



THE HABITAT COMPANY

BIB2E?

MEMORANDUM

TO: Senior U.S. District Judge Marvin E. Aspen

FROM: Daniel E. Levin and
The Habitat Company

DATE: October 25, 2002

SUBJECT: CHA SCATTERED SITE AND REPLACEMENT HOUSING PROGRAMS
Quarterly Report: Third Quarter, 2002

We are pleased to submit the Quarterly Report for the Third Quarter of 2002 for the CHA Scattered Site and Replacement Housing Programs.

Summary of Units and Financial Status

As of September 30, 2002, the Receiver has completed and transferred a total of 2,577 public housing units to the Chicago Housing Authority ("CHA"). 1,813 of the completed units are from scattered site and demonstration programs, and 764 of the completed units are from replacement housing programs (see Table 1a).

68 public housing units are under construction and 3,842 public housing units are in other development phases (see Table 1b).

In the scattered site and demonstration programs, a total of \$189,881,026 has been budgeted and \$187,584,220 has been expended (see Tables 3a and 3b). In the replacement housing programs, a total of \$303,934,915 has been budgeted and \$102,754,140 has been expended (see Table 3c).

Status of the Replacement Housing Programs

Tables 2a, 2b, 2c and 2d list the current status of each program.

ABLA Replacement Housing

A Request For Proposals ("RFP") for the entire ABLA redevelopment site, including the Jane Addams Homes, Brooks Extension, Loomis Courts, the Grace Abbott Homes, and the Roosevelt Road parcel, was issued on June 17, 2002. On August 30, 2002, two respondents submitted proposals. Both proposals have been deemed responsive and are being considered by the Working Group. It is our goal to select a developer in November 2002.

Cabrini Replacement Housing

Cabrini Extension North (HOPE VI Site) --- On October 11, 2002, the Cabrini Working Group by consensus recommended that the Holsten-Kennard development team be selected for this site. The name of this development will be North Town Park. The Holsten-Kennard team is the same developer of the almost-completed North Town Village development.

North Town Village --- All 39 Phase 1 units have been transferred to the CHA. The relocation process has been going well and the reception from the residents of all income groups has been positive.

Thirty-five of the forty Phase 2 CHA units have been completed and transferred. Nine units were transferred during the 1st Quarter of 2002, ten units during the 2nd Quarter of 2002, and sixteen during this 3rd Quarter of 2003. The remaining five units are on schedule to be completed by the end of the year.

Renaissance North --- Construction for this development is proceeding on schedule. Masonry work is well underway and interior rough and framing is ongoing. The development is still projected to be complete in the 2nd Quarter of 2003.

Old Town Square --- The 16 Cabrini replacement units in this development were transferred to CHA in August, 2002. CHA is now working with the management company to place residents in the units.

Orchard Park --- The 13 Cabrini replacement units in this development were transferred to CHA in September 2002. Nine of the units are currently occupied by CHA residents with temporary Section 8 vouchers. CHA is in the process of converting these residents back to full public housing resident status and to placing residents in the remaining units.

Old Town Village East and West --- Construction has started at the Old Town Village East site. CHA is still resolving funding issues with respect to the 54 additional units to be acquired from the developer, MCL, which also developed Old Town Square. The revisions to the original mixed finance proposal to accommodate the additional 16 Old Town Village

East units and a new mixed finance proposal for the 38 units at Old Town Village West have not yet been submitted to HUD primarily due to this unresolved funding issue.

Centrum Properties --- Within the Near North Revitalizing Area, Centrum Properties, which is overseeing the redevelopment of the former Montgomery Ward's site, has committed to a minimum of 70 public housing units or 10% of the total number of units, whichever is greater. The summary below details the status of the Centrum-related sites:

Domain Lofts – Contained within the Old Montgomery Wards catalogue building, this development is under construction. 16 units of this 298-unit loft development have been designated for public housing. The City of Chicago, CHA and the Receiver have been working together with the developer to acquire these units in the 1st Quarter of 2003.

