



THE HABITAT COMPANY

MEMORANDUM

TO: Chief Judge Marvin E. Aspen

FROM: Daniel E. Levin and
The Habitat Company

DATE: May 12, 1999

SUBJECT: CHA SCATTERED SITE AND REPLACEMENT HOUSING PROGRAMS
Quarterly Report: First Quarter, 1999

We are pleased to submit the Quarterly Report for the First Quarter of 1999 for the CHA Scattered Site and Replacement Housing Programs.

Summary of Units Completed, Units In Development, and Financial Activity

Of the total of 1,602 Scattered Site units, 1581 have been completed and transferred, and the remaining 21 units will start construction soon. These units are scheduled to be completed and transferred by February, 2000.

193 Demonstration and Family Self-Sufficiency (FSS) units have been completed and transferred, and 18 units are under construction. 43 units are in various development phases.

427 Replacement units have been completed and transferred, and 173 units are under construction. 175 units are being bought or leased on a long-term basis (40 years) from private developers, and 2,327 units are in various development phases.

In the Scattered Site programs, a total of \$154,525,854 has been budgeted and \$149,948,235 (97% of the total) has been expended. In the Demonstration and FSS programs, a total of \$38,057,098 has been budgeted and \$33,922,174 (89% of the total) has been expended. In the Replacement Housing programs, a total of \$260,528,504 has been budgeted and \$119,827,742 (45% of the total) has been expended.

Status of Scattered Site, Demonstration, Family Self-Sufficiency (FSS) and Replacement Housing Programs

Table 4 lists the current status of each program.

Scattered Site Programs

Eleven (11) Scattered Site units were completed and transferred during the 1st Quarter of 1999. Contracts have been awarded for the remaining 21 units, and construction will start in May 1999 and be completed by February, 2000.

Demonstration and FSS Programs

Thirteen (13) Demonstration/FSS units were completed and transferred during the 1st Quarter of 1999. Eighteen (18) units are almost complete, and they are all expected to be completed and transferred in May 1999. We continue to work with HUD to resolve the Total Development Costs ("TDC") issues for Program 165.

Lawndale Replacement Housing

Four of the 18 units have been completed and transferred. Four units in two duplexes at 1403 & 1407 S. Spaulding are almost complete and should be transferred in May 1999.

Of the remaining 10 units, construction is almost completed on 6 units, and they are scheduled to be transferred in May and June 1999. We are still processing construction permits for the final 4 units. The last Lawndale unit is expected to be completed and transferred this Fall.

Washington Park & Lakefront Replacement Housing

A total of 68 units have been completed and transferred. Eleven (11) units are under construction, and 5 of them were transferred in April 1999. Another 15 units are under contract. Construction is scheduled to begin on these units this Summer.

Planning for new mixed-income housing on the former Lakefront and Drexel sites has been ongoing for several months. A series of presentations have been made to the North Kenwood/Oakland Community Conservation Council in an effort to reach consensus on issues such as density and building types. We hope to reach consensus this Summer and issue a Request for Proposals ("RFP") to developers this Fall.

Horner Replacement Housing

Substantial progress has been made toward the completion of the 466 units that comprise the first phase of the Horner Replacement Program. As of March 31, 1999 three hundred and thirty-eight (338) units have been completed and transferred. Construction has begun on 53 units, located West of Western Avenue. Contracts have been awarded for the remaining 68 units. The final 7 Superblock units were completed and transferred on April 2, 1999. After extensive interaction with the community residing west of Western Avenue and with considerable assistance from the Chicago Departments of Housing ("DOH") and Planning & Development ("DPD"), construction has commenced for Program 197. The first

building was transferred on April 27, 1999. Also, the contract has been awarded for Program 201. Construction is expected to start in May 1999.

