

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY,

Defendant.

)
)
)
)
)
)
)
)
)
)

No. 66 C 1459

Chief Judge Aspen

**STATEMENT OF THE RECEIVER IN RESPONSE
TO PUTATIVE ABLA PLAINTIFFS' MOTION TO INTERVENE**

12/10/99

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	FACTUAL BACKGROUND	2
	A. Site Overview	3
	B. HOPE VI Applications and Awards	3
	C. Outline of the ABLA Redevelopment	5
	D. The June 19, 1998 Revitalization Order	6
	E. The Working Group and Resident Participation	7
	F. The Development Manager RFP	7
	G. Principal Discrimination Allegations of the Putative Complaint	8
III.	THE DISCRIMINATION CLAIMS ARE NOT JUSTICIABLE	10
	A. The Discrimination Claims are Unripe	10
	B. Putative Intervenors Lack Standing to Bring the Discrimination Claims	11
IV.	SUGGESTED PROCEDURES	13
V.	CONCLUSION	15

I. Introduction

Daniel E. Levin and The Habitat Company, as Receiver, file this Statement in response to the putative ABLA Plaintiffs' Motion to Intervene ("Intervention Motion") and their proposed Complaint.^{1/}

1. As discussed in Parts II and III below, the putative intervenors' discrimination claims rest on an erroneous premise: that there is an existing ABLA redevelopment plan that discriminates against very low income public housing residents. In fact, no plan yet exists (let alone one that violates the law), and one will not be formulated for many months. Rather, the "Working Group" for ABLA, which consists of representatives of CHA, the City of Chicago, the Receiver, the Gautreaux Plaintiffs, and the duly elected ABLA tenant leadership (who are *not* the putative intervenors), have issued an RFP and are about to select a development manager for ABLA *whose job will be to develop a revitalization plan during 2000*. Until that plan is created, submitted to and approved by the Working Group and HUD, respectively, the discrimination claims are plainly unripe and non-justiciable.

2. When a development plan is drafted and approved, if the proposed intervenors still have objections, a course other than intervention should be followed. The Court should afford them an opportunity to present their objections at a hearing on whether to approve the plan. But the possibility that they may object to the actual plan when it is prepared does not warrant intervention and the resulting disruption and expense of full-blown litigation at this time.

3. As discussed in Part IV below and in the Gautreaux plaintiffs' brief, the putative intervenors are members of the Gautreaux class and are represented by the Gautreaux plaintiffs'

^{1/} The Intervention Motion and proposed Complaint make three broad allegations: (1) that the putative plaintiffs have not been consulted by CHA in connection with proposed demolition plans for ABLA (Complaint, Count VIII); (2) that defendants, including the Receiver, have created a "plan" that will re-establish segregated housing at ABLA and will force other plaintiffs to live in other segregated neighborhoods, in violation of a host of anti-discrimination statutes (Complaint, Counts I-VII); and (3) that CHA has violated federal standards for relocation of tenants (Complaint, Counts IX-X). The Receiver's comments below will focus on the second issue, since the discrimination claims are the only ones naming the Receiver as a defendant, and the claims involve development matters at the core of the Receiver's jurisdiction.

attorneys. At most, their proposed Complaint reflects disagreement with class counsel over how ABLA should be redeveloped. Such disagreement does not warrant separate litigation. If that disagreement remains once an actual plan is proposed, it should be resolved through the hearing on whether to approve the plan.

4. Therefore, the Receiver suggests, as discussed in Part IV below, that the Court enter and continue the Intervention Motion until a specific plan has been formulated and the proposed intervenors have discussed it with Gautreaux class counsel. If they have objections to that plan, they should be afforded the opportunity to present them to the Court at the hearing on whether to approve the plan. In the meantime the Receiver, the Gautreaux plaintiffs' counsel and the CHA have met and will continue to meet with Intervenor's counsel to attempt to address and resolve their concerns.

5. The putative intervenors allege that the Receiver, in league with the *Gautreaux* plaintiffs, the elected ABLA tenant leaders, the CHA and the City, formulated a "plan" to rebuild segregated housing south of Roosevelt Road; to cede the choicest land north of Roosevelt to developers for private market development; and to cast numerous ABLA tenants into exile in the form of Section 8 housing in segregated areas, all in supposed violation of discrimination statutes. The Receiver denies these allegations – which accuse the Gautreaux plaintiffs and the Receiver of violating the discrimination laws in their efforts to provide a remedy in this case. Nevertheless, the nature of the allegations is such that they may warrant consideration by the Court – despite their lack of merit. The question for the Court is how and when to consider them. Based on case law developed in similar situations, the Receiver believes that the procedure suggested in Part IV, rather than intervention at this time, is the proper procedure for hearing these allegations if and when they ripen.

II. Factual Background

The facts set forth below relate principally to the putative discrimination claims, which are the only ones purportedly naming the Receiver as a defendant. Because the ripeness and standing issues discussed below go to the Court's subject matter jurisdiction, the relevant facts are not limited to those alleged in the proposed Complaint. The Court may consider affidavits and other evidence

to decide questions of justiciability. See, e.g., Taylor Investment, Ltd. v. Upper Darby Twp., 983 F.2d 1285, 1290 n.7 (3d Cir. 1993); St. Clair v. City of Chico, 880 F.2d 199, 201 (9th Cir. 1989).

A. Site Overview.

ABLA Homes is comprised of six contiguous developments on the Near West Side that straddle Roosevelt Road. See 1998 HOPE VI Application ("1998 App.") at 1.^{2/} Originally consisting of 3,500 public housing units, as of June 1998 it was occupied by approximately 1,500 very low-income families. Id.

ABLA is a classic example of the failed social policy that gave rise to this lawsuit and that the Court's remedies are designed to address. The development is a racially and economically segregated enclave isolated from the broader community. The buildings are dilapidated. The residents are virtually all very poor (most earning much less than 50% of area median income) and African-American. Crime is high. Details are set forth in the attached excerpts from the 1998 App.

B. HOPE VI Applications and Awards.

In 1996 HUD awarded CHA a \$24 million HOPE VI grant to develop new housing on the Brooks Extension Site.

In 1997 CHA's prior administration applied for a HOPE VI grant for development of new public housing at ABLA. The Receiver was not included in that process. HUD denied the grant request.

In 1998 CHA began preparing a new HOPE VI application for \$35 million for development of new public housing at ABLA. After CHA initially excluded the Receiver from that process, this Court, through its order of May 19, 1998, directed CHA to cooperate with the Receiver in preparing the application. The application was submitted at the end of the June. Though the Receiver was able to submit comments on the draft and signed the application, it had less input and control over the application than would have been the case had it been involved from the outset. HUD approved the

^{2/} Excerpts from the 1998 HOPE VI application are attached as Exhibit A. The full application is voluminous, so it is not included. If the Court wishes to review the full application, a copy will be provided.

grant a few months later, and permitted the 1998 grant to be merged with the 1996 grant for preparation of a comprehensive plan..

Because it bears directly on the ripeness issue, it is important for the Court to understand that a HOPE VI application in general, and the 1998 application in particular, is a tentative, conceptual document, not a development plan. As the process has developed, HOPE VI development dollars cannot flow at ABLA and the development cannot proceed until (i) a development manager is selected and a contract is negotiated; (ii) the development manager prepares a master development plan for the project; (iii) that plan is considered and approved by the "Working Group," including the Receiver and the Gautreaux plaintiffs; (iv) the plan is incorporated into a HOPE VI Revitalization Plan submitted to HUD for its approval; and (v) a Mixed-Finance Proposal for each phase of the development is submitted to HUD. See Ex.F hereto (excerpts from HUD's HOPE VI Guidebook). None of these events has occurred yet. See Declaration of Jeffrey D. Head, Ex.B ¶4.

The Declaration of Elinor Bacon, HUD's Deputy Assistant Secretary for the Office of Public Housing Investments, which is attached to HUD's Response to ABLA Plaintiffs' Motion to Intervene, explains the critical role of the Revitalization Plan in the process:

A Revitalization Plan creates a master plan for the project describing, among other things, the proposed design of the development, the proposed total number of units and the breakdown of public housing, tax credit, or market-rate units, the targeted income groups, the unit type, their location, density, whether they will be rental or homeownership, the number of units to be developed in each phase, the proposed development schedule for each phase, the proposed sources and uses for the entire project, and how HOPE IV [sic] funds will be used for the development of public housing units. Bedroom distribution among the public housing units will take into account the family size of residents actually choosing to remain at the redeveloped ABLA community.

Bacon Aff. ¶8. This Plan is not likely to be submitted and approved for many months. Head Dec., Ex.B ¶4.

Even the approval by HUD of the Revitalization Plan does not get the project off the ground, as Ms. Bacon explains:

Pursuant to the completion of a Revitalization Plan, CHA and the Receiver will then be required to submit a detailed Mixed-Finance Proposal for each phase of

the ABLA project. The Proposal provides, among other things, a final financing plan and budget for that phase, the final number of public housing, tax credit and market units to be developed in that phase and the respective responsibilities of CHA, the Receiver, the project's developer and other parties. Construction on that phase only may begin only after, evidentiary documents, which memorialize all agreements and responsibilities between the parties and commit funding to the project, are submitted and approved by HUD.

Bacon Aff. ¶9.

C. Outline of the ABLA Redevelopment.

The 1998 HOPE VI application made the following proposal to HUD: The \$35 million 1998 grant would be combined with the \$24 million 1996 grant to leverage over \$84 million in City funding and over \$287 million in private funding for a total of \$430 million for redevelopment. Ex.A at 1. The application proposed demolishing 2,756 dwelling units. It also proposed a "scenario" for the mix of replacement housing units. It said: "The scenario included in this application is a sample development plan to demonstrate the financial feasibility of CHA's redevelopment strategy, *not the final development plan*. Developer solicitation will begin immediately following approval of the Tax Increment Financing District in late fall 1998. . . . *This scenario is subject to change based on the proposal of the selected developer(s).*" Id. at 21-22 (underscoring and italics in original).

The sample plan proposed "a true income mix," resulting in 2,895 on-site units and 383 scattered units. The latter would be all very low income public housing units sited in accordance with Gautreaux locational restrictions. The on-site units would consist of 1,084 units available to tenants earning 0-35% of area median income ("a.m.i.");^{3/} 845 "affordable" units (consisting of 391 rental units for tenants earning 36-60% of a.m.i., 202 rental units for tenants earning above 60% of

^{3/} These units would consist of 352 units completely rehabilitated at the Brooks Homes and 732 new or rehabilitated public housing units. The rehabilitation of the Brooks Homes was funded from CHA's comprehensive grant program, and has had no involvement of the Receiver. CHA has informed the Receiver that 132 units are completed and 220 units are under construction.

a.m.i., and 252 for-sale units for tenants earning 81-120% of a.m.i.); and 966 “market” for-sale units for families earning in excess of 120% of a.m.i. Id. at 1, 20-22.^{4/}

The goal of the proposed income targets was to “ensure[] deconcentration of low-income families while also recognizing the need to maintain affordable housing in the neighborhood. The proposed income mix provides not only a healthy mix for a sustainable community but also aims to provide opportunities for public housing residents. The concentration of low income housing will be lessened in two significant ways: one, by integrating the proposed site into the revitalizing activities of the surrounding neighborhood, and, two by increasing employment opportunities for the existing resident population and increasing existing incomes.” Id. at 25-26.

The 1998 Application was supported by a June 25, 1998 letter from Deverra Beverly, an ABLA resident who serves as the elected President of the ABLA Local Advisory Council. She wrote: “On behalf of the residents of ABLA including the ABLA LAC we extend our support to the 1998 Hope VI application.” See Ex.A-1 hereto. This support was “conditioned upon the LAC’s ongoing participation in all redevelopment activities.” Id. This ongoing participation has occurred via the ABLA Working Group, as discussed below.

D. The June 19, 1998 Revitalization Order.

In connection with the submission of the 1998 Application, CHA, the Receiver and the plaintiffs filed a Joint Motion for an Agreed Order Designating ABLA Revitalizing Area and Authorizing Development of Public Housing Units Therein. See Complaint Ex.C. The Joint Motion sought the revitalization designation based upon the income mix proposed in the 1998 Application, including the proposal that “public housing units will comprise no more than approximately 37.5

^{4/} Although this scenario draws a line between the “public housing” and “affordable” units at an income level of 35% of a.m.i., the total number of units available to persons eligible for public housing is substantially higher than the 1,084 projected for the 0-35% group. Under HUD regulations, tenants are eligible for public housing if they earn less than 80% of a.m.i. These are broken into two groups, “very low income,” defined as those earning less than 50% of a.m.i., and “low income,” defined as those earning 50-80% of a.m.i. See Complaint ¶55. The scenario described in the 1998 Application contemplates the development of several hundred “affordable” units available to public housing eligible families earning more than 35% and less than 80% of a.m.i.

percent of a total of approximately 2,895 residential units within the Revitalizing Area and will be dispersed geographically throughout the Revitalizing Area, thereby creating opportunities for economically integrated, and over the longer term the possibility of racially integrated, housing for plaintiff class families.” Id. ¶2. The Joint Motion summarized the proposed financing for the new housing and the development activities in the surrounding area, id. ¶¶4-5, and represented to the Court that “a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made for the area.” Id. ¶6.

On June 19, 1998, the Court granted the Joint Motion, entering an Order designating the ABLA Revitalizing Area. The June 19, 1998 Order authorized the Receiver, “[s]ubject to such terms and conditions as are specified by further orders of the Court,” to develop “approximately 1,084” public housing units out of a total of 2,895 residential units within the Area, “which is the approximate number of public housing and total residential units . . . presently contemplated by such grant application.” Ex.C ¶2.

E. The Working Group and Resident Participation.

On May 21, 1999 a Working Group was formalized pursuant to a signed Memorandum of Understanding. See Ex.D. (The Group had been meeting informally for several months.) Members of the Working Group include representatives of CHA, the City of Chicago’s Department of Planning, the City’s Department of Housing, the Receiver, the Gautreaux plaintiffs, and the ABLA LAC. This Working Group was formed “to meet on a regular basis in order to collectively make decisions regarding the [ABLA redevelopment] Project.” Pursuant to this Memorandum, the ABLA tenants, through their elected leadership “will participate in the decision-making process as fully as possible.” The Memorandum noted that the parties intended to issue an RFP for selecting a Development Manager, who will “develop a Master Plan” for the Project. Id.

F. The Development Manager RFP.

On July 13, 1999, with the concurrence and input of the Working Group (including the ABLA LAC), the City issued a Request for Proposal (RFP) for a development manager for the ABLA HOPE VI redevelopment. See Ex.E hereto (the RFP had a separate volume of exhibits that

is not attached). The successful respondent first “will produce a master plan for the redeveloped neighborhood that includes land use and development planning for the area described in . . . this RFP.” Id. at 2. The master plan “will include a site plan,” which, for each parcel within the area, “will include a proposal for the number and type of buildings, unit mix, home ownership and/or rental status, income targeting and bedroom counts among units.” Id. at 8. The development manager must also prepare a “financial plan” to “demonstrate the overall feasibility of the master plan,” and should obtain supporting market studies. Id. at 9. These plans “will form the basis from which more detailed design, financing and development plans will be created.” Id. at 10. The selected development manager will work with HUD “to gain approval of the master plan and financial plan.” Id.

With respect to location of the public housing units, the RFP mandates that “new public housing units are to be dispersed to the maximum extent throughout the redeveloped neighborhood, and in the full range of housing types and unit sizes developed.” Id. at 18; see also id. at 3. The income tiering is the same as the scenario contemplated in the 1998 Application. Id. at 3. It also requires that the selected development manager “[e]nsure that housing units targeted for public housing families are indistinguishable in quality and visual appearance from those targeted for other levels of income.” Id.

The Working Group is close to selecting a development manager pursuant to this RFP. A final selection decision is expected during January 2000. At that point a contract will need to be negotiated with the selected party. Only then will the actual preparation of a proposed master plan begin. Ex.B (Head Dec.) ¶4.

G. Principal Discrimination Allegations of the Putative Complaint.

The proposed Complaint alleges that defendants, including the Receiver, have formulated “plans” to “concentrate” low income ABLA residents who remain at the site “almost exclusively south of Roosevelt Road – away from the gentrifying and predominately white areas of Little Italy and University Village that are north of Roosevelt Road, and away from the new market rate construction which is the centerpiece of CHA’s ‘revitalization’ plan.” Complaint ¶4. The Complaint

alleges that with respect to the Jane Addams development north of Roosevelt Road 700 or more replacement units would be developed “with 80% of these expected to be sold at market-rate prices.” Id. ¶67.

The Complaint does not attach, quote or cite anything in support of this assertion. Because the existence (or lack thereof) of a “plan” goes to the Court’s jurisdiction, the Court need not accept the bald allegation as true. See above at 2-3. In fact it is mistaken in at least two respects. First, as shown above, the 1998 Application and the RFP (which are mentioned in the Complaint but not attached) are preliminary documents, and no plan will be created for many months. Second, and more importantly, both of those preliminary documents contemplate that when a plan is ultimately created, new public housing units are to be dispersed throughout the redeveloped area “to the maximum extent.” Neither document suggests or requires the unit mix north of Roosevelt Road alleged in the Complaint.^{5/} Thus, if the unit mix set forth in those documents becomes incorporated in the ultimate plan approved by HUD, the new construction both north and south of Roosevelt Road would be approximately uniform with respect to unit mix and distribution. The Working Group has not proposed, and the RFP does not authorize, limiting any area, including that north of Roosevelt, to 20% public housing or having 80% of the units sold at market rates. See Ex.B (Head Dec.) ¶5.^{6/}

^{5/} Perhaps plaintiffs are relying upon the 1997 HOPE VI application, which, upon information and belief, contained an exhibit with a statement that for the Addams site “20% of all units built will be reserved for public housing residents.” If so, the reliance is mistaken. The 1997 application was denied by HUD, and any proposals therein are superseded by the 1998 application. Moreover, the 1997 application was submitted by CHA without input of the Receiver, and CHA’s actions respecting development were *ultra vires* and void, as this Court has held in other contexts. Finally, the superseded and unauthorized 20% figure appeared to be a floor, not a cap. The same document was included in an exhibit in the 1998 application to evidence CHA’s continuing consultation with tenants, but the unit mix contained therein was not part of CHA and the Receiver’s 1998 proposal to HUD, and it is not part of the RFP or any contemplated plan.

^{6/} Although it is unnecessary to do so in light of the justiciability problems, the Receiver denies the allegations that it has participated in unlawful discrimination. Two of the premises of the discrimination theory are incorrect, as discussed in the text: the allegations that an 80% market/20% public housing scenario is contemplated north of Roosevelt and that the income mix for newly constructed units will differ depending on whether it is north or south of Roosevelt.

(continued...)

III. THE DISCRIMINATION CLAIMS ARE NOT JUSTICIABLE.

The factual account above demonstrates that the discrimination claims raised by the putative intervenors are unripe and they lack standing to bring them. They attack a “plan” that does not yet exist. A non-existent plan cannot discriminate. Until a plan is formulated and adopted by the Working Group, there is no concrete set of facts upon which a court can evaluate the lawfulness of the plan and its propriety as a *Gautreaux* remedy, and there is no injury to the putative intervenors.^{7/}

A. The Discrimination Claims are Unripe.

The familiar definitions of ripeness apply. This Court may only decide “cases” or “controversies,” U.S. Const. art. III, §2; *Hinrichs v. Whitburn*, 975 F.2d 1329, 1333 (7th Cir. 1992). Actions that are unripe do not meet this fundamental prerequisite to jurisdiction. *See, e.g., Smith v. Wisconsin Dept. of Agriculture*, 23 F.3d 1134, 1142 (7th Cir. 1994). “The basic rationale of the ripeness doctrine is to prevent courts from entangling themselves in abstract disagreements and to protect government from ‘judicial interference until a . . . decision has been formulated and its effects felt in a concrete way by the challenging parties.’” *Oriental Health Spa v. City of Fort Wayne*, 864 F.2d 486, 489 (7th Cir. 1988), *quoting* *Abbott Laboratories v. Gardner*, 387 U.S. 136, 148 (1967). The Court “cannot entertain a claim which is based upon contingent future events that

^{6/}(...continued)

The putative intervenors may also be dissatisfied with the 1997 decision by CHA’s prior administration to rehabilitate rather than demolish 352 units at the Brooks site. (It is unclear whether they are claiming that decision was unlawful independent of their false factual assumptions regarding Addams described above.) The Receiver believes that it would have been better to demolish the site and develop new housing on it, as it would create a more uniform development and would make it easier to integrate the surrounding parcels. That decision was made by CHA prior to the 1998 application process, and rehabilitation was already substantially underway when the 1998 application was submitted. Upon information and belief, CHA made the rehabilitation decision in 1997 with the agreement and support of the ABLA resident leaders. The Receiver plans on discussing this issue in the consultation process proposed in Part IV below. Should that process not produce agreement, the putative intervenors would be free to present their views on the Brooks site at the hearing proposed in Part IV.

^{7/} Defects in the proposed complaint may be considered in deciding an intervention motion. *See, e.g.,* 7C Wright, Miller & Kane, *Federal Practice & Procedure* §1914 (2d Ed. 1986) at 416; *Keith v. Daley*, 764 F.2d 1265, 1268 (7th Cir. 1985); *SEC v. American Bd. of Trade*, 830 F.2d 431, 443 (2d Cir. 1987).

may not occur as anticipated, or indeed may not occur at all.” Oriental Health, 864 F.2d at 489 (internal quotations omitted).

A two-part test is usually applied. The Court must weigh the “fitness of the issues for judicial decision” against “the hardship to the parties of withholding court consideration.” Hinrichs, 975 F.2d at 1333. Both factors militate against ripeness. The issues raised by the discrimination claims are not yet “fit” for judicial resolution. Until a plan is formalized we will not know the precise unit type, mix, location or distribution. We also do not yet know whether any of the named putative intervenors will or will not be offered housing of her choice and in an integrated area (if that is her choice). Thus, there is no concrete plan to review and no plaintiff yet affected. Indeed, that is also why delaying adjudication until the facts develop will work no hardship on the plaintiffs. They cannot suffer any discrimination injury until a plan is developed and their own preferences are determined. Uncertainty is not enough. Andrade v. Lauer, 729 F.2d 1475, 1483 (D.C. Cir. 1984).

In analogous contexts, including desegregation and discrimination claims, Courts have found claims based upon inchoate plans unripe. See Keyes v. School Dist. No. 1, 119 F.3d 1437, 1444-45 (10th Cir. 1997) (“[t]his court cannot speculate whether any school will propose an integration plan, what the plan might be, and thus whether such a plan is prohibited by Colorado’s Busing Clause”); Andrade v. Lauer, 729 F.2d at 1480-81 (claim unripe because it challenged “the precise way in which future RIFs [reductions in force] are implemented”); Naylor v. Lee’s Summit Reorganized Sch. Dist., 703 F. Supp. 803, 817 (W.D. Mo. 1989) (“[b]ecause the NKCS D plan is merely in its planning stages, this court cannot speculate as to whether the conditions listed in the proposal discriminate against black students from the KCMSD”) (emphasis added), rev’d on other grounds Jenkins v. Missouri, 904 F.2d 415 (8th Cir. 1990). For similar reasons, putative intervenors’ challenges to the yet-to-be-formulated plans for ABLA are unripe.

