



Board Letter

Agenda Date: May 27, 2025

Agenda #: 4

Authorization to take actions necessary for the disposition and sale of vacant CHA land at the former ABLA public Housing site for the development of new for-sale housing.

Development Address	Community Area	Target Population
1237- 1357 W. Grenshaw Street	Near West Side	Families

Presenter: Lee Pratter, Deputy Chief Development

Recommendation

The Interim Chief Executive Office ("CEO") of the Chicago Housing Authority ("CHA") recommends that the CHA Board of Commissioners ("Board") authorize the Interim CEO or her designee to: 1) enter into a Purchase and Sales Agreement with LR ABLA LLC; 2) submit a disposition application to HUD for the disposition of CHA land at the former ABLA public housing site located at 1237-1357 W. Grenshaw Street, Chicago Illinois (the "CHA Land") by negotiated sale; 3) convey the underlying land by deeds; and 4) 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

Property/Site	Acreage and Square Feet	Payment to CHA
1237- 1357 W. Grenshaw Street	23 standard City lots	Appraised value plus income-sharing approach

Developer

LR ABLA LLC is the owner entity to which the land will be deeded to, and it consists of Related Midwest, the Chicago office of The Related Companies (Related). Related is one of the largest developers and preservationists of affordable and workforce housing in the country. Currently, Related owns and manages 55,000 affordable and workforce housing apartments.

Funding

N/A

Property Profile

Related plans to develop four townhome buildings, consisting of a total of 23 units on vacant CHA-owned infill lots between 1237-1357 W. Grenshaw Street. The brick design and height of the buildings was selected to blend into the existing housing stock on Grenshaw Street and surrounding neighborhood. This location is between the existing Roosevelt Square (ABLA) phase IIA and the recently completed Roosevelt Square 3B rental phase. A minimum of 4 of the

23 units will be designated as affordable for buyers with incomes at or below 120% Area Medium Income (AMI).

The plan is to continue housing development that complements the existing, successful Roosevelt Square rental phases. The houses constructed will include sustainability features which may provide for measures such as high levels of insulation, air sealing, and energy efficient mechanicals and appliances to deliver lower costs to the new homeowners while benefiting the environment.