We have previously reported the concerning correspondence from the plaintiffs in the Horner litigation, Henry Horner Mothers Guild, et al, v. The Chicago Housing Authority, et al, and with Judge Zagel relating to the schedule for construction of replacement housing. On March 1, 1999 Judge Zagel indicated that he would hold a hearing in response to correspondence from the plaintiffs' counsel asserting that the Receiver had failed to comply with the schedule for construction of replacement housing set forth in Judge Zagel's Order of December 20, 1996. (On five prior occasions we had written Judge Zagel to describe schedule changes due to matters beyond our control; our letter of July 21, 1998 also stated our view that the schedule had automatically been extended by virtue of the contingencies set forth in the schedule Judge Zagel had adopted in December 1996.) On March 25, 1999, at Judge Zagel's request, the Receiver filed a motion to modify the schedule, which contained detailed report describing the causes of the changes. Copies of the motion and report were sent to you when filed. In preparation for the anticipated hearing on schedule changes, the Receiver, CHA and the Horner plaintiffs have served written discovery requests, and document production is underway.

On April 16, 1999 the parties attended a meeting with Judge Zagel in chambers concerning other issues. At that time Judge Zagel indicated that he did not intend to schedule a hearing on the schedule issue until the Horner plaintiffs filed a motion seeking some form of relief. No motion has yet been filed.

Planning discussions are underway with regard to Horner 2 (west of Leavitt) and Horner 3 (east of Damen). An important planning decision to be made regarding the retention of the mid-rise buildings east of Damen. We hope these decisions will be made this Spring after the results of a tenant survey are known.

ABLA Replacement Housing

An effective working group continues to meet regarding the ABLA redevelopment. Members include representatives from DPD, DOH, The Habitat Company (THC), the Chicago Housing Authority (CHA), the ABLA Local Advisory Council and the Gautreaux Plaintiff's counsel. The Group has made substantial progress in defining the roles of its respective members and setting the parameters for future planning discussions. In March 1999, a request for proposals, to solicit a development manager to oversee the entire \$430 million mixed-income, multi-use project, was submitted for review by HUD. We expect that the RFP will be posted in May 1999.

Cabrini Replacement Housing

As you know, on March 1, 1999 you appointed Professor Leonard Rubinowitz as Special Master to explore the possibilities of mediating the impasse reached in discussions between the City of Chicago, the Receiver and the Cabrini LAC concerning the redevelopment of the Cabrini area. Since that time, Professor Rubinowitz has convened two meetings with all parties (one of which included HUD representatives), and has met separately with each party several times. Professor Rubinowitz's efforts are continuing,

and the Receiver has and will provide all requested cooperation in attending meeting and attempting to reach an appropriate resolution consistent with the Receiver's duties under this Court's orders.

A working group comprised of DOH, DPD, THC, the developers (Holsten/Kenard), and CHA continues to work on finalizing the site plan, costs and designs for the Halsted North project. This is a mixed income project which includes a total of 261 units, of which 79 units (30%) will be replacement housing for Cabrini. A key issue has been resolved. HUD has granted a waiver for this project from its restrictions on new public housing units in mid-rise elevator buildings. We will be requesting a similar waiver of the analogous Gautreaux restrictions. THC and CHA are working with the developers to submit the required mixed-finance development proposal to HUD. Construction on this project is scheduled to begin in the Fall of this year.

Developers ("Mohawk Partners") have been chosen by the City of Chicago for 5 parcels in the 1400 block of Mohawk Street. They propose to develop a total of 15 units, 5 of which would be replacement housing for Cabrini. THC and CHA are working with the developers to resolve issues and submit the required acquisition package to HUD.

An evaluation panel comprised of DPD, DOH, THC, CHA, and the Cabrini LAC continues to review proposals from two developers for a mixed income project on a parcel at 535 W. North Avenue. One developer proposes a 60 unit project, and the other proposes a 90 unit project. 30% of the units would be replacement housing for Cabrini.

Robert Taylor B Replacement Housing

The closing for the financing for the Hearts United project took place in January, and construction has begun. This project is for a total of 116 rental units in the Mid-South community area. Twenty-nine, or 25%, of the units would be replacement units under the Robert Taylor B HOPE VI Grant.

Step-Up Apprenticeship Program

THC continues to be committed to the success of the Step-UP Apprenticeship Program. While we continue to have 12 Step-Up Apprentices, one apprentice has been offered a full-time position as Editor-in Chief of the CHA's resident newsletter, *Our Voices*. While he was a dedicated worker and we were sad to have him leave, we are extremely pleased with his success.

