



Board Letter

Agenda Date: September 19, 2025

Agenda #: 9

Authorization to execute a Housing Assistance Payment (HAP) contract with A) Paseo 606, B) Branch of Hope, and C) Clara's Village.

Development Address	Community Area	Target Population
Paseo 606 1751-53 North Spaulding Avenue	Humboldt Park	Family
Branch of Hope 5628-30 South Halsted Street	West Englewood	Supportive
Clara's Village 2115 West 63 rd Street 6355 South Wood Street 1941 West 59 th Street 1901 West 59 th Street 1637 West 59 th Street	West Englewood	Supportive

Presenter: Cheryl Burns, Chief Housing Choice Voucher Officer

Recommendation

It is recommended that the Board of Commissioners (Board) of the Chicago Housing Authority (CHA) authorize the CHA's Operating Chairman, or his designee, to execute an Agreement to enter into a Housing Assistance Payments (AHAP) contract, a corresponding Housing Assistance Payments (HAP) contract, and all other documents required to implement such items for a) Paseo 606, b) approve an additional ten (10) Project Based Vouchers at Branch of Hope, and c) Clara's Village. Should the project not secure required financing approvals, CHA's commitments will expire December 31, 2027.

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

Property Summary and Estimated Contract

AHAP/HAP contracts shall be issued for the following Developments utilizing funding from the Housing Choice Voucher (HCV) program:

Development Name Owner Entity	Contract Type & Term	Total # Units	PBV Units	Initial Estimated Contract	Total Estimated Contract
Paseo 606 Paseo 606 Associates, LP	AHAP/HAP 30 years	44	19	\$370,236	\$15,019,763
Branch of Hope 56 th Street, LP	HAP 15 years	100	68	\$754,800	\$13,053,071
Clara's Village West Englewood LP	HAP 30 years	52	40	\$799,200	\$ 32,422,009

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and CHA policy.



Paseo 606 is a new construction, 44-unit, 6-story elevator served residential property located in Chicago's Humboldt Park community. The building will contain five (5) 1-bedroom, thirty-five (35) 2-bedroom, and four (4) 3-bedroom units, including fourteen (14) accessible, nine (9) adaptable, and two (2) sensory units.

Project Based Vouchers will assist 19 units: five (5) 1-bedroom, ten (10) 2-bedroom, and four (4) 3-bedroom units. Applicants will come from CHA's waitlist. Units will contain an electric range and refrigerator. Tenants will be responsible for all electricity including heating and cooking.

Property Owner: **Paseo 606 Associates, LP** ownership structure will be formed to consist of a general partner entity and a limited partner that will serve as the primary LIHTC investor. The general partners are:

Bywater Development Group, LLC – A mission-driven real estate development firm specializing in affordable, mixed-income, and community-driven housing projects was founded in 2013. The firm has successfully developed and rehabilitated 757 affordable housing units across multiple states, leveraging a variety of financing tools, including Low-Income Housing

Tax Credits (LIHTC), Historic Tax Credits, New Markets Tax Credits, and HUD financing programs.

Bywater Development Group has been involved in large-scale redevelopment projects, including the preservation of historic buildings and the construction of new, high-quality affordable housing. Their work is characterized by a deep commitment to community engagement, sustainable development practices, and long-term affordability preservation.

Icon Capital Group, LLC – brings expertise navigating various funding sources, agencies, and development practices specific to the City of Chicago. The firm has worked extensively across many of Chicago's neighborhoods over the past several decades, providing high-quality market-rate housing options in diverse communities.

Icon Capital Group was founded in 1997 and is experienced in public-private partnerships, financial structuring, and urban development. Icon Capital Group has successfully executed projects that align with the City's housing goals, zoning requirements, and funding mechanisms.

Simmons Development Group, LLC – is a minority-owned real estate development firm with a focus on affordable housing, community revitalization, and economic development.

Simmons Development Group brings expertise in site selection, project financing, and construction management, ensuring projects are delivered on time and within budget. The firm has successfully navigated complex financing structures, including LIHTCs, TIF financing, and philanthropic funding sources.

Property Manager: Beacon Property Management/SOCAYR – has extensive experience in managing affordable housing developments, including those financed through Low-Income Housing Tax Credits (LIHTCs), Project-Based Vouchers (PBVs), and other subsidy programs. The management team will ensure efficient operations, high-quality maintenance, and compliance with all regulatory requirements while fostering a safe and supportive living environment for residents.

Beacon Property Management was founded in 1998 to develop and operate a diverse portfolio of affordable housing. Beacon currently employs over 200 experienced housing professionals in various capacities. Beacon operates over 100 properties and over 6,000 apartment units in Kentucky, Missouri, Indiana, Illinois and Tennessee.



Branch of Hope was newly constructed in 2010. It consists of 100 units in two adjacent buildings, each containing fifty (50) 1-bedroom apartments located in West Englewood. All of the units are leased to low-income single adults in need of comprehensive supportive services.

