THE HABITAT COMPANY

MEMORANDUM

TO: Judge Marvin E. Aspen

FROM: Daniel Levin and
The Habitat Company

DATE: April 23, 1997

SUBJECT: CHA SCATTERED SITE HOUSING PROGRAM
Quarterly Report: 1st Quarter 1997

SCATTERED SITE PROGRAM - 1,602 UNITS

Background Original funding for the Gautreaux Scattered Site Program was estimated to produce 1,608 units. Due to the down zoning of property suitable for six (6) units, the total unit count has been reduced to 1,602. The funds for the six units will be transferred to Program 117 where other program savings are currently held by HUD. At the completion of the Scattered Site Program, when all costs are known, HUD has agreed to review cost savings and reformulate Program 117 funds for additional public housing developments. Presently the estimated savings exceeds the amount necessary to complete the six units.

Current Status: Effective March 31, 1997, the development pipeline is summarized below for the Scattered Site Program.

UNITS		STATUS
1,497		Completed and Transferred
105		Under Construction
1,602	**Subtotal**	**Completed/Under Construction**
0		To be Acquired
1,602		**TOTAL**

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Design and Construction Activity: Three (3) programs were completed during the quarter and construction activity continues on a total of six (6) Turnkey programs. Completion status at the end of the quarter is as follows:

Program #	% Completed	Program #	% Completed
128	100%	154	67%
130	100%	158	45%
143	60%	161	2%
151	100%	175	60%
152	45%		

Management/Maintenance Buildings: Three management/maintenance buildings are being developed for use by CHA's private managers of scattered sites. Funding for these units is available from savings realized in three (3) areas on previously completed development programs. The developers for Program 154 and 161 are developing these buildings, using these funds. The building locations and status are as follows:

Address	Private Manager	Prog. #	Construction Start	Est. Completion
1400 N. Kedzie Ave.	Hispanic Housing Devel.	154	February 1997	August 1997
4421 N. Clifton Ave.	Housing Resource Center	161	April 1997	November 1997
2608 W. North Ave.	Lutheran Social Services	161	May 1997	December 1997

Summary of Completed and Transferred Units: Since the inception of the Receiver's program, completed and transfer units are shown below:

Year	# of Units Completed & Transferred
1997 - 1st QTR.	44
1996	308
1995	203
1994	147
1993	340
1992	214
1991	107
1990	127
1989	7
Total:	**1,497**

Financial Activity: for each of the funded programs for the period ending March 31, 1997 is below:

PROGRAM	APPROVED BUDGET	COST (INCOME) TO DATE
115	$ 8,885,442	$ 8,885,442
116	7,448,320	7,448,320
117 (a)	(28,813)	(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	4,825,930	4,168,805
123	7,827,851	7,058,214
124	8,286,784	8,135,811
125	2,039,484	2,039,484
126TK	2,062,780	2,062,780
127	2,386,667	2,386,667
128TK	2,876,918	2,942,364
129TK	2,271,403	2,271,403
130TK	2,894,112	2,244,876
131TK	2,561,939	2,556,421
132	2,530,000	2,486,743
133	2,075,167	2,075,167
134	2,055,883	2,055,051
135TK	2,661,470	2,557,443
136	2,336,466	2,336,466
137TK	2,719,177	2,465,773
138TK	2,614,379	2,467,336
139TK	2,446,921	2,421,073
140	2,502,820	2,245,394
141TK	2,700,924	2,540,375
142TK	2,411,349	2,232,720

PROGRAM	APPROVED BUDGET	COST (INCOME) TO DATE
143TK	3,303,012	1,452,293
147TK	2,676,540	2,572,983
149TK	2,709,352	2,637,178
150TK	2,522,813	2,323,139
151TK	2,747,255	2,611,583
152TK	2,410,726	615,670
153	2,530,000	2,532,804
154TK	3,988,830	1,215,988
155TK	2,627,030	2,464,211
156TK	2,679,344	2,603,432
157TK	2,723,598	2,652,173
158TK	3,149,769	1,545,691
159TK	2,634,087	2,562,438
160TK	2,909,461	2,690,730
161TK	4,143,819	436,448
175TK	3,369,490	1,463,721
176TK	3,688,870	3,452,250
TOTAL	**$152,893,004**	**$134,574,382**

(a) The purpose of Program 117 is to hold miscellaneous properties until demolished, sold or used for new construction. The $28,113 represents income to the Program, the proceeds resulting from the sale of buildings and vacant lots. Other surplus development funds of approximately $16.7 million have been transferred to this Program and HUD has allowed this Program to fund subsequent Programs in their initial stages.