River Village – This 170 unit development is being developed adjacent to the Domain Lofts development. Twenty-five units have been designated for public housing. The development will contain a mix of single family, town home, multi-unit buildings, and one mid-rise building. It is expected that these units will be available sometime in 2003.

Site I – No formal name has been assigned to this site. Incorporated into the planning process for this site is the designation of 19 units for public housing. The developer expects to break ground on this development in Spring 2004.

Remaining Parcels – No plans have been made with regard to the remaining parcels. It is understood that minimally 10 units of public housing are to be incorporated into the planning process for these parcels. This number could increase based on the total number of units eventually developed.

Clybourn & Larrabee Site --- An RFQ for a developer for this 11.6-acre site was issued by the Department of Planning & Development on June 17, 2002. Five responses were received on August 19, 2002. The Cabrini Working Group has begun reviewing the proposals. The Working Group has short-listed the responses to the top three, will begin the interview process, and recommend a developer by the end of the year.

Horner Phase 2 Replacement Housing

Brinshore Development and Michaels Development ("Brinshore-Michaels") are the developers for the Horner Phase 2 project.

The initial phase will bookend the site, part of it will be due west of the Horner I site and the balance will be the easternmost blocks of the entire Horner site. It consists of 340 total units, of which 121 units will be public housing. The building permits for the first buildings should be issued by the end of October 2002. Financing is in place and most of the necessary documentation has been submitted to HUD. The City is completing the initial infrastructure work. Closing on the financing for the initial phase and the start of construction is now scheduled for November 2002.

Lakefront Properties Replacement Housing

One hundred and six (106) units have been completed and transferred.

Lakefront Site --- Draper & Kramer is the developer of the Lakefront Site. The City has completed the preliminary infrastructure work (sewers, roads, etc.) on the site.

Drexel Site --- The developers of the Drexel Site are The Thrush Companies, Granite Development, and Century Place Development. The City has begun the infrastructure work on the site. The developer has been moving much slower than expected, but a closing on the financing and the start of construction should occur by the end of the year.

Scattered Kenwood-Oakland Units --- Of the 91 scattered units to be developed in Kenwood-Oakland, 68 units have been completed and transferred. Three (3) units are to be acquired from a private developer. New England Builders and Genesis Homes have been selected to build the remaining 20 units as a turnkey project. Construction is expected to begin in November 2002.

Units Scattered Outside of Kenwood-Oakland --- Of the 200 units to be scattered outside of Kenwood-Oakland, 38 units have been completed and transferred. Alderman Arenda Troutman has approved a 38-unit scattered site project in Woodlawn but we are still working out the details of this project with the Alderman. Construction will not start until sometime in 2003. Funding is not available for the remaining 124 units.

Madden Park - Ida B. Wells Replacement Housing

A development team consisting of The Community Builders, Thrush Development, and Granite Development are the developers for Phase 1 at Madden Park-Wells.

Phase 1 has been divided in to two sub-phases - Phase 1A and Phase 1B. We are focusing on closing on the financing for and beginning construction of Phase 1A during the 1st Quarter of 2003. Phase 1A of the project has been awarded low income housing tax credits and other funding from IHDA and the Federal Home Loan Bank.

There will be 325 total rental units in Phase 1, including 126 CHA units. In an effort to achieve a more marketable proportion of rental versus for sale units, the developer submitted a proposal to increase the number of for-sale units in Phase 1 from 127 units to 281 units. After much consideration, it was decided that increasing the number of for-sale units was desirable, but that a build-out period of 36 to 48 months could only support an increase to 171 for-sale units. Ten of the for-sale units will be reserved for homeownership opportunities for current Madden-Wells residents.

Robert Taylor Replacement Housing

Hearts United Phase 2 --- Construction of this phase is now complete. All 27 units have been transferred to the CHA. Hearts United continues to receive strong positive feedback from the City, Alderman Toni Preckwinkle, CHA residents, and other community residents.

While demolition and relocation occur on-site, CHA, the Receiver and the City continue to work with the developer on plans for the next phase of the off-site development using the funds from the 1996 Robert Taylor B HOPE VI grant. All parties have agreed to an acquisition list for off-site properties and we are seeking approval of that list from Alderman Dorothy Tillman. Our goal is to have another off-site project under construction sometime in 2003.