We are continually receiving feedback from both apprentices and contractors regarding the progress of the program. After receiving feedback, it became clear to THC that, while our apprentices were receiving excellent on-the-job training, many lacked basic skills. This has been a major hurdle in transitioning apprentices in union apprenticeship. Therefore, on March 26, 1999, THC issued a Request for Proposals for Job Counseling and Employability Training Services, to identify a community agency which would focus primarily on providing the apprentices with the necessary skills to pass union apprentice

exams. On April 9, 1999, three (3) agencies responded with proposals. The proposal from the New City YMCA/LEED Council was the most responsive. New City YMCA is very experienced in workforce development and, among other things, works closely with Cabrini residents to help them to obtain and keep jobs with the new and existing companies on Goose Island. We have begun negotiations with New City YMCA on a contract.

cc: Counsel of Record in Gautreaux
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**Summary of Completed/Transferred Units
and Units Under Construction
as of March 31, 1999**

TABLE No. 1

COMPLETED/TRANSFERRED

Year	# of Units Completed/Transferred							Total All Units
	Scattered Site	Demonstration & FSS	Replacement Housing					
			Horner	Lawndale	Wash. Park Lakefront	Cabrini	Subtotal	
1989	7						0	7
1990	127						0	127
1991	107						0	107
1992	214						0	214
1993	340						0	340
1994	147						0	147
1995	203						0	203
1996	308	15	4		4		8	331
1997	97	65	131		41		172	334
1998	20	100	150	4	26	16	196	316
1999	11	13	51	0	0	0	51	75
Total Completed	1,581	193	336	4	71	16	427	2,201

UNDER CONSTRUCTION

# of Units Under Construction	Scattered Site	Demonstration & FSS	Replacement Housing				Subtotal	Total All Units
			Horner	Lawndale	Wash. Park Lakefront	Cabrini		
As of March 31, 1999	21	18	133	14	26	0	173	212

BUY/LEASE PHASE

# of Units In Buy/Lease Phase	TAYLOR B	WASH. PARK		CABRINI			Total All Units
	Hearts United	Pope Place (2) & Shakespeare Schl. (1) NEB/Flesch (15)	46th & Woodlawn (Thrush)	North Town Village	Mowhawk Partners	Old Town Square	
As of March 31, 1999	29	22	12	79	5	28	175

GRAND TOTAL	2,588
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Summary of Units in Development
as of March 31, 1999

TABLE No. 2

	Bid/RFP Phase	Planning Phase	TOTALS
Demonstration/FSS		43	43
ABLA		1,115	1,115
Cabrini			
- Division South		277	277
- 535 W. North Ave.		27	27
- Site Undetermined		255	255
SUBTOTALS	0	559	559
Horner 2		150	150
Washington Park Lakefront	0	313	313
Taylor B			
- Sites Undetermined		222	222
TOTALS	0	2,402	2,402

**Financial Summary by Program
As of March 31, 1999**

Scattered Sites		
Program No.	Approved Budget	Cost (Income) To Date
115	\$8,885,442	\$8,885,442
116	7,448,320	7,448,320
117(a)	(28,113)	(28,113)
118	8,978,987	8,978,987
119	2,485,483	2,485,483
120	6,956,047	6,956,047
121	2,265,118	2,265,118
122	4,828,292	4,708,326
123	7,827,851	7,440,089
124	8,136,524	8,135,811
125	2,039,484	2,039,484
126 TK	2,062,780	2,062,780
127	2,386,667	2,386,667
128 TK	3,004,474	2,982,418
129 TK	2,271,403	2,271,403
130 TK	2,894,112	2,843,690
131 TK	2,556,421	2,556,421
132	2,530,000	2,533,420
133	2,075,167	2,075,167
134	2,055,883	2,055,051
135 TK	2,661,470	2,636,875
136	2,336,466	2,336,466
137 TK	2,719,177	2,715,178
138 TK	2,614,379	2,568,613
139 TK	2,454,275	2,452,559
140	2,502,820	2,483,218
141 TK	2,700,924	2,666,667
142 TK	2,411,349	2,375,087
143 TK	3,303,012	3,151,383
147 TK	2,676,540	2,646,881
149 TK	2,709,352	2,642,708
150 TK	2,522,813	2,519,165
151 TK	2,747,255	2,703,394
152 TK	2,883,297	862,771
153	2,549,740	2,555,275
154 TK	3,988,830	3,895,013
155 TK	2,627,030	2,524,510
156 TK	2,679,344	2,613,437
157 TK	2,723,598	2,658,812
158 TK	3,149,769	3,159,411
159 TK	2,634,087	2,627,636
160 TK	2,909,461	2,861,281
161 TK	4,143,819	3,198,562
175 TK	4,527,835	4,421,432
176 TK	3,688,870	3,589,890
TOTALS	\$154,525,854	\$149,948,235

