Chicago Residential Investment Fund
Board of Directors

Agenda

Tuesday, October 28, 2025 3:00 PM City Hall, Rm. 1003A

REGULAR BOARD MEETING

I. Roll Call

II. Public Comment

III. Approval of Minutes

IV. Committee Reports

   1. Operating Committee
   2. Executive Search

V. Policies

   1. Update on Conflict of Interest and Financial Reporting Policies

VI. Appointments

   1. Roles of Investment Committee and Sustainability Advisory Committee
   2. Structure of Investment Committee
   3. Potential nominees [closed session - appointment of specific individuals]

VII. Budget

VIII. Procurement

   1. Request for Information - Update
   2. Roadmap for procurement development

IX. Adjournment

MINUTES FROM SEPTEMBER 30 MEETING

Chicago Residential Investment Fund
Board Meeting
September 30, 2025
Minutes
Taken by: Secretary, Daniel Kay Hertz

I. Roll call.

Taken by Daniel Kay Hertz, acting Secretary.

Member	Present
Ciere Boatright	N
Rhett Bomher	Y
Gwendolyn Hatten Butler	Y
Lissette Castañeda (Chair)	Y
Brian Freedman	Y
Juanita Garcia	Y
Daniel Hertz	Y
Kristin Horne	Y
Sharla Roberts	Y*
Angela Tovar	Y
Edith Tovar	Y
Will Towns	Y
Don Villar	Y

Y	11
N	2

*Joined late during item IV

II. Incorporation activity

Chair asks for public comment. None requested.

Chair opens discussion of Resolutions 2025-1 (Articles of Incorporation), 2025-2 (Adoption of Bylaws), 2025-3 (Amendment to Bylaws).

Attorney Steven Washington explains purpose of resolutions.

Don Villar moves to ratify articles of incorporation, seconded by Kristin Horne.

Don Villar moves to adopt bylaws, seconded by Angela Tovar.

Gwendolyn Hatten Butler asks for clarification of “for cause” term in bylaws regarding the removal of appointed Board members.

Don Villar moves to adopt amendments, seconded by Will Towns.

Member	Resolution 2025-1 (adoption of Articles of Incorporation)	Resolution 2025-2 (adoption of Bylaws)	Resolution 2025-3 (adoption of amendment to Bylaws)
Ciere Boatright			
Rhett Bomher	Y	Y	Y
Gwendolyn Hatten Butler	Y	Y	A
Lissette Castañeda (Chair)	Y	Y	Y
Brian Freedman	Y	Y	Y
Juanita Garcia	Y	Y	Y
Daniel Hertz	Y	Y	Y

Kristin Horne	Y	Y	Y
Sharla Roberts			
Angela Tovar	Y	Y	Y
Edith Tovar	Y	Y	Y
Will Towns	Y	Y	Y
Don Villar	Y	Y	Y
Y	11	11	10
N	0	0	0
A	0	0	1

III. Members and Officers

Chair explains rules promulgated by Department of Housing regarding Designation Policy.

Chair explains Designation Policy (Resolution 2025-4).

Motion to adopt 2025-4 by Don Villar. Seconded by Daniel Hertz.

Chair asks Daniel Hertz to confirm he has designation paperwork. Daniel Hertz confirms.

Motion to adopt 2025-5 by Don Villar. Seconded by Juanita Garcia.

Chair introduces nominated officers.

Motion to adopt 2025-6 by Brian Freedman, seconded by Kristin Horne.

Member	Resolution 2025-4 (adoption of Designation Policy)	Resolution 2025-5 (recognition of designations)	Resolution 2025-6 (appointment of officers)
Ciere Boatright			
Rhett Bomher	Y	Y	Y
Gwendolyn Hatten Butler	Y	Y	Y

Lissette Castañeda (Chair)	Y	Y	Y
Brian Freedman	Y	Y	Y
Juanita Garcia	Y	Y	Y
Daniel Hertz	Y	Y	Y
Kristin Horne	Y	Y	Y
Sharla Roberts			
Angela Tovar	Y	Y	Y
Edith Tovar	Y	Y	Y
Will Towns	Y	Y	Y
Don Villar	Y	Y	Y
Y	11	11	11
N	0	0	0
A	0	0	0

IV. Policies

Attorney Steven Washington explains Open Meetings Act definition of “meeting.”

Director Sharla Roberts joins quorum.