B. Putative Intervenors Lack Standing to Bring the Discrimination Claims.

For similar reasons the putative intervenors lack standing to bring their discrimination claims. In many cases, such as this one, “the concepts of standing and ripeness merge.” Commonwealth Edison Co. v. Train, 649 F.2d 481, 483 (7th Cir. 1980); Smith v. Wisconsin Dept. of Agriculture,

23 F.3d at 1141 (two doctrines can “overlap entirely”). “It is sometimes argued that standing is about *who* can sue while ripeness is about *when* they can sue, though it is of course true that if no injury has occurred, the plaintiff can be told either that *she* cannot sue, or that she cannot sue *yet*.” Smith, 23 F.3d at 1141 (*italics in original*).

That is precisely the situation here. Until a plan is formulated, and implementation has begun or is imminent, not only is any claim unripe, but putative intervenors also lack standing because they have not been discriminated against and have not been injured. To have standing they must have suffered an “injury-in-fact,” which requires that they demonstrate “an invasion of a legally protected interest, which is (a) concrete and particularized, . . . and (b) actual or imminent, not conjectural or hypothetical.” Lujan v. Defenders of Wildlife, 504 U.S. 555, 560 (1992). Putative intervenors cannot satisfy these standards for several reasons. First, in the absence of a plan, or discriminatory action affecting them, they have not suffered any concrete, particularized, actual or imminent invasion of any legally protected interest. Second, as noted above, it is unknown (in the language of Lujan, “conjectural” or “hypothetical”) whether any of the named plaintiffs will ever be injured by any allegedly discriminatory action. They might receive housing of their choice, at ABLA, in a desegregated neighborhood. Unless and until there is a reasonable and imminent likelihood that they might not receive such housing (assuming they have such a right, which we discuss in Section VI below), they lack standing to bring discrimination claims.

In short, with respect to the discrimination counts in the proposed Complaint it is equally valid to conclude that putative intervenors cannot sue because they have not been injured (standing) or because the form and nature of any future injury is contingent and speculative (ripeness). For this Court, the result is the same. Intervention is inappropriate at this juncture to prosecute the proposed Complaint. Indeed, because the nature and extent of any injury is speculative at this point, putative intervenors have not met the “impairment” requirement for intervention of right under Rule 24(a)(2). See authorities cited in HUD’s brief.

IV. SUGGESTED PROCEDURES.

While non-justiciability suffices to defeat intervention, there are other reasons not to permit intervention at this time. As explained in greater detail in the brief of the *Gautreaux* plaintiffs, the putative ABLA Plaintiffs are *Gautreaux* class members. They are now or may be (when a plan is created) in dissent from the views of class counsel (and those of the elected ABLA leadership, the members of which are also *Gautreaux* class members). There is no reason not to handle that dispute, if and when it arises, like many others in which there is dissent within a large class: in such cases courts employ a variety of procedures to ensure that the views of the dissidents receive a hearing. Among these are permitting active participation as an *amicus* and holding a hearing (like the one suggested in the next section) at which the dissidents can present their views. See, e.g., Jenkins v. State of Missouri, 78 F.3d 1270, 1275 (8th Cir. 1996) (group of class members were properly denied intervention; district court made other avenues available, through class counsel, the filing of *amicus* briefs, and by requesting permission to testify at hearings); Twelve John Does v. District of Columbia, 117 F.3d 571, 575-76 (D.C. Cir. 1997) (group of class members properly denied intervention, having set up procedure for such members to communicate regularly with class counsel). See also Gautreaux v. Pierce, 690 F.2d 616, 635 (7th Cir. 1982) (district court properly denied intervention to community group, particularly where it was permitted to present evidence at fairness hearing).

The Receiver respectfully suggests the following procedures to solve the ripeness problem and grant the dissenting class members due process:

A. Even though there are sufficient grounds to deny it outright, the Intervention Motion should be entered and continued generally until a plan is developed or the factual context otherwise ripens;

B. During the process of plan development, the Receiver, CHA, the City and the *Gautreaux* plaintiffs will consult regularly with the representatives of the putative intervenors, informing them of pertinent developments and giving them an opportunity to present their views, both to their class counsel and to the Working

Group.^{8/} It is possible that this process will produce consensus that will moot the Intervention Motion.

C. After a more concrete plan is developed, a hearing would be held at which putative intervenors or other class members could present comments or objections.^{9/} (The Court has permitted such comments at other revitalization order contexts, e.g., the West-of-Western proceedings with respect to Horner.) After the hearing, the Court could decide the Intervention Motion if it is not moot at that time.

The above procedure will advance the development process without unleashing time-consuming, expensive and adversarial litigation; it will properly allocate responsibilities within the *Gautreaux* class; and it will afford any dissenting class members a chance to express their views to the Court and seek modifications before the development plans are approved. It will also provide an adequate “forum to raise their legitimate claims” and would be consistent with our “tradition that everyone should have his own day in court.” Intervention Mem. at 6.^{10/}

Besides permitting the development process to move forward while preserving due process for affected residents, the suggested procedures would resolve the justiciability problems. After all, “ripeness is peculiarly a question of timing.” *In Re Chicago, Milw., St. Paul & Pac. Rwy. Co.*, 701 F.2d 604, 609 (7th Cir. 1983). The doctrine “seeks to avoid the premature adjudication of cases when the issues posed are not fully formed.” *Triple G Landfills, Inc. v. Bd. of Comm’rs.*, 977 F.2d 287, 288-89 (7th Cir. 1992). Our suggested procedures will permit the adjudication to proceed, if necessary, when the timing is right and the issues fully formed. More optimistically, it would allow several months of dialogue – which would include an opportunity for the putative intervenors to

^{8/} The Receiver disagrees with putative intervenors’ expansive interpretation of the resident consultation obligations under HOPE VI, and believes that the defendants have more than adequately satisfied any obligations that exist. This point is discussed in CHA’s brief. The procedures suggested herein render the issue irrelevant, since we propose consultation beyond that required under any view of the law.

^{9/} Presumably, the principal legal issue at any such hearing would be whether any modifications to the June 19, 1998 order would be warranted in light of the plan.

^{10/} Putative intervenors incorrectly assume that the right to be heard is a right to be heard *via intervention*. When the issues ripen, it is proper for class members to be heard under the auspices of a hearing of the sort suggested herein.

review and comment upon the development plan – that could well result in an agreement that would not only moot the ripeness problem, but the entire putative case. The cases cited above at 13, which support outright denial of the Intervention Motion in favor of other procedural alternatives, certainly support the less drastic result proposed above, of simply continuing the motion.

V. Conclusion

For the foregoing reasons, the Receiver respectfully suggests that the Court enter and continue the Intervention Motion and implement the procedure outlined in Part V above.

Respectfully submitted,
Daniel E. Levin and
The Habitat Company

DATE: January 10, 2000

By: Edward W. Feldman
One of their attorneys

Michael L. Shakman
Barry A. Miller
Edward W. Feldman
Miller, Shakman, Hamilton Kurtzon & Schlifke
208 South LaSalle Street, Suite 1100
Chicago, Illinois 60604
(312) 263-3700

CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on December 10, 1999 he served copies of the attached *Statement of the Receiver in Response to Putative ABLA Plaintiffs' Motion to Intervene* on the parties attached Service List by causing true and correct copies thereof to be delivered to them via messenger delivery at their respective addresses.

Dated: January 10, 2000

A handwritten signature in cursive script, appearing to read "Edward W. Feldman", written over a horizontal line.

Edward W. Feldman

SERVICE LIST

Thomas E. Johnson
JOHNSON, JONES, SNELLING, GILBERT & DAVIS
36 S. Wabash Av., Suite 1310
Chicago, IL 60603

Sharon K. Legenza
CHICAGO LAWYERS' COMMITTEE FOR
CIVIL RIGHTS UNDER LAW, INC.
100 N. LaSalle St., Suite 600
Chicago, IL 60602

Linda Wawzenski
Assistant U.S. Attorney
Civil Division - 5th Floor
219 S. Dearborn Street
Chicago, Illinois 60604

William P. Wilen
Daniel P. Lindsey
NATIONAL CENTER ON POVERTY LAW, INC.
205 W. Monroe St., 2nd Floor
Chicago, IL 60606

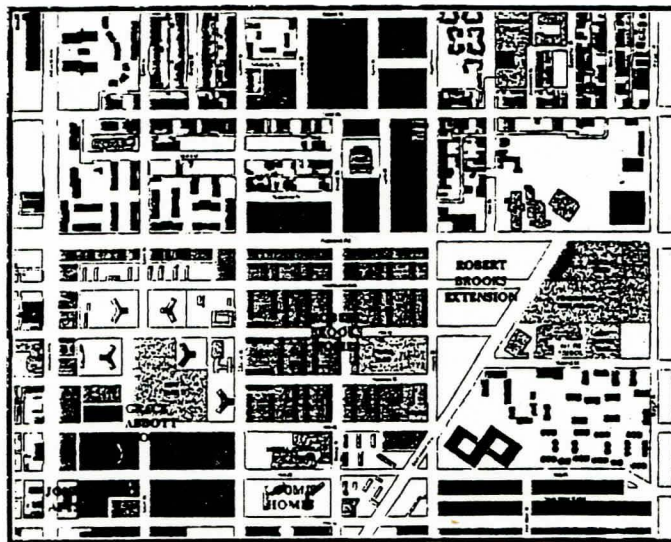
Harold C. Hirshman
Robert B. Millner
SONNENSCHNEIN, NATH & ROSENTHAL
8000 Sears Tower
Chicago, IL 60606

Alexander Polikoff, Esq.
Julie Brown, Esq.
Business and Professional
People for the Public Interest
17 E. Monroe St., Suite 212
Chicago, IL 60603

Exhibit A

EXHIBIT A

Executive Summary



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

A. EXECUTIVE SUMMARY

Through collaborative leadership, the ABLA Local Advisory Council (LAC), ABLA residents, the Chicago Housing Authority (CHA), the Receiver*, the Gautreaux Plaintiff's counsel and the City of Chicago have initiated an ambitious effort to completely revitalize and transform one of the largest and most distressed developments in CHA's inventory: ABLA Homes. The goal is to develop a desirable, diverse mixed-income community that can be replicated in Chicago and throughout the entire nation. The CHA requests \$35 million in HOPE VI funds to leverage a \$430 million development plan and to complete the revitalization of a 100-acre severely distressed public housing development.

ABLA Homes is comprised of six contiguous developments consisting of over 3,500 original units and occupied by over 1,500 very low-income families who are concentrated in a racially and economically segregated enclave within an otherwise revitalizing community. The severity of distress at the site is reflected in a vacancy rate of 52%, in thousands of ongoing fines and vacate orders by the local Housing Court, in the presence of asbestos and lead-based paint throughout, in the high crime rate, and in engineering reports recommending demolition of more than 2,700 units.

CHA proposes to combine its \$24 million 1996 ABLA HOPE VI grant and \$35 million from this 1998 HOPE VI application to leverage over \$84 million in City funding and over \$287 million in private funds to create a \$430 million redeveloped community. The City will combine use of incremental taxes from a Tax Increment Finance District, Low Income Housing Tax Credits (LIHTC), tax exempt bonds, and direct capital investments to match CHA funds and encourage private investors to invest in the area. Over 8 years, there will be 1,467 public housing units (1,084 on-site and 383 off-site), 845 affordable units, and 966 market rate units. The public housing units will be distributed throughout the 100 acre site and will be indistinguishable from private housing in the neighborhood.

CHA's 1998 HOPE VI application is a public/private partnership created to develop a holistic, self-sufficient and sustainable mixed income community. ABLA Homes is located in a dynamic market area adjacent to three communities experiencing major redevelopment. Capitalizing on strong market conditions, HOPE VI public housing units can be completed within seven to ten years following grant award and will generate a model of public housing transformation.

* Pursuant to a 1987 order of the Federal District Court in Gautreaux v. CHA et al, a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of CHA non-elderly public housing.

EXHIBIT A ATTACHMENTS

- *Application Data Cover Sheet*
- *Mayor Richard Daley, City of Chicago, Support Letter*
- *Ms. Deverra Beverly, ABLA Local Advisory Council President, Support Letter*
- *Mr. Alexander Polikoff, Business and Professional People for the Public Interest, Support Letter*

Application Data Cover Sheet

Development Name: ABLA HOMES

Date Submitted: June 26, 1998

Grant Information

PHA Name: Chicago Housing Authority

PHA Street Address: 626 West Jackson Blvd.

City, State, Zip: Chicago, Illinois 60661

Main Telephone #: (312) 791-8500

Existing Development Name: ABLA HOMES

DOFA Date:

Street Address/Zip:

Existing Project Number(s): IL2-23, IL2-17, IL2-3, IL2-31

Neighborhood name/Area of town: Near West Side

New Development Name: To be determined.

Congressional District: 7th

New Project Number(s): To be determined.

In Federal EZ/EC?: No

Grant Amount:

Date of Grant Announcement:

Date of Grant Agreement Execution:

HOPE VI Grant #:

Expected Date of Completion:

Unit/Cost

TDC:

TDC Cap:

% of TDC:

Mixed Income Proposed?: Yes

Mixed Finance Proposed?: Yes

PHA Executive Director: Joseph Shuldiner

Telephone: (312) 791-8500 x4630 Fax: (312) 791-4601

HOPE VI Coordinator: Jane Hornstein

Telephone: (312) 791-8500 x4508 Fax: (312) 207-0249

E-mail Address: jhornste@thecha.org

HOPE VI Developer, (if any)

Telephone:

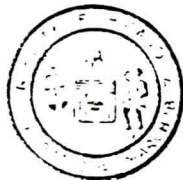
Fax:

Program Manager, (if any)

Telephone:

Fax:

Data summary	Existing	Post-Development
Number of Public Housing units (on and off site, including homeownership)	2,776	1,467
Number of Non-Public Housing units (on and off site, including homeownership)		1,811
Total Number of units	2,776	3,278
Number of units to be rehabilitated/reconfigured (excluding all acquisition with rehab):	0	478
Number of newly constructed on-site units:		2,417
Number of newly constructed/acquisition off-site units (including all acquisition with rehab):		383
Of the above, number of ACC homeownership units:	0	0
Of the above, number of Non-ACC homeownership units:	0	1,218
Of the above, total homeownership units:	0	1,218
Number of Occupied Units:	1,506	3,278



OFFICE OF THE MAYOR
CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 26, 1998

The Honorable Andrew Cuomo
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Secretary Cuomo:

I, Richard M. Daley, Mayor and Chief Executive for the City of Chicago, have reviewed the HOPE IV Revitalization application submitted by the Chicago Housing Authority and have no objections to the application.

I support this application because it embodies a comprehensive, holistic approach to helping public housing families achieve a better life, with the enhanced dignity and self-esteem that comes with being self-sufficient. Moreover, the approach proposed here reflects the fundamental reality that government alone does not have adequate resources to properly address the social and financial needs of severely distressed public housing communities in Chicago and across the nation. Only through collaborative public-private partnerships which creatively leverage critical contributions from the broader community can we achieve success.

For this reason, I especially welcome the extent to which CHA and the City have acknowledged the importance of attracting such contributions to ABLA's revitalization plan by forming a new public-private committee to oversee and track relocation and self-sufficiency services. This committee will include residents and representatives from civic, academic and philanthropic benefactors.

The goal of this HOPE VI application is to revitalize and transform ABLA Homes into a desirable, diverse mixed-income community. The citizens of Chicago are committing more than \$100 million in direct and indirect funding to help make this vision a reality. When combined with CHA's funds, this will leverage more than \$260 million in private investments required to create a \$406 million redeveloped community.

Upon approval of CHA's 1998 HOPE VI application, the people of Chicago will take another major step forward in this ambitious effort to develop an innovative model for revitalization of public housing communities worthy of replication here in Chicago and across America.

Sincerely,
A handwritten signature in dark ink, appearing to read "Richard M. Daley".
Mayor

ABLA
ADDAMS/BROOKS/LOOMIS/ABBOTT
LOCAL ADVISORY COUNCIL

1254 South Loomis Street
Chicago, IL 60608
Telephone: (312) 791-8756 or 791-8851
Facsimile (312) 455-1871

Deverra Beverly
President

Beatrice Jones
Vice-President

Willie McKay
Secretary

Justean Gaines
Treasurer

Ruth Crockett, Chairperson
Procurement and Contracts

Ida Brantley, Chairperson
Modernization

Frances Sumlin, Chairperson
Budget

Austin Doss, Chairperson
Tenant Relations

Gloria Mollison, Chairperson
Health & Education

Margie Taylor, Chairperson
Welfare

June 25, 1998

Joseph Schuldiner, Executive Director
Chicago Housing Authority
626 West Jackson Blvd.
Chicago, Illinois 60661

Dear Mr. Schuldiner:

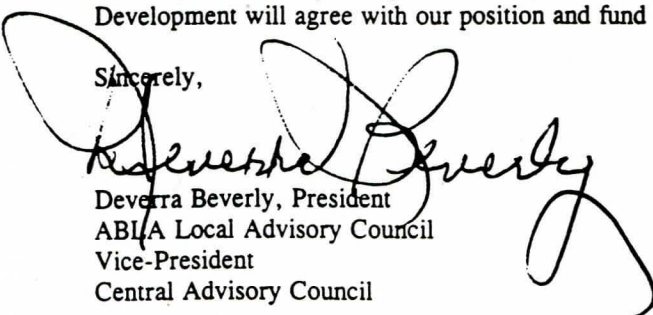
The continuous efforts of the residents of ABLA to revitalize our community, as evident in the completion of Phase I Robert Brooks Homes Modernization, has led to the development of a comprehensive HOPE VI Application submission. It is the ABLA Local Advisory Council's belief that the role of the residents in the planning process and in the implementation process at all levels is critical to a successful revitalization of the greater ABLA community. In support of this belief, the ABLA LAC accepts the responsibilities of providing the resident participation and is pleased the CHA agrees the LAC will fill that role.

On behalf of the residents of ABLA including the ABLA LAC we extend our support to the 1998 Hope VI Application. The LAC support for the 1998 Hope VI Application is conditioned upon the LAC's ongoing participation in all redevelopment activities. It is further conditioned on the LAC's role being significant with real representation on any decision making body that is created in the revitalization process, examples being the existing Memorandum of Agreement Committee and the proposed five member ABLA Self-Sufficiency Leverage Council with two seats held by members of the ABLA LAC.

We are very excited about the innovative programs the ABLA LAC helped to create within this plan including the "residents helping residents" approach. Our residents were successful in receiving jobs on the modernization of Robert Brooks Homes Phase I and look forward to continuous job development in construction and other redevelopment programs.

Finally, the residents are ambitious and look forward to working on the positive creation of this overall redevelopment plan. We hope the U.S. Department of Housing and Urban Development will agree with our position and fund the \$35 million being requested.

Sincerely,


Deverra Beverly, President
ABLA Local Advisory Council
Vice-President
Central Advisory Council



Business and Professional People
for the Public Interest

June 25, 1998

Directors

Bettina K. Saltzman
President

Sherry B. Goldman
Ann Smith
Robert M. Weissbourd
Vice Presidents

Camilla Hawk Diaz-Perez
Secretary

Ryan L. Solomon
Treasurer

James M. Aiter
Lucy B. Ascoli
Frederick W. Axley
Sheidon L. Baskin
Henry C. Binford
Barbara T. Bowman
Douglas W. Cassel, Jr.
Susan Davis
Leon M. Despres
Edward F. Dobbins, Jr.
Kevin Donnellon
Gary Edidin
Harriet Wilson Ellis
William Farley
William Geller
Eric Gershenson
Graham Grady
Frances R. Grossman
Marc Hilton
Donald J. Jackson
Joseph Kellman
Steve Kersten
Ins Kneig
Susan Larson
Paul Lehman
Thomas J. Lenz
Paul Levy
Robert B. Lifton
Ralph Marure
George R. McGov
Zebadee McLaurin
Rita McLennan
E. Hoy McConnell, II
Christopher B. Meister
Ian Clark Netsch
Alexander Polukoff
Ripollito Roldan
Lowell Sachnoff
Alan Saks
Dianne Sautter
Daniel Schinfeld
Mary Skipton
Ada Skyles
Michael Spock
Leslie A. Stulberg
Sanjay Tauler
Anton R. Valukas
Ludy Wise
Timothy W. Wright, III

Advisory Board

Donald Dann
Ronald Grzeswinski
Harriet Hausman
Elliot Lehman
John McKnight
Dora Williams

Past Presidents

Gordon B. Sherman
Elliot Lehman
Robert B. Lifton
James W. Ashlev
Alan Saks
E. Hoy McConnell, II

Executive Director
Alexander Polukoff

Staff Counsel

Julie Elena Brown
Adam Gross
Robert L. Jones, Jr.
Jeanne L. Nowaczewski
Laurel K. O'Sullivan

Administrative/Program Staff

Michael Afflerbach
Eva Dziekonski
Catherine Fitzgerald
Enca Granetz
Rosemary Knight
Julia Kruger
Jacek Marcus
Zoe Mikva
Marissa Manos
Elizabeth Murphy
D. Jo Patton
Mary Rice

United States Department of Housing
and Urban Development
451 Seventh Street, S.W. - #4138
Washington, D. C. 20410

Attn: Deputy Assistant Secretary for
Public Housing Investments

Dear Deputy Assistant Secretary:

On behalf of the Gautreaux plaintiff class in the litigation entitled Gautreaux v. CHA, No. 66 C 1459, in the Federal District Court for the Northern District of Illinois, Eastern Division, we write in support of the application submitted by the Chicago Housing Authority in response to the SuperNOFA published in the Federal Register on March 31, 1998.

The Gautreaux plaintiffs support this application for the following reasons:

1. In our opinion the revitalization plan proposed by the application will facilitate the provision of mixed-income housing opportunities, with the strong prospect of racially desegregated housing opportunities, to families of the Gautreaux plaintiff class who have been adjudicated to be entitled to receive, but have yet to receive, such opportunities.

2. By designating the proposed redevelopment area as a "Revitalizing Area" in its Order of June 19, 1998 (subject to CHA success in the HOPE VI competition), the Federal District Court has made a finding that the revitalization plan does in fact afford a prospect of providing such housing opportunities.

3. The plan has been prepared in a collaborative manner under the leadership of the Office of the Mayor of the City of Chicago, and with the active participation of code departments of the City of Chicago (the Departments of Planning and Housing), the Court-appointed Receiver, and the ABLA residents, thus strongly enhancing the likelihood of the plan's realization.

4. Because of the location of the ABLA Revitalizing Area between the world's largest medical district on the west and the expanding University of Illinois, Chicago campus on the east, both of which institutions have recently initiated significant new development and have concrete plans for

additional development, the ABLA Revitalization Area constitutes a most attractive location for substantial private residential development interest.

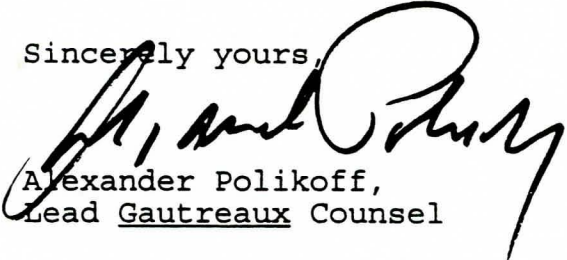
5. The HOPE VI grant of some \$28 million, secured in FY1996 pursuant to an "absolute priority" given to the CHA under Gautreaux, provides an important element of financial support to the overall plan while offering a significantly improved way of utilizing these 1996 funds -- i.e., to produce a residential community in which public housing units are mixed with non-public housing dwellings.

6. The agreement giving the City of Chicago, the Illinois Department of Human Services and residents of ABLA and the surrounding community a participatory role in relocation and family self-sufficiency planning and implementation greatly strengthens the prospects for leveraging services and support for, and enhancing the performance of, these crucial activities.