**Financial Summary by Program
As of March 31, 1999**

Demonstration & Family Self-Sufficiency (FSS)		
Program No.	Approved Budget	Cost (Income) To Date
145	\$3,457,281	\$3,335,349
146	2,289,199	2,255,740
162	3,521,980	3,492,954
164	4,320,000	4,391,342
165	3,012,835	2,159,901
166	3,561,947	3,558,294
167	1,960,003	2,049,022
168	1,680,003	1,668,222
169	1,680,003	1,234,096
170	1,720,130	1,289,452
171	1,820,003	1,580,851
172	2,612,205	2,178,722
173	4,198,153	4,173,616
177 (FSS)	2,223,356	554,613
TOTALS	\$38,057,098	\$33,922,174

**Financial Summary by Program
As of March 31, 1999**

Replacement Housing		
Program No.	Approved Budget	Cost (Income) To Date
<u>Horner I</u>		
188	\$4,029,664	\$3,765,463
191	6,133,255	6,155,769
195	4,878,068	4,821,802
196	4,864,601	2,704,508
197	6,373,343	2,340,767
198	5,533,015	5,573,399
199	4,234,703	4,048,209
200	2,839,417	3,307,931
201	5,239,868	438,901
202	5,330,430	4,233,257
203	4,208,033	4,445,955
204	2,195,693	1,288,643
Subtotal	\$55,860,090	\$43,124,604
<u>Lawndale</u>		
178	2,634,966	1,812,380
Subtotal	\$2,634,966	\$1,812,380
<u>Washington Park Lakefront</u>		
180	\$7,094,308	\$1,434,825
184	4,130,506	3,528,011
193	16,216,250	1,257,478
194	5,913,691	5,491,344
205	858,123	364,478
206	2,652,702	188,940
207	3,255,568	453,332
Subtotal	\$40,121,148	\$12,718,408
<u>Cabrini</u>		
182	\$9,856,000	\$1,827,491
192	9,137,750	430,988
HOPE VI	40,000,000	
Subtotal	\$58,993,750	\$2,258,479
<u>ABLA 1</u>		
HOPE VI	\$24,483,250	
<u>ABLA 2</u>		
HOPE VI	\$35,000,000	
Subtotal	\$59,483,250	\$0
<u>Horner 2</u>		
HOPE VI	\$18,435,300	
Subtotal	\$18,435,300	\$0
<u>Taylor B</u>		
HOPE VI	\$25,000,000	
Subtotal	\$25,000,000	\$0
TOTALS	\$260,528,504	\$119,827,742

**Program Activity and Status
as of March 31, 1999**

TABLE No. 4

Scattered Site --- 1602 Units			
Program No.	AREA	# of Units	Status
115-143,147-160,175,176	Various	1,581	Completed/Transferred
152 AND 161	Various	21	Under Construction
		1,602	TOTAL UNITS

Demonstration and FSS --- 254 Units			
Program No.	AREA	# of Units	Status
145,146,162,164,166-171,173,177	Various	193	Completed/Transferred
168,169,172,177	Various	18	Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
165	Pullman & South Lawndale	22	Planning Phase
		233	TOTAL UNITS

Lawndale -- 18 Units			
Program No.	Area	# of Units	Status
IL06-P802-178	Lawndale	4	Completed/Transferred
		14	Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
			Planning Phase
		18	TOTAL UNITS

