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

RECEIVED
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DOROTHY GAUTREAUX, et al.,
Plaintiffs,

v.

SAMUEL R. PIERCE, et al.,
Defendants.

Judge Marvin E. Aspen
U S. District Court

No. 66 C 1459
66 C 1460

Judge Marvin Aspen

SECOND STATUS REPORT OF RECEIVER

Maurice Jacobs
Timothy R. Conway
Greenberger, Krauss & Jacobs, Chartered
180 N. LaSalle Street
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(312) 346-1300

THE HABITAT COMPANY



405 North Wabash Avenue Chicago, Illinois 60611 312/527-5400

THE CHA SCATTERED SITE
HOUSING PROGRAM

STATUS REPORT #2

Submitted by:

The Receiver
Daniel E. Levin
The Habitat Company