Brian Freedman asks if the Board wishes to require advance signup of public comment. Board discussion.

Will Towns requests clarification on closed meetings.

Don Villar moves to adopt Resolution 2025-7. Gwendolyn Hatten Butler seconds.

Member	Resolution 2025-7 (adoption of Document Retention, Open Meetings Act, and Sexual Harassment Policies)

Ciere Boatright	
Rhett Bomher	Y
Gwendolyn Hatten Butler	Y
Lissette Castañeda (Chair)	Y
Brian Freedman	Y
Juanita Garcia	Y
Daniel Hertz	Y
Kristin Horne	Y
Sharla Roberts	Y
Angela Tovar	Y
Edith Tovar	Y
Will Towns	Y
Don Villar	Y
Y	12
N	0
A	0

V. Committees

1. Establishment of an Operating Committee (Resolution 2025-8)

Chair explains purpose of Operating Committee. Proposes Vice Chair (Will Towns), Treasurer (Don Villar), and Secretary (Daniel Kay Hertz). Asks for questions or proposed amendments.

Gwendolyn Hatten Butler suggests that any action taken by Operating Committee on financing come back to the Board for ratification. Will Towns agrees. Chair agrees that the amendment will be made. Discussion on appropriate language for amendments. Agreement that language will refer to “ratification” at the next meeting of the Board.

Don Villar moves to vote, Sharla Roberts seconds.

2. Establishment of an Executive Search Committee (Resolution 2025-9)

Chair introduces need for Executive Search Committee.

Matt Stern, DOH, lays out potential paths for Executive Search Committee to take.

Chair announces that Lissette Castañeda, Kristin Horne, Sharla Roberts, and Matt Stern are proposed Executive Search Committee members.

Discussion about potential constraints on engaging search firm prior to finalization of operating agreement with the City and funds in the RIF's bank account.

Discussion of need for transparency in CEO selection process.

Chair shares she heard Board discussion moving towards national search beyond the networks of people in the room.

Discussion of tradeoffs of Chicago versus out of town candidates.

Chair shares Executive Search Committee will bring back information from search firms and considerations on strategy to the Board.

Gwendolyn Hatten Butler moves to adopt resolution 2025-9, Don Villar seconds.

Member	Resolution 2025-8 (establishment of Operating Committee)	Resolution 2025-9 (establishment of an Executive Search Committee)
Ciere Boatright		
Rhett Bomher	Y	Y
Gwendolyn Hatten Butler	Y	Y
Lissette Castañeda (Chair)	Y	Y
Brian Freedman	Y	Y
Juanita Garcia	Y	Y
Daniel Hertz	Y	Y

Kristin Horne	Y	Y
Sharla Roberts	Y	Y
Angela Tovar	Y	Y
Edith Tovar	Y	Y
Will Towns	Y	Y
Don Villar	Y	Y
Y	12	12
N	0	0
A	0	0

VI. Other Business

1. Request for Information

Chair clarifies no resolution–looking for general agreement on publishing RFI.

Discussion on length, possibility of rolling submissions.

Question on how to receive responses. Possible to use Google Workspace form.

Chair requests that all press inquiries be referred to Department of Housing.

Discussion about aldermanic inquiries. Chair requests those also be referred to Department of Housing.

Decision to keep records of press inquiries for RIF.

Discussion of timeline to development.

Chair indicates general consensus on releasing RFI.

VII.

Chair moves to adjourn. Sharla Roberts seconds. Passes on voice vote.

ROLE OF INVESTMENT COMMITTEE AND SUSTAINABILITY ADVISORY COMMITTEE

The Investment Committee (IC) is not mandated by the ordinance but is anticipated to play a critical role in the RIF's activities. The IC will be charged with providing preliminary feedback on potential investments, evaluating the merits of each proposed investment, and ultimately providing recommendations on investments before they are presented to the Board of Directors. Collectively this committee will have expertise in equity investments, market analysis, joint venture partnerships, deal structuring, due diligence, and asset management. In addition, members must show commitment to RIF's mission. It is critical that both the Board and potential development partners and lenders trust in the IC's expertise.

One early action of the Investment Committee, once assembled, will be to propose investment parameters that will govern its review of project proposals to be presented to the Board for approval. Once established, RIF staff will present deals to the Investment Committee to thoroughly vet the market analysis, unit mix, capitalization, partnership terms, development partners, asset management plan, and other aspects of the proposal. At the deal level, committee members will need to be familiar with the relationships between IRR, MOIC, equity splits and return hurdles, leverage, and risk. At the macro level, committee members will need to understand how each deal fits into the RIF's portfolio and impacts diversification, net asset value, liquidity, and long-term goals.