Rockwell Gardens Replacement Housing

The developer, East Lake Management and Development Corporation, has purchased a large parcel of property (approximately 18 standard city lots) just west of Rockwell Gardens to develop off-site units. East Lake has an option for most of the balance of the privately owned land on the same block and the City has pledged adjacent City-owned property for off-site development. On October 16, 2002, East Lake applied to the Department of Housing for a tax credit allocation for a first sub-phase of off-site units. This sub-phase would be 42 total units, 14 of which would be public housing.

Maplewood Courts is a 130-unit, project-based Section 8, City-State CHA property on the Rockwell Gardens site. A plan for financing the redevelopment of Maplewood Courts has not been completed yet. Alternative plans for Maplewood Courts are under consideration and one should be selected before the end of the year.

Stateway Gardens Replacement Housing

On July 16, 2002, the CHA Board of Commissioners approved the developers and the redevelopment plan for Stateway Gardens. The developers are a partnership of Mesa Development, the Davis Group, Walsh Construction, and Kimball Hill Homes. The developers have proposed an innovative financing plan that would give CHA a share of the gross revenues from the homeownership units and an ownership share in the entity that will own the rental units.

The first project of this redevelopment will be an 80-unit rental building to be constructed off site on the northeast corner of State Street and 39th Street. Twenty-seven of the units will be CHA replacement units for Stateway families. The City's Department of Housing ("DOH") has already awarded low income housing tax credits and other funding to the project. The developers hope to close on the financing and begin construction by the end of 2002 but it may not occur until the 1st Quarter of 2003.

INDEX OF TABLES

Summary of Units	Tables 1a and 1b
Program Activity and Status	Tables 2a, 2b, 2c and 2d
Financial Summary by Program	Tables 3a, 3b and 3c

cc: Counsel of Record in Gautreaux
Counsel of Record in Horner
Douglas R. Woodworth
Valerie B. Jarrett
Lawrence E. Grisham
Jeffrey D. Head
Mark Segal
Terry Peterson
William Little
Carl Byrd
Milan Ozdinec
Linford Coleman
Donna Keck
Abbey Ogunbola

TABLE 1a
Summary of Units Completed & Transferred
and Units In Development
as of September 30, 2002

Units Completed & Transferred (1989 - 2001)

Year	# of Units Completed & Transferred									Total All Units
	Scattered Site	Demonstration	Lawndale	Horner 1	Lakefront Properties	Cabrini	Taylor	ABLA	Madden/Wells	
1989	7									7
1990	127									127
1991	107									107
1992	214									214
1993	340									340
1994	147									147
1995	203									203
1996	308	15		4	4					331
1997	97	65		131	41					334
1998	20	100	4	150	23	16				313
1999	11	31	10	114	14	0				180
2000	21	0	4	62	12	2	29			130
2001	Completed	Completed	Completed	Completed	12	27	4	0	0	43
Subtotal	1,602	211	18	461	106	45	33	0	0	2,476

Units Completed & Transferred (2002 and Beyond)

Year	# of Units Completed & Transferred									Total All Units
	ABLA	Cabrini	Horner 2	Lakefront Properties	Madden/Wells	Rockwell	Stateway	Taylor 1996 Grant	Taylor 2001 Grant	
2002	0	78	0	0	0	0	0	23	0	101
Subtotal	0	78	0	0	0	0	0	23	0	101
Total -- All Years	0	123	0	106	0	0	0	56	0	

TOTAL UNITS COMPLETED & TRANSFERRED

2,577

TABLE 1b
Summary of Units Completed & Transferred
and Units In Development
as of September 30, 2002

Units Under Construction

# of Units Under Construction	# of Units Under Construction									
	ABLA	Cabrini	Horner 2	Lakefront Properties	Madden/Wells	Rockwell	Stateway	Taylor 1996 Grant	Taylor 2001 Grant	Total All Units
As of June 30, 2001	0	68	0	0	0	0	0	0	0	68