Conclusion: Active construction continues on 105 units in 6 programs. It is anticipated that most, if not all, units will be complete by the end of 1997. A year end adjustment was made for our audit. This adjustment of construction accruals caused the total at December 31, 1996 to be higher than actual. In January, the accruals were reversed and actual construction costs will be paid out by the end of the second quarter. For the quarter the total funds expended was to $759,375. Since the Program's inception, $134,574,382 has been spent.

DEMONSTRATION PROGRAM - 238 UNITS CMHDC/Habitat Joint Venture
FAMILY SELF-SUFFICIENCY PROGRAM - 16 UNITS

Background: In 1990, the Chicago Housing Authority (CHA), was granted permission by the Court to begin development of 350 family public housing units known as the "Demonstration Program." In the third quarter of 1993, upon CHA's request and the Court's permission, The Habitat Company (THC) and The Chicago Metropolitan Housing Development Corporation (CMHDC), an instrumentality of CHA, entered into a joint venture agreement to complete the development of these units. THC is the managing partner in the Joint Venture. The Agreement included the 350-unit Demonstration Program plus a 25 unit program called "Family Self-Sufficiency Program" (FSS).

THC and CMHDC analyzed the estimated cost to complete 375 units and found that funds allocated for the units in 1990 were not sufficient to complete the units and that additional funds were needed. These additional funds were requested of HUD. HUD/Washington indicated that no additional funds were available and authorized the Joint Venture to construct the maximum number of units possible under the original funding. Based on the current acquisition status, the estimate for the total units which can be completed with the available funding is as follows:

Program	Program Approved	Original Unit Count	Original Funding	Revised Unit Count	Revised Funding
Demonstration	03/09/90*	350	$35,466,000	238	No Change
FSS	09/30/92*	25	$ 2,223,356	16	No Change
	Totals:	**375**	**$37,689,356**	**254**	**No Change**

* A joint venture between the Receiver and CMHDC was executed in the third quarter of 1993. Prior to that time, no progress had been made by CHA to develop any units.

Current Status: Effective March 31, 1997, the development pipeline is summarized below for the Demonstration/Family Self-Sufficiency Program.

NO. of UNITS	NO. of SITES	STATUS
29	21	Completed & Transferred to CHA
56	27	Under Construction
74	37	Design Phase
17	11	Bid Phase
0	0	Closed (Preconstruction)
		SUBTOTAL (Closed Properties)
2	1	FSA Received - Closing Pending
12	4	Pending HUD Approval
0	0	Under Contract - Pending Submission to HUD
64		To Be Purchased
64		**SUBTOTAL** (Properties Not Closed)
254		**TOTAL**

Changes in the Habitat/HUD processing procedures to expedite approval and funding of properties are in place and are working well. Identification and acquisition continues of property located on the north and south sides of the City. Newer buildings (post 1978 when the use of lead based paint was banned) remains the primary focus for acquisitions. Since many of these areas have seen little new construction since the 1970s and have little market activity, the acquisition continues at a slower than originally anticipated pace.

Financial Activity: for each of the funded programs for the period ending March 31, 1997 is below:

PROGRAM	APPROVED BUDGET	COST TO DATE
145	3,024,000	2,210,065
146	2,289,199	1,100,518
162	3,036,000	2,621,186
164	3,013,486	2,232,547
165	3,012,835	1,698,777
166	3,003,189	1,084,930
167	1,840,000	128,148
168	2,300,000	127,331
169	2,300,000	130,152
170	2,300,000	107,737
171	2,300,000	177,342
172	2,300,000	318,984
173	3,007,820	2,298,550
177 (Family Self-Suff)	2,223,356	28,289
TOTAL	**$35,949,885**	**$14,264,556**

REPLACEMENT HOUSING PROGRAM CMHDC/Habitat Joint Venture

Background: In 1994, the Court assigned the development management of CHA's non-elderly new construction projects to the Receiver. Initially, this assignment consisted of 105 units for Washington Park and 107 units for Cabrini. To date, the Receiver's Replacement Housing Programs have expanded to 1,644 units located in six different geographic areas. Twelve programs have been funded totaling $192,039,685. (See following charts which outline details by Program.) The funds have been awarded through various programs; public housing development funds, and the HOPE VI funds, and Gautreaux Set-Aside funds. Due to various Consent Decrees and the dedicated community involvement that exists in each development area, the Receiver has been committed to and is an active participatant in informational and planning meetings. These meetings with Receiver's staff include, but are not limited to, various community organizations, public housing resident groups, CHA, HUD, City officials, design professionals, general contractors and the court appointed special master.