ABLA --- 1,115 Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
		1,115	Planning Phase
		1,115	TOTAL UNITS

Cabrini --- 687 Units			
Program No.	Name	# of Units	Status
	Division South	277	Planning Phase - Funded
	North Town Village	79	Buy/Lease Phase
	Mohawk North	16	Completed/Transferred
	Mohawk Partners	5	Buy/Lease Phase
	Old Town Square	28	Buy/Lease Phase
	535 W, North Ave.	27	Planning Phase
	Sites Undetermined	255	Planning Phase
		687	TOTAL UNITS

Taylor B -- 200 Units			
Program No.	Name	# of Units	Status
	Hearts United	29	Buy/Lease Phase
	Sites Undetermined	222	Planning Phase
		251	TOTAL UNITS

**Program Activity and Status
as of March 31, 1999**

TABLE No. 4

Horner I --- 466 Units			
Program No.	Name	# of Units	Status
IL06-P802-188	Scattered	30	Completed/Transferred
	East of Western	30	SUBTOTAL
IL06-P802-191	Scattered	51	Completed/Transferred
	East of Western	51	SUBTOTAL
IL06-P802-195	Scattered	45	Completed/Transferred
	East of Western	45	SUBTOTAL
IL06-P802-196	Scattered	14	Completed/Transferred
	East of Western	24	Under Construction
	West of Western	38	SUBTOTAL
IL06-P802-197	West of Western		Completed/Transferred
		45	Under Construction
		45	SUBTOTAL
IL06-P802-198	Superblock B1	56	Completed/Transferred
		56	SUBTOTAL
IL06-P802-199	Superblock B2	39	Completed/Transferred
		39	SUBTOTAL
IL06-P802-200	Superblock A	21	Completed/Transferred
		9	Under Construction
		30	SUBTOTAL
IL06-P802-201	West of Western		Completed/Transferred
		52	Under Construction
		52	SUBTOTAL
IL06-P802-202	Superblock A	43	Completed/Transferred
		43	SUBTOTAL
IL06-P802-203	Superblock B3	32	Completed/Transferred
		32	SUBTOTAL
IL06-P802-204	Rehabilitation	5	Completed/Transferred
		5	SUBTOTAL
	TOTALS	336	Completed/Transferred
		130	Under Construction
		466	TOTAL UNITS

Horner 2 --- 150 Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
		150	Planning Phase
		150	TOTAL UNITS

**Program Activity and Status
as of March 31, 1999**

TABLE No. 4

Washington Park & Lakefront -- 441 Units			
Program No.	Name	# of Units	Status
IL06-P002-180	Kenwood/Oakland	2	Completed/Transferred
			Under Construction
	North Kenwood/Oakland	34	Buy/Lease Phase
	Scattered	23	Bid/RFP Phase
		59	SUBTOTAL
IL06-P002-184	Kenwood/Oakland	28	Completed/Transferred
	Scattered	5	Under Construction
		33	SUBTOTAL
IL06-P802-193	Lakefront and Drexel		Completed/Transferred
			Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
		130	Planning Phase
		130	SUBTOTAL
IL06-P002-194	West Ridge/Rogers park	38	Completed/Transferred
	Scattered	38	SUBTOTAL
IL06-P002-205	Kenwood/Oakland		Completed/Transferred
	Scattered		Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
		8	Planning Phase
		8	SUBTOTAL
IL06-P002-206	Kenwood/Oakland		Completed/Transferred
	Scattered	21	Under Construction
			Buy/Lease Phase
		1	Planning Phase
		22	SUBTOTAL
IL06-P002-207			Completed/Transferred
			Under Construction
			Buy/Lease Phase
			Bid/RFP Phase
		27	Planning Phase
		27	SUBTOTAL
Program Number		124	Planning Phase
Not yet assigned		124	SUBTOTAL
	TOTALS	68	Completed/Transferred
		26	Under Construction
		34	Buy/Lease Phase
		0	Bid/RFP Phase
		313	Planning Phase
		441	TOTAL UNITS