> **Recommended composition**: Due to the interaction of state law with regard to binding decisions by committees and the OMA policy, there is a decision to be made here by the Board that will be explored in the next agenda item. However, staff recommends that the IC include:
>
> - Two to three Directors with real estate investment expertise, one of whom will serve as Chair and another to serve as Vice Chair
> - The CEO of the RIF
> - Three to five third-party real estate professionals appointed to the IC by the Board.

The Sustainability Advisory Committee (SAC) is mandated by the ordinance to be established within 90 days of the Board's first meeting, which period ends December 29, 2025. The SAC will create and recommend strategies that inform sustainable development standards, identifying financially viable sustainability investments to benefit RIF developments and residents. The SAC's work should demonstrate the value of sustainable developments to encourage the adoption of environmentally sustainable technologies.

> **Requirements**: Per the ordinance, the SAC should include sustainable and/or green building professionals and technical experts; developers with sustainable multifamily development experience; representatives from the Departments of Housing, Planning and Development, Environment, and Buildings; and professionals with experience in labor. There is no defined minimum or maximum size.
>
> **Recommended composition:** Staff recommends that the SAC include:
>
> - Two to three Directors who meet the standards described above (including the Commissioner of the Department of the Environment), one of whom will serve as Chair and another to serve as Vice Chair
> - One representative from the Department of Planning & Development group who participates in implementing the Sustainable Development Policy
> - Three to five third-party professionals that meet the standards described above

Committees and the Open Meetings Act. The IC and SAC are not subject to the OMA policy, provided that there is not a majority of a quorum of Directors present. We have been advised by counsel that under Illinois law, because a majority of each body is anticipated to be non-Directors, the IC and SAC will not be able to make any binding decisions on behalf of the RIF, but rather will serve in an advisory role.

STRUCTURE OF INVESTMENT COMMITTEE

Due to counsel's advisement that Illinois law requires nonprofit board committees to have a majority of Directors in order to take binding decisions, and the application of the Open Meetings Act policy at any meeting of four or more Directors, the Investment Committee may take two forms:

1. **Majority of non-Directors, non-binding.** This is the staff-recommended scenario laid out in the previous agenda item memo, with two to three Directors; the CEO of the RIF; and three to five non-Director real estate professionals. This form of the board, under our current understanding of state law, would not be able to make binding decisions. That is, an investment rejected by the IC would still be eligible for approval by the Board.

2. **Majority of Directors, binding.** This option would allow the IC to make binding recommendations—for example, rejecting investments such that the Board could not move forward. However, the need to have a majority of Directors but no more than three Directors would result in the inability to include more than two non-Director real estate professionals, including the CEO of the RIF.

Because no final decision or appointments are planned for this meeting, the Board could also request that counsel continue to research whether there are solutions that allow for more binding decisionmaking by the IC while including more than two non-Director real estate professionals.

PATHS TO PROJECT PROCUREMENT

Strategy 1: Stalled deal

In this approach, RIF partners with an existing developer who already has site control, a development proposal, and zoning entitlements, but has not yet identified all necessary financing. RIF offers preferred financing in exchange for a majority equity stake in the project, commitments around affordability levels at lease up, and clear buy-out terms for the developer.

Pros: This strategy can be activated very quickly. (There are several fully entitled projects in Chicago that have not yet pulled a building permit; it is generally understood that the most common reason for this is lack of investment capital.) Site control does not need to be negotiated, and pre-development costs have already been incurred by the existing developer. It is expected that terms may be able to be negotiated in a manner of weeks after identifying a target project.

Cons: Less control over design, amenities, and construction costs. Less control over location. Without contributing public land, RIF may need to provide additional cash equity to the deal.

Strategy 2: Public land

In this approach, RIF seeks co-developers for target parcels of publicly owned land. RIF negotiates site control as necessary, develops design standards for the site, and publishes a Request for Qualifications or Request for Proposals to find a private co-developer willing to propose a project scope and design that meets RIF criteria. RIF may directly perform certain pre-development activities (remediation, rezoning, etc.) or may outsource these tasks to the co-developer.