Current Status: Effective March 31, 1997, the development pipeline is summarized below for the Replacement Housing Programs

PROGRAM	NAME	# Of Units	STATUS
IL06-P802-178	**Lawndale - 18 units**	18	Under construction
	Washington Park - 187 units		
IL06-P002-180	67 units	67	Site selection in progress
IL06-P002-184	74 units	10	Pre-bid
IL06-P802-184A		33	Under Construction
IL06-P802-184B		31	Site selection in progress
IL06-P002-194	38 units	34	Under Construction
		4	Complete
IL06-P002-194A	8 units	8	Design Phase
TOTAL UNITS	187 units	187	
	Horner- 466 units		
IL06-P802-188A	30 units	2	Completed and Transferred to CHA
		28	Under Construction
IL06-P802-188B	45 units	45	Under Construction
IL06-P802-188C-N	38 units	38	In Design
IL06-P802-188C-W	48 units	48	In Permit Review
IL06-P802-188SB-B1	56 units	20	Completed and Transferred to CHA
		12	Completed (Transfer to CHA pending the completion of infrastructure by City)
		24	Under Construction
IL06-P802-188SB-B2	39 units	39	In Design
IL06-P802-188SB-A1	30 units	30	In Design
IL06-P802-191A	54 units	57	In Design
IL06-P802-191B	31 units	33	In Design
IL06-P802-191SB-A2	43 units	43	In Design
IL06-P802-191SB-B3	32 units	32	In Design
IL06-P802-191R(Rehab)	18 units	5	Complete and Transferred
		10	In Design
TOTAL UNITS	466 units	466	
	Cabrini - 190 units		Joint planning with City/CHA in process
IL06-P002-182	107 units	107	
IL06-P802-192	83 units	83	
IL06-P802-193	**Lake Front - 130 units**	130	Planning phase
N/A	**Cabrini-HOPE VI-303 units**	303	Joint planning with City/CHA in process
	TOTAL	**1,294**	

LAWNDALE REPLACEMENT HOUSING PROGRAM - 18 UNITS

Background: The new construction of 18 housing units in Lawndale with duplex townhomes on scattered sites is the first new replacement housing for obsolete CHA buildings. In consultation with members of the St. Agatha/West Side Resident Organization, The Chicago Housing Authority applied for and received approval from the U.S. Department of Housing and Urban Development (HUD) to demolish two of its vacant and dilapidated buildings located at 1403 S. Spaulding and 3659 W. Douglas, demolition was completed in the summer of 1995.

Current Status Due to a default by the turnkey developer, the Receiver terminated the Turnkey Contract on November 21, 1996. With HUD's approval, Habitat negotiated a guaranteed maximum price (GMP) contract with a new general contractor and a conventional GMP contract was signed on March 10, 1997. Construction has begun again on this program. The new units in North Lawndale are scattered throughout a six block radius on nine sites with two units on each site.

WASHINGTON PARK REPLACEMENT HOUSING PROGRAM - 187 UNITS and LAKE FRONT PROPERTIES REPLACEMENT HOUSING PROGRAM - 130 UNITS

Background The Washington Park Replacement Housing Program is the combination of three programs. The Lake Front Replacement Housing Program is a single program. The funding of these Replacement Housing Programs has been targeted for the units required by the CHA agreement with the Lakefront Community Organization (LCO), which requires 221 to 241 units within North Kenwood-Oakland and 200 units outside that area for a total of 421 to 441 units.

Funding for these Programs is for only 317 of the 421 to 441 units required by the CHA/LCO Agreement. Funding for the remaining 104 to 124 units must be made available from other sources in order to comply with the CHA/LCO Agreement.

