THE HABITAT COMPANY

MEMORANDUM

TO: **Chief Judge Marvin E. Aspen**

FROM: **Daniel Levin and The Habitat Company**

DATE: **January 28, 1998**

SUBJECT: **CHA SCATTERED SITE HOUSING PROGRAM**
Quarterly Report: Fourth 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 downzoning 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 December 31, 1997, the development pipeline is summarized below for the Scattered Site Program.

UNITS		STATUS
1,550		Completed and Transferred
52		Under Construction*
1,602	**Subtotal**	**Completed/Under Construction**
0		To be Acquired
1,602		**TOTAL**

*Refer to Scattered Site Program 152 background and current status.

Design and Construction Activity: Construction activity continues on a total of one (1) Turnkey program. Completion status at the end of the quarter is as follows:

Program #	% Completed	Program #	% Completed
152	20%	161	19%

Scattered Site Program IL06-P802-152 and IL06-P802-175

Background: Program 152 and 175 a total of 59 units, were under a Turnkey Contract of Sale with Tyree/ALB Construction Joint Venture. After several delays the Developer was able to complete Program 175 and only four (4) of the 25 units in Program 152. The Developer is unable to extend its loan agreement with their bank and therefore, is unable to complete the remaining 21 units.

Current Status: Due to the default of the Developer, the Receiver has prepared termination and settlement documents in order to move forward with a conventional program approach with the selected contractor, Cyrus Development Group, Ltd..

Construction is currently scheduled to start in March pending final settlement with the original Developer.

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 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 Started	Est. Completion
1400 N. Kedzie Ave.	Hispanic Housing Devel.	154	February 1997	January 28, 1998
4421 N. Clifton Ave.	Housing Resource Center	161	April 1997	February 21, 1998
2608 W. North Ave.	Lutheran Social Services	161	May 1997	March 20 1998

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

Year	# of Units Completed & Transferred
1997 - 4th QTR.	0
1997- 3rd QTR.	15
1997- 2nd QTR.	38
1997 - 1st QTR.	44
1996	308
1995	203
1994	147
1993	340
1992	214
1991	107
1990	127
1989	7
Total:	**1,550**

Financial Activity: for each of the funded programs for the period ending December 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	4,209,166
123	7,827,851	7,065,028
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	2,989,732	2,980,721
129TK	2,271,403	2,271,403
130TK	2,894,112	2,901,334
131TK	2,556,421	2,490,867
132	2,530,000	2,506,079
133	2,075,167	2,075,167
134	2,055,883	2,055,051
135TK	2,661,470	2,565,215
136	2,336,466	2,336,466
137TK	2,719,177	2,500,560
138TK	2,614,379	2,480,528
139TK	2,446,921	2,459,552
140	3,877,443	2,258,500
141TK	2,700,924	2,545,180
142TK	2,411,349	2,235,986
143TK	3,303,012	3,169,568
147TK	2,676,540	2,645,626

PROGRAM	APPROVED BUDGET	COST (INCOME) TO DATE
149TK	2,709,352	2,641,453
150TK	2,522,813	2,333,425
151TK	2,747,255	2,696,107
152TK	2,410,726	640,766
153	2,549,740	2,546,470
154TK	3,988,830	3,448,068
155TK	2,627,030	2,469,295
156TK	2,679,344	2,611,175
157TK	2,723,598	2,656,660
158TK	3,149,769	2,946,303
159TK	2,634,087	2,590,885
160TK	2,909,461	2,743,993
161TK	4,143,819	647,850
175TK	3,369,490	3,185,847
176TK	3,688,870	3,377,309
TOTAL	**$154,394,663**	**$142,903,629**

(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 31 units in 1 program. It is anticipated that most of the units will be complete by mid-1998. Program 152's remaining 21 units should start construction in March 1998. For the quarter the total funds expended was $2,047,000. Since the Program's inception, $142,903,713 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 of 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 number of planned units and that additional funds were needed. 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 December 31, 1997, the development pipeline is summarized below for the Demonstration/Family Self-Sufficiency Program.

NO. of UNITS	STATUS
80	Completed & Transferred to CHA
58	Under Construction
58	Design Phase/Bid Phase
42	Closed (Preconstruction)
238	**SUBTOTAL** (Closed Properties)
16	In Acquisition Process
254	**TOTAL**

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) remain 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 steady pace, although slower than originally anticipated.

