



## Board Letter

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**Agenda Date:** January 27, 2026

**Agenda #:** 4

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Authorization to enter into a contract for environmental remediation activities at the Lathrop Powerhouse.

Address	Community Area	Target Population
2567 N. Hoyne Ave.	Lincoln Park	Families (Non-residential portion of Lathrop 1C Redevelopment)

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) enter into a contract with Lathrop Community Partners, LLC, or its designee, to remediate the Lathrop Powerhouse building with a not-to-exceed amount of \$2,000,000 and 2) execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

### **Property Summary**

The Lathrop Powerhouse building is an approximately 32,000 square-foot building with a 16-storey smokestack. The Powerhouse building housed boilers and coal stores that served the 31 residential and administrative buildings that were part of the original Julia C. Lathrop Homes when they were completed in 1938. The Powerhouse building was last used in 2019 and contains inactive boilers, a coal chute, a chimney stack, a full basement with tunnels and pipes for transmitting steam heat, and several mechanical rooms. The building is included as part of the Lathrop Homes listing in the National Register of Historic Places.

### **Funding**

Not to exceed total of \$2,000,000.

### **Compliance**

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

## Site Map



## Background and Approach

The Lathrop Powerhouse has been vacant since 2019. Due to the era of construction and long-term vacancy, the interior conditions of the building have declined and become hazardous to human health. This proposal to enter into a Remediation Agreement with Lathrop Community Partners, LLC, or its designee, to remediate the Powerhouse building will ensure that health hazards are removed in a timely and cost-effective way and enable the building to be rehabilitated through an adaptive reuse contemplated under the Lathrop 1C development proposal.

Lathrop 1C is the third phase of the Lathrop redevelopment project. The overall revitalization plan for Lathrop is a multi-phased, mixed-use redevelopment effort with the latest phase delivering a total of 309 new and renovated mixed-income residential rental units. The Lathrop 1C redevelopment contemplates the Powerhouse building will be restored to a 'vanilla shell' condition for future non-residential usage. The future use or uses for this space are still to be determined.

Environmental assessments have determined the presence of Asbestos Containing Materials (ACM) and Lead Based Paint (LBP) in many materials within the building. Since the building went into disuse in 2019, these hazardous materials have reached a more deteriorated state due to exposure as well as vandalism in recent years.

The hazardous materials need to be remediated before the Lathrop 1C developer can begin construction to bring the building to a 'vanilla shell' condition as contemplated under the Lathrop 1C redevelopment proposal. Due to the atypical nature of a Powerhouse building, and the recent deterioration, the extent of the environmental hazards are outside the typical levels for the building to be transferred to Developer Partners and for interior renovations of the powerhouse to begin.

CHA has retained Environmental Analysis, Inc (EAI), a specialized demolition and environmental services firm, to develop a detailed scope of work that will be included in the Remediation Agreement. The Remediation Agreement is a required document for the Lathrop 1C development financing to close. Therefore, the remediation scope of work and Remediation Agreement must be finalized for the Lathrop 1C redevelopment to proceed.

EAI will also provide an independent, expert cost estimate to ensure that the Remediation Agreement is delivered at a reasonable cost to CHA. The \$2 million not-to-exceed amount for the Remediation Agreement is a maximum ceiling that includes potential cost escalations and contingency for unforeseen costs. CHA environmental staff will coordinate closely with the Developer Partner, Lathrop Community Partners, LLC, to ensure final project costs are managed closely. The Developer Partner will only be paid for approved costs under the Remediation Agreement. If the work costs less than the not-to-exceed amount, any unspent funds will remain with CHA.

By entering the proposed Remediation Agreement with the Developer for Lathrop 1C, CHA can ensure the necessary remediation work can start at the same time Lathrop 1C starts construction. This will ultimately ensure the new and rehabilitated affordable homes are completed on the fastest possible schedule. Without taking this remediation approach, the project's financial closing and construction start-date would have to come after the environmental remediation is completed. This would likely lead to the Lathrop 1C closing and construction start date being delayed beyond the current mid-2026 timeline.

CHA has already coordinated with the Developer Partner to guide the remediation scope of work and to minimize duplication with the separate scope of work for the interior renovation and build-out. For example, due to the tall interior height of the building, a substantial amount of scaffolding will be needed to remove lead paint and other lead-based components for remediation purposes. CHA and Lathrop Community Partners, LLC have coordinated their scope so the other general interior demolition and rehabilitation work can take place at the same time to not have to install the scaffolding twice.

#### **Next Steps**

CHA will work with EAI to draft the full remediation scope of work, targeting Spring 2026 for finalization. CHA and the Developer Partner must finalize the Remediation Agreement prior to the financial closing for Lathrop 1C and begin working to finalize other closing documents to maintain a target closing by mid-2026. On-site remediation work for the Powerhouse building is expected to begin in Summer or Fall 2026.

Respectfully Submitted:



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**Matthew Brewer**  
**Operating Chairman**



**Agenda #: 4**

**RESOLUTION NO. 2026-CHA-4**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 27, 2026, entitled "Authorization to enter into a contract for environmental remediation activities at the Lathrop Powerhouse".

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

**THAT,** the Operating Chairman or his designee enter into a contract ("Remediation Agreement") with Lathrop Community Partners, LLC, or its designee, to remediate the Lathrop Powerhouse building with a not-to-exceed amount of \$2,000,000;

**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