Overall, the strong, demonstrated commitment of the City of Chicago to this plan, the prime location of the site, the collaborative nature of the application process, and the continuing jurisdiction of the Gautreaux Court afford an excellent prospect for attracting private investment and assuring the transformation of this seriously distressed public housing-dominated neighborhood into a well-working mixed-income community which will afford significant relief to Gautreaux families while at the same time achieving HOPE VI objectives.

The site and the plan thus have the potential to become one of the jewels in the crown of HUD's HOPE VI nationwide revitalization efforts.

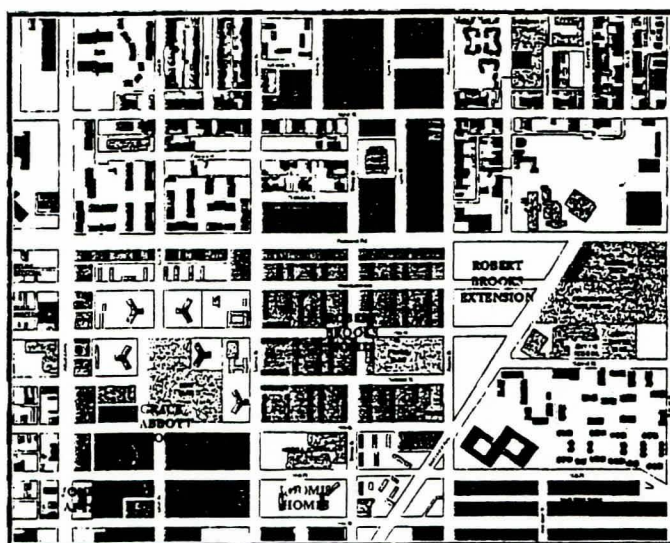
Sincerely yours,


Alexander Polikoff,
Lead Gautreaux Counsel

ALP:mm

EXHIBIT B

Existing Site Conditions



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

B. EXISTING SITE CONDITIONS

1. Existing Physical Conditions

The ABLA development is situated on 100 acres and has more than 3,500 original units in a mix of highrises, walk-ups and rowhouses. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the mistaken strategy of building superblock concentrated public housing developments that lead to physical and social isolation. ABLA has suffered a long history of inadequate maintenance combined with the natural deterioration of building systems and structures causing the housing stock to become generally obsolete. It is plagued with over a thousand City building code violations and currently exhibits an overall vacancy rate of 52%. The severe social and physical distress of ABLA has led the CHA, the ABLA LAC (Local Advisory Council), the Receiver, the Gautreaux plaintiffs, the City of Chicago, and the residents to partner in a plan that will lead to the complete transformation of ABLA Homes.

As noted in the City of Chicago's 1997 Consolidated Plan Annual Performance Report and the recently released Five Year Affordable Housing Strategy, the City has a continuing goal to work in partnership with the CHA to develop and facilitate housing programs that leverage private and public resources to benefit the range of constituencies in need of affordable housing. This goal will be accomplished by the funding of the 1998 HOPE VI revitalization grant for the ABLA development.

a. Physical Deterioration:

The building systems of the ABLA development endured years of wear, weathering, abuse and neglect. The absence of proper maintenance and the adverse conditions in this development have accelerated deterioration of most building systems to a point where the systems' integrity are compromised beyond repair. According to an independent physical assessment by On-Site Insight, Inc., these building systems would need to be completely replaced to sustain the development (See Attachment). These conditions hold true for the exterior building components, the site systems and internal mechanical systems. (Note: Phase I of Brooks Homes modernization was completed in May 1998 for 132 units. An additional 220 units will be renovated in Phase II for a total of 352 rehabbed units under the Comprehensive Grant Program. 356 units of Brooks Homes will be demolished as part of this HOPE VI Application.)

(1) *Major Structural Deficiencies*

The housing stock at ABLA reveals numerous structural deficiencies. These varied building types are of masonry construction whose structural deficiencies stem from age, weathering and the historical absence of proper maintenance. Deferred maintenance and vandalism have contributed to the adverse conditions and distress at all of the buildings. Typical structural defects include cracks and spalling in concrete columns at Grace Abbot and Brooks Extension, and cracks in floor slabs, sidewalks, and other concrete components. Typical exterior defects include improper grading around low rise buildings that allow large pools of surface water to pond along the edge of the building contributing to long term defects of the foundation walls. Settlement has also caused masonry walls and parapets of mostly all the buildings to deteriorate and have heaved bricks. Stress cracks appear inside and outside of the walls. Cracked and broken masonry joints and moisture damage from defective flashing has allowed the tuckpointing to become distressed.

Roofs: The roofs at ABLA, with the exception of Grace Abbott rowhouses, are flat, built up roofs with interior drains and roof top exhaust fans. Leaks in the roofs are a continuous maintenance problem caused by conditions such as cracks and punctures in the membranes, seals drying out around the base of the drains and split flashing. Numerous units in the high rise buildings are unleaseable due to the continuous roof leaks. Temporary repairs have been performed but have yet to adequately address the problem of uninhabitable units. Roofs at Jane Addams were installed over seven years ago, but the interior drains are still original and have deteriorated and continue to cause leaks.

Electrical/Mechanical: The present electrical system in each building in ABLA neither meets residents needs nor complies with the City of Chicago's Building Code. Neither the kitchens nor bathrooms have 20 amp circuits or ground fault duplex receptacles. Revisions to the electrical system will require upgrade from the present service and also an increase in primary, secondary and distribution services in order to accommodate the augmented electrical load.

The current heating system for the ABLA development includes underground distribution of steam heat and hot water supplied from a central heating plant located on the Jane Addams site. Inefficient overheating during the winter months and the inability to regulate the amount of heat for each unit has been a constant problem at ABLA. With all the buildings being tied into this inefficient high pressure steam heating system, all the residents are affected through the loss

quality of life within the residential units as indicative of the many code violations the ABLA development continues to receive. Typical citations for the units, that do not meet Housing Quality Standards include repair of peeling paint and plaster, extermination of rodents, cockroaches and other vermin, window repairs, installing rat-proof material around exterior walls, plumbing repairs, repair of exterior canopies and repair of common sidewalks. Conservative internal estimates demonstrate that it would cost the Authority between \$30,000 and \$50,000 per unit to address the code violations at the units at Jane Addams alone (this being only a short-term repair). In the meantime, the City of Chicago continues to fine the Authority thousands of dollars each month for failing to remedy code violations.

(2) *Major Site Deficiencies*

Major site deficiencies are most notably the deteriorated underground steam system and especially the condensate return portion, which is inoperative. The ABLA development has several steam leaks billowing up from the various manholes throughout the development. Leaking ground water that falls on the hot steam lines causes these steam leaks. Standing water after a heavy rain at ABLA is due to the backed up sewer system and possibly broken piping. New infrastructure systems will be installed by the various utility companies: gas, lighting, electrical, sewer, etc.; with coordination by the City of Chicago and the CHA. Most recently one high rise building was demolished at Brooks Extension and during the excavation of the foundations, there were remnants of charred buildings from the Chicago Fire in 1871, which gives evidence of the poor soil conditions at ABLA. This evidence helps to dictate the design of slab on grade homes for the redeveloped area. There is also a lack of usable play equipment and landscaping on site. Most playgrounds were taken down because of liability concerns due to them not having soft surfaces, but they were never replaced. Paved parking lots are currently filled with potholes, have drainage problems and are magnets for abandoned cars and "backalley" mechanics.

(3) *Design Deficiencies*

Planning deficiencies of the past concentrated ABLA's public housing residents in one contiguous area and physically isolated the public housing development. ABLA was built on four superblocks that are disproportionate to the community at large. The density of the existing ABLA development is approximately 37.33 units per acre, which is high when compared to the average density of 28 per acre of typical Chicago neighborhoods. The proposed redevelopment

plans calls for an average of 28 units per acre. The original site planning for ABLA started with the Jane Addams development to the north with further developments sited to the south. The first plans disregarded the order of the established city grid and subsequent plans followed in this pattern. This created large off sets from the existing streets, wastelands of large open spaces that are unused, unsecured and not well maintained, and an isolated enclave from the city and the surrounding community. There is a lack of security planning and provisions, such as guard booths, single entrances, locking systems or intercoms. The ABLA development has numerous indefensible spaces, like open lobbies, which permit criminal elements to take control over buildings and common areas and multiple entries. The open galleries on the high rise buildings at Brooks Extension cause exposure to the elements in inclement weather, which creates a dangerous situation for residents and additional maintenance problems. Jane Addams has interior stairwells, which feed apartments on three floors. Not having a working intercom system, the front door is left opened and unsecured. This exposes the stairways, which are steel pans filled with concrete, to the same inclement elements and continuous steam leaks from the basements. The existing stairs have rusted out metal nosing on top and rusted out steel pans in the back which are dangerous and hazardous for the residents using the stairs. Another design deficiency at ABLA is the lack of on site garden opportunities for the residents.

(4) Environmental Conditions

An environmental assessment was prepared for the ABLA development and it was found that there are no deficient environmental conditions that could jeopardize the suitability of this site for the proposed revitalization activities. No underground storage tanks have been registered at any of the developments. Six (6) underground storage tanks are registered at the central boiler house located to the north of the site within Jane Addams development and are scheduled for removal.

(5) Accessibility Deficiencies

The original building and site design of the buildings at ABLA did not address those physical modifications to public housing that are currently mandated by the American with Disabilities Act (ADA). The ABLA community has several residents with varying degrees of disability including mobility impairment (i.e. those requiring wheelchair or a walker/cane), blindness and deafness. Although the ABLA management office has been modified, few improvements

have been performed to the residential buildings. There are physical barriers at entrances, common spaces and within units. These barriers include exterior stoops and steps into buildings, raised thresholds, no door pulls, and cracked and broken sidewalks. In the majority of units, there is insufficient space in the kitchen and bathroom for a wheelchair to maneuver. Also light switches, electrical outlets and door hardware have accessibility deficiencies. Incorporated into the comprehensive redevelopment efforts for ABLA will be full compliance with section 504 ADA and Fair Housing requirements.

b. Distress Within Applicant's Control:

At the ABLA development approximately 52% of the units are vacant. Vacant units are heavily vandalized and stripped of all equipment and components including windows, radiators and piping. Free flowing water from broken lines and weather exposure from these units accelerates deterioration of the buildings. Fire and smoke damage originating from burned out abandoned apartments are clearly visible on the building's exterior. Most distress at the site is due to the level of high abuse that comes with isolating public housing residents within poorly maintained buildings. Criminal activity exacerbates the vandalism of stairwell and lobby lighting and security locks on the entry doors.

2. Distress in the Neighborhood

a. Physical Condition & Characteristics

The Near West Side of Chicago is a 5.76 square mile neighborhood directly west of the city's downtown. The neighborhood represents a juxtaposition of one of the nation's poorest public housing communities with some of the region's major generators of economic growth and opportunity. The targeted redevelopment area is anchored by the largest medical district in the country, the Illinois Medical District (IMD), and the University of Illinois at Chicago East and South Campuses (UIC). In addition to these large institutions, the Near West Side borders the vital industrial area known as the Pilsen District and holds a strong historical significance to Chicago with areas such as Little Italy on Taylor Street.

According to the 1990 Census, the Near West Side consisted of 21,543 housing units, of which over 5,900 are public housing units located in three developments in the community: Rockwell Gardens, Henry Horner Homes, and

ABLA Homes. In addition, there are a number of HUD subsidized developments in the community containing 2,242 units. In general, these subsidized developments are well-maintained.

The Near West Side is experiencing the tremendous energy of a revitalizing neighborhood with new market rate housing and large scale retail activities, and strong commercial corridors, such as Little Italy and Chinatown, which continue to draw clientele from across the city. The neighborhood also houses city wide institutions such as St. Ignatius College Prepatory School and the United Center. The neighborhood is also home to more than 3,300 public housing families who have historically been isolated from the existing resources in the community. The stark contrast between public housing and the wider Near West Side communities presents the challenge of ending years of isolation and concentration of poverty through integration and revitalization in the context of a mixed income community.

The disparities present in the Near West Side are also manifested in its physical characteristics. Large newly constructed institutional buildings and private market housing abut and surround over 160 acres of public housing and other deteriorated sub-standard housing. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the failed strategy of superblock concentrated public housing developments with the consequences of physical and social isolation. This plan will enable existing residents who desire to remain the opportunity to obtain the benefits of the ongoing revitalization of the community.

b. Land Use and Economic Activity

The average density in the Near West Side is between 25-28 units per acre, but it can be as low as 11 units per acre in certain areas such as new housing developments directly north of Jane Addams. ABLA, consisting of over 3,500 units within 100 acres, has an overall average density of 35 units per acre. ABLA housing includes a mix of rowhouses, walk-ups, and highrises, and densities range from 32 to 81 units per acre.

c. Demographic Data

According to the 1990 Census, the Near West Side has a population of 46,197 persons within 16,473 households. Population of the Near West Side is approximately 67% African American, 22% Caucasian, 9% Hispanic, 5% Asian, and 5% other. The racial composition of ABLA is nearly 100% African American. The Near West Side's juxtaposition of prosperity and extreme poverty is further demonstrated in the income levels: The 1996 estimated median household

income for the Near West Side is \$11,978. In the midst of major regional economic activity, approximately 55% of Near West Side families live below the poverty level. Of those in the labor force, the Near West Side has a 20% unemployment rate.

As of March 1998, the average income of ABLA Homes was \$7,000 or only 11.8 % of the 1998 area median income for a family of four in the Chicago metropolitan area (\$59,500).

d. Crime Statistics

- Serious Crimes between 1995 and 1997 at ABLA:

	1995	1996	1997
Homicide	1	8	2
Criminal Sexual Assault	20	15	15
Serious Assault	255	264	221
Robbery	78	119	44
Burglary	122	105	104
Theft	180	186	219
Vehicle Theft	12	8	11
TOTAL	668	705	616

- Average number of police calls per month: there was an average of 1,565 dispatches per month within the three beat area including ABLA Homes from March - September, 1996.
- Average monthly vandalism: Vandalism at ABLA Homes is a daily occurrence. Examples of vandalism include removal of window frames, kitchen sinks/plumbing fixtures, light fixtures in hallways, convectors/heating elements, and fire hoses. There are also common instances of fires in garbage chutes, broken windows, and removal of stairwell fire doors in highrises. Management staff estimates that CHA expends approximately \$40,000 per month, or a little more than \$125 per unit annually, to repair and/or replace items due to vandalism.
- Number of lease terminations/evictions for criminal activity: For the period from January to June 1997, there were 55 for-cause cases from ABLA Homes (44 for drug related one-strike, 4 for felony one-strike, and 7 for non one-strike reasons.)

e. Adequacy of Existing Facilities

The Near West Side is served by many institutions and commercial facilities. In addition to the University of Illinois at Chicago and the Illinois Medical District, the Near West Side is also home to Malcom X College, one of the

1998 HOPE VI Application

Chicago Housing Authority

June 26, 1998

top medical assistant training schools in the country. Unfortunately, ABLA residents have traditionally not benefited from the educational or economic strengths present in the neighborhood. The Near West Side is serviced by two elevated rail ("El") lines and several bus routes. The Eisenhower Expressway cuts through the middle of the Near West Side and the junctions for the Kennedy and Dan Ryan Expressways border the east side of the neighborhood. When asked to list strengths in their community, ABLA residents repeatedly cite the close proximity to downtown and accessible public transportation as important valuable attributes of the community. Two commercial centers recently opened in the area with large supermarket anchors, Jewel on Harrison Street and Dominicks on Canal Street. A new commercial center is also being built on the southwest corner of Ashland and Roosevelt as part of the Illinois Medical District expansion. These recent developments have greatly increased available retail services to the public housing communities.

f. Public School Systems

The public schools that primarily serve the ABLA population, Jacob Riis School, Smythe School, and Medill School, are under populated. Chicago Public Schools has agreed to keep them operating and re-evaluate the needs upon completion of the proposed development activities.

g. Effect on the Neighborhood

The poor site design and physical deterioration of ABLA Homes have a blighting influence upon the Near West Side community. ABLA residents are isolated in superblocks which pose numerous dangerous and hazardous conditions for a resident population of which 33% are between the ages of one and ten. The deteriorated ABLA structures also hinder development of new housing, limit rehabilitation of the existing housing stock, deter commercial investment, and adversely affect the value of surrounding properties.

Long neglected maintenance of grounds deters efforts by residents to maintain their neighborhood. The mere visual effect of ill-kept, litter-strewn, unlandscaped grounds and partially boarded-up and vacant apartments discourages residents from maintaining their surroundings, and has a blighting effect upon the surrounding community and lessens the economic base of the City. The high incidence of crime, vandalism, gang activity, squatting, and open drug use discourages community interaction and creates social isolation. Community stability efforts, initiated by the ABLA LAC and concerned residents, are often undermined by the lack of security measures. Overburdened management, open and

vacant apartments, and poor design of structures throughout ABLA create indefensible spaces and an atmosphere that encourages crime, gangs, drug sales, and attracts additional outside criminal elements. The high concentration of very low-income minority persons, many lacking basic education or job skills, leads to social and economic isolation.

The ABLA Redevelopment Plan will effectively address many of the neighborhood deficiencies such as physical deterioration, poor site design, social isolation, and lack of municipal infrastructure and will create a revitalized, sustainable mixed income community.

(3) Need for Funding

a. Urgency of Distress

The Authority has approximately 1,200 outstanding work orders for ABLA, of which 10% are dangerous and hazardous. Common examples of these dangerous and hazardous violations include standing water in basements, open vacant units, plaster peeling, missing stair pans in hallways, missing peep holes, roof leaks, paint peeling, missing floor tile, and rotten kitchen cabinets.

In large part, code violation problems are most prevalent in Jane Addams, the oldest development within ABLA. As a result of these extensive violations, the Authority has been forced to close seven of the buildings at Addams. In total, sixteen ABLA buildings have been closed due to code violations. Although, a special crew has been assigned specifically to address dangerous and hazardous work orders, the City of Chicago recently brought demolition suits against the CHA in regards to four buildings which the City has determined are a threat to the public health and safety.

The severe distress at the site is also demonstrated in a vacancy rate of 52% and a tenant population of more than 1,500 families below 15% of the area median income. Without immediate intervention, the level of distress at the site will become imminently greater.

b. Lack of Available Funds

The CHA critically lacks available funds to implement the ABLA Redevelopment Plan. In the Draft Viability Analysis Summary and Proposed Revitalization Schedule, the CHA proposes a 15 year revitalization timetable for seventeen of the most distressed developments in the housing stock including ABLA Homes. The Viability Analysis states in part, "Existing levels of modernization funds are simply insufficient (and were never intended) to cover

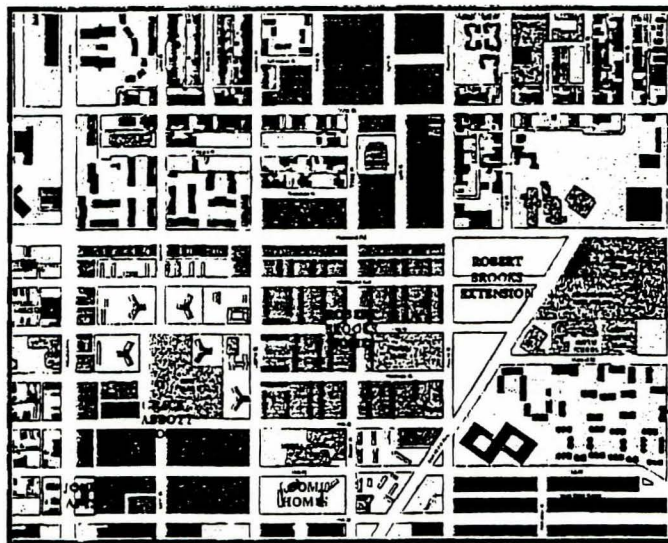
relocation, demolition, rehabilitation, and new construction on the scale contemplated by the plans. CHA receives \$118 million per year in modernization funding, but available dollars for physical improvements are limited to approximately \$50 million per year. (CHA uses a large portion of the modernization budget to pay for the costs of security.) Further, CHA estimates that the non-Viability sites will require \$625 million in rehabilitation funds over the 15-year phasing period. Even with regular infusions of HOPE VI funds, it is doubtful that CHA can complete all the work proposed at the 202 sites and maintain the non-202 sites in good condition."

Only with HOPE VI funds can ABLA be adequately redeveloped. A notable factor of the ABLA Redevelopment Plan is that it includes commitments and plans for complete funding of the revitalization, including all on-site and off-site replacement units, relocation, demolition, and self-sufficiency programs.

The revitalization of public housing developments throughout the City is a priority for the City of Chicago as demonstrated in the City's Consolidated Plan - "Neighborhoods Alive!" See excerpt from the City's Consolidated Plan in Exhibit D Attachments.

EXHIBIT C

Predevelopment Activities



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

C. PREDEVELOPMENT ACTIVITIES

1. Site Control

The site encompasses five sections: Jane Addams Homes with 24.52 acres, Grace Abbott Homes with 29.81 acres, Brooks Homes with 14.92 acres, Brooks Extension with 9.03 acres, and Roosevelt Road with 12.05 acres for a total of approximately 90 acres. The CHA is in control of the entire site except for three areas: (1) Addams Park is adjacent to the Grace Abbott Homes and is currently owned by the Chicago Park District; (2) Liberty Shopping Center is on the southern tip of the Brooks Extension development and was acquired by the Chicago Metropolitan Housing Development Corporation (CMHDC) in February 1998; and (3) the strip between Roosevelt Road and the alley, between Ashland Ave. and Racine Ave. which is privately owned.

Addams Park will be transferred to the CHA through an Intergovernmental Agreement between the Park District and the CHA. Attached is a commitment letter from the Park District. The Liberty Shopping Center is currently undergoing demolition and will be sold to the CHA for redevelopment. Attached is a commitment letter from CMHDC. Both agreements are scheduled to be finalized upon notification of approval of this application by HUD and the owners will grant site control to CHA at least sixty (60) days after approval of the application. The Roosevelt Road strip will be purchased by the City and will be conveyed to the selected developer(s) for additional mixed income housing. Acquisition is scheduled to begin in early November, and will be completed in early 1999.

Please note that 352 units of Brooks Homes are a part of the existing Development and are currently under going comprehensive modernization. These units have not been calculated into the 669 new units because rehabilitation will be completed under the direction of CHA.

2. Zoning

The four HOPE VI redevelopment sites are currently zoned as part of Planned Development #4 in the Chicago Zoning Ordinance. This Planned Development designation approved the design and layout of ABLA Homes as constructed. Addams Park although currently programmed as a public park is zoned R-4 General Residential District. Roosevelt Road is currently zoned commercial and will be rezoned residential as a part of this development.

Prior to the development of the 1998 HOPE VI ABLA Redevelopment Plan, a PUD amendment for the 1996 HOPE VI - Brooks Extension site was approved by the City.

The selected developer(s) will work with the City of Chicago Department of Planning and Development to amend Planned Development Ordinance #4 to encompass the entire redevelopment site. The implementation of the amended Planned Development is subject to the approval of the Chicago Plan Commission and City Council. The collaborative partnership with the City will ensure that all zoning issues are efficiently addressed. See attached City of Chicago Planned Development Handbook.

3. Relocation

To assist families with relocation to replacement and Section 8 housing, CHA conducts a Needs Assessment with a monitoring component to aid in Family Transition. The Needs Assessment and Monitoring Program includes:

- data collection, and reporting system design,
- participant interviews, and data collection
- assessment profiles.

A confidential Family Assessment Profile is completed for each family, utilizing a coding system and a report summary that outlines findings in the areas of family services, education, employment training and placement. This information is used to generate a Family Personal Profile which assesses the strengths and needs of families. Once the Family Personal Profile is completed a recommended service listing is generated to referral service agencies.