Current Status - Areas within Kenwood/Oakland: Habitat continues its outreach efforts within the Kenwood/Oakland area and will appear before the Conservation Community Council (CCC) with the Special Master appointed by the Court in attendance. At this meeting, Habitat will present a real estate market study for the development of the CHA Washington Park parcel and the CHA Lakefront parcel. That meeting is currently scheduled for April 3, 1997.

A turnkey contract for 33 units was signed on March 31, 1997 with Lighthouse L.L.C. Construction on this program will begin April 1997. The Architect is currently working on design drawings for eight (8) units to be rehabilitated under a separate conventional contract with Lighthouse L.L.C.

Several months ago, the City requested that certain previously acquired properties not be developed for public housing because it conflicted with the Conservation Plan for the North Kenwood-Oakland Area. In exchange for this consideration, the Receiver received the approval from the CCC which allows the City to exchange City-owned property in the area for the affected Program sites. The Plan Commission has approved the exchange of seven (7) City-owned properties suitable for 22 units of public housing. The actual exchange of the properties is expected in June 1997. The Receiver will be issuing RFPs in April for Architectural Services for these properties.

The development of up to 241 units of replacement public housing in the Kenwood/Oakland Revitalizing Area is to be sequenced in two phases. First, the CHA/LCO agreement specifies that site control for the development of 141 units on infill sites and the former Washington Park Homes site on the west side of the 4100 block of South Drexel Blvd, must be obtained prior to the demolition of the four (4) vacant high-rises comprising the "Lakefront" site located along the east side of South Lake Park Avenue, between E. 40th Street on the north, and E.42nd Place on the south. The Lakefront site is to contain the remaining 80-100 replacement public housing units in a mixed income concept, along with 200 plus market rate units.

At this point in time, construction has commenced on the first 33 infill units, with eight (8) rehabilitated units are in design. The Chicago City Council will be considering the sale of seven (7) properties containing 22 units worth of property on May 14, 1997, and currently, Habitat is negotiating with the City on nine (9) additional sites containing 23 units of replacement public housing. Habitat has been in contact with several active developers who are in the process of developing market rate housing which are to include a number of replacement public housing units. It is anticipated that "site control" for the remaining number of infill units to be developed will be obtained through the purchase of additional private and City properties and the location of replacement public housing units in private developments throughout the Kenwood-Oakland Revitalizing Area.

Effective March 31, 1996 the development pipeline is summarized below for the Lake Front Properties and Washington Park Replacement Programs:

UNITS WITHIN KENWOOD-OAKLAND REVITALIZING AREA		
NO. of UNITS	**NO. of SITES**	**STATUS**
0	0	Completed & Transferred to CHA
33	10	Under Construction
8	4	Design Phase
0	0	Out to Bid
10	4	Closed (Preconstruction)
51		**SUBTOTAL 1** (Closed Properties)
4	1	Approved - Pending Funding
22	7	Under Contract - Not Approved*
0	0	Under Contract - Pending Submission
18		To Be Purchased
40		**SUBTOTAL 2** (Properties Not Closed)
91		**SUBTOTAL 3** (Closed Properties/Properties Not Closed)
130-150		CHA-owned Properties (Lakefront & Drexel) City-owned Parcels on Drexel
221-241		**GRAND TOTAL for Kenwood-Oakland**

*City controlled exchange properties.

Current Status - General Areas Outside of Kenwood/Oakland Construction began in February 1997 on 38 units of the 200 units outside the North Kenwood-Oakland area, on property purchased using Washington Park Replacement funds. This is a rehabilitation program with 16 sites located in the Community Area of West Ridge, one in Lakeview and one in Uptown. All sites are managed by Housing Resource Center (HRC). Habitat and HRC attended a community meeting on January 29, 1997 which was organized by the North Town Community Council and the Arthur Avenue Residents Community Organization. The community has concerns about all public and assisted housing in the area (Scattered Sites, Project based Section 8, other CHA housing, etc.) and that their community was becoming "supersaturated" with such housing. At the meeting, THC reviewed the Gautreaux case, the acquisition and planning process, and the construction plans. HRC reviewed tenant selection procedures and offered an "open door policy" to address any concerns in the future. Questions were taken from the floor. Ed Marciniak, Court-appointed special master, was in attendance.