A 1-year Housing Assistance Payments (HAP) contract was executed on January 19, 2011, for 58 PBV units and was extended in 2012 through December 31, 2040, for individuals from the CHA waitlist.

All the proposed Project Based Voucher units substantially comply with Housing Quality Standards (HQS) inspection requirements. The Project Based Vouchers application is for ten (10) 1-bedroom units to add to the existing Project Based Voucher Housing Assistance Payment contract.

Interfaith Housing Development Corporation (IHDC) developed the property with 4% Low Income Tax Credits, Tax Credit Assistance Program funding from the city of Chicago, a grant from the Federal Home Loan Bank and Illinois Affordable Housing Donation Tax Credits from the Illinois Housing Development Authority.

It is recommended to expand CHA's partnership in Chicago's Plan to End Homeless and increase PBV assistance to Branch of Hope: 68 total PBV units (10 additional PBV units) for applicants from the CHA waitlist with a preference for homeless individuals. 10 of the current PBV units are cross-matched with the Illinois State Referral Network.

Branch of Hope's amenities include a community room, exercise room, front desk security coverage, surface parking and on-site property management and supportive services. All utilities are provided by the building, including electricity.

Property Owner: 56th Street LP ownership structure consists of the general partner of 56th Street Development Company LLC, which is wholly owned by Interfaith Housing Development Corporation of Chicago ("IHDC") to promote and develop long term affordable housing for low-income, underserved populations in collaboration with local communities. IHDC has created 20 affordable housing developments, since 1992. In total, IHDC has generated 1,103 affordable rental units throughout the metropolitan Chicago area, most units are set aside for special needs populations.

The Limited Partner is Redstone Equity Partners, which specializes in the syndication of Low Income Housing Tax Credits to facilitate the development of affordable multifamily housing

communities. Founded in 2007, Red Stone Equity has raised tax credit equity for the development and rehabilitation of over 70,000 units in 46 states.

Property Owner/Manager: **Interfaith Management Services (IMS)** - is IHDC's affiliate organization. IMS manages all 14 properties for which IHDC holds ownership interest.

Supportive Services: IHDC has contracted with **Consultation Kares**, a Chicago based service agency, to provide on-site case management services to residents.



Clara's Village was placed in service in 2008. The capital costs of the project were funded by 9% Low Income Housing Tax Credits, Home funds from the City of Chicago, and an Illinois Housing Trust Fund award from the Illinois Housing Development Authority. The development consists of five buildings in a seven-block radius in the West Englewood neighborhood. The main building contains twenty-eight (28) units in a five-story building. The other four buildings are 6-flats. All 52 units offer permanent supportive housing for extremely low-income households with children.

Currently, 40 of the units receive funding through the HUD Hearth Act Homeless Rental Subsidy program. The remaining units receive a subsidy from the Chicago Low Income Housing Trust Fund. None of the units at Clara's Village currently receive any type of subsidy from the Chicago Housing Authority. The 40 Hearth Act supported units are occupied by tenants that were referred from the Coordinated Entry System administered by All Chicago, under the Homeless Management Information System (HMIS). These tenants qualified for housing due to their homelessness status and verifiable disabilities at the time of entry. Clara's Village's Hearth Act Homeless Rental Subsidy was granted at building's inception and expired August 31, 2025.

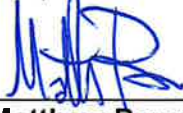
Project Based Vouchers will assist the 40 former Hearth Act units: four (4) 1-bedroom, twelve (12) 2-bedroom, and twenty-four (24) 3-bedroom units. Applicants will come from CHA's waitlist. All utilities are provided by the building, including electricity. Available to residents are a community room, exercise room, front desk security coverage, surface parking and on-site property management and supportive services.

Property Owner: **West Englewood LP** is composed of Clara's Village Company, LLC as General Partner and Clara's Village Interest, LLC as Limited Partner, both wholly owned entities of Interfaith Housing Development Corporation of Chicago. In its thirty-one-year history IHDC has created 1,103 units across Chicago. All developed units contain a social service component.

Property Manager: **Interfaith Management Service (IMS)** was created by IHDC in 2012 and manages a total of 821 units.

Supportive Services: **Olive Branch Mission**, a local service agency provides on-site case management services to residents. Founded in 1867, Olive Branch Mission is the oldest rescue mission in the nation. They strive to preserve human dignity while improving the quality of life and achieving enduring self-sustainability and self-determination.

Respectfully Submitted:



Matthew Brewer
Operating Chairman



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RESOLUTION NO. 2025-CHA-41

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated September 19, 2025, entitled "Authorization to execute a Housing Assistance Payment (HAP) Contract with a) Paseo 606, b) Branch of Hope, and c) Clara's Village".

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

THAT, The Board of Commissioners authorizes the Operating Chairman, or his designee, to execute an Agreement to enter into a Housing Assistance Payments (AHAP) contract, a corresponding Housing Assistance Payments (HAP) contract and all other documents required for the following developments: a) Paseo 606, b) Branch of Hope, and c) Clara's Village.




James Matanky
Interim Vice Chairman
Chicago Housing Authority