Assessment summaries are submitted monthly and family status reports are conducted on families annually. The annual report includes all progress reports and detail services utilization by participants along with a summary of successes in the aforementioned assessment category areas.

a. Section 8 Relocation

CHA's objective is to encourage, motivate, and assist residents who choose to transition to private market housing by providing counseling and supportive services to individuals receiving Section 8 Certificate/ Vouchers through the Family Transition Counseling Program. The goal of the Family Transition Counseling Program is to counsel and assist families in locating and accessing appropriate housing in the private market. To the greatest extent feasible, such

housing will be in economically non-impacted areas throughout the Chicago metropolitan area. The counseling components consist of the following elements:

- Introductory Information Session
- Counseling Services and Follow-up
- Extended Counseling and Extended Follow-up

The orientation session focuses on a realistic introduction to the advantages and disadvantages of relocating into other areas of the city; initiation of the process to assist families who desire to move into these areas; and identification of the types of additional services that families may need. Information provided in the orientation include the following:

- The calculation of 30% of adjusted income as it relates to a family's portion of the rent in the Section 8 program;
- Fair market rent schedules, payment standard, exceptions, and procedures;
- Utility allowance
- Security Deposit
- Forms used in Section 8 program administration;
- Standard leasing application information;
- Racial and familial discrimination, the rights protected by the Federal Fair Housing Act, the rights protected by the State of Illinois, Cook County and the City of Chicago, and the necessary steps to take if discrimination occurs; and
- An explanation and discussion of all written materials provided and information on additional services.

Participants in the Counseling Services receive support through an individual counselor and a series of group sessions. Counseling Services are designed to aid families in accessing housing in areas that may be unfamiliar to them.

Through individual counseling families receive the following services:

- Assistance in preparing any paperwork necessary for Section 8 assistance and any other applications or paperwork associated with moving into a new unit neighborhood.
- Counsel families on housing search techniques and train families how to present themselves as prospective tenants to undecided landlords in non-impacted areas.
- Offer financial planning assistance that helps families prepare a monthly budget and estimate the maximum feasible rent a family can pay.
- Perform credit checks; provide families with a copy of the credit check report; a review and explain the results.
- Identify five housing alternatives based on family needs and desires. Provide information on the neighborhoods in which the five housing alternatives are located. This information should include: public transportation routes, social services, employment and training opportunities, crime rates, schools, day care facilities and procedures for transferring or enrolling school age children.

- Provide the family escort services to at least three of the selected housing options so the family may conduct a physical unit inspection.
- Assist in filing a housing discrimination complaint with the Illinois HUD office when the family alleges that illegal discrimination is preventing the family from finding a suitable unit.
- Conduct a 30-day follow-up assistance and evaluation visit to ensure that the family is aware of the availability of support services.

The Extended Counseling and Follow-up services are to support families moving into housing in economically and non-impacted areas unfamiliar to them. This program will inform (or refer) families of the counseling and services offered by public or private agencies in the areas of employment, education, health and social services. Follow-up services include the following:

- A plan to contact the family sixty (60) days after move-in and every sixty (60) days thereafter as necessary, for a period of one (1) year from the move in date.
- A provision to contact the family approximately ninety (90) days before the renewal of the certificate or voucher.
- Provisions to contact the owners and managers of the housing as necessary to resolve any problems that may arise.

The CHA currently contracts with four qualified Section 8 relocation service providers: American Marketing Service, Leadership Council for Open Metropolitan Communities, Changing Patterns for Families, and Family Dynamics. All four service providers will work with ABLA residents. The CHA will work with the ABLA Family Self-Sufficiency Leverage Council, as described in Exhibit E - F, to establish linkages between these existing service providers as well as on any future Request for Proposals to provide additional relocation services to ABLA residents.

In an effort to improve upon the above system, CHA is currently meeting with the City of Chicago (a representative of the Mayor and the Commissioner of Housing), Business and Professional People in the Public Interest (BPI), the Leadership Council for Open Metropolitan Communities and the Metropolitan Planning Council to revise and recommend improvements for all Section 8 housing relocation on a city-wide basis. The above program is subject to change based on the recommendations of this committee.

4. Hazard Abatement

Hazardous environmental conditions exist in the properties proposed for rehabilitation and demolition. Friable Asbestos is typically found within certain portions of the pipe insulation of the steam and water distribution system

located in the buildings' crawl spaces, mechanical rooms and plumbing risers. Non-Friable Asbestos is typically found in the original ACT floor tiles. Although limited abatement has already been completed, prior to any rehabilitation or demolition activity, all remaining asbestos containing material will be abated in its entirety. This hazardous material procedure will be performed under the guidelines of the most stringent local and federal requirements.

Lead based paint (LBP) is also found randomly throughout the units; it typically exists on doorframes, window frames, and some wall and ceiling surfaces. However, as federal and state laws do not require LBP removal, no LBP remediation will be performed on buildings prior to demolition. Underground Storage Tanks (UST) are located at the main heating plant of the Jane Addams development and, although abandoned, are scheduled for removal. Other site conditions are limited to the underground steam pipes and utility ducts that contain hazardous material such as asbestos or transite. Prior to the physical development of the site or during demolition procedures these conditions will be remediated in full compliance with EPA standards.

5. Demolition

Proposed demolition activity will take place in all four family redevelopment sites of ABLA. The purpose of demolition is based on two main factors: de-densification (in regards to the proposed high-rise demolition), and elimination of distressed non-viable properties that have become a detriment to the community.

The following table details the proposed demolition plan:

<i>Sub-Development</i>	<i>Building Type</i>	<i># Floors</i>	<i># Structures</i>	<i># Dwelling Units</i>
Jane Addams	Walk-Ups and Rowhouses	2,3 and 4	32	987
Robert Brooks (Roosevelt Rd & Fosco Park)	Rowhouses	2	40	356
Grace Abbott	Rowhouses	2	33	168
	Highrises	15	7	1,050
Brooks Extension*	Highrise	16	3*	450

*Note: One highrise has been demolished.

The site of all demolished buildings will be utilized for residential development or the new community center.

The CHA has a pending demolition application for half of the Jane Addams units and an approved demolition application for two of the three Brooks Extension highrises. The CHA will submit a Demolition Application requesting approval for the remaining properties. See attached map of buildings proposed for demolition.

6. Disposition

The entire site will be disposed to the selected developer(s) pursuant to a 99-year land lease with monthly payments on market rate uses. In total, the CHA will dispose of nearly 70 acres. The CHA will submit a disposition application once the Inter-Governmental Agreement with the Chicago Park District is finalized, the Liberty Shopping Center is acquired from CMHDC, and the developer(s) has been selected through a competitive RFP process.

7. Acquisition

As previously mentioned, Addams Park (presently used as a public park) will be acquired and transferred to the CHA through an Intergovernmental Agreement with the Chicago Park District. The purpose of this acquisition is to make available strategically located land on which to build new housing. The development of this parcel is critical to the comprehensive planning efforts and concepts of breaking up the public housing super blocks, returning to the street grid and natural fabric of the city and returning a sense of community back to the area.

The Liberty Shopping Center site will be acquired from CMHDC once demolition is completed.

The City of Chicago will complete acquisition of properties along Roosevelt Road, which will be conveyed to the selected developer(s).

8. Site Improvements

The ABLA Redevelopment Plan includes extensive improvements to the infrastructure. Of particular concern at ABLA Homes has been the inadequate heating system – built in 1938 to service 1,000 units, it was extended to serve all 3,500 units of ABLA. Through the ABLA Redevelopment Plan, the heating system will be completely decentralized.

The City of Chicago will fund and construct the public improvements: streets, alleys, sidewalks, sewers, water, streetlights and street landscaping on the site. A preliminary estimate of this amount is approximately \$2.50 per square

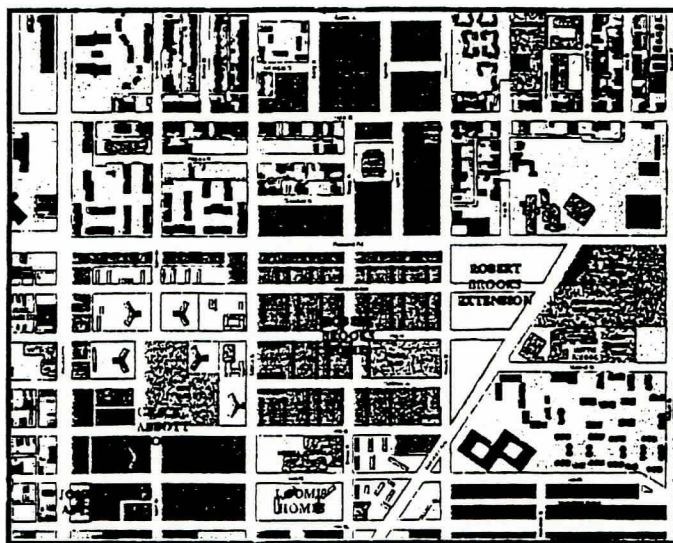
foot or approximately \$9.8 million for 90 acres*. The City of Chicago has begun site surveys and plans to begin construction of new streets on the Brooks Extension, Brooks Homes, and the southern portion of the Grace Abbott sites in early Fall 1998. The City has committed to reinstituting the original City street grid on the site in order to facilitate reintegration of ABLA Homes into the surrounding neighborhood.

In addition, the site improvements to the new housing properties will include front and back yards and adequate open spaces in accordance with the City of Chicago Planned Development Ordinance. Improvements will include landscaping and site amenities such as park benches, trash receptacles, etc.

* Includes new infrastructure at Brooks Homes, which is being renovated under the Comprehensive Grant Program.

EXHIBIT D

Physical Revitalization Plan



1998 Hope VI Revitalization Application - ABLA

Chicago Housing Authority

June 26, 1998

D. PHYSICAL REVITALIZATION PLAN

1. Description of Physical Revitalization

The ABLA Redevelopment/1998 HOPE VI Plan is the result of an unprecedented partnership between the CHA*, the City of Chicago, the ABLA Local Advisory Council (LAC), ABLA residents, and the plaintiffs in the landmark desegregation case Gautreaux v. CHA et al.

The overall ABLA Redevelopment Plan contemplates 2,895 on-site units and 383 off-site units. In total, 44.8% of all units will be designated for public housing of which 26.1% will be located off-site, 11.9% for affordable rental, 13.8% for an innovative affordable homeownership/rental program and 29.5% for market rate units. The ABLA Redevelopment/1998 HOPE VI Plan contemplates a total of 2,417 on-site units and 383 off-site units, and will completely revitalize one of the most distressed public housing developments in the country. The 1998 HOPE VI Plan proposes to utilize \$59 million in HOPE VI funds (\$24 million from 1996 HOPE VI allocation at Brooks Extension) to leverage an additional \$371 million in funding by the City of Chicago and private investor(s) by utilizing innovative financing strategies.

The ABLA Redevelopment/1998 HOPE VI Plan maximizes the leverage of limited public resources by bringing integral partners to the table, coordinating development activities in compliance with the City of Chicago's Consolidated Plan for Affordable Housing, and utilizing creative financing strategies. The City of Chicago's Department of Housing will issue a Request for Proposal (see attached draft) to solicit development proposals nationally and to procure a qualified developer(s) with relevant experience in developing large-scale, mixed finance and mixed income development in former public housing neighborhoods. The RFP will require the development of a minimum of 669 public housing units and 328 affordable rental units in order to maintain the presence of affordable housing in the neighborhood and to meet the needs of existing residents. The selected developer(s) will demonstrate relevant experience in developing multifamily units in urban settings and familiarity with complex financial structures including tax credit finance and layered financing. The RFP will also emphasize the need for the selected developer(s) to have the capacity and resources

* Pursuant to a 1987 order of the Federal District Court in Gautreaux v. CHA, et al., a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of CHA non-elderly public housing.

immediately available to efficiently implement the development. The selected developer(s) will also be required to provide quality private management for all units, including public housing units.

On-site public housing units will be dispersed throughout the 100 acre development and will be indistinguishable from market rate units in both quality and visual appearance. The City of Chicago has committed to restoring the City's conventional street grid in order to eliminate the "superblocks" that contributed to the physical and perceptual isolation of ABLA Homes. Architecturally, the redevelopment plan will complement the structural aesthetics of the surrounding neighborhood. Similarly, special attention will be devoted to landscaping, streetscaping, development of attractive recreational amenities, and related infrastructure enhancements to ensure the reintegration of ABLA into its revitalized community.

To date there have already been significant steps taken in implementation of the ABLA Redevelopment. Phase I of the comprehensive modernization program of 132 units at Brooks Homes is completed and 220 units in Phase II are scheduled to begin this year. The Brooks modernization program is funded through the Comprehensive Grant Program. The CHA's 1996 HOPE VI grant for \$24 million at the Brooks Extension development will be incorporated into the overall ABLA redevelopment and leveraged to help complete the entire redevelopment. As a part of the Brooks Extension revitalization, one highrise is demolished and an adjacent dilapidated shopping center has been acquired by the Chicago Metropolitan Housing Development Corporation (CMHDC), which has agreed to convey the land to CHA upon completion of demolition. The City of Chicago has begun work on infrastructure improvements on the Brooks Extension site and allocated funds in 1998 for construction of an additional four streets.

The scenario included in this application is a sample development plan to demonstrate the financial feasibility of CHA's redevelopment strategy, *not the final development plan*. Developer solicitation will begin immediately following approval of the Tax Increment Financing District in late fall 1998. The CHA intends a mix of for-sale and rental units to provide housing for a wide range of incomes in the neighborhood. The sample development plan proposes new construction of 966 market rate units, 452 affordable homeownership/rental units (i.e. Two-Flat Program), and 997 rental

units of which 669 will be for public housing. *This scenario is subject to change based on the proposal of the selected developer(s).*

For the on-site units, the marketability of the site allows for a true income mix:

Targeted Income Range	% of Dev't	# of Units	Rental vs. For Sale
0-35%	37%	1,084	Rental
36-60%	14%	391	Rental
60+ rental	7%	202	Rental
81-120%	9%	252	For Sale
120%	33%	966	For Sale/Rental
TOTAL	100%	2,895	

The 383 off-site units will be 100% replacement units for public housing. These units will be located in neighborhoods in compliance with the Gautreaux Judgement Order. Please refer to Affirmatively Furthering Fair Housing below for more information on the Order.

In order to meet the needs of existing residents and to maximize income diversity, the CHA has agreed to a long term income mix where units targeted within the range of 0-35% of AMI will decrease to 30% and units targeted within the range of 36-50% of AMI will increase to 18% of the overall development. All 669 public housing units will remain under the ACC contract and will remain eligible for public housing subsidies. The long-term income targets will be achieved upon unit turnover and through the anticipated increase in income levels of existing residents participating in Self-Sufficiency Programs. Existing residents will not be relocated to meet a specific timeframe for achieving long-term income targets.

Prior to soliciting a private developer(s), the City will complete designation of the area as a Tax Increment Financing District and the CHA will enter into a Programmatic Agreement for Jane Addams with the Section 106 consulting parties pursuant to the National Historic Preservation Act (16 U.S.C. 470f). The CHA and the Section 106 consulting parties for Jane Addams (i.e. Illinois Historic Preservation Office, Advisory Council on Historic Preservation, and HUD) have successfully negotiated a Programmatic Agreement that will ensure that the redevelopment of Jane Addams will recognize the historic significance of the development to the greatest extent feasible. See attached.

Although a detailed development plan is contingent upon designating a developer(s), the collaborative partners of the ABLA Redevelopment/1998 HOPE VI Plan have identified clear recommendations on unit mix, design, and overall redevelopment of the neighborhood in this proposal.

2. Design

The following design guidelines will direct the redevelopment plan. Final design decisions, contingent on proposals submitted by the selected private developer(s), will be reached collaboratively between the CHA, the City of Chicago, the ABLA LAC and residents, and surrounding community stakeholders.

- Integrate all units into the existing Near West Side community surrounding the site and organize unit distribution to create a typical urban residential neighborhood. The design shall not aesthetically segregate public housing from market rate units, shall promote sustainable, safe and defensible space.
- The design plan shall encompass three building types: attached rowhouses, attached townhouses, and detached townhouses. Higher density mid-rise structures will be considered if they are well integrated into the overall site plan. Unit design and layout shall maximize functionality, with individual entrances, appropriate green space and liveable room sizes.
- The development will be subject to the standards set forth in the City of Chicago Residential Development Design Guidelines and the Chicago Zoning Ordinance. The departments responsible for these ordinances are members of an Intergovernmental Task Force established by the City of Chicago to facilitate compliance and efficient processing. The CHA is also an active member of the Task Force.

3. Safety & Security

Public safety is one of the principal concerns in the design of the proposed HOPE VI development program. The site design will include selective ornamental iron fencing around housing units as well as an "eyes on the street" front door approach. This will permit the residents of the development to more closely monitor both vehicular and pedestrian ingress and egress. Residents will also have visible access to their units. In addition to these measures, the City of Chicago will improve streets and sidewalks and install new lighting to ensure that the site is well lit at all times.

In addition to incorporating safety and security elements within the overall redevelopment plan, further measures are being undertaken to ensure residents' safety. The City of Chicago will be constructing a new fire station on site. The City is also currently analyzing the feasibility of constructing a new District Police Station. Supplementing municipal public safety services will be private security forces from the adjacent University of Illinois at Chicago and the Illinois Medical District that will extend coverage to the redevelopment site.

4. Healthy Homes

A healthy home is one that is energy-conscious, built tightly with better insulation, indoor air quality and proper ventilation. The Development Initiatives Division within the Authority will educate the residents on what a healthy homes and household safety for children through their "housekeeping training" program.

Construction specifications for the private developer(s) will include air-barrier insulation, non-toxic building materials, low-volatile organic compound paint and finishes and safety surfaces. Specifications will also incorporate child safety measures and devices which are currently incorporated in all of the CHA's scattered site new housing, such as child safety latches, anti-scald devices on faucets and spouts, microwave shelves above the countertop so access by children will be limited, GFI (Ground Fault Interrupters) outlets in all outlets located near a water supply, smoke and carbon monoxide detectors, windup devices for cords of mini blinds, illumination for stairways, banister rails no more than four inches apart and no-slip texture surface for bathtubs.

A recent report in the New England Journal of Medicine (May 7th, 1997 edition) detail results from the National Cooperative Inner-City Asthma Study and stated that there is a direct link between cockroaches and a higher rate of asthma in inner-city children due to a protein found in cock roaches. Proper pest management in the rehabbed and newly constructed units will eliminate access to dark, damp and undisturbed places like behind cabinets and under the sink storage spaces that cockroaches like to inhabit. All openings where cockroaches enter the home will be sealed and caulked. All seams, cracks, and openings in closets and cabinets will be caulked also. Due to cockroaches needing a water supply, special attention will be given to all openings that lead to a sink or drain.

5. Affirmatively Further Fair Housing

a. Accessibility

In completing the new construction activities, the CHA will ensure that the entire development complies with the Uniform Federal Accessibility Standards and the Fair Housing Act provisions on accessible and adaptable design. 5% of the rental and for-sale units will be accessible to individuals with mobility disabilities, and 2% of the rental and for-sale units will be accessible to individuals with visual or hearing disabilities.

b. Visitability

The CHA will ensure that all redevelopment activities comply with HUD guidance on visitability. These visitability features will include, at a minimum, accessible thresholds for unit and bathroom entrances. Each site will contain an accessible route through the entire site. Bathrooms will be accessible. All HUD visitability guidelines will be incorporated in specifications for all construction activities.

c. The Gautreaux Judgment Order

At this time, under the ruling in the case *Gautreaux v. CHA et al.*, United States District Court, Northern District of Illinois (the "Gautreaux litigation"), CHA is not permitted to build in a "limited area" unless either the CHA builds an equal number of units in the "general area" or the judge designates the "limited area" revitalizing. A limited area is defined a census tract which has more than a 30 percent African-American population. Attached is the motion jointly submitted by the CHA and the *Gautreaux* plaintiffs, and signed by Judge Marvin Aspen designating the ABLA area as "revitalizing."

6. Lessen Concentration of Low-Income Families

a. Significantly reduce the isolation of low income residents

The ABLA Redevelopment/1998 HOPE VI Plan will reduce the total number of public housing units from the existing 3,500 units to 1,084 on-site and 383 off-site units. The proposed income targets for the new development ensures deconcentration of low-income families while also recognizing the need to maintain affordable housing in the neighborhood. The proposed income mix provides not only a healthy mix for a sustainable community but also aims to

provide opportunities for public housing residents. The concentration of low income housing will be lessened in two significant ways: one, by integrating the proposed site into the revitalizing activities of the surrounding neighborhood, and, two, by increasing employment opportunities for the existing resident population and increasing existing incomes.

The CHA, under the federal court case Gautreaux v. CHA, et al., is prohibited from constructing public housing units in "limited areas" unless the CHA builds an equal number of units in "general areas" or the court designates the "limited area" as "revitalizing." A limited area is defined as a census tract with more than 30% African-American population. Attached is a signed order by Judge Marvin Aspen which designates ABLA Homes as "revitalizing."

The Near West Side, where ABLA Homes is located, is a mile and a half west of the Chicago's downtown commercial business district. The neighborhood represents a stark juxtaposition of one of the nation's poorest public housing communities with some of the region's major generators of economic growth and opportunity. Neighboring ABLA is the largest medical district in the country, the Illinois Medical District, which employs more than 40,000 workers and generates more than \$1.5 billion in annual revenue, and the largest university in the Chicago area, the University of Illinois at Chicago (UIC), with 25,000 students and 11,000 employees. ABLA is strategically situated to leverage private resources and ensure that ABLA and its existing residents are actively involved in the revitalization of the neighborhood.

The entire Near West Side is experiencing tremendous revitalization with a surge of new market rate housing and large scale institutional expansion. The Illinois Medical District (IMD) has begun a 14 million square foot facilities expansion program and projects the creation of 10,000 new jobs over the next 10 to 15 years. The University of Illinois at Chicago (UIC) campus expansion includes construction of 700 residential units directly east of ABLA in addition to student housing and commercial development. The ABLA Redevelopment, IMD, and UIC expansions are closely interrelated and interdependent. Consequently, the City of Chicago has established an intergovernmental redevelopment task force, which includes representatives from CHA, IMD, and UIC, to coordinate a joint redevelopment planning strategy and process. Failure to proceed with ABLA Homes revitalization at this time as proposed in this 1998 HOPE VI application would significantly reduce opportunities and available financial resources in the future.

b. Increase access to municipal services, job information, mentoring opportunities, transportation, etc.

The ABLA redevelopment plan will greatly increase access to municipal services, educational facilities, job training and employment opportunities. For example, UIC's development team has committed to training and hiring ABLA residents during its five year construction program. In addition, UIC will hire residents as permanent employees through a pilot employment program being established that will waive standard state civic service requirements and provide on-the-job training. Similarly, IMD, which generate more than 50% of all jobs created in Chicago during the past two years, has recently established a special initiative to hire ABLA residents. Both institutions are undertaking such efforts to assist in promoting self-sufficiency among ABLA residents as part of the overall revitalization program.

7. Off-Site Replacement Housing

The proposed ABLA Redevelopment will include 383 off-site replacement units. The CHA will work closely with the City Department of Housing to identify appropriate off-site opportunities.

8. New Construction

Based on a recent market feasibility study commissioned by the City of Chicago's Department of Planning and Development, the median sale price for detached housing units on the Near West Side surrounding ABLA Homes in 1997 was \$159,000, \$117,000 for attached units, and \$205,000 for buildings with two to four units. Only 3% of the units in the housing stock were single family detached, while 40% of total units are located in buildings with 50 or more units.