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

PROGRAM	APPROVED BUDGET	COST TO DATE
145	3,457,281	3,357,650
146	2,289,199	2,240,122
162	3,521,980	3,800,716
164	4,320,001	3,371,238
165	3,012,835	2,215,152

PROGRAM	APPROVED BUDGET	COST TO DATE
166	3,462,074	2,550,045
167	1,960,003	1,440,286
168	1,680,003	1,059,912
169	1,680,003	188,713
170	1,820,003	933,232
171	1,820,003	910,361
172	2,300,000	515,229
173	4,198,153	3,790,745
177 (Family Self-Suff)	2,223,356	46,735
TOTAL	**$37,744,894**	**$26,420,136**

Background: In 1987, the Court assigned the development management of CHA's non-elderly new construction projects to the Receiver. Originally, the Replacement Housing Program 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. Twenty-two (22) 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. 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 participant 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 masters.

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

PROGRAM	NAME	# Of Units	STATUS
	Lawndale - 18 units		
IL06-P802-178	18 Units	2	Transferred/Completed
		6	Under Construction
		10	Site Acquisition
	Washington Park - 317 units		
IL06-P002-180	Woodlawn	38	Site Acquisition
IL06-P002-180T		15	Bid Process
IL06-P002-180P		16	Acquisition/Purchase in other developments
IL06-P002-184		16	Transferred/Completed
		17	Under Construction
IL06-P802-193	Drexel	40	Pre-Bid
IL06-P802-193	Lakefront	90	Pre-Bid
IL06-P002-194	34 Units	25	Transferred/Completed
		9	Under Construction
IL06-P802-194F	4 Units	4	Transferred/Completed
IL06-P002-205		7	Bid Process
IL06-P002-206		22	Design Phase
IL06-P002-207		18	Pre-Bid
	TOTAL	**317**	

PROGRAM	NAME	# Of Units	STATUS
	Horner - 466 Units		
IL06P802-188	30 Units	30	Transferred/Completed
IL06-P802-195	45 Units	39 6	Transferred/Completed Under Construction
IL06-P802-196	38 Units	38	Permit Review
IL06-P802-197	44 Units	44	Design Phase
IL06-P802-198	56 Units	56	Transferred/Completed
IL06-P802-199	39 Units	39	Under Construction
IL06-P802-200	30 Units	30	Under Construction
IL06-P802-191	51 Units	3 48	Transferred/Completed Under Construction
IL06-P802-201	43 Units	43	In Design/Site Acquisition
IL06-P802-202	43 Units	43	Under Construction
IL06-P802-203	32 Units	32	Under Construction
IL06-P802-204	15 Units	5 10	Transferred/Completed Funding review pending by HUD-Washington
	TOTAL HORNER UNITS	**466**	
	Cabrini - 190 Units		
IL06-P002-182	107 Units	63 28 16	Joint planning w/City & CHA Negotiations underway Acquisition pending
IL06-P002-192	83 Units	83	Joint planning with City/CHA
N/A	Cabrini-HOPE VI-303 Units	303	Joint planning with City/CHA
	TOTAL CABRINI UNITS	**493**	
	GRAND TOTAL REPLACEMENT UNITS	**1294**	

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. As you are aware, at the end of June 1997, Father Mike Ivers raised issues regarding the delays, as well as the selected general contractor, design and location of the units.

The Receiver is in the process of negotiating a resolution on these issues. Specifically, this involves the upgrading of the exteriors of the eight (8) units being built at 3653- 3657 W. Douglas Boulevard and 1403-07 S. Spaulding (the former CHA building sites), and relocating the remaining ten (10) units to other sites in the North Lawndale area being provided by the City of Chicago. We have been given approval by Alderman Michael Chandler and Father Mike Ivers to purchase sufficient City lots throughout North Lawndale to complete the program. It is anticipated that site control will be obtained by the spring of 1998.

The current general contractor will complete the eight (8) units at 3653-3657 W. Douglas and 1403-07 S. Spaulding by the end of February 1998. To address the community's concerns with this general contractor, THC has selected New England Builders to complete the remaining ten (10) units on those sites being acquired from the City. The new contractor has met with Father Ivers and Alderman Chandler, and we do not anticipate any problems moving forward. It is anticipated that these units will be completed by the end of 1998.

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 Kenwood-Oakland, and 200 units outside that area for a total of 421 to 441 units.

Funding allocated to date 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 is continuing its acquisition efforts within the Kenwood-Oakland area where possible. A total of five (5) newly rehabilitated units were put under contract, two (2) of which have closed.