Current Status - Limited Areas Outside of Kenwood/Oakland: The Woodlawn area continues to be reviewed for appropriateness for replacement housing required outside the North Kenwood-Oakland area. Habitat and Gautreaux counsel have been analyzing the area for a revitalization waiver. Community leaders and Aldermen have been contacted about replacement units in Woodlawn.

UNITS OUTSIDE KENWOOD-OAKLAND REVITALIZING AREA		
NO. of UNITS	**NO. of SITES**	**STATUS**
4	3	Completed & Transferred to CHA
34	13	Under Construction
0	0	Design Phase
0	0	Out to Bid
0	0	Closed (Preconstruction)
38	16	**SUBTOTAL** (Closed Properties)
0	0	Approved - Pending Funding
0	0	Under Contract - Not Approved
0	0	Under Contract - Pending Submission
162		To Be Purchased
162		**SUBTOTAL** (Properties Not Closed)
200		**TOTAL**

CABRINI: HOPE VI URBAN REVITALIZATION DEMONSTRATION 303 Units
and CABRINI REPLACEMENT HOUSING PROGRAM: 190 Units

Background: On December 20, 1995, The Habitat Company received ten proposals in response to an

RFP published for the Cabrini HOPE VI Program. Six of the ten proposals were deemed responsive and have been evaluated. A screening committee composed of Cabrini residents, the 27th Ward Alderman, City officials, and representatives from the community contributed to the evaluation of the proposals. On June 27, 1996, the City of Chicago announced its own Near North Plan which incorporates the original HOPE VI development area. This plan envisions a broad, mixed income community with new schools, new and expanded parks, larger community facilities, a library (now under construction), street, alley and infrastructure improvements, a new public transit facility, and new commercial development.

In October 1996, the City of Chicago issued a Request for Qualifications and Preliminary Cost Proposal for the Near North Redevelopment Charrette Planning Process and Preparation of a Development Plan. Through this solicitation, the City hired a local design firm which formed a Project team with national experts in community design, finance and development in the emerging field of the redevelopment of public housing and surrounding areas into mixed income communities. The firms selected by the City were, Johnson, Johnson & Roy, Inc. and Goody, Clancy and Associates who produced a development plan with the input of representatives from the City of Chicago, the Board of Education, the Chicago Park District, The Chicago Transit Authority, The Habitat Company, HUD, CHA Cabrini Residents and the Near North Community A draft of the Development Plan was released for a series of public comment hearings in February, which are to conclude late this Spring.

As part of the process for the Near North Redevelopment Plan, The Habitat Company commissioned Tracy Cross and Associates to perform a Residential Market Study to address implementation of the Plan. The first draft of this market study has been released to the involved parties. A final draft is anticipated later this Spring.

Current Status: A final decision has not yet been made concerning the six responsive submittals for the HOPE VI Urban Revitalization Demonstration Program Request for Proposals. It is anticipated that resolution of this issue concerning these proposals will be made upon further development of the Near North Redevelopment Plan. The role of The Habitat Company with regard to Cabrini has not yet been determined, and we have therefore not been able to direct or anticipate its process.

The following is a unit and funding breakdown concerning the Cabrini HOPE VI Urban Revitalization Demonstration Program which was funded to CHA and the Replacement units funded to the Habitat Company.

FUNDING SOURCE	AMOUNT	UNITS
HOPE VI Program	$40,000,000*	303 (New Construction)
HOPE VI Program	-----	167 - Section 8 Certificates
Replacement Housing Programs IL06-P002-182 IL06-P802-192	 $ 9,856,000 $ 9,137,750	 107 (New Construction) 83 (New Construction)
TOTALS	**$58,993,750**	**660**

*This Program is funded directly to CHA.

HENRY HORNER REVITALIZATION PROGRAM - PHASE I - 466 UNITS

Background: The agreement for the redevelopment of the Henry Horner extension area between the

CHA, HUD and the Horner Resident Council was approved by Judge James Zagel in August, 1995. Under the plan, The Habitat Company, in its capacity as Receiver for the Chicago Housing Authority Replacement Housing Program, is the Development Manager in a joint venture partnership with Chicago Metropolitan Housing Development Corporation. The Horner Revitalization Program boundaries are defined by Ashland on the east, Kedzie on the west, Lake Street on the north and Van Buren on the South.