Units in Other Development Phases

# of Units Development Phases	# of Units in Other Development Phases									
	ABLA	Cabrini	Horner 2	Lakefront Properties	Madden/ Wells	Rockwell	Stateway	Taylor 1996 Grant	Taylor 2001 Grant	Total All Units
RFP / RFQ Phase	755	331	0	0	0	0	0	0	0	1,086
Planning Phase	383	178	271	335	398	260	439	195	297	2,756
Subtotal	1,138	509	271	335	398	260	439	195	297	3,842

TOTAL UNITS IN DEVELOPMENT	3,910
----------------------------	-------

GRAND TOTAL ALL UNITS	6,487
-----------------------	-------

TABLE 2a
Program Activity and Status
as of September 30, 2002

Scattered Site, Demonstration, Lawndale --- 1,831 CHA Units			
Program No.	AREA	# of Units	Status
115-143,147-160,161,175,176	Scattered Site	1,602	Completed/Transferred
145,146,162,164,166-173	Demonstration	211	Completed/Transferred
IL06-P802-178	Lawndale	18	Completed/Transferred
		1,831	TOTAL UNITS

ABLA --- 1,138 Total CHA Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
		755	RFP / RFQ Phase - on site
		383	Planning Phase - off site
		1,138	TOTAL UNITS

Cabrini --- 700 CHA Units			
Program No.	Name	# of Units	Status
	Mohawk North	16	Completed/Transferred
	Mohawk Partners	5	Completed/Transferred
	North Town Village	73	Completed/Transferred
	Old Town Square	16	Completed/Transferred
	Orchard Park	13	Completed/Transferred
	Domain Lofts (Centrum)	16	Under Construction
	North Town Village	6	Under Construction
	Old Town Village East	28	Under Construction
	Renaissance North	18	Under Construction
	Cabrini Extension North	196	RFP / RFQ Phase
	Clybourn & Larrabee RFQ	135	RFP / RFQ Phase
	Centrum Properties	54	Planning Phase
	Old Town Village West	38	Planning Phase
	Sites Undetermined	86	Planning Phase
	TOTALS	123	Completed/Transferred
		68	Under Construction
		331	RFP / RFQ Phase
		178	Planning Phase
		700	TOTAL UNITS

TABLE 2b
Program Activity and Status
as of September 30, 2002

Horner 1 -- 461 CHA Units			
Program No.	Name	# of Units	Status
IL06-P802-188	Scattered	30	Completed/Transferred
	East of Western		
IL06-P802-191	Scattered	51	Completed/Transferred
	East of Western		
IL06-P802-195	Scattered	45	Completed/Transferred
	East of Western		
IL06-P802-196	Scattered	33	Completed/Transferred
	East & West of Western		
IL06-P802-197	West of Western	45	Completed/Transferred
IL06-P802-198	Superblock B1	56	Completed/Transferred
IL06-P802-199	Superblock B2	39	Completed/Transferred
IL06-P802-200	Superblock A	30	Completed/Transferred
IL06-P802-201	West of Western	52	Completed/Transferred
IL06-P802-202	Superblock A	43	Completed/Transferred
IL06-P802-203	Superblock B3	32	Completed/Transferred
IL06-P802-204	Rehabilitation	5	Completed/Transferred
	TOTALS	461	Completed/Transferred
		461	TOTAL UNITS

Horner 2 -- 271 CHA Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
	HOPE VI Funds	150	Planning Phase
	"1-for-1" and Other Funds	121	Planning Phase
		271	TOTAL UNITS