Based on the market study, the CHA certifies that there is insufficient existing housing in the neighborhood to develop replacement housing through acquisition of existing units or acquisition and rehabilitation.

9. Non-Dwelling Spaces

The Chicago Park District will construct an 80,000 square foot community center on the ABLA site that will include an indoor swimming pool and other recreational amenities. The community center will also house satellite service delivery offices for the City of Chicago's Department of Human Services and Office of Employment & Training, day care facilities, a health and wellness center, a computer learning center for children and adults, a parent-child center to be operated by the Chicago Board of Education, and the ABLA LAC offices. In addition, the selected developer(s)

will be expected to include in its design proposal provisions for non-dwelling community spaces throughout the development.

Other non-dwelling facilities include park expansion and an increase in green and recreational spaces at a school located in the heart of the existing ABLA community. In addition, the Chicago Board of Education has committed capital improvement funds and information and technology improvements for all seven schools in the greater ABLA redevelopment area.

Exhibit B

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY, et al	)	Chief Judge Aspen
	)	
Defendants.	)	

DECLARATION OF JEFFREY D. HEAD

Jeffrey D. Head, being duly sworn upon oath, declares:

1. I am a Senior Development Manager for The Habitat Company and have worked for Habitat since August 1998. Prior to that I served for one year as a Special Project Coordinator for the City of Chicago's Department of Planning and Development, and three years as an Assistant to the Mayor.

2. My duties at Habitat include management and oversight of the Receiver's activities in connection with the development of replacement public housing in the ABLA Revitalizing Area. I report to Valerie B. Jarrett, Executive Vice-President of Habitat, and to Daniel E. Levin, Habitat's Chairman.

3. I am familiar with the Receiver's activities in connection with the ABLA redevelopment process. I have principal day-to-day responsibility for the Receiver in connection with ABLA, and have been the Receiver's representative at meetings of the ABLA Working Group. I am familiar with the deliberations of the Working Group to date, with activities of the Working Group, with the 1998 HOPE VI Application, and with the Request for Proposals ("RFP") that was issued on or about

July 13, 1999 to procure a development manager for ABLA. I have also reviewed the proposed Complaint filed by the "Concerned Residents of ABLA" and others.

4. No development plan exists for ABLA. A HOPE VI application such as the 1998 application is not a development plan. It is a tentative, conceptual document. The RFP issued for a development manager in July 1999 is not a development plan. As the process has developed, HOPE VI development dollars cannot flow at ABLA and the development cannot proceed until (i) a development manager is selected and a contract is negotiated; (ii) the development manager prepares a master development plan for the project; (iii) that plan is considered and approved by the "Working Group," including the Receiver and the Gautreaux plaintiffs; (iv) the plan is incorporated into a HOPE VI Revitalization Plan submitted to HUD for its approval; and (v) a Mixed-Finance Proposal for each phase of the development is submitted to HUD. None of these events has occurred yet, although the Working Group is close to making a final decision on selection of a development manager. A final selection decision is expected during January 2000. At that point a contract will be negotiated with the selected party. Only then will the actual preparation of a proposed master plan for ABLA begin.

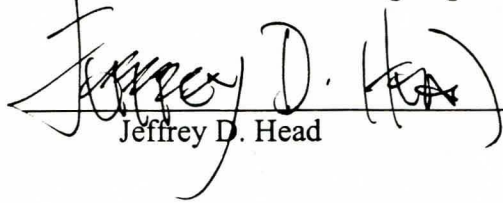
5. Paragraph 67 of the proposed Complaint alleges that defendants plan to replace the Jane Addams homes with "700 or more new units, with 80% of these expected to be sold at market-rate prices." That allegation is incorrect. If there were in fact any plan to sell 80% of new units at Jane Addams or anywhere else at ABLA I would have become aware of it. There is no such plan, and the 80%/20% concept has never even been discussed at any meeting of the Working Group. The RFP for a development manager requires the development manager to draft a plan that will "[t]o the maximum extent, disperse units for public housing families throughout the redeveloped

neighborhood and in the full range of housing types and unit sizes developed." RFP ¶1.4. No distinction is drawn for the Addams site.

6. The ABLA Local Advisory Council is a member of the Working Group and it attends all Working Group meetings through its representatives. The Receiver, CHA and the City consult regularly with ABLA residents through these meetings.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on January 10, 2000



Jeffrey D. Head

Exhibit C

JUN 19 98 02:00PM B. P. I. 9

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	66 C 1459
	)	
CHICAGO HOUSING AUTHORITY, et al.	)	Hon. Marvin Aspen
	)	
Defendant.	)	

O R D E R

This matter coming on to be heard on the joint motion of the parties and the Receiver for an order designating an ABLA Revitalizing Area ("Revitalizing Area") and authorizing the development of non-elderly public housing units therein; and

The Court having heard the presentations of the parties and the Receiver respecting, and being advised that the City of Chicago supports entry of, the proposed order; and

The Court being further advised that the Receiver and the defendant, Chicago Housing Authority, in collaboration with the City of Chicago, are engaged in the preparation of an application for a FY1998 HOPE VI grant of \$35 million for the ABLA Revitalizing Area to be submitted by them to the United States Department of Housing and Urban Development (HUD) on or before June 29, 1998; and

The Court also being advised that by arrangement with the plaintiffs and HUD, CHA received a HOPE VI grant of \$24,483,250 in FY1996 for a portion of the Revitalizing Area, and that the

current HOPE VI application contemplates and proposes that this prior grant be utilized in conjunction with the grant currently being applied for; and

The Court being cognizant that the principal remedial purpose of the orders previously entered in this case has been and is to provide plaintiff class families with desegregated housing opportunities; and

The Court also being cognizant that on occasion it has permitted public or assisted housing to be developed in census tracts not within the General Public Housing Area upon a sufficient showing of "revitalizing" circumstances such that a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made; and

The Court being of the view, based on the presentations of the parties and the Receiver, that subject to appropriate terms and conditions such a forecast can be made with respect to the Revitalizing Area should the Receiver and the defendant, Chicago Housing Authority (CHA), be awarded a FY1998 HOPE VI grant therefor pursuant to their proposed joint application;

IT IS HEREBY ORDERED:

1. Effective upon advice to the Court from the parties that a FY1998 HOPE VI grant has been made to the Receiver and CHA pursuant to a joint application to be submitted by them to HUD respecting the Revitalizing Area, the Court designates as the ABLA Revitalizing Area that portion of the City of Chicago that lies within the following boundaries: on the west, Ashland Avenue; on the south, the Burlington Northern Railway tracks

immediately south of 15th Street; on the east along Racine Avenue from such Burlington Northern Railway tracks to Blue Island Avenue, northeast along Blue Island Avenue to Roosevelt Road, west along Roosevelt Road to Racine Avenue, and north along Racine Avenue to Cabrini Street; and on the north, along Cabrini Street to Loomis Street, north along Loomis Street to Polk Street, and west along Polk Street to Ashland Avenue; and

2. Subject to such terms and conditions as are specified by further orders of the Court, the Receiver is authorized to develop such number of new public housing units within the Revitalizing Area as will result in public housing units comprising approximately 1,084 of a total of approximately 2,895 residential units within the Revitalizing Area, which is the approximate number of public housing and total residential units within the Revitalizing Area presently contemplated by such grant application, as part of an overall development including approximately 845 non-public housing units to be occupied by persons with incomes 36-120 percent of area median income, and 966 non-public housing units to be occupied by persons with incomes in excess of 120 percent of area median income.

ENTER:

Marion E. Copen

June 19, 1998

Exhibit D

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is made as of the 21st day of May, 1999, by and between the following parties: The Chicago Housing Authority ("CHA"), the Habitat Company ("Habitat"), the City of Chicago Department of Planning and Development ("DPD"), the City of Chicago Department of Housing ("DOH"), the ABLA Local Advisory Council ("LAC") and Plaintiff's counsel in Gautreaux vs. CHA et. al., (collectively, "the Parties"). The purpose of this Memorandum is to clarify and confirm the understandings of the parties regarding their current intentions relative to the collective efforts proposed to be undertaken in order to revitalize the ABLA Homes Community as contemplated in the HOPE VI Revitalization Plan. The Parties acknowledge and understand that the statements contained in the Memorandum are subject to the approval of the governing body of each Party as may be required by law or by the Charter or rules governing each Party.

Recitals

The Parties propose to undertake a project to redevelop the ABLA Homes ("the Project"). Subject to applicable legal requirements, and recognizing that each participant brings certain resources and responsibilities:

The Parties propose to meet on a regular basis in order to collectively make decisions regarding the Project;

The Parties pledge good faith and best efforts to make each such decision by consensus;

It is the intent of the Parties that each Party will participate in the decision-making process as fully as possible;

It is the intent of the Parties to ensure that no single Party has more control than any other Party in the working group decision-making process;

It is the intent of the Parties to work with a Development Manager for the Project to develop a Master Plan and to work diligently to implement the Master Plan for the benefit of the entire ABLA Homes Community.

THEREFORE, the Parties set forth their respective contributions and responsibilities as follows:

The CHA and Habitat

The Chicago Housing Authority ("CHA") and The Habitat Company, as receiver for CHA's development of non-elderly housing programs ("Habitat") have authorized DOH to issue a Request for Proposals and to manage the process of selecting a Development Manager. However, CHA and Habitat shall remain separately responsible for those duties imposed respectively upon each under the HOPE VI and other public housing capital funding rules and regulations, orders of the Gautreaux court, and all federal, state and local laws.

At the appropriate point in the process, CHA and Habitat will enter into separate contracts with entities and individuals for matters that fall within their various areas of responsibility under the Receivership Order of August 14, 1987 in the Gautreaux case and subsequent orders of the court.

CHA will lease its land to an approved Developer(s) who will be responsible for constructing certain physical improvements. CHA will be responsible for ensuring that applicable HUD and CHA management requirements are met and that relocation services provided for all residents choosing Section 8 relocation will be provided by CHA's private contractors.

City of Chicago Department of Planning and Development ("DPD")

DPD will oversee and coordinate the participation of all City Departments and other agencies of local government involved in the redevelopment process, including but not limited to, the Chicago Board of Education and the Chicago Park District. DPD will also coordinate assistance and communication with other government agencies to ensure the compatibility of various redevelopment projects in the area. DPD will coordinate and fund via the Roosevelt/ Racine TIF the acquisition of private parcels to be redeveloped in the Project, subject to the required process and approval.

City of Chicago Department of Housing ("DOH")

DOH will issue the Request for Proposal ("RFP") for a Development Manager. On behalf of the Parties, DOH will be responsible for coordinating all meetings and conferences regarding the RFP. DOH will provide technical advice regarding the financial structuring for the Project. DOH will coordinate and provide identified funds for the development of homes subject to the required process and approval.

ABLA Local Advisory Council ("LAC")

LAC is the elected representative body of the ABLA residents. The LAC will represent the concerns and interest of the residents to the other Parties and convene meetings of its membership to keep the tenants apprised of all phases of the redevelopment process. The LAC will have two (2) representatives as a part of the working group.

Plaintiff's Counsel in Gautreaux

Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement of 7/25/96 between plaintiff's counsel and CHA respecting a portion of the funding for the HOPE VI Revitalization Plan.

University of Illinois Chicago ("UIC")/Illinois Medical District ("IMD")

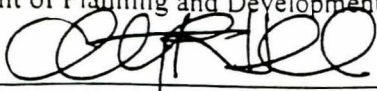
One representative will serve as the liaison for both UIC and IMD. This representative will participate in the redevelopment process to ensure that assistance from both or either entity is properly coordinated. The representative will be responsible for keeping both UIC and IMD apprised of the redevelopment process. UIC and IMD will submit the name(s) of the representative to the Alderman. The Alderman will submit one name to the working group. The working group parties will by consensus approve or reject the Alderman's recommendation.

Other Provisions

This Agreement shall not create a partnership or joint venture among the Parties hereto. There are no third-party beneficiaries of this Agreement and no third-party shall have any rights hereunder.

By executing below the parties indicate that the foregoing correctly sets forth their understanding regarding their respective obligations and contributions to the ABLA Homes revitalization project.

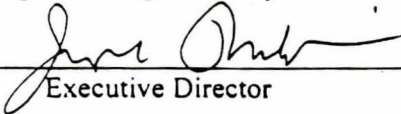
City of Chicago
Department of Planning and Development

BY: 
Commissioner

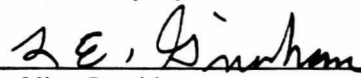
City of Chicago
Department of Housing

BY:  for
Commissioner

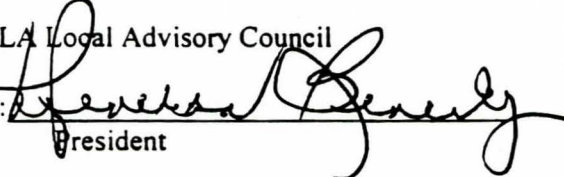
Chicago Housing Authority

BY: 
Executive Director

The Habitat Company

BY: 
Vice President

ABLA Local Advisory Council

BY: 
President

Plaintiff's Counsel in Gautreaux vs. CHA et. al.

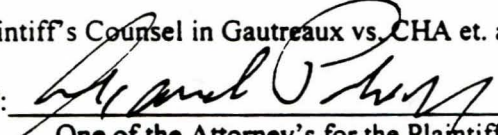
BY: 
One of the Attorney's for the Plaintiff

Exhibit E

REQUEST FOR PROPOSALS



DEVELOPMENT MANAGEMENT SERVICES for the

MIXED-INCOME REDEVELOPMENT OF ABLA HOMES Chicago, Illinois

City of Chicago
Richard M. Daley
Mayor

Department of Housing
John Markowski
Acting Commissioner

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Request for Proposals	1
1. Program Goals	2
2. Development Site and Parcel Specifics	5
2.1 Development Site	5
2.2 Development Parcel Specifics	5
3. Scope of Services	7
3.1 General Responsibilities	7
3.2 Specific Work Products and Responsibilities	9
4. Resources for Physical Redevelopment	14
4.1 HOPE VI Funds	14
4.2 Public Housing Operating Funds	14
4.3 Other Affordable Housing Subsidies	14
4.4 Historic Preservation Tax Credits	15
4.5 Tax Increment Financing	15
5. Potential Transaction Elements	16
5.1 Site Ownership and Control	16
6. Development Guidelines and Information	17
6.1 City of Chicago Residential Development Design Objectives	17
6.2 Historic Preservation	18
6.3 Public Housing Unit Mix and Dispersal throughout the Development	18
6.4 Access by Persons with Disabilities	18
6.5 Open Space and Parking Objectives	19
6.6 City of Chicago Zoning	19
6.7 Gautreaux Revitalizing Order	19
7. Employment and Business Opportunities	20
8. Submission Requirements	21
8.1 Responsive Proposals	21
8.2 Deadline for Submissions	21

REQUEST FOR PROPOSALS
DEVELOPMENT MANAGEMENT SERVICES
for the
MIXED-INCOME REDEVELOPMENT OF ABLA HOMES
Chicago, Illinois

EXHIBITS

(Exhibits are bound separately from the text of the RFP unless otherwise noted.)

- Exhibit 1: Memorandum of Understanding between the member organizations of the ABLA HOPE VI Working Group (bound with the text of the RFP)
- Exhibit 2: Revitalizing Order entered in the Gautreaux case on June 19, 1998
- Exhibit 3: Memorandum of Agreement among the City of Chicago, the Illinois Historic Preservation Officer, the United States Department of Housing and Urban Development, and the Advisory Council on Historic Preservation for the ABLA Redevelopment Project (the Jane Addams Memorandum)
- Exhibit 4: ABLA Post-Redevelopment map, showing the Site
Map of the Tax Increment Financing District designated November 11, 1998
Map showing existing conditions on the Site
(All bound with the text of the RFP)
- Exhibit 5: Residential market study commissioned as part of the HOPE VI application process
- Exhibit 6: Draft HOPE VI Grant Agreement
- Exhibit 7: Listing of some of the laws, ordinances, and regulations applicable to master plan implementation
- Exhibit 8: Regulation regarding the use of HOPE VI funds in mixed-finance developments
Listing of evidentiary materials required for the use of HOPE VI funds
- Exhibit 9: Information on Chicago Department of Housing resources available for the ABLA redevelopment project
- Exhibit 10: 1998 ABLA HOPE VI application section on physical revitalization
(For information only)
- Exhibit 11: City of Chicago Planned Unit Development Handbook executive summary
- Exhibit 12: Information on Chicago Housing Authority requirements with respect tot the creation of employment and business opportunities for public housing residents, resident-owned businesses, and MBE/WBEs
- Exhibit 13: Required statements, affadavits and other materials for Respondents
(Bound with the text of the RFP)
- Exhibit 14: Standard contract information that will apply to contracts for services entered as a result of this RFP

REQUEST FOR PROPOSALS

The City of Chicago, on behalf of the Chicago Housing Authority (CHA) and The Habitat Company, the court-appointed receiver for CHA's non-elderly public housing development¹, and the ABLA HOPE VI Working Group, is requesting proposals from development managers to plan and implement a mixed income residential development on the site of CHA's ABLA Homes and certain adjacent parcels. ABLA Homes is located on the Near West Side of Chicago, easily accessible to downtown, the United Center and the cultural, educational, economic and health care activities of the University of Illinois at Chicago (UIC) and the Illinois Medical District, which includes UIC medical facilities, the Rush-Presbyterian Medical Center, Cook County Hospital and West Side Veterans' Administration Hospital.

The proposal to redevelop ABLA Homes is the result of a joint effort by the City of Chicago, the CHA, the plaintiff's counsel in the case of Gautreaux vs. CHA et.al., The Habitat Company, and the ABLA Local Advisory Council. This group, along with a representative of the Illinois Medical District and the University of Illinois at Chicago, is known as the ABLA HOPE VI Working Group (the Group), and a Memorandum of Understanding between its member organizations is attached as Exhibit 1. It represents a commitment to create and sustain a range of attractive, secure housing options for a mix of income levels, including public housing, in this revitalizing neighborhood. The redevelopment of the ABLA Homes site and neighborhood will create a much more positive living environment for public housing residents and contribute to the stability and growth of the Near West Side community and the city as a whole. The redevelopment effort will take place alongside major investment in new commercial and residential development by both the University of Illinois at Chicago and the Illinois Medical District, and which can provide employment opportunities for ABLA public housing residents.

Holistic Urban Redevelopment Approach

The Near West Side is the focus of intensive private and public investment. The inclusion of public housing redevelopment as part of this activity is intended to demonstrate the transformation of neighborhood economies and opportunities that is possible through collaboration among the parties mentioned above and private investors and implementers. It will create a model for redevelopment in other neighborhoods across the city. Four basic principles form the foundation of the ABLA model:

- * ***Create diverse, mixed-income communities***, eliminating the isolation of public housing families from the rest of the community and supporting the market for continued investment in the neighborhood
- * ***Establish collaborative partnerships among public and private interests***, creating opportunities for private participation and creativity in the redevelopment process and leveraging public resources

¹ Pursuant to a 1987 order of the Federal District Court in Gautreaux vs. CHA et. al., a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of non-CHA elderly housing.

- * *Give public housing families a choice* to stay in the redeveloped neighborhood, relocate to new public housing units located off-site, or seek other housing, with support in all cases for residents' efforts to achieve economic self-sufficiency
- * *Help public housing families become self-sufficient*, by targeting the challenges of job training, finding and keeping good jobs, handling family finances, meeting housekeeping and home maintenance responsibilities, fulfilling parental responsibilities, and locating safe and affordable child care

The CHA, The Habitat Company and the City of Chicago have also committed to provide 383 public housing replacement units in other areas of the city. The development of those units is not part of the scope of services to which this Request for Proposals (RFP) for master planning, financial planning and development management pertains.

The Group also contemplates commercial redevelopment along Ashland Avenue, and residential rehabilitation of a property at 15th and Loomis Streets, which will be expected to be incorporated into the master plan developed pursuant to this RFP, but which will not be the subject of financial planning or the development management under this RFP.

1. PROGRAM GOALS

Collaborative leadership by the Group has secured new HOPE VI funding for the ABLA holistic urban redevelopment plan from the U.S. Department of Housing and Urban Development (HUD). The development manager selected as a result of this RFP (the Selected Respondent) will demonstrate the highest capacity to accomplish the Scope of Services and deliver the outcomes detailed below (the Program Goals). The Selected Respondent will produce a master plan for the redeveloped neighborhood that includes land use and development planning for the area described in the section of this RFP (entitled Development Site and Parcel Specifics), produce a financial plan for the residential components of the redevelopment project as discussed in Section 2, and manage the process of implementing the physical development of the residential components specified in the Section 2 by coordinating the activities of all team members and consultants, conducting solicitations for development teams to carry out the individual components of the master plan, and negotiating with the developers on behalf of the Group. In order to avoid conflict of interest, the Selected Respondent will not have any interest or participate in any way in development activities other than as specified in the Scope of Services, which may be amended from time to time (see Section 3, Scope of Services, for further information). The following outcomes are considered Program Goals by the Group:

- 1.1 Create an attractive, secure, diverse and viable mixed income community with appropriate amenities and services to provide a stable and positive environment for Chicago residents

- 1.2 Create a variety of housing options within that community including market rate, affordable and public housing, including home ownership and rental options. At least 50 home ownership units will be made available to purchasers who are residents of public housing, in particular for eligible residents of the ABLA public housing development
- 1.3 Ensure that housing units targeted for public housing families are indistinguishable in quality and visual appearance from those targeted for other levels of income
- 1.4 To the maximum extent, disperse units for public housing families throughout the redeveloped neighborhood and in the full range of housing types and unit sizes developed
- 1.5 Achieve income tiering in new residential development for which the implementation is overseen by the Selected Respondent as follows: ²

<u>Income tier by % of Area Median</u>		<u># of units</u>	<u>% of total</u>
0-35%	(Public Housing)	1,084	37%
36-120%	(Affordable)	845	29%
Over 120%	(Market Rate)	966	34%
		-----	-----
		2,895	100%

- 1.6 Reduce the public housing units' dependence on public housing operating subsidies, while maintaining affordability
- 1.7 Maximize the use of private financing by strategic use of public resources, including public housing and City of Chicago resources
- 1.8 Ensure quality maintenance and management of the entire development, including home ownership and rental housing units for all levels of income, to promote the marketability, attractiveness, security and overall strength of the redeveloped neighborhood
- 1.9 Establish a vehicle to engage residents of all income levels and backgrounds, local institutions and other stakeholders in the ongoing affairs of the neighborhood

² The Revitalizing Order entered in the Gautreaux case on June 19, 1998 authorizes the Receiver in the Gautreaux case to develop new public housing units within the Revitalizing Area subject to such terms and conditions as are specified by further orders of the Court. The Revitalizing Order is attached as Exhibit 2.

It is expected that certain current ABLA public housing residents who earn more than 35% of area median income will be among the initial residents of public housing units in the redeveloped community. In addition, the overall percentage of units rented to families between 0-35% of area median income is expected to decrease over time, as a commitment is implemented that 50% of public housing replacement units will be occupied by families earning between 36% and 50% of area median income. This increase in incomes will be accomplished as original residents leave the units, find employment or otherwise increase their incomes.