A construction contract for 33 units was signed on March 31, 1997, with Lighthouse L.L.C. Construction. Seventeen units are under construction. As of December 31, 1997, sixteen (16) units had transferred to private management. The construction documents for seven (7) units to be rehabilitated under a separate conventional contract with Lighthouse L.L.C. have been priced and a budget has been sent to HUD asking for an increase in the budget. The construction documents for an additional 22 units are being completed. Construction will start in March, pending final pricing and weather conditions.

The City Council has approved the transfer of seven (7) City-owned properties, previously requested from the City, suitable for 22 units of public housing. Title has transferred on five (5) parcels with the remaining to be closed shortly. Four (4) more parcels have been identified by the City and have received community approval on June 19, 1997. Final City Council approval is pending on the four (4) lots, which is scheduled for February 4, 1998. Closings on these lots are anticipated by the end of March 1998.

A third Request for Proposal was issued on October 27, 1997, for 15 units as a mixed finance development. Land and program funds will be provided to developers who are expected to submit proposals containing additional land and money to create a "mixed income" development. Two (2) responses were received and minor omissions are being prepared. A recommendation to HUD will occur after consultation with all interested neighborhood parties and City planning departments.

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 Boulevard 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 development, along with 200 plus market rate units.

Habitat has been contacted by several active developers who are in the process of developing market rate housing who want to include a number of replacement public housing units in their development. Thus, "site control" for the remaining number of infill units to be developed is being obtained through the purchase of additional private and City properties and through the location of replacement public housing units in private developments throughout the Kenwood-Oakland Revitalizing Area. At present there is "site control" for 142 units as follows.

Request for Proposals	Total # of Units	Units w/ Site Control	Status
Program 184A & 194A	33	33	16 complete, 17 in construction
Program 206	22	22	All 22 units in design
Program 180T-4300 RFP	15	15	Bid process
Program 193-Drexel RFP	40	40	Pre-bid
Program 205	7	7	All 7 units in design
Program 180P, 207	25	25	Pre-bid, 17 units to be acquired
TOTALS	**142**	**142**	

Effective December 31, 1997, the development pipeline is summarized below for the Lake Front Properties and Washington Park Replacement Programs:

UNITS WITHIN KENWOOD-OAKLAND REVITALIZING AREA		
PROGRAM	**NUMBER OF UNITS**	**STATUS**
IL06-P002-180T	15	Bid Process
IL06-P002-184	33	16 Transferred/Completed 17 Under Construction
IL06-P002-206	22	Design Phase

UNITS WITHIN KENWOOD-OAKLAND REVITALIZING AREA		
PROGRAM	**NUMBER OF UNITS**	**STATUS**
IL06-P802-193D	40	Pre-Bid
IL06-P802-193L	90	Pre-Bid
IL06-P002-205	7	Bid Process
IL06-P002-180P	16	Acquisition/Purchase
IL06-P002-207	18	Pre-Bid
TOTAL UNITS	**241**	

Current Status - General Areas Outside of Kenwood-Oakland: Construction began in February 1997 on 38 units of the 200 units outside the 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). As of December 31, 1997, 29 units have been transferred and nine (9) units are under construction.

Current Status - Limited Areas Outside of Kenwood-Oakland: The Woodlawn area continues to be reviewed for appropriateness for replacement housing required outside the 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. Purchase contracts have been prepared for twenty-two (22) parcels of vacant land parcels in Woodlawn at this time

UNITS OUTSIDE KENWOOD-OAKLAND REVITALIZING AREA		
PROGRAM	**NUMBER OF UNITS**	**STATUS**
IL06-P002-180	38	Site Acquisition
IL06-P002-194	34	25 units Transferred/Completed 9 units Under Construction
IL06-P802-194F	4	Transferred/Completed
	124	Unfunded Units
TOTAL	**200**	

STATUS SUMMARY FOR KENWOOD/OAKLAND UNITS	
Transferred and Completed	45 units
Under Construction	26 units
Bid-Process	22 units
Design Phase	22 units
Pre-Bid	148 units
Site Acquisition	54 units
TOTALS	**317 units**

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

Background: On June 27, 1996, the City of Chicago announced its own Near North Redevelopment Plan (the "Plan") which incorporates the original HOPE VI development area. The Plan envisions a broad, mixed income community with new schools, new and expanded parks, larger community facilities, a library, street, alley and infrastructure improvements, a new public transit facility, and new commercial development.