TABLE 2c
Program Activity and Status
as of September 30, 2002

Lakefront -- 441 CHA Units			
Program No	Name	# of Units	Status
IL06-P002-184	North Kenwood/Oakland	33	Completed/Transferred
	Scattered	33	SUBTOTAL
IL06-P002-206	North Kenwood/Oakland	21	Completed/Transferred
	Scattered	21	SUBTOTAL
IL06-P002-208	North Kenwood/Oakland	12	Completed/Transferred
	Scattered (Shakespeare)	12	SUBTOTAL
IL06-P002-180	North Kenwood/Oakland		
	Scattered	2	Completed/Transferred
	Hutchinson's Row	20	Planning Phase
		22	SUBTOTAL
IL06-P802-193	North Kenwood/Oakland	120	Planning Phase
	Lake Park Crescent	120	SUBTOTAL
IL06-P002-211	North Kenwood/Oakland	30	Planning Phase
	Drexel Site	30	SUBTOTAL
IL06-P002-209	North Kenwood/Oakland	3	Planning Phase
	Scattered (Prospero)	3	SUBTOTAL
IL06-P002-194	West Ridge/Rogers Park	38	Completed/Transferred
	Scattered	38	SUBTOTAL
IL06-P002-205	Woodlawn	8	Planning Phase
	Scattered	8	SUBTOTAL
IL06-P002-207	Woodlawn	27	Planning Phase
	Scattered	27	SUBTOTAL
IL06-P002-210	Woodlawn	3	Planning Phase
	Scattered	3	SUBTOTAL
	Outside N. Kenwood/Oakland	124	Planning Phase - Unfunded
	Scattered	124	SUBTOTAL
	TOTALS	106	Completed/Transferred
		0	Under Construction
		211	Planning Phase
		124	Planning Phase - Unfunded
		441	TOTAL UNITS

TABLE 2d
Program Activity and Status
as of September 30, 2002

Madden Park / Wells -- 398 HOPE VI CHA Units (1,000 Total CHA Units)			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
	Family Rental Units	273	Planning Phase (Phase 1)
	Family For-Sale Units	50	Planning Phase (Phase 1)
	Elderly Rental Units	75	Planning Phase (Phase 2)
		398	TOTAL UNITS

Rockwell Gardens -- 260 Total CHA Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
		260	Planning Phase
		260	TOTAL UNITS

Stateway Gardens -- 439 Total CHA Units			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
		439	Planning Phase
		439	TOTAL UNITS

Taylor B (1996 HOPE VI Grant) -- 251 Total CHA Units			
Program No.	Name	# of Units	Status
	Hearts United 1	29	Completed/Transferred
	Hearts United 2	27	Completed/Transferred
	Sites Undetermined	195	Planning Phase
	TOTALS	56	Completed/Transferred
		0	Under Construction
		195	Planning Phase
		251	TOTAL UNITS

Taylor A & B (2001 HOPE VI Grant)-- 297 HOPE VI CHA Units (794 Total CHA Units)			
Program No.	Name	# of Units	Status
			Completed/Transferred
			Under Construction
		297	Planning Phase
		297	TOTAL UNITS

TABLE 3a
Financial Summary by Program
as of September 30, 2002

Scattered Sites		
Program No.	Approved Budget	Cost (Income) To Date
115	\$8,885,442	\$8,885,442 *
116	7,448,320	7,448,320 *
117(a)	(28,113)	(28,113) *
118	8,978,987	8,978,987 *
119	2,485,483	2,485,483 *
120	6,956,047	6,956,047 *
121	2,265,118	2,265,118 *
122	4,731,809	4,731,809 *
123	7,441,791	7,441,791 *
124	8,135,811	8,135,811 *
125	2,039,484	2,039,484 *
126 TK	2,062,780	2,062,780 *
127	2,386,667	2,386,667 *
128 TK	2,982,418	2,982,418 *
129 TK	2,271,403	2,271,403 *
130 TK	2,843,690	2,843,690 *
131 TK	2,556,421	2,556,421 *
132	2,533,420	2,533,420 *
133	2,075,167	2,075,167 *
134	2,055,051	2,055,051 *
135 TK	2,636,875	2,636,875 *
136	2,336,466	2,336,466 *
137 TK	2,715,178	2,715,178 *
138 TK	2,568,613	2,568,613 *
139 TK	2,452,559	2,452,559 *
140	2,493,589	2,493,589 *
141 TK	2,666,667	2,666,667 *
142 TK	2,375,087	2,375,087 *
143 TK	3,151,383	3,151,383 *
147 TK	2,646,881	2,646,881 *
149 TK	2,642,708	2,642,708 *
150 TK	2,517,645	2,517,645 *
151 TK	2,703,906	2,703,906 *
152 TK	2,960,227	2,960,227 *
153	2,555,275	2,555,275 *
154 TK	3,981,667	3,981,667 *
155 TK	2,533,941	2,533,941 *
156 TK	2,612,865	2,612,865 *
157 TK	2,658,317	2,658,317 *
158 TK	2,658,317	2,658,317 *
159 TK	2,627,636	2,627,636 *
160 TK	2,870,258	2,870,258 *
161 TK	5,038,300	5,038,300 *
175 TK	4,421,432	4,421,432 *
176 TK	3,589,890	3,589,890 *
TOTALS	\$153,522,878	\$153,522,878