- 1.10 Fulfill the City's and CHA's obligations under the Memorandum of Agreement among the City of Chicago, the Illinois Historic Preservation Officer, HUD, the Advisory Council on Historic Preservation for the ABLA Redevelopment Project (the Jane Addams Memorandum). ³
- 1.11 Maximize employment opportunities for ABLA public housing residents (who shall receive priority), other public housing residents, other low-income residents of the community in which the project is located, and Chicago residents, and maximize business opportunities for public housing resident owned businesses, minority and women-owned businesses and Chicago residents in the planning and implementation of the ABLA redevelopment project

³The Jane Addams Memorandum makes certain stipulations regarding the consideration of rehabilitating or demolishing Jane Addams Homes buildings as part of the overall ABLA redevelopment strategy. If it is determined that buildings can be retained as part of a viable, marketable mixed income development, the Jane Addams Memorandum stipulates that they will be rehabilitated in accordance with standards promulgated by the Secretary of the Interior. If buildings are to be demolished, methods and standards are stipulated for proper recordation. The Jane Addams Memorandum is attached as Exhibit 3, and further information is provided in Section 6 on Development Guidelines and Information.

2. DEVELOPMENT SITE AND PARCEL SPECIFICS

2.1 *Development Site*

The ABLA redevelopment area (the Site) is shown on the map entitled ALBA Post-Redevelopment, included in Exhibit 4. It is bounded by Blue Island Avenue and Racine Avenue on the east; Cabrini Street, Grenshaw Street and Roosevelt Road on the north; Throop, Loomis and Ada Streets, and Ashland Avenue, on the west; and parcels to the south of 15th Street on the south. The Site is contained within a Tax Increment Financing (TIF) district designated by the City in November, 1998. Maps outlining the TIF district and showing existing Site conditions are included as Exhibit 4.

The Site includes major parcels that will be redeveloped as new mixed income housing, parcels targeted for new commercial, existing institutional and community uses such as churches, parks, and schools. For the major mixed income housing parcels, the Selected Respondent will be responsible for master planning, financial planning, developer solicitation, and management and oversight of the development process. The new commercial sites along the east side of Ashland Avenue, the proposed residential rehabilitation project at 15th and Loomis Streets, the existing institutional and community facilities (for example, churches, parks, and schools) are not to be the subject of detailed master planning, financial planning, developer solicitation or development management by the Selected Respondent. These uses and their relationship to the master plan for the mixed income residential development should be incorporated into the Selected Respondent's work product.

2.2 *Development Parcel Specifics*

2.2.1. Brooks Homes: Brooks Homes, an existing public housing development located among the parcels described above, is being rehabilitated under CHA's Comprehensive Grant modernization program. 132 units have been rehabilitated as the first phase of this project, and plans to rehabilitate an additional 220 units have been finalized. Master planning for the entire Site must incorporate the modernized Brooks Homes. The income tiering described in the Program Goals includes 352 rehabilitated Brooks Homes units in the 1,084 units to be available initially to present ABLA residents.

2.2.2. Jane Addams Homes: Jane Addams Homes, an existing public housing development which comprises one of the parcels identified above, has been determined eligible for listing on the National Register of Historic Places. It will be the Selected Respondent's responsibility to manage and oversee redevelopment in such a way that development activities involving Jane Addams buildings are carried out in accordance with the stipulations of the Jane Addams Memorandum.

2.2.3. Addams Park: The current site of Addams Park will be made available for redevelopment. The master plan will incorporate a physical and financial plan for redevelopment on the current Addams Park site, and the Selected Respondent as a result of this RFP will be responsible for managing the process of implementing development activities on this parcel.

2.2.4. Fosco Park: Expansion plans for the existing Fosco Park are currently being developed. The Chicago Park District is planning to construct a 80,000 square foot community center in the expanded Fosco Park that will include an indoor swimming pool and other recreational facilities, facilities for day and evening child care, a health and wellness center, a computer learning center, the Eisenberg Boys & Girls Club, and offices for the City Department of Human Services, Mayor's Office of Workforce Development, the Chicago Board of Education, and the ABLA Local Advisory Council. The master plan must incorporate the expanded Fosco Park and the community center, but the Selected Respondent will not be expected to prepare a financial plan or manage the solicitation and development implementation process for the redevelopment of this park or the community center.

2.2.5. 15th Street and Ashland Avenue parcels: The City plans to acquire certain parcels along the south side of 15th Street between Loomis Street and Ashland Avenue for residential development and open space, and along the east side of Ashland Avenue between 15th Street and Roosevelt Road for commercial re-use. The City will make these parcels available for development under separate development solicitation processes. The master plan must take into account the redevelopment of these parcels for such uses, but the Selected Respondent will not be expected to prepare a financial plan or manage solicitation and development implementation process for the redevelopment of these parcels.

2.2.6. Chicago Public Schools: Medill School and Jacob Riis School will continue to operate as a school facilities. Both schools will receive expanded outdoor campus parks. The master plan will take into account the continued use of these properties as schools, the Selected Respondent will not be expected to prepare a financial plan or manage the developer solicitation and development implementation process for the redevelopment of the school parcels.

3. SCOPE OF SERVICES

The Group seeks a lead development manager to provide development management services for the physical redevelopment of the Site, including the day-to-day management of the planning and implementation process. Development management organizations or teams responding to this request for proposals (Respondents) should demonstrate that they possess all of the capacities necessary to successfully produce a master plan, a financial plan for the mixed-income housing and other components of the redevelopment as specified in Section 2 and this Section 3. Respondents should also demonstrate the capacity to manage the implementation of the specified components of the redevelopment. Respondents will be expected to operate under arrangements that tie their compensation to performance criteria related as directly as possible to project milestones, and, ultimately, achievement of the Program Goals.

Respondents are expected to bring all necessary capacities to provide day-to-day management, on behalf of the Group, of the master planning and implementation of the entire mixed income residential development contemplated in the 1998 HOPE VI proposal to HUD, including each of the tasks listed below. If a Respondent does not include all of the technical or other capacities necessary to complete the scope, the Respondent must discuss in its proposal the way in which such capacities would be engaged at the appropriate points in the planning and development process. Respondents must at minimum include all necessary capacities to complete the master planning, financial planning, and development management components of the scope, and to establish and sustain involvement by groups and individuals with a stake in the long-term strength of the redeveloped neighborhood.

In order to avoid conflict of interest, the Selected Respondent will not have any interest or participate in any way in development activities other than as specified in the Scope of Services, which may be amended from time to time

3.1. *General Responsibilities*

The Selected Respondent will at all times work in the interest of achieving the Program Goals to the maximum extent. The Selected Respondent will work closely with and on behalf of the Group to develop a master plan and financial plan for the redevelopment, and to provide day-to-day oversight of their implementation, including the following activities. A Memorandum of Understanding between the member organizations of the Group is attached as Exhibit 1.

- 3.1.1. Supervising and coordinating Respondent team members and/or other consultants for all aspects of master planning, financial planning and development management
- 3.1.2. Coordinating information flow, progress and decision meetings with Group members, their designated representatives, and others as necessary
- 3.1.3. Coordinating communications to interested parties in the neighborhood and city-wide

- 3.1.4. Provide day-to-day management of implementation activities for physical redevelopment of the Site as specified in Section 2, including:
 - 3.1.4.1. Designing and managing solicitations for developers
 - 3.1.4.2. Making recommendations with respect to the evaluation of proposals by developers, in order to realize the Program Goals to the maximum extent
 - 3.1.4.3. Negotiating with selected developers in the interest of achieving the Program Goals to the maximum extent
 - 3.1.4.4. Supervising the activities of developers during development process
 - 3.1.4.5. Preparing and maintaining master schedules, budgets and progress tracking materials related to the master plan and implementation of the master plan, through full occupancy of the new development
 - 3.1.4.6. Preparing compliance and reporting materials for the physical redevelopment as required by the HOPE VI grant agreement
 - 3.1.4.7. Preparing compliance and reporting materials as required by the documents, regulations and laws governing those funds and approvals
- 3.1.5. Creating employment and business opportunities for public housing residents, resident businesses and MBE/WBEs (see Section 7 on Employment and Business Opportunities for further information on requirements)
- 3.1.6. Establishing vehicles for ongoing involvement by interested community stakeholders in the ongoing affairs of the neighborhood

3.2. *Specific Work Products and Responsibilities*

In carrying out the responsibilities set forth below, the Selected Respondent will provide the services of master planning, financial planning and management of implementation activities with respect to each parcel of the Site as specified in Section 2 on Development Site and Parcel Specifics, and as further detailed in this Section 3 on Scope of Services.

3.2.1. Detailed master plan that achieves the Program Goals: The master plan will include a site plan. For each parcel or area the site plan will include a proposal for the number and type of buildings, unit mix, home ownership and/or rental status, income targeting and bedroom counts among units. Bedroom distribution among the public housing units to be made available in any phase of development will take into account the family size of residents actually choosing to remain in the redeveloped ABLA community. The site plan will also address open space, parking, density and massing of buildings.

The master plan will also address the phasing of redevelopment activities. In carrying out this responsibility, the Selected Respondent will integrate schedules for relocation, heat decentralization, demolition, site assembly and preparation with planned development phasing. In planning for the phasing and implementation of the ABLA redevelopment project, the master plan will take into account the stipulations of the Jane Addams Memorandum.

The master plan will include a master development schedule for the redevelopment project, to be updated on an ongoing basis throughout project implementation. The updated master development schedule will be used in monitoring progress, reporting and communicating to the Group and government agencies, community stakeholders and other interested parties about the status of project.

The master plan will provide for development, in consultation with the Group (in particular the ABLA Local Advisory Council), local historical organizations and former residents, of a museum or interpretative exhibit on the significance of the Jane Addams Homes buildings in the development, planning and management of public housing in Illinois (see Section 6.2).

It is anticipated that the site plan and phasing plan for the redevelopment may also be updated at various points during the development process, to account for changes in market conditions, the needed number of bedrooms among ABLA residents returning to the development, and other issues.

In developing the master plan, the Selected Respondent will incorporate the results of the financial plan, including the market study, as discussed below.

The Selected Respondent will engage the Group and other organizations and individuals with a stake in the long-term strength of the community in the master planning process.

3.2.2. Realistic financial plan for development: The financial plan will address the allocation of HOPE VI and other public funds to different phases of the redevelopment, and estimate the amounts and types of private funds to be sought for each phase. The financial plan will specify the use of specific financing vehicles, such as tax exempt bonds, TIF proceeds, low income housing tax credits, historic rehabilitation tax credits, and estimate the amount and sources of funds to be raised using these vehicles (see Section 4 on Resources for Physical Redevelopment for further information). It is anticipated that the financial plan will be revisited periodically as proposals for the development of individual phases or components of the master plan are finalized, and as significant market shifts occur. However, the financial plan should demonstrate the overall feasibility of the master plan and thus contribute to the basis for solicitations for developers to implement it.

As part of the financial plan, a market study will be produced for the entire redevelopment project. Additional market studies will be produced as necessary thereafter for each phase of development, either by the Selected Respondent or by development teams solicited to produce detailed plans and develop the individual phases or components of redevelopment. The market studies will form the basis of financial plans for each phase and for ongoing financial planning for the redevelopment, will address the needs of the potential residents at all levels of income, and may lead to revisions of the site plan,

phasing or schedule. The City of Chicago commissioned a residential market study as part of the planning process for the 1998 HOPE VI application, which was submitted to the City in April, 1998, and is included as Exhibit 5.

3.2.3. Obtain necessary government approvals to allow for implementation of the master plan: The master plan and financial plan will form the basis from which more detailed design, financing and development plans will be created. In developing the master plan and financial plan, the Selected Respondent will also work with the appropriate public agencies and others to identify and address any potential barriers to receiving other necessary permits and approvals that may arise in the implementation of the master plan. The Selected Respondent will work with the Chicago Plan Commission and City Council to implement a new Planned Unit Development that reflects the master plan. The Selected Respondent will work with the U.S. Department of Housing and Urban Development to gain approval of the master plan and financial plan as the basis for developing mixed finance proposals for each phase of the ABLA mixed income development, as required by the HOPE VI Grant Agreement. A copy of the HOPE VI Grant Agreement is included as Exhibit 6.

3.2.4. Create employment and business opportunities for public housing residents and resident owned businesses, minority and women-owned businesses and Chicago residents: The Selected Respondent will conduct its master planning, financial planning and development management activities in such a way as to maximize such opportunities (see Section 7 on Employment and Business Opportunities for further information).

3.2.5. Establish a vehicle to engage all interested residents of the redeveloped community in decisions about its future: Residents of the redeveloped ABLA community, local institutions and other organizations and individuals with a stake in the future of the neighborhood will be engaged in the affairs of their neighborhood on an ongoing basis. Residents of all levels of income and backgrounds, who are renters or home owners, will be included. The Selected Respondent, working with the Group, will establish a vehicle or vehicles to facilitate discussion and coordination with respect to decisions affecting the future of the entire community.

3.2.6. On-site office: In order to promote achievement of the Program Goals, the Selected Respondent shall establish an office on the redevelopment site.

3.2.7. Provide daily oversight and project management for the high-quality implementation of the redevelopment project: The Selected Respondent will manage the day-to-day implementation activities of the master plan to maximize achievement of the Program Goals, and will be directly responsible for assuring compliance with the terms of the HOPE VI Grant Agreement (see Exhibit 6) on the part of all developers, contractors, consultants and others involved in the implementation of the master plan. Duties include the following responsibilities:

3.2.7.1. Design and manage solicitations for developers to implement each phase or component of the master plan: The Selected Respondent will develop requests for proposals and/or qualifications for development partners to implement the individual phases or

components of the master plan. The Selected Respondent will manage the processes for choosing from among the candidates the development teams offering the best value in terms of their ability to maximize achievement of the Program Goals, compensation and other factors considered. The Selected Respondent will be expected to manage the solicitation process for developers in accordance with all applicable Federal, state and local regulations. CHA and The Habitat Company will be responsible for ensuring that appropriate procurement processes under the HOPE VI program and legal requirements are used.

The Selected Respondent will negotiate arrangements with the development teams that include economic incentives for sustained performance with respect to the Program Goals.

3.2.7.2. Review and evaluate architectural designs for individual phases or components of the master plan: The Selected Respondent will work with the City of Chicago's Department of Planning and Development to oversee the development of designs such that they adhere to the City of Chicago Residential Development Design Guidelines, including its townhouse ordinance, the Chicago Zoning Ordinance and applicable requirements of the U.S. Department of Housing and Urban Development. Designs must comply with Federal, state and local accessibility requirements and will be encouraged to exceed them. If a building or buildings of the Jane Addams Homes is to be rehabilitated, designs affecting that building must also comply with the stipulations of the Jane Addams Memorandum (see Section 6 on Development Guidelines and Information.)

3.2.7.3 Monitor acquisition of all necessary permits and approvals to implement the master plan: During the implementation of the master plan, the entities involved in the development of the individual phases or components of the master plan will be directly responsible for acquiring the permits and approvals from local, state and federal government agencies that are necessary for development to proceed. The Selected Respondent will monitor the progress of the permit and approval acquisition as part of its development management responsibility, and assist as necessary and appropriate, based on its identification of potential barriers during the development of the master plan and financial plan.

A listing of some of the laws, ordinances and regulations applicable to the implementation of the redevelopment project is attached as Exhibit 7³. The regulation regarding use of HOPE VI funds in mixed-finance developments, and a listing of evidentiary materials required by the U.S. Department of Housing and Urban Development for such transactions are included in Exhibit 8. The Jane Addams Memorandum, which discusses points at which consultation with the Illinois Historic Preservation Agency is necessary, is attached as Exhibit 3.

³ The listing provided in Exhibit 7 contains most laws, ordinances, statutes and regulations thought to be generally applicable to developments of the type anticipated by this RFP. Depending upon the specifics of the master plan, however, laws, ordinances, statutes and regulations not listed may be applicable.

3.2.7.4. Oversee proper coordination by development teams with CHA and others as necessary with respect to demolition, site preparation and relocation: The Selected Respondent will supervise and facilitate coordination between development teams implementing individual phases of the master plan and other entities as appropriate, for the effective demolition of structures not targeted for rehabilitation, for site preparation, for environmental remediation, and for the temporary and permanent relocation of current residents. The demolition schedule will be affected by the schedule for planned changes to the heating infrastructure for existing buildings, which will allow them to be demolished without interrupting service to remaining buildings.

In addition, it is intended that temporary relocation for current ABLA residents wishing to remain at ABLA after redevelopment will be accommodated on-site in public housing. The development process and timeline must be closely coordinated during the period in which existing tenants are relocated for construction and then relocated to the newly developed units.

3.2.7.5. Oversee completion of construction or rehabilitation: For each phase of development in the master plan, improvements must be constructed or rehabilitated and all necessary permits obtained for all structures and facilities to be placed in service. The Selected Respondent will monitor completion of planned construction through full occupancy.

3.2.7.6. Oversee and coordinate the creation of business and employment opportunities for ABLA public housing residents and resident-owned businesses, MBE/WBEs, and Chicago residents by entities involved in implementing the master plan: All parts of the redevelopment process, including master planning, design, construction and property management will create employment and business opportunities for ABLA public housing residents and resident-owned businesses (which shall have priority), minority and women owned business enterprises, and low-income residents of the surrounding community, and other Chicago residents (see Section 7 on Employment and Business Opportunities and Information). The Selected Respondent will be responsible for overseeing, coordinating and tracking the creation of such opportunities during the implementation activities for the project.

3.2.7.7. Establish property management arrangements and long-term maintenance priorities for the redevelopment that promote the Program Goals to the maximum extent: Each development phase in the master plan must have high-quality long-term management.

Management of public housing units may be provided under different contractual arrangements with CHA depending upon the development approach and ownership status proposed and approved for such components of the development. For ownership units, activities include the formation and staffing of neighborhood and/or home owners' associations, and maintenance of common areas and amenities. For rental components of the development, activities include: leasing, tenant income and application verifications, rent collections, project accounting and financial reporting, record keeping, preventative and

emergency maintenance and replacements, responding to tenant requests and complaints, and generally performing or causing to be performed all duties required for the management of high-quality, secure, attractive and marketable rental property. It is anticipated that property managers or contractors for related functions will report to the owning entities of redeveloped rental housing and/or any associations of owners of single family housing. However, the Selected Respondent will be responsible for establishing contractual and other arrangements with the owning entities and any associations that promote and enforce high-quality ongoing maintenance and management of the properties.

4. RESOURCES FOR PHYSICAL REDEVELOPMENT

4.1 *HOPE VI Funds*

The U.S. Department of Housing and Urban Redevelopment recently awarded \$35 million for the redevelopment of the ABLA public housing project, which will be combined with a 1996 HOPE VI award of \$24.8 million. Of these funds, a total of \$43,440,197 has been targeted for physical development activities in the 1998 HOPE VI application.

4.2 *Public Housing Operating Subsidy*

The CHA receives operating subsidy for public housing units in the City of Chicago. Depending upon the availability of federal operating subsidy, the CHA will make available approximately \$350 per unit per month (including tenant rent contribution) for each unit of public housing provided. Amounts up to \$450 per unit per month will be available if utilities are included in the rent. These figures are generally equivalent to the allowable expense level per unit per month under the Performance Funding System (PFS), which governs the level of public housing operating subsidy that CHA receives from HUD.

A significant consideration in the future of public housing is the potential for change in the level of operating subsidy approved by Congress over time. In 1996, Congress approved only enough operating funds to subsidize units at 95% of the need calculated under the PFS formula used by HUD and housing authorities to do so. CHA is willing to make limited guarantees as to the amount of subsidy allowed per unit as changes in the PFS system occur.

4.3 *Other Affordable Housing Subsidies*

The City of Chicago's Department of Housing (DOH) will work with the Selected Respondent and the development teams selected to implement individual phases or components of the master plan to determine the amount and combination of DOH resources necessary to achieve the Program Goals of the ABLA redevelopment. Resources are also available from the Illinois Housing Development Authority (IHDA), upon application. For purposes of the 1998 HOPE VI application, a preliminary plan was developed to demonstrate potential redevelopment solutions. This plan estimated that almost \$120 million in City subsidies would be used to create residential opportunities for a range of incomes. Funds identified included approximately \$32 million in multifamily mortgage revenue bonds, low income housing tax credits generated by these bonds which would leverage about \$37 million in equity investment, secondary mortgage financing of about \$20 million, and Tax Increment Financing support.

More detailed information on Chicago Department of Housing programs which may contribute to the project is included as Exhibit 9.

4.4 *Historic Preservation Tax Credits*

If any development proposals involve the rehabilitation of Jane Addams Homes as a rental development, they could be eligible to apply for historic preservation tax credits equal to 20% of eligible development costs.

4.5 *Tax Increment Financing*

The Tax Increment Financing (TIF) district was approved on November 2, 1998. The City will dedicate portions of increased local property taxes to the financing of infrastructure improvements. TIF proceeds may also support the issuance of multifamily mortgage revenue bonds by the Department of Housing or IHDA, by supporting up to 30% of the interest portion of the development's debt service to the bondholders. TIF proceeds may also be used for other public benefits.

5. POTENTIAL TRANSACTION ELEMENTS

During the development of the successful application for the 1998 HOPE VI grant for ABLA Homes, several transactional mechanisms were suggested as potential vehicles to combine public housing funding sources with other public and private sources of funds to create the new mixed-income community. Many potential ownership and transaction structures exist for the individual phases or components of the master plan, ranging from the CHA holding no ownership interest, a partial ownership interest, or 100 percent of the ownership interest of the public housing units that are to be developed. The Selected Respondent will work with the Group to ensure that all the approaches it develops to financing the development, and the approaches implemented by the development teams for the individual phases or components of the master plan, will maximize achievement of the Program Goals.

A copy of the HOPE VI application narrative on the physical revitalization of the ABLA public housing development, for information only, is attached as Exhibit 10. Additional information on the transaction structures discussed in the application is available upon request.

5.1 *Site Ownership and Control*

The Site consists of parcels currently owned by CHA and parcels that will be acquired by the City. It is expected that CHA will enter into a long-term land lease or leases to allow for redevelopment on parcels it owns. The City intends to acquire other parcels and make them available for redevelopment as necessary either by lease or sale.

6. DEVELOPMENT GUIDELINES AND INFORMATION

In general, the master plan and architectural designs should include low-rise attached, semi-attached or free standing structures that are comparable to the density and character of the surrounding neighborhood. Mid-rise structures may be considered if they are well integrated into the master plan, compatible with surrounding development, consistent with HUD regulations with respect to placement of public housing units for families, and promote the achievement of the Program Goals. Buildings, units and layouts should provide functional, attractive and marketable housing arrangements for housing units targeted to all levels of income in the redeveloped community. Architectural and site designs should promote efficient project operations, lower maintenance costs, energy efficiency and the safety and security of the occupants.

Specifically, the master planning and design of the project must address the City of Chicago's Residential Design Objectives and Townhouse Ordinance, HUD Housing Quality Standards, the Chicago Zoning Ordinance, requirements and guidelines for accessibility and visitability by people with disabilities promulgated both by HUD and the Mayor's Office for People with Disabilities, orders of the court in the Gautreaux case, and any other federal, state and local requirements. Development activities affecting buildings of the Jane Addams Homes must comply with the Jane Addams Memorandum with respect to rehabilitation or recordation and demolition.

6.1 *City of Chicago Residential Development Design Objectives*

As stated in the Program Goals, the ABLA redevelopment is intended to create an attractive, economically integrated and positive community environment. Townhouse development will adhere to the City's townhouse ordinance, as applicable. The City of Chicago's design objectives are intended to reinforce and strengthen the physical, economic and social aspects of the entire community. The master plan and each phase of development will be expected to contain the following elements:

- 6.1.1. Neighborhood planning that restores a traditional urban fabric and adds to the Near West Side's character as a compact, pedestrian-friendly, mixed use and secure urban neighborhood, consistent with the City's open space and parking requirements for new residential development
- 6.1.2. Housing that mixes building scales, housing types and densities to create a model for a livable and economically viable mixed-income development
- 6.1.3. Architecture and landscape design that draws on familiar and successful Chicago neighborhoods and promotes principles of defensible space
- 6.1.4. Architecture and infrastructure that promote the independence of people with disabilities and enable them to participate equally in all facets of community life

Design objectives based on these principles, and intended to describe more fully the desired character of new residential development, and copies of relevant ordinances are available upon request.