In October 1996, the City of Chicago coordinated a team of local and national experts in community design, finance and development to formalize the Plan for creating a mixed income community. The firms selected were, Johnson, Johnson & Roy, Inc. and Goody, Clancy and Associates, who have developed a 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. The City is now in the process of issuing "Request for Proposals" for two (2) sites in the Plan area.

Current Status: Other than those efforts previously mentioned, the future 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. We are, however, assisting the CHA and CMHDC in the funding of 44 replacement units being developed in two (2) market rate developments within the Plan area. The first 16 replacement units are scheduled to be acquired by January 31, 1998, and be ready for occupancy in the spring of 1998.

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	 63 (New Construction) 44 (Units to be Acquired) 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 an instrumentatility of the CHA (CMHDC). The Horner Revitalization Program boundaries are defined by Ashland on the east, Kedzie on the west, Lake Street on the north and Madison on the South.

Phase I of the six year, five-phase program initially involved 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 and 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: As of December 31, 1997, 133 units have been completed and transferred to CHA. A total of 198 units are under construction. The Program's land acquisition efforts are in its final stages and all 466 replacement units are currently under construction (198), completed (133), or in design and/or permit application review (135, including the 43 units South of Madison). All programs now in design are expected to begin construction in the Spring of 1998. All programs are also bound by the "Multi-Project Labor Agreement" entered into in August 1996, which provides 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.

In December 1996, 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 for some of the Programs.

In early March 1997, the Gautreaux counsel raised new 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 again 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. A schedule for completion of the Programs is set forth on pages 15.

Please note that the Horner Replacement Housing was being funded by two separate ACC's: Program IL06-P802-188 with 286 units and IL06-P802-191 with 180 units. In an effort to move forward quickly, we have been proceeding with Requests for Proposals and construction contracts by dividing these two large programs into smaller more expeditious packages. The intent was to distribute the workload to different developers/contractors which allows some packages to be completed sooner than others. We have reconfigured these programs, making each package a new program. This reconfiguration allows the smaller programs to reach Date of Full Availability (DOFA) and End of Initial Operating Period (EIOP) sooner than the two larger program configurations. This will permit the units to receive the management operating subsidy sooner and minimize the payment of initial operating deficit. 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
188	30	Turnkey	MCL	Near West	Smith & Smith	Complete	11/18/96 Completed
195	45	Turnkey	Enterprise	Hull House	Bauhs Dring & Main	Complete	11/18/96
197	44	Turnkey	Cyrus	Renaissance	Thomas & Thomas	Complete	4/7/97**
196	38	Conventional	Horner New Horizons	Near West	Landon Architects	Complete	3/1/98
198	56	Turnkey	Horner New Horizons	HAM	SCB	Complete	7/3/96 Completed
202/200	73	Conventional	Enterprise	Hull House	Johnson Lee/HBB	7/1/97	10/27/97
199/ 203	71	Conventional	Horner New Horizons	HAM	SCB	6/20/97	8/1/97
191	51	Conventional	Horner New Horizons	Near West	Bauhs Dring & Main/Landon	5/9/97	6/2/97**
201	43	Conventional	Horner New Horizons	Near West	Bauhs Dring & Main	5/9/97	6/2/97**
204	15	Conventional	Genesis/Coates	Near West	Farr & Assoc. w/E.C. Purdy	Complete	11/30/97***

* 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.

***Pending HUD-Washington, D.C. budget approval.

West of Western Background: In the Fall of 1996, the Receiver began meeting with the "West of Western" community to review development plans for the area. Conversations occurred continuously and community meetings were held throughout the spring and summer, with the Court-appointed special master, Ed Marciniak in attendance at several of these meetings. The key issues are design and neighborhood context, inclusion of single family homes (in a multi-level style), dispersement and reduction of the number of units and resident participation in the management of these buildings. All land has been acquired to accommodate the request to have greater dispersal of the units. In response to the design issues, the contracted architectural firm has included design changes that incorporate as many of the residents' requests as possible. THC assured the residents that construction will not begin until every effort is made to resolve these issues. This is a reduction from the 93 units originally proposed. THC also committed to assist the community by arranging meetings with private developers who are interested in developing market-rate, single-family homes in their area.

To help make up the deficit of units, THC, at the request of the local Alderman, began the process of acquiring City owned property within the area between Madison and Eisenhower Expressway, and between Talman and Kedzie ("South of Madison" area). At a community meeting held on September 3, 1997, in this South of Madison area, preliminary plans for the development of the 43 remaining units were presented. Unlike previous meetings, the proposal received a favorable response. This meeting was attended by Special Master, Ed Marciniak as well.