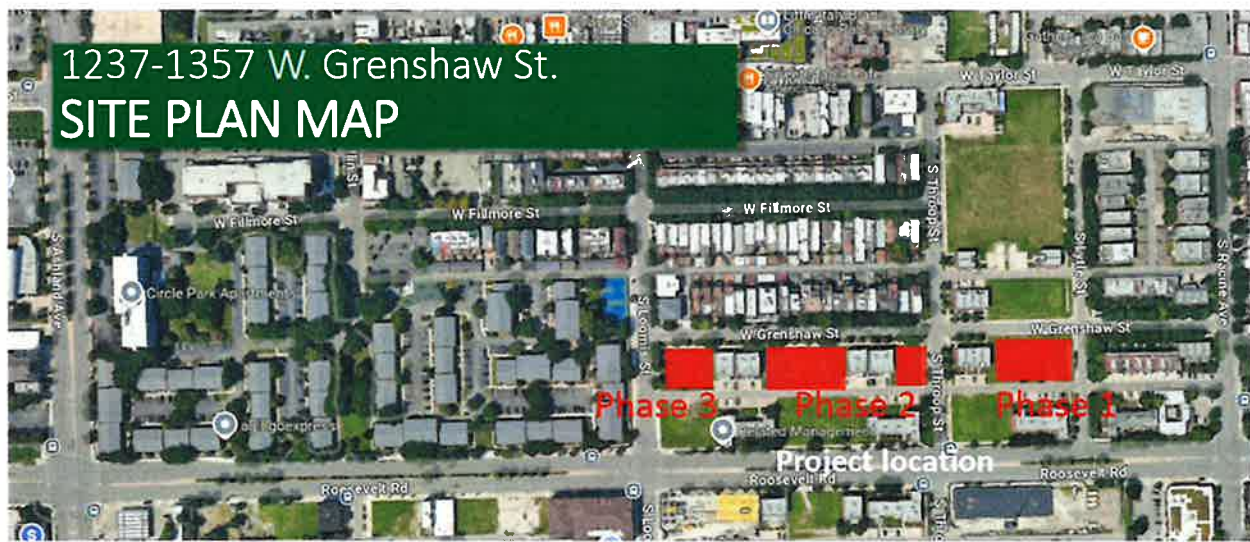
Builders

Related proposes to contract with two local builders to complete the construction and sales of the homeownership units. Related has identified two local African American-owned builders; Center Court LLC and MKB Business Strategies LLC. Related will not receive any compensation.

Center Court LLC – Over the past 5 years, Center Court Development has completed multi-family, single family new construction, single family home renovations across the city and is set to begin construction on 6 market rate townhomes, three 2-unit buildings, and one 6-unit building on former CHA land. Center Court Development is led by Kamau Murray.

MBK Business Strategies LLC – Over the past 5 years, MBK Business Strategies LLC (MBK) has rehabbed and built new construction market and affordable homeownership units across the city. MKB was also selected by the City of Chicago as one of 5 Missing Middle Developers in Lawndale and has developed affordable for sale homes as part of the “City lots for working families” initiative. Melvin Bailey is the principal of MBK.

Site Plan:



Rendering:**Compliance**

N/A

Background and Approach

Through a competitive procurement process, Related Midwest (Related) was selected in 2003 as the developer for the redevelopment efforts at the ABLA public housing site. With input from CHA, City of Chicago, ABLA residents, and other community stakeholders, Related, crafted a redevelopment plan for ABLA. The plan called for the development of both rental and for sale units. To date, six phases have been completed at the ABLA site, with one phase that included a for sale component. However, no additional for-sale units have been delivered since 2006.

CHA is proposing to dispose of 23 vacant lots to a Related controlled owner entity at the appraised market value minus the projected cost of environmental remediation. CHA will receive proceeds from the sale of the land. CHA will also potentially receive a share of proceeds from the future sales of the homes. Of the potential 23 homes for sale, a minimum of 4 units will be designated as affordable for buyers with incomes at or below 120% Area Medium Income.

Timeline and Next Steps

- This disposition activity was identified in the CHA FY 2024 MTW Annual Plan approved by HUD.
- Following board approval, CHA will submit a disposition application to HUD for 23 vacant ABLA lots with a HUD approval typically anticipated within 90 days of submission.

- Developer/Builder identifies financing and obtains construction loan.
- A Purchase and Sales Agreement is executed.
- CHA transfers land fee simple for construction of townhomes, semi-detached, or single-family housing to LR ABLA LLC owner entity or its designee.
- Land transfers will take place on a rolling basis.
- Deeds will include a reversionary clause or similar mechanism to reclaim the sites transferred if the builder fails to commence construction within a period to be stated in the deeds.
- Land transfers for each phase will be expressly contingent upon the developer/builder securing financing for each phase.

Respectfully Submitted:


Angela Hurlock
Interim Chief Executive Officer



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RESOLUTION NO. 2025-CHA-17

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 27, 2025, entitled "Authorization to take actions necessary for the disposition and sale of vacant CHA land at the former ABLA site at 1237-1357 W. Grenshaw for the development of new, for-sale housing."

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

- THAT,** the Interim Chief Executive Officer, or her designee, to enter into a purchase and sales agreement with LR ABLA LLC or its designee;
- THAT,** the Interim Chief Executive Officer, or her designee, to submit a disposition application to HUD for the disposition of CHA land at the former ABLA public housing site located along 1237-1357 W. Grenshaw St., Chicago Illinois;
- THAT,** the Interim Chief Executive Officer, or her designee, to convey the land at 1237-1357 W. Grenshaw to LR ABLA LLC or its designee;
- THAT,** the Interim Chief Executive Officer, or her designee, authority to execute such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.





Matthew Brewer
Interim Chairperson
Chicago Housing Authority