Pros: This strategy provides maximum control over design, use mix, amenities, green building standards, etc. Parcels can be selected, and design guidelines published, based on RIF policy priorities. This provides the RIF maximum project flexibility. If paired with

City-owned land, the cost of acquisition likely drops to $0, and the RIF can use the value of the land as a portion of its equity contribution.

Cons: This is expected to be a substantially longer process due to the need to develop detailed procurements, design the development, and obtain all entitlements. This may involve up-front, speculative costs.

Strategy 3: Open call

This approach is similar to the Public Land strategy, but rather than seeking co-developers for target public parcels, the RIF would issue a solicitation for any potential new construction development. The RIF could open an RFQ for a broad set of potential projects, or seek more specific parameters with respect to size, location, or other attributes.

Pros: This strategy casts the widest net, opening the door to projects the RIF may not have otherwise considered, and minimizing initial constraints to get a larger number of potential proposals.

Cons: To the extent the proposals submitted are on private land, the RIF will not be able to use the value of public land as an equity contribution. It is likely that design and entitlements would be necessary after procurement, and so this is likely to involve a longer process.

Strategy 4: LIHTC applicants not selected via the QAP

In this approach, applicants to the Chicago Department of Housing's or Illinois Housing Development Authority's Qualified Allocation Plan rounds who are not selected for Low Income Housing Tax Credit awards could be referred and evaluated to the RIF to see if development through an RIF investment would be feasible.

Pros: Provides additional options for development for applicants to highly competitive LIHTC allocations. While some redesign will likely be necessary, significant predevelopment work will already have been done by the time the developments reach the RIF.

Cons: Initial proposals will likely have been close to 100% affordable, which will likely not be possible through RIF investment. Designs will need to substantially reduce costs from those typical for LIHTC developments.

Strategy 5: Acquisition and rehabilitation

In this approach, existing residential developments are acquired and rehabilitated if necessary by the RIC. Such activity may be designed to preserve existing affordable units, increase affordability in a target neighborhood, or rescue troubled assets. This approach is most likely to be used “opportunistically,” meaning pursued when conditions benefiting this strategy arise. Such conditions could include targeting buildings in foreclosure proceedings or otherwise seeking below-market-rate sales, during recessionary events, etc.

Pros: Total cost per unit may be lower than new construction. Timelines for activation of this strategy are likely to be faster than timelines for new construction.

Cons: Statutorily required Council approval of each project may draw out necessary approval processes too long to enable strategic acquisitions. Although total cost may be lower than new construction, the ability to recycle capital is more difficult, as the opportunity to refinance and expected loan-to-values are based on an already operating property. (New construction is typically able to recycle capital sooner due to the value created during construction.) Existing tenants in residential units will need to be “worked around” or equitably relocated during rehabilitation. It could take time for a substantially occupied market-rate building to turn over enough units to reach affordable targets.

Proposed Procurement Path for Discussion

- *Q4 2025:* RIF issues Request for Expressions of Interest (RFEI) for stalled deals.
    - *Justification:* This path is anticipated to lead to a closing and construction most rapidly to secure “early wins,” and requires the least additional groundwork to prepare a solicitation.
    - *Next steps:* If the Board approves of this path, staff can prepare an RFEI for review and approval ahead of the November meeting. One or more highly scored RFEI responses can be followed up with a Negotiation Letter from RIF to begin negotiating terms, likely in Q1 2026, moving towards potential Board and City Council approval of terms in Q2.
- *Q1 2026:* RIF issues Request for Qualifications (RFQ) for one or more publicly owned parcels.
    - *Justification:* DOH staff continues to work on identifying a pipeline of high-potential publicly owned parcels to issue a solicitation around. A

contribution of public land has often been an important piece of early developments in other jurisdictions' revolving fund models.
  - *Next steps:* If the Board approves of this path, one or more highly scored responses can be followed up with a Negotiation Letter. As highlighted above, negotiations are anticipated to cover a broader range of subjects than under the "stalled deal" approach. Board and City Council approval of terms would be targeted for Q4 2026.
- *Q2-Q4 2026:* RIF explores solicitations for an open call, LIHTC applicants, and/or acquisition opportunities.
  - *Justification:* DOH staff continues to work on how RIF may want to structure an acquisition deal. DOH's LIHTC round will be announced in the spring.
  - *Next steps:* To be determined based on further analysis of potential acquisition deal structures and opportunities, the outcomes of DOH's LIHTC round, and Board guidance.