The Receiver met with Judge Zagel, on September 16, 1997, regarding our proposal for these 43 units, at which time he directed us to proceed with the land acquisition and the preparation of a "Waiver" request for the South of Madison area to be presented to you. We are now in the process of preparing to come before you for a waiver request. We have also been working with HUD to obtain permission to acquire the subject properties. The approval of the sale of these properties is pending with the Chicago City Council.
A "Schedule" summarizing each program status per the Order of Judge Zagel, dated December 20, 1996, which approved the Receiver's Early Start "Schedule" of December 4, 1996, is set forth below as well as a summary of the status of each Program, as of December 31, 1997:

Status/Programs	Units	"Schedule" %'tage	Revised Comp. Est	Comp Est.
Units completed, on or ahead of Schedule Programs 188, pt. 191, 195, 198, 199/203 and pt. 204.	210	45.1%	188-10/97 195-11/97 198-5/97 199/203-4/98	Completed 1/98 Completed 4/98
Units less than three months behind Schedule Programs pt. 191, 200/202 - Superblock "A",and pt. 204	131	28.1%	191-5/98 200/202-7/98 204-6/98	8/98 8/98 8/98
Units up to eight months Behind Schedule Programs 196, 197 and 201	125	26.8%	196-4/98 197-4/98 201-4/98	10/98 10/98 12/98
TOTAL UNITS =	**466**	**100%**		

1 The fifty-one (51) units in Program 191 located East of Western Avenue have commenced construction, with the first three (3) units already transferred. Contract negotiations, pricing and design issues have contributed to the delay with Program 200/202 (Superblock A). The issues were resolved and a construction contract executed. A request for additional funding for Program 204 is necessary. We requested approval by HUD-Washington on October 10, 1997, and are still waiting for their response.

2 Program 196 is delayed because it was necessary to terminate negotiations with the initial contractor and to readvertise the Program because of the contractor's inability to meet the budget constraints. A new contractor has been selected and has commenced the building permit review process with the City of Chicago.

The units in Programs 197 and 201 that are more than three months behind Schedule, are delayed due to community issues, as set forth in our letter to the residents of the "West of Western" community, dated August 14, 1997.

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

HORNER REVITALIZING AREA	
NO. of UNITS	**STATUS**
133	Completed & Transferred to CHA
198	Under Construction
38	Permit Review
10	Funding Review with HUD

HORNER REVITALIZING AREA	
NO. of UNITS	STATUS
44	Design Phase
43	Pending Site Acquisition
466	**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 was executed on April 21, 1997, which requires the Receiver and CHA to submit a Revitalization Plan containing detailed development plans within 90 days of receipt of the grant agreement letter, which confirms the awarding of funding. This letter was received on October 20, 1997.

Current Status: The planning and resident input/participation process has begun for the formulation of Revitalization Plans for both Programs. CHA and Habitat have been working with both LAC's in preparing the Revitalization Plans which are due into HUD-Washington on January 20, 1998.

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	2,121,713	1,318,790
180 (Washington Park)	59	7,094,308	899,527
182 (Cabrini)	107	9,856,000	441,968
184 (Washington Park)	33	4,130,506	2,579,434
188 (Horner)	30	3,615,234	3,608,799
191 (Horner)	51	5,985,830	1,785,392
195 (Horner)	45	4,878,068	4,687,484
196 (Horner)	38	4,356,503	389,287
197 (Horner)	44	6,373,343	390,946

PROGRAM	NO. of UNITS	APPROVED BUDGET	COST TO DATE
198 (Horner)	56	5,533,015	5,469,914
199 (Horner)	39	4,234,703	1,009,645
200 (Horner)	30	2,839,515	715,634
201 (Horner)	43	5,239,868	219,967
202 (Horner)	43	5,330,430	302,356
203 (Horner)	32	4,208,033	3,860,845
204 (Horner)	15	2,195,693	1,170,702
192 (Cabrini)	83	9,137,750	182,835
193 (Lake Front)	130	16,216,250	564,005
194 (Washington Park)	38	5,913,691	5,741,607
205 (Washington Park)	8	858,123	369,000
206 (Washington Park)	27	3,255,568	0
207 (Washington Park)	22	2,652,702	0
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**	**$198,945,396**	**$35,708,137**

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