6.2 *Historic Preservation*

Jane Addams Homes has been determined eligible for listing on the National Register of Historic Places. It will be the Selected Respondent's responsibility to conduct master planning, financial planning and development management and oversight such that the City's and CHA's responsibilities under the Jane Addams Memorandum are met. If any historic buildings are to be retained, they will be rehabilitated to the maximum extent feasible in accordance with the *Secretary of the Interior's Standards for Rehabilitation of Historic Buildings*. If any historic buildings are to be demolished, they will be recorded in accordance within the Jane Addams Memorandum. The Jane Addams Memorandum is included as Exhibit 3, and the *Standards* are available upon request. The National Park Service guidelines on interpreting the Standards may be obtained from the Illinois Historic Preservation Agency.

The master plan will provide for development, in consultation with the Group (in particular the ABLA Local Advisory Council), local historical organizations and former residents, of a museum or interpretative exhibit on the significance of the Jane Addams Homes buildings in the development, planning and management of public housing in Illinois. As stipulated by the Jane Addams Memorandum, the Jane Addams Homes museum will be located on the original site of the Jane Addams development, and in an existing building, if feasible, or in a new building or structure on the Jane Addams parcel that is accessible to the public. An architectural review will be completed to determine whether use of an existing building is feasible. The Selected Respondent will work with the Group to develop a plan for the financing, development, ownership and operation of the museum or exhibit, and to recruit or organize entities to realize the plan.

6.3 *Public Housing Unit Mix and Dispersal throughout the Development*

As noted in the Program Goals, new public housing units are to be dispersed to the maximum extent throughout the redeveloped neighborhood, and in the full range of housing types and unit sizes developed. As noted in the Scope of Services, bedroom counts of public housing units will take into account the actual family size of ABLA public housing residents choosing to remain in the redeveloped ABLA community.

6.4 *Access by Persons with Disabilities*

Designs developed by teams selected to implement the individual phases or components of the master plan will be required to comply with all applicable federal, state and local accessibility statutes. HUD requires that 5% of all public housing units be accessible to the physically disabled under the regulations of the Uniform Federal Accessibility Standards (UFAS), and that an additional 2% of public housing units be equipped with devices for the visually or hearing impaired. In addition, respondents will be encouraged to provide for both accessible and adaptable units that exceed the minimum requirements

and indicate the inclusion of both accessible and adaptable units in all types and styles of housing, not concentrated in one part of the development. For more information and suggestions, the City of Chicago's *A Guide to Fair Housing: Creating Options for People with Disabilities* is available upon request.

6.5 Open Space and Parking Objectives

The Selected Respondent will be expected to develop a master plan providing adequate open space for each unit in the redeveloped community, and to ensure that in the detailed planning and implementation of each phase or component of the master plan that parking and open space are provided. The Selected Respondent will be responsible for working with the Chicago Park District, the CHA, and the City to include the expansion of Fosco Park and the development of other neighborhood parks in the master plan. Developments are generally expected to provide a minimum of 150 square feet of usable common open space per unit. If the development cannot accommodate the required open space within the development, a fee can be paid in lieu of providing the open space. The development will provide convenient and safe parking for all residents who require parking, and parking for people with disabilities, in compliance with applicable City of Chicago ordinances and design objectives.

6.6 City of Chicago Zoning

The parcels containing Jane Addams, Brooks, Brooks Extension and Grace Abbot Homes are currently zoned for residential use as part of Planned Development #4, which approved their existing design and construction. Addams Park, although most recently used as a public park, is zoned R-4 as a General Residence District. The strip of land along the south side of Roosevelt Road between Ashland and Racine Avenues, and along the south side of 15th Street between Ashland Avenue and Throop Street will be rezoned to accommodate residential development.

The Selected Respondent will work with City of Chicago's Department of Planning and Development to implement a new Planned Unit Development for the Site, based on the master plan, which will be subject to approval by the Chicago Plan Commission and City Council. The City of Chicago's Planned Unit Development Handbook is included as Exhibit 11. A listing of applicable statutes, laws, ordinances and regulations is attached as Exhibit 7.

6.7 Gautreaux Revitalizing Order

The redevelopment project is subject to a Revitalizing Order entered in the Gautreaux case on June 19, 1998. The Revitalizing Order authorizes the Receiver in the Gautreaux case to develop new public housing units within the Revitalizing Area subject to such terms and conditions as are specified by further orders of the Court. The Revitalizing Order is included in Exhibit 2.

7. EMPLOYMENT AND BUSINESS OPPORTUNITIES

The Selected Respondent must comply with all Federal, state and local laws and ordinances in relation to the development of the project, including requirements related to participation by minority and women-owned businesses, and Section 3 employment, business and training opportunities for ABLA public housing residents (who will have priority) and low and very low income residents of the community area in which the project is located, and Chicago resident employment. The City and CHA will to use CHA's standards and procedures for compliance with Section 3 and MBE/WBE requirements, including contractual requirements related to Section 3 hiring and business opportunities.

Respondents will be evaluated on the approach they propose to provide employment and business opportunities during the creation of the master plan and the financial plan for the development. Respondents will also be evaluated on the approach they propose to oversee the creation of business and employment opportunities by teams selected to develop individual components or phases of the master plan. In addition, for development involving any type of federal funding (HOPE VI, HOME, CDBG, public housing modernization funds and/or operating subsidy), must comply with the requirements of the Davis-Bacon Act, and Executive Order 11246 on equal opportunity.

Further information on CHA's requirements, procedures and documentation is attached as Exhibit 12.

8. SUBMISSION REQUIREMENTS

8.1 *Responsive Proposals*

In order to be considered responsive to this Request for Proposals, Respondents must address each of the items listed in the Section 10.4 on Submission Format in their submissions. Responses must be submitted in the form specified in Section 10.4; however, portions of submissions may be cross referenced to avoid duplication. Submissions will be reviewed for omissions of items upon receipt, and Respondents notified of any omissions. Respondents will be asked to provide any missing information within a specified period, if in the Evaluation Panel's sole discretion the nature of the omitted material is such that additional time to provide it would not constitute a competitive advantage to the Respondent that made the omission.

The Evaluation Panel reserves the right to recommend that any or all submittals, and/or any parts thereof, be accepted or rejected, and that any informality in any submittal be disregarded, if in the opinion of the Evaluation Panel the achievement of the Program Goals will be served thereby.

The Respondent will provide sixteen (16) full copies of the Submission. All documents which require signatures will have original signature on all sixteen (16) copies of the Submission.

The Selected Respondent will be required to provide original signatures on all Previous Participation Certificates (HUD Form 5030) in six (6) additional copies that will be submitted to HUD for approval.

8.2 *Deadline for Submissions*

Submissions must be received at no later than 4:00 p.m. Central Standard Time on September 16, 1999 for submissions originating within the Chicago metropolitan area. Submissions arriving in overnight delivery packages originating outside the Chicago metropolitan area must be received no later than 10:00 a.m. Central Standard Time on Friday, September 17, 1999. Submissions must be received at the following address:

ABLA Development Manager Request for Proposals
c/o Dana Sutton
City of Chicago Department of Housing
318 South Michigan Avenue, 6th Floor
Chicago, IL 60604

If received after the time indicated, submissions will be rejected and returned unopened. Submissions will be opened immediately after the time that they are due.

9. SELECTION PROCESS

9.1 *Role of the City of Chicago Department of Housing*

The City of Chicago Department of Housing has agreed to oversee the selection process on behalf of CHA, The Habitat Company and the Group. The Department of Housing will convene the Evaluation Panel, manage communications and document flow with respect to the selection process, document the proceedings and facilitate the engagement of expert advisors.

9.2 *Evaluation Panel*

Responsive submissions will be rated and ranked by an Evaluation Panel representing the Group. As a result of the process described below, the Evaluation Panel will provide recommendations to the the Chicago Housing Authority and The Habitat Company as to the selection of a Respondent. The Evaluation Panel will include representatives of each of the entities participating in the Group.

9.3 *Expert Advisors*

Experts in fields such as the development of large-scale mixed-income housing including public housing, partnership structuring for large-scale development, real estate finance, historic preservation, architectural design and/or master planning may be selected by the Department of Housing to advise the Evaluation Panel during the selection process. It is anticipated that the ABLA resident representative may also choose to involve an expert advisor and/or legal counsel during Evaluation Panel deliberations. Such expert advisors will not rate and rank Respondent submissions.

9.4 *Process*

The Evaluation Panel will rate and rank submissions in response to this Request for Proposals based upon the Selection Criteria listed below, and recommend a Respondent for selection. Based upon its initial review of the Submissions and information gathered as a result of inquiries clarifying the initial submissions, the Evaluation Panel may recommend that some number of Respondents be selected as Finalists. Finalists will be interviewed and asked to present their approach and proposal for the Scope of Services to the community. Finalists may also be asked to submit additional or more detailed material in response to issues and questions discussed during the interview and community presentation process.

In making recommendations to CHA and The Habitat Company, it is expected that the Evaluation Panel will select the Respondent whose submission offers the best value in terms of the long-term achievement of the Program Goals, considering the quality of the proposal, the Respondent's qualifications, compensation structure, price and other factors.

The Evaluation Panel may also elect not to recommend a Respondent as a result of this process. In addition, the Evaluation Panel reserves the right at any time to recommend withdrawal of this RFP.

In no event shall the City, CHA or other participants in the selection process under this RFP be liable to Respondents for any cost or damages incurred by Respondents or Respondent team members, subconsultants, or other interested parties in connection with this request for proposals process, including but not limited to any and all costs of preparing the Proposal and participation in any conferences, oral presentations or negotiations.

9.5 Confidentiality

Respondents may designate portions of the submissions which contain proprietary information to remain confidential. Each page of each item regarded as confidential should be clearly marked "CONFIDENTIAL". Respondent financial statements, submitted in accordance with the section on Submission Format below, will be considered confidential material regardless of whether or not they are so marked.

10. SELECTION CRITERIA AND SUBMISSION REQUIREMENTS

10.1 *Ranking System*

The Evaluation Panel will have a 100-point scoring system. Percentages of total points for each selection criterion are listed in parentheses, below.

10.2 *Factors Considered for Each Selection Criterion*

For all of the selection criteria listed below, the Evaluation Panel will evaluate the approach outlined in the Respondent's Submission, along with the Respondent team's experience and qualifications to plan and manage the implementation of a detailed strategy that effectively addresses the Program Goals. While the development manager will not be expected to develop the various components of the master plan directly, practical experience in the direct design, development, financing, marketing, property management, maintenance and/or asset management of real estate will be taken into account by the Evaluation Panel in considering the capacity of the Respondent to produce realistic master plans and financial plans, and to negotiate arrangements with developers for the implementation of the master plan and to ensure effective implementation. To the extent that the Respondent team has worked with projects that have similar characteristics to those envisioned for the ABLA redevelopment project, either as part of a development manager team or as part of an implementing development team, the Evaluation Panel will take the characteristics of those projects into account as they relate to the selection criteria. The Evaluation Panel will consider the past experience of each member of the Respondent team, the team's capacity as a whole, and the team's experience in working together (if any).

10.3 *Selection Criteria*

10.3.1. Proposal for Project Master Planning, Financial Planning and Development Management (30% of total): The Evaluation Panel will consider the extent to which the Respondent team's proposal for master planning, financial planning and development management is likely to promote the Program Goals. The Evaluation Panel will consider the potential to realize the Program Goals represented by the Respondent's approach to developing a master plan and realistic financing plan for the development, and the anticipated types of relationships between public and private sector organizations that it envisions may be necessary and appropriate to carry out its master plan, and the way in which it proposes to fulfill the Scope of Services.

The Evaluation Panel will also consider the Respondent's commitment, approach and process for creating employment, business and training opportunities for ABLA public housing residents (who shall have priority), other public housing residents and low or very-low income residents of the project's community service area, and business opportunities for resident-owned businesses, Minority and Women Enterprises (MBE/WBE), employment opportunities for Chicago residents.

10.3.2. Qualifications for master planning, financial planning and development management (45% of total): The Evaluation Panel will consider the Respondent's capacity and previous experience to plan and manage the implementation process of a redevelopment program at the scale and complexity of the ABLA Redevelopment, comply with all statutory and regulatory requirements, and successfully achieve the Program Goals. In doing so, the Evaluation Panel will consider the proposal provided by the Respondent alongside the team's prior experience in planning and managing the implementation of similar projects.

The Evaluation Panel will consider the Respondent team's capacity to establish arrangements with individual developers and other entities involved in the implementation of the master plan that will result in high-quality marketing, management and maintenance of components of a large mixed income rental and home ownership community, including ongoing compliance with all applicable laws and regulations as well as economic performance and resident satisfaction.

The Evaluation Panel will also consider the degree to which the Respondent team's stated approach, experience and track record indicate an ability to carry out both the general and specific responsibilities, and deliver the work products, stated in its proposal.

In the submission related to this criterion, Respondents should provide the required information for team members responsible for completing each component of the Scope of Services in a timely, responsible, professional and high-quality fashion. The Evaluation Panel will also consider the level of current commitments engaging important staff of the Respondent team and the expected duration of those commitments.

10.3.3. Resident and Community Participation (15% of total): The Evaluation Panel will consider the Respondent team's proposed process and programmatic strategies for achieving meaningful participation by all residents and stakeholders of the redeveloped community in the decision-making and ongoing operations of the development. The Evaluation Panel will consider the Respondent Team's track record and experience in resident and community involvement in evaluating proposals under this criterion.

10.3.4. Compensation and Business Approach (10% of total): The Evaluation Panel will consider the roles and responsibilities contemplated for each member of the Respondent team and the fees or other compensation structure proposed for their involvement, and the way in which their compensation is proposed to be tied to performance for the component of the Scope of Services for which they are responsible.

Respondents are required to outline compensation structures that they would propose for all of the activities described in their proposal, and discuss how these compensation approaches will contribute to the achievement of the project's Program Goals.

10.4 Submission Format

Responses must be submitted in the form of the submission format, below. However, portions of submissions may be cross referenced to avoid duplication, and exhibits may be included in submissions in addition to the required exhibits listed below.

10.4.1. Executive Summary: To be written by the Respondent and to precede the following letter, submissions and exhibits.

10.4.2. Letter: Respondents should certify, under signature, to the content of the entire proposal. The letter will include sections and subsections as detailed below, and provide all the information requested in this RFP as well as all assurances required by HUD and CHA.

10.4.2.1. Organization of Respondent team

- a. Organization chart showing all legal entities involved in the Respondent team, their relationships to one another, their responsibilities under the Respondent's proposal, and personnel with individual responsibilities in the proposal. (Respondents should include agreements, letters of intent or other documents regarding relationships between the entities of the Respondent team, if any, as an Exhibit to their submissions.)
- b. If the Respondent team includes more than one legal entity, identification of the legal entity considered the "lead" in the Respondent team, which would expect to enter into direct contracts to fulfill the Scope of Services.
- c. Designation of a contact person and alternate contact person for purposes of communications related to this RFP. The contact person will function as the single point of contact for the Department of Housing throughout the selection process. The Respondent will provide address, telephone and facsimile information for both the contact person and the alternate.

10.4.2.2. Proposal: The Respondent's proposal should address at minimum all the components of the Scope of Services, in the order that they are set forth in Section 3 on Scope of Services, cross-referencing as necessary. Work products and project milestones for each component specified in the Scope of Services in Section 3 should be identified and described. A proposed project schedule should be included, noting estimated delivery of work products and achievement of project milestones.

10.4.2.3. Qualifications: The Respondent should provide a discussion of the qualifications of each member of the Respondent team with respect to each component of the proposal, referencing prior relevant experience in master planning, financial planning and development management, and/or direct development, financing, marketing, property or asset management,

or other experience the Respondent considers relevant to its proposal and the Scope of Services. In this discussion, the Respondent should note particular experience with communities or developments containing mixed-income rental and/or home ownership housing or both, and experience with specific government subsidy programs, if any.

In addition to this discussion, the Respondent should provide:

- a. Resumes of principals and specific personnel to be assigned to the ABLA redevelopment project. Please note prior experience of team members working together, if any, and locations of each individual's home office.
- b. Listing of previous projects for which the Respondent team or team members produced the master plan or the financial plan and/or acted as development manager, or for which the Respondent team or team members acted as part of the implementing development team or as a property manager or asset manager. Respondent teams should include all projects considered relevant by the Respondent, including as appropriate team members' experience in the master planning, design, financing, development, marketing and property management of urban rental and home ownership projects, including:
 - (i) Affordable and/or mixed income components, with unit mix and mix of incomes, if any;
 - (ii) Subsidy programs used, if any;
 - (iii) Historic rehabilitations, or projects in which historic buildings were integrated into larger master plans and/or developments, if any;
 - (iv) Developments containing both commercial and residential components, if any, and;
 - (v) For each project listed, include date placed in service, names of clients and any public sector partners, with contact names, addresses, and telephone numbers.
- c. If members of the Respondent team have acted as property managers or asset managers, discussion of the financial and programmatic performance history and status of the projects in their portfolio, including identification of low or mixed income projects (if any) and the types of government subsidies (if any) involved in the financing of the projects.
- d. Discussion of strategies used in previous projects by Respondent team members for creating employment and business opportunities for public housing residents and resident-owned businesses, low income residents of project communities, and MBE/WBEs, and the outcomes of those strategies. For each project discussed, provide a reference or references including name, title or position, telephone number and address.

- e. For the "lead" member of the Respondent team, the most recent three years' financial statements of the organization, including balance sheet and income and expense information. The Respondent should provide the statements in a separate envelope (in other words, not bound with the remainder of the Submission) and reference them in the body of the Submission. Financial statements will be considered confidential information and will be reviewed separately by DOH. DOH will be the only one of the Evaluation Panel organizations to review financial statements.
- f. Discussion of existing commitments and their potential impact on key staff's ability to commit time and/or travel to Chicago, if necessary, during the periods of time when their expertise would be needed.
- g. Listing and brief description of all legal actions for the past three years in which any Respondent team member has been barred from participating in Federal contracts, a debtor in bankruptcy, a defendant in a lawsuit for deficient performance under a contract, a defendant in an administrative action for deficient performance on a project, or a defendant in any criminal action. Indicate resolutions that have been reached.

10.4.2.4. Resident and community participation: Respondents should provide the following:

- a. Discussion of their approach and process contemplated for creating meaningful opportunities for resident, community and stakeholder participation and involvement.
- b. Discussion of their experience with creating vehicles for engaging residents and community members in the ongoing affairs of the development or neighborhood for any previous public housing, affordable, or mixed-income, rental or home ownership projects, and the outcomes of those strategies. For each project discussed, provide a reference or references including name, title or position, and contact information.

10.4.2.5. Proposed pricing for services:

- a. Narrative describing the legal and organizational approach employed by Respondent team members in development manager situations in which they have participated in the past, discussing outcomes achieved to date.
- b. Detailed compensation proposal based upon the proposal for the Scope of Services. The compensation proposal should address each component of the proposal for the scope of work, addressing work products and milestones as appropriate. Respondents should outline how compensation would be paid and what events would trigger payments. Compensation proposals should be comprehensive and will be subject to negotiation. Respondents should outline the following details, for each member of the Respondent team:

- (i) Identification of team member
- (ii) Responsibilities under the Scope of Services
- (iii) Calculation of compensation, including, for each component of the proposal:
 - List of staff members involved
 - Estimated gross work hours per staff member, for each year of the schedule
 - Hourly rates including salary, overhead and indirect costs per staff member
 - Estimated out of pocket expenses
 - Sum of costs for each specific deliverable and for each other component of the proposal
- (v) Total estimated compensation for completing the entire proposal and all deliverables
- (iv) Proposed linkages between compensation and performance under the component(s) of the proposal for which the team member is responsible

10.4.2.6. Exhibits: Respondents will also complete and submit all of the statements, affidavits and other materials included on the following forms, which are included in this RFP as Exhibit 13:

- (i) Statement of Bidder's Qualifications
- (ii) Subcontractor Information Submittal
- (iii) Contractor's Affidavit
- (iv) MBE/WBE Utilization Plan and Amendment
- (v) Section 3 Opportunities Plan

Respondents should review the standard contract information that will apply to service contracts entered as a result of this RFP, which are included in this RFP in Exhibit 14.

EXHIBIT 1:

Memorandum of Understanding between the member organizations of the ABLA HOPE VI
Working Group

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is made as of the 21st day of May, 1999, by and between the following parties: The Chicago Housing Authority ("CHA"), the Habitat Company ("Habitat"), the City of Chicago Department of Planning and Development ("DPD"), the City of Chicago Department of Housing ("DOH"), the ABLA Local Advisory Council ("LAC") and Plaintiff's counsel in Gautreaux vs. CHA et. al., (collectively, "the Parties"). The purpose of this Memorandum is to clarify and confirm the understandings of the parties regarding their current intentions relative to the collective efforts proposed to be undertaken in order to revitalize the ABLA Homes Community as contemplated in the HOPE VI Revitalization Plan. The Parties acknowledge and understand that the statements contained in the Memorandum are subject to the approval of the governing body of each Party as may be required by law or by the Charter or rules governing each Party.

Recitals

The Parties propose to undertake a project to redevelop the ABLA Homes ("the Project"). Subject to applicable legal requirements, and recognizing that each participant brings certain resources and responsibilities:

The Parties propose to meet on a regular basis in order to collectively make decisions regarding the Project;

The Parties pledge good faith and best efforts to make each such decision by consensus;

It is the intent of the Parties that each Party will participate in the decision-making process as fully as possible;

It is the intent of the Parties to ensure that no single Party has more control than any other Party in the working group decision-making process;

It is the intent of the Parties to work with a Development Manager for the Project to develop a Master Plan and to work diligently to implement the Master Plan for the benefit of the entire ABLA Homes Community.

THEREFORE, the Parties set forth their respective contributions and responsibilities as follows:

The CHA and Habitat

The Chicago Housing Authority ("CHA") and The Habitat Company, as receiver for CHA's development of non-elderly housing programs ("Habitat") have authorized DOH to issue a Request for Proposals and to manage the process of selecting a Development Manager. However, CHA and Habitat shall remain separately responsible for those duties imposed respectively upon each under the HOPE VI and other public housing capital funding rules and regulations, orders of the Gautreaux court, and all federal, state and local laws.

At the appropriate point in the process, CHA and Habitat will enter into separate contracts with entities and individuals for matters that fall within their various areas of responsibility under the Receivership Order of August 14, 1987 in the Gautreaux case and subsequent orders of the court.

CHA will lease its land to an approved Developer(s) who will be responsible for constructing certain physical improvements. CHA will be responsible for ensuring that applicable HUD and CHA management requirements are met and that relocation services provided for all residents choosing Section 8 relocation will be provided by CHA's private contractors.

City of Chicago Department of Planning and Development ("DPD")

DPD will oversee and coordinate the participation of all City Departments and other agencies of local government involved in the redevelopment process, including but not limited to, the Chicago Board of Education and the Chicago Park District. DPD will also coordinate assistance and communication with other government agencies to ensure the compatibility of various redevelopment projects in the area. DPD will coordinate and fund via the Roosevelt/ Racine TIF the acquisition of private parcels to be redeveloped in the Project, subject to the required process and approval.

City of Chicago Department of Housing ("DOH")

DOH will issue the Request for Proposal ("RFP") for a Development Manager. On behalf of the Parties, DOH will be responsible for coordinating all meetings and conferences regarding the RFP. DOH will provide technical advice regarding the financial structuring for the Project. DOH will coordinate and provide identified funds for the development of homes subject to the required process and approval.