Phase I of the six year, five-phase program initially involves the demolition of two high-rise and three mid-rise buildings (completed) and the replacement of 466 units to accommodate both displaced and relocated residents. Planned replacement housing units will be new town homes or two or three flat buildings both on the present site and in the Horner Revitalization Area. The majority of units (373) will be located east of Western Avenue, with the remaining 93 units to be placed west of Western Avenue. All replacement housing will be low density and low rise with private entrances in keeping with the contextual style of the surrounding community.

__Current Status__: A total of 124 units are under construction including 27 units which have been completed and transferred to CHA. Also included are 12 units completed and transferred to the Receiver which are awaiting completion of roads and sewers by the City of Chicago. Transfer to CHA is scheduled in late Spring 1997.

The Program's land acquisition efforts are complete and all 466 replacement units are currently under construction (97), completed (27), transferred to Receiver awaiting infrastructure (12), or in design and/or permit application review (330). All programs now in design are expected to begin construction no later than September 1997. All programs are also bound by the new "Multi-Project Labor Agreement" entered into in August 1996, which will provide Henry Horner and other Public Housing residents opportunities for apprenticeships and employment in connection with local labor unions and the constructing of replacement public housing.

Earlier this year, the Horner Residents Committee (HRC) submitted a request that revised the original bedroom counts to accommodate a larger number of families needing larger bedroom units (typically four or five bedroom units). Habitat held several meetings with the HRC, CHA, Pinnacle, Gautreaux counsel and residents of the West Haven community. The objective was, to the extent possible, to accommodate the Horner residents' relocation choices. In early February, an agreement was reached regarding the distribution of the large bedroom units and the reissued plan met the choices of the Horner residents. This effort delayed the finalization of design of several programs. At this time, the effect of the delay in the completion of these programs is not known.

In early March, the Gautreaux counsel raised concerns about the concentration of large bedroom units in five (5) locations throughout the Revitalization Areas, shown on the previously agreed, revised plan. The Receiver was asked to review the distribution of the large bedroom units. As a result, additional changes were again made to the geographic distribution of these units which were found to be acceptable to Gautreaux counsel. This accommodation has resulted in additional delays for the completion of design work for the affected Programs. Final completion of each program may be further affected, however, the effect is not known at the time of this report.

Following is a list of program numbers, selected developer/contractor, joint venture non-profit partner and architects, also identifying contract type, and anticipated design completion and construction start dates:

Program#	# Units	Contract Type	Developer/ Contractor	Non-profit Partner	Architect	Design Completion Date*	Construction Start
188A	30	Turnkey	MCL	Near West	Smith & Smith	Complete	11/18/96
188B	45	Turnkey	Enterprise	Hull House	Bauhs Dring & Main	Complete	11/18/96
188C-West	48	Turnkey	Cyrus	Renaissance	Thomas & Thomas	Complete	4/7/97**
188C-North	38	Conventional	Thrush	Acorn	Landon Architects	7/4/97	7/7/97
188SB.B1	56	Turnkey	Horner New Horizons	Horner Assoc. Of Men	Solomon Cordwell & Buenz	Complete	7/3/96
Superblock A	73	Conventional	Enterprise	Hull House	Johnson Lee/HBB	6/20/97	7/14/97
Superblock B2	71	Conventional	Horner New Horizons	Horner Assoc. Of Men	Solomon Cordwell & Buenz	6/20/97	7/14/97
191A	56	Conventional	Horner New Horizons	Near West	Bauhs Dring & Main	5/9/97	6/2/97**
191B	31	Conventional	Horner New Horizons	Near West	Landon Architects	5/9/97	6/2/97**

* Design date includes period from architectural design to construction contract.

** Units in these programs which are to be constructed in the Horner Revitalizing Area of Western Avenue and have been delayed as a result of community issues regarding location, density and context.

Demolition of two vacant mid-rise buildings on CHA property, ordered by Judge Zagel on December 18, 1996, was completed in mid-March (approximately 45 days early). Installation of underground water service also began upon completion of site demolition. Other underground utility installations are now being designed, scheduled and coordinated for Spring construction starts. Installation of walks and roads has been scheduled to take place throughout the Spring/Summer/Fall of 1997.

