman



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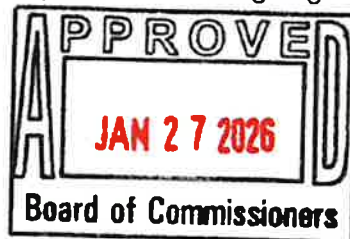
RESOLUTION NO. 2026-CHA-2

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 27, 2026, entitled "Authorization to forgive Near North Cabrini, LLC pre-development loan and accrued interest for Clybourn and Larrabee redevelopment".

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

THAT, the Operating Chairman or his designee is authorized to forgive the disbursed predevelopment loan made to Near North Cabrini, LLC and accrued interest.

THAT, the Operating Chairman or his designee may 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