ABLA Local Advisory Council ("LAC")

LAC is the elected representative body of the ABLA residents. The LAC will represent the concerns and interest of the residents to the other Parties and convene meetings of its membership to keep the tenants apprised of all phases of the redevelopment process. The LAC will have two (2) representatives as a part of the working group.

Plaintiff's Counsel in Gautreaux

Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement of 7/25/96 between plaintiff's counsel and CHA respecting a portion of the funding for the HOPE VI Revitalization Plan.

University of Illinois Chicago ("UIC")/Illinois Medical District ("IMD")

One representative will serve as the liaison for both UIC and IMD. This representative will participate in the redevelopment process to ensure that assistance from both or either entity is properly coordinated. The representative will be responsible for keeping both UIC and IMD apprised of the redevelopment process. UIC and IMD will submit the name(s) of the representative to the Alderman. The Alderman will submit one name to the working group. The working group parties will by consensus approve or reject the Alderman's recommendation.

Other Provisions

This Agreement shall not create a partnership or joint venture among the Parties hereto. There are no third-party beneficiaries of this Agreement and no third-party shall have any rights hereunder.

By executing below the parties indicate that the foregoing correctly sets forth their understanding regarding their respective obligations and contributions to the ABLA Homes revitalization project.

City of Chicago
Department of Planning and Development

BY: _____

Commissioner

City of Chicago
Department of Housing

BY: _____

Commissioner

Chicago Housing Authority

BY: _____

Executive Director

The Habitat Company

BY: _____

Vice President

ABLA Local Advisory Council

BY: _____

President

Plaintiff's Counsel in Gautreaux vs. CHA et. al.

BY: _____

One of the Attorney's for the Plaintiff

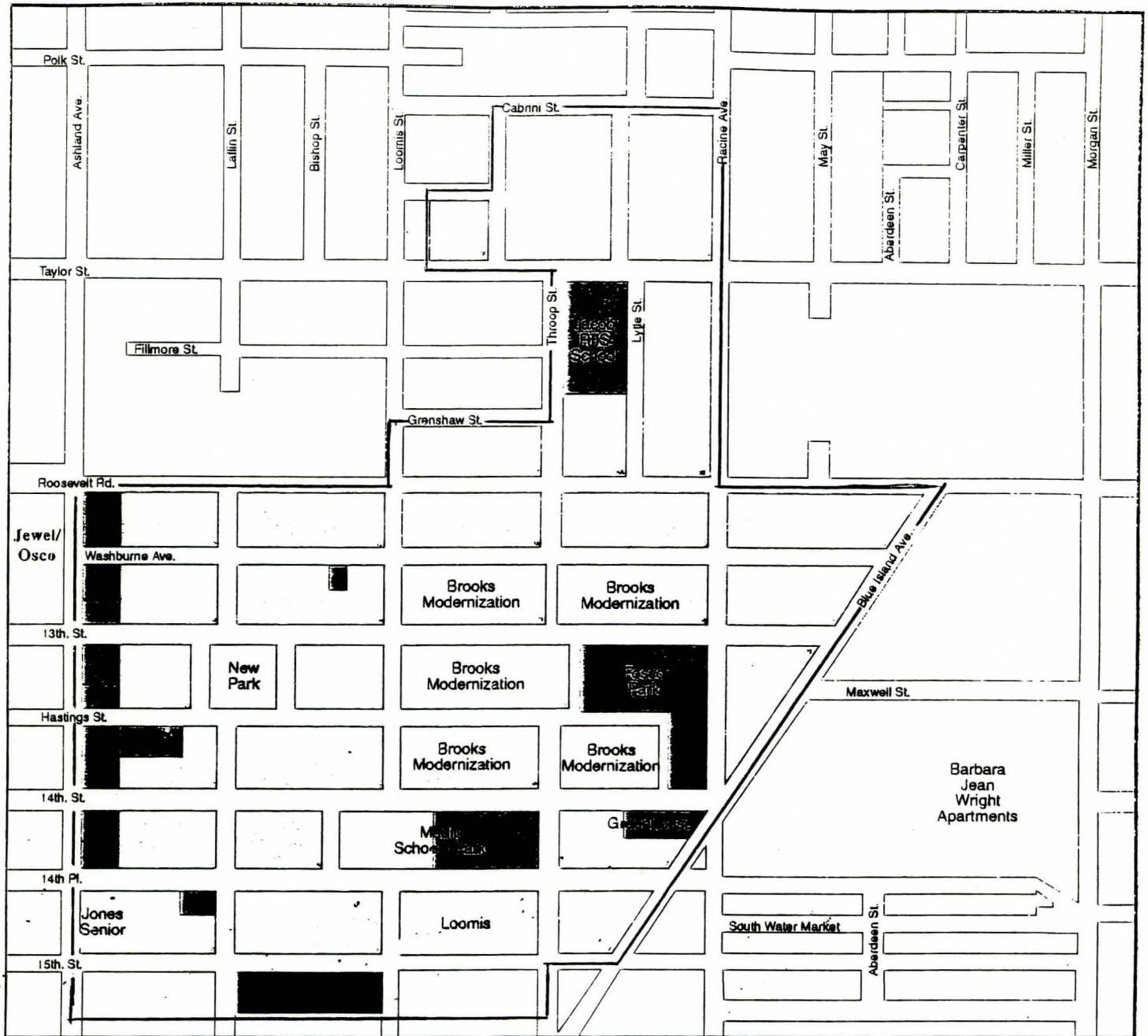
EXHIBIT 4:

ABLA Post-Redevelopment map, showing the Site

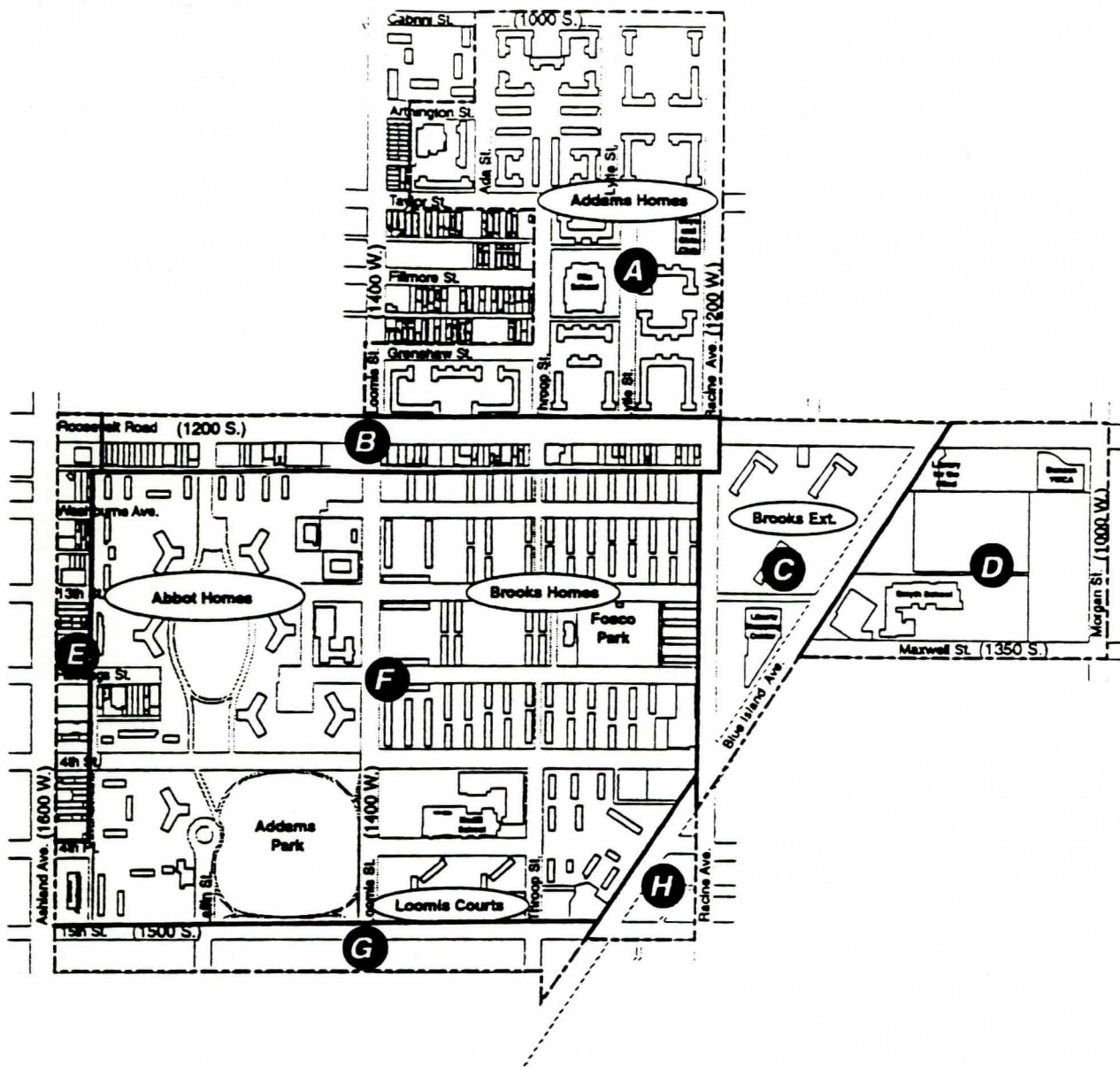
Map of the Tax Increment Financing District designated November 11, 1998

Map showing existing conditions on the Site

ABLA Post - Redevelopment



- Residential
- Mixed Use
- Institutional
- Commercial
- Parks



- Project Area Boundary
- Sub- Area Boundary
- Ⓕ Sub- Area

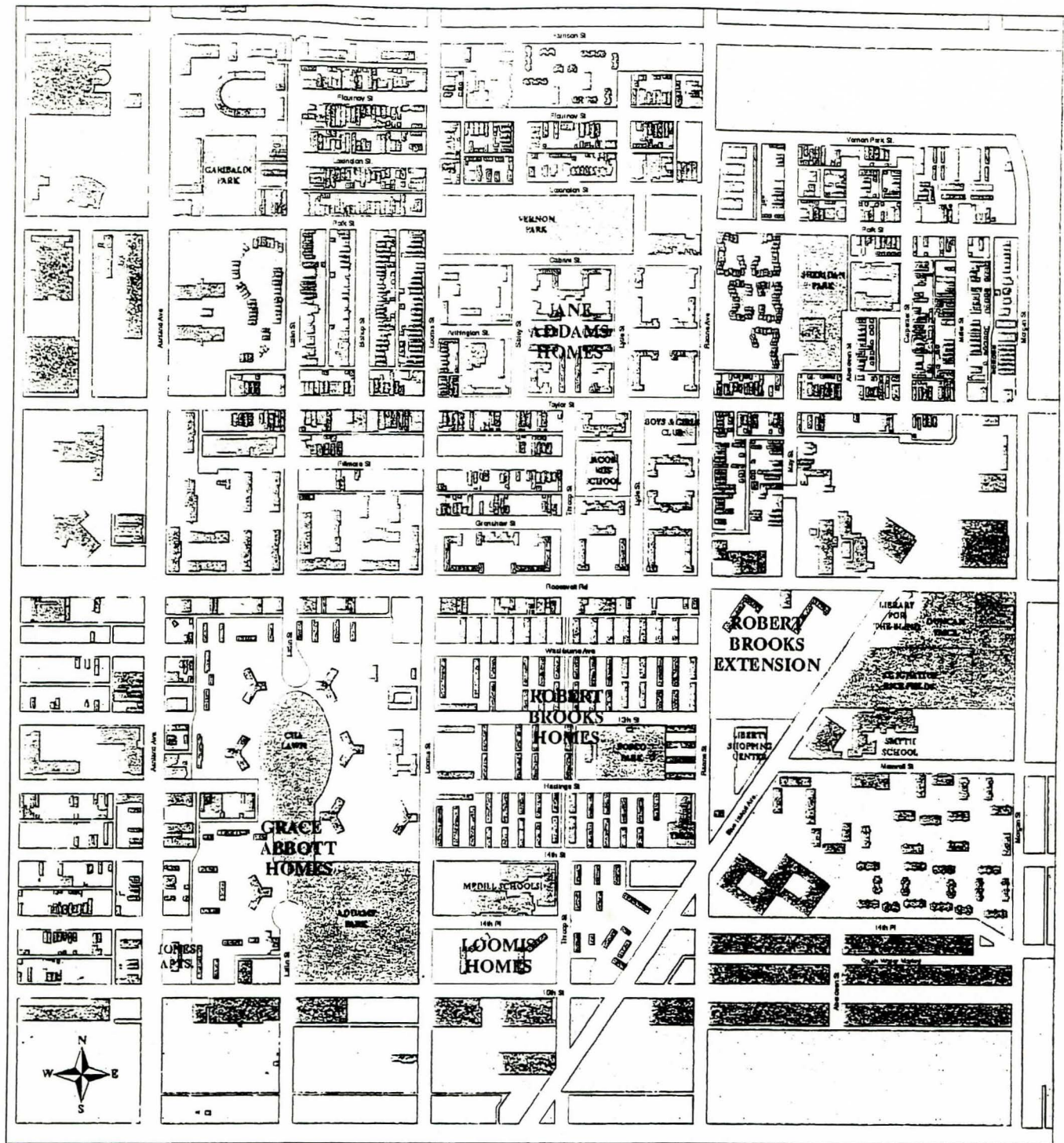
Planing Subareas

Roosevelt Rd. \ Racine Ave.

Chicago, Illinois

Increment Financing Redevelopment Project Area

Prepared By: Trkla, Pettigrew, Allen, & Payne, Inc.



ABLA REDEVELOPMENT
 EXISTING CONDITIONS
 JUNE 1998

- ☐ CHA PROPERTY
- ☐ INSTITUTIONS
- ☐ PARKS

HOPE VI GRANT IMPLEMENTATION GUIDEBOOK

INTRODUCTION

HOPE VI is an ever-changing program, guided not by regulation but by language in its appropriations laws from Congress. This feature makes it particularly flexible and affords housing authorities the ability to structure their projects in ways that best meet their needs. Within that flexibility, however, there are certain procedures that all HUD Grantees must follow. This HOPE VI Grant Implementation Guidebook is intended to provide nuts-and-bolts information to HOPE VI Grantees to help them negotiate the Federal rules and procedures associated with carrying out a HOPE VI project.

What this Guidebook does NOT do is provide information regarding important issues such as physical design, financial structuring, occupancy policies, etc. For that type of information, please refer to the Mixed-Finance Guidebook, which is available from the HUD Clearinghouse by calling 800-955-2232. The Mixed-Finance Guidebook is a valuable tool for Grantees and non-Grantee PHAs alike.

Although the chapters of this Guidebook will answer many questions about the administration of your grant, your most important source of information is your HUD Grant Manager in the Office of Public Housing Investments. Please be sure to contact your Grant Manager if you have any questions or need further clarification of any information included here.

You should also be sure to pay special attention to the Glossary of this Guidebook. Not only does it define terms and common acronyms, but it also provides valuable information and cross references, including websites, that will guide you to the best and most current HOPE VI-related information possible.

Exhibit F

HOPE VI GRANT IMPLEMENTATION GUIDEBOOK

INTRODUCTION

HOPE VI is an ever-changing program, guided not by regulation but by language in its appropriations laws from Congress. This feature makes it particularly flexible and affords housing authorities the ability to structure their projects in ways that best meet their needs. Within that flexibility, however, there are certain procedures that all HUD Grantees must follow. This HOPE VI Grant Implementation Guidebook is intended to provide nuts-and-bolts information to HOPE VI Grantees to help them negotiate the Federal rules and procedures associated with carrying out a HOPE VI project.

What this Guidebook does NOT do is provide information regarding important issues such as physical design, financial structuring, occupancy policies, etc. For that type of information, please refer to the Mixed-Finance Guidebook, which is available from the HUD Clearinghouse by calling 800-955-2232. The Mixed-Finance Guidebook is a valuable tool for Grantees and non-Grantee PHAs alike.

Although the chapters of this Guidebook will answer many questions about the administration of your grant, your most important source of information is your HUD Grant Manager in the Office of Public Housing Investments. Please be sure to contact your Grant Manager if you have any questions or need further clarification of any information included here.

You should also be sure to pay special attention to the Glossary of this Guidebook. Not only does it define terms and common acronyms, but it also provides valuable information and cross references, including websites, that will guide you to the best and most current HOPE VI-related information possible.

HOPE VI GRANT IMPLEMENTATION GUIDEBOOK

TABLE OF CONTENTS

1. General HOPE VI Information

HOPE VI Fact Sheet
Glossary of Terms
Program Authority and Funding History
HOPE VI Appropriations
2. HOPE VI Revitalization and Demolition Grant Administration

Budget Guidance
Grantee Financial Instructions
HOPE VI Relocation
3. HOPE VI Revitalization Grant Implementation

HOPE VI Revitalization Grants
Eligible Revitalization Activities and Program Requirements
Revitalization Grant Timeline
Total Development Costs
General Guidance on Resident and Community Involvement
Community and Supportive Services Workplan
Revitalization Grant Reporting Requirements
Revitalization Grant Oversight and Monitoring
4. Mixed-Finance HOPE VI Revitalization Grants

Mixed-Finance Public Housing Development
Mixed-Finance Proposal and Checklist
Mixed-Finance ACC Amendment
Evidentiary Materials and Checklist
HOPE VI Homeownership
5. HOPE VI Demolition Grants

HOPE VI Demolition Grants
Demolition Grant Management and Monitoring
Demolition Grant Closeout Procedures
6. HOPE VI Planning Grants

All HOPE VI Planning Grants
Planning Grant Closeout Procedures

HOPE VI REVITALIZATION GRANT TIMELINE

A. Making the Award

1. The PHA submits a HOPE VI application on the deadline date specified in the year's Notice of Funding Availability (NOFA), as published in the Federal Register. The application includes a HOPE VI Budget (Form HUD 52825-A), on which the applicant requests funds by broad categories called Budget Line Items (BLIs).
2. HUD reviews the application, assigns a score, and checks for completeness. HUD may revise the total budget amount downward, as permitted by the NOFA.
3. HUD reserves the funds to be awarded.
4. HUD notifies the successful applicant of the amount awarded.

B. Orientation

1. A HUD Headquarters Grant Manager is assigned to each new grant.
2. At a Business Meeting held in Washington, HUD provides each successful applicant with:
 - a. a HOPE VI Grant Agreement
 - b. HUD Form 1044 (Assistance Award/Amendment), which is the cover/signature page for the Grant Agreement
 - c. The HOPE VI Guidebook, which includes:
 - (1) Grantee financial instructions necessary to enable the Grantee to access grant funds
 - (2) Grantee reporting requirements
 - (3) the Community and Supportive Services Work Plan
 - (4) HOPE VI budget guidance
 - (5) other guidance on such topics as relocation, and resident involvement, and mixed-finance development
3. The Grantee, HUD Grant Manager, Partners, City officials, HUD Field Office staff, and other interested parties conduct an on-site meeting to discuss the merits of the application, ways it can be improved, and next steps in the implementation process.

C. Grant Execution

1. The Executive Director of the PHA signs and returns four copies of the Form 1044 to HUD.
2. The HUD Field Office, the Grantee, the State, or some other qualified party performs an environmental review of the proposed site.
3. The HUD executes the 1044s and HUD's Office of Finance and Accounting obligates the total amount of the grant funds. The date of HUD's signature is the effective date of the Grant agreement.
4. HUD sends each Grantee a copy of the executed 1044 for its files.
5. HUD places all funds into BLI 2000, which is a holding BLI that the Grantee cannot access.

D. Predevelopment

1. As provided in the Grant Agreement, the Grantee may request predevelopment funds to be made available for drawdown. To request funds, the authorized PHA LOCCS User places a call to the Voice Response System, requesting that grant funds be wire transferred from the U.S. Treasury to the Grantee's designated bank account. Funds are deposited within three business days of the request.
2. The Grantee procures partners in compliance with the requirements of 24 CFR part 85.
3. The Grantee prepares a Revitalization Plan (RP), as required by the requirements of the Grant Agreement. The requirements of the RP will vary from grant to grant, and are provided to each Grantee by the HUD Grant Manager.
4. The HUD Grant Manager reviews the RP and works with the Grantee to make any needed changes or additions.
5. HUD approves the RP via a letter to the Grantee.
6. Within 18 months from the date of RP approval, a general contractor's (or equivalent) agreement must be executed and construction activities commenced.

E. Proposal

1. For each phase of construction the Grantee submits to HUD a Mixed Finance Proposal ("Proposal") in accordance with 24 CFR 941 subpart F. HUD, the Grantee, and its Partners work together to resolve any issues raised, including eligible uses of funds, appropriate roles and responsibilities among the Partners, etc. Revised drafts of the Proposal may be submitted as these issues are resolved.
2. Upon approval of the Proposal, the Grantee and its Partners use it as the basis for conversations with lenders, equity investors, and other Participating Parties to leverage other funds. As a result of these conversations, the Proposal may have to be revised to accommodate investor needs. HUD reviews and provides written approval of significant changes to the Proposal as needed.
3. The Grantee and its partner/developer develop documents required by the Mixed Finance ACC Amendment that controls the use of funds that are used for development. The Mixed Finance ACC Amendment lists evidentiary materials that will become Exhibits to the ACC Amendment when finalized. The Mixed Finance ACC Amendment include a detailed budget (Exhibit F; Exhibit F-1 for the first phase) that indicates all of the activities that are approved and how the HOPE VI funds will be spent. Exhibit G of the Mixed Finance ACC Amendment indicates the ratio of HOPE VI funds to other funds to be spent. All funds must be drawn down in that ratio.
4. HUD reviews the evidentiary materials and pre-approves them as they are submitted.
5. A Closing is held on the financial transaction between Grantee, its Partners and investors for the current phase. All documents are signed between the Grantee, its Partners and investors. Parties to transaction may negotiate some issues at the last minute, changing pre-approved evidentiary materials.
6. The Mixed Finance ACC Amendment may be signed before, during, or after Closing. Since some evidentiary materials may change at Closing, the Mixed Finance ACC Amendment may not be able to be executed until after Closing. If certain aspects of the Mixed Finance ACC Amendment are changed after the document is executed, HUD must approve the changes in writing.

F. Construction

1. Construction begins for current phase.
2. The Grantee requests HUD funds through LOCCS according to the ratio set forth in the approved Mixed Finance ACC Amendment. Once the funds have been received by the Grantee, the PHA may pay for incurred expenses directly, or make a payment to a designated escrow agent, who will collect payments from all sources and make disbursements to contractors.
3. For each subsequent phase, the Grantee submits a new Proposal or amendment to the existing Mixed Finance Full Proposal which indicates changes from one phase to the other (e.g., the identification of partners in Exhibit B of the Mixed Finance ACC Amendment, the budget breakout in Exhibit F, the draw ratio in Exhibit G).
4. Evidentiary materials are prepared for each new phase.
5. HUD and the Grantee execute a subsequent Mixed Finance ACC Amendment or an amendment to the existing document.
6. A Closing is held with other funders.
7. HUD spreads the HOPE VI funds associated with the next phase from BLI 2000 into the appropriate BLIs, making them available for drawdown by the Grantee.
8. Construction must be completed within 48 months from the approval of the RP.

G. Reporting

1. Every quarter, the Grantee provides HUD with a Quarterly Report which provides detailed information about the progress of the grant, expenditures made, and residents served.
2. Once construction is completed, the Grantee provides HUD with required documentation for closeout. After audit, any unspent portion of the grant is recaptured.