In the Fall of 1996, the Receiver began meeting with the "West of Western" community to review development plans for the area. Conversations occured continuously and two community meetings were held on February 5th and March 5th, 1997. (Court-appointed special master, Ed Marciniak was in attendance at the March 5th meeting.) The key issues are design and neighborhood context, inclusion of single family homes (in a multi-level style), dispersement of the larger unit buildings and resident participation in the management of these buildings. Currently as units are being built or rehabilitated in this area. All land has been acquired, however, to accommodate the request to scatter the units, THC is investigating purchasing additional parcels. In response to the design issues, THC has been working diligently with the three contracted architectural firms to include design changes that incorporate as many of the residents' requests as possible and also allow the programs to remain within budget and HUD design guidelines. A meeting is scheduled for April 28, 1997, with a small core group to review the changes before presenting them to the community at large. THC assured the residents that construction will not begin until every effort is made to resolve these issues.

The status of property in the development pipeline effective March 31, 1997 for the 466 units is summarized below:

PROGRAM NO.	NO. of UNITS	STATUS
188	22	Completed & Transferred to CHA
	97	Under Construction
	107	Design Phase
	48	Design Complete, Community Issues Pending
	0	Out to Bid
	12	Closed (Preconstruction)
	0	Approved - Pending Funding
	286	**SUBTOTAL** (Closed Properties)
	0	Under Contract - Not Approved
	0	Under Contract - Pending Submission
	0	To Be Purchased
	0	**SUBTOTAL** (Properties Not Closed)
	286	**TOTAL**

PROGRAM NO.	NO. of UNITS	STATUS
191	5	Completed & Transferred to CHA
	0	Under Construction
	175	Design Phase
	0	Out to Bid
	0	Closed (Preconstruction)
	0	Approved - Pending Funding
	180	**SUBTOTAL** (Closed Properties)
	0	Under Contract - Not Approved
	0	Under Contract - Pending Submission
	0	To Be Purchased
	2	**SUBTOTAL** (Properties Not Closed)

		180	**TOTAL**

HORNER-PHASE I		**466**	**GRAND TOTAL**

HENRY HORNER REVITALIZATION HOPE VI PROGRAM - PHASE II - 150 UNITS and ABLA REVITALIZATION HOPE VI PROGRAM - PHASE I - 200 UNITS

Background: In October 1997 CHA and the Receiver responded to the Notice of Funding Availability (NOFA) for Public Housing Demolition, Site Revitalization and Replacement Housing Grants (HOPE VI) for Fiscal Year 1996. The total amount funded is $42,918,550 for a total of 350 replacement units, allocated as follows:

Horner: 150 Units	$18,435,300
ABLA: 200 Units	$24,483,250
TOTAL	**$42,918,550**

The application provided for The Habitat Company to be the development manager. Funds will be provided by HUD directly to CHA. A Development Management Agreement was reached during the first quarter of 1997 between Habitat and CHA for the planning and development of these replacement units. A final written agreement expected by the end of April. Upon receipt of the HUD grant agreement letter, the Receiver and CHA will have 90 days to submit a revised plan containing detailed development plans.

Current Status: CHA has received a letter from HUD apologizing for the delay in issuing the grant agreement letter which confirms the awarding of funding. CHA expects to receive this letter around the end of April 1997.

FINANCIAL ACTIVITY - REPLACEMENT HOUSING PROGRAM - 1,644 UNITS

A status of the financial activity for each of the funded programs for the period ending is shown below:

PROGRAM	NO. of UNITS	APPROVED BUDGET	COST TO DATE
178 (Lawndale)	18	2,020,554	307,218
180 (Washington Park)	67	8,071,181	91,099
182 (Cabrini)	107	9,856,000	251,158
184 (Washington Park)	82	8,732,750	1,439,740
188 (Horner)	286	30,000,000	3,523,842
191 (Horner)	180	19,999,400	1,453,100
192 (Cabrini)	83	9,137,750	63,425

193 (Lake Front)	130	16,216,250	46,936
194 (Washington Park)	38	5,087,250	3,744,856
Cabrini HOPE VI	303	40,000,000	0
Horner 1996 HOPE VI - Phase II	150	18,435,300	0
ABLA 1996 HOPE VI - Phase I	200	24,483,250	0
TOTALS	**1,644**	**$192,039,685**	**$10,921,374**

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