TABLE 3b
Financial Summary by Program
as of September 30, 2002

Demonstration & Family Self-Sufficiency (FSS)		
Program No.	Approved Budget	Cost (Income) To Date
145	\$3,335,349	\$3,335,349 *
146	2,255,740	2,255,740 *
162	3,492,954	3,492,954 *
164	4,415,051	4,415,051 *
165	2,362,072	2,362,072 *
166	3,537,059	3,537,059 *
167	1,960,003	2,070,344
168	1,743,552	1,743,552 *
169	1,680,003	2,431,417
170	1,720,130	1,962,859
171	1,820,003	443,660
172	1,635,073	1,635,073 *
173	4,177,803	4,177,803 *
177 (FSS)	2,223,356	198,409
TOTALS	\$36,358,148	\$34,061,342

TABLE 3c
Financial Summary by Program
as of September 30, 2002

Replacement Housing		
Program No.	Approved Budget	Cost (Income) To Date
Horner I		
188	\$6,733,237	\$6,111,172
191	6,180,602	6,180,602 *
195	4,838,966	4,838,966 *
196	3,934,338	3,934,338 *
197	6,330,838	6,330,838 *
198	5,672,634	5,672,634 *
199	4,236,305	4,236,305 *
200	2,839,515	2,839,515 *
201	5,067,816	5,067,816 *
202	5,363,349	5,363,349 *
203	4,296,014	4,296,014 *
204	860,039	906,652
213	1,186,700	1,218,910
Subtotal	\$57,540,353	\$56,997,111
Lawndale		
178	2,936,600	2,936,601
Subtotal	\$2,936,600	\$2,936,601
Gautreaux Set Aside		
190	\$21,000,000	\$116,333
Subtotal	\$21,000,000	\$116,333
Washington Park Lakefront		
180	\$3,875,534	\$836,433
184	4,040,536	4,040,536 *
193	16,216,250	1,512,517
194	5,882,353	5,882,353 *
205	858,123	298,074
206	2,509,553	2,509,553 *
207	3,255,568	934,422
208	1,151,694	1,141,827
209	592,350	83,714
210	301,883	0
211	2,973,880	720,438
Subtotal	\$41,657,724	\$17,959,867
Cabrini		
182	\$9,856,000	\$5,303,771
192	9,137,750	7,471,647
HOPE VI	39,337,684	2,940,619
Subtotal	\$58,331,434	\$15,716,037
ABLA 1		
HOPE VI	\$20,668,250	2,209,434
ABLA 2		
HOPE VI	\$28,273,000	322,787
Subtotal	\$48,941,250	\$2,532,221
Horner 2		
HOPE VI	\$18,039,000	1,609,858
Subtotal	\$18,039,000	\$1,609,858
Taylor B		
HOPE VI	\$19,092,948	3,795,491
Subtotal	\$19,092,948	\$3,795,491
Madden/Wells		
HOPE VI	\$33,000,000	812,614
Subtotal	\$33,000,000	\$812,614
Rockwell		
HOPE VI	\$1,978,106	\$196,034
Subtotal	\$1,978,106	\$196,034
Taylor A		
HOPE VI	\$1,417,500	\$81,973
Subtotal	\$1,417,500	\$81,973
TOTALS	\$303,934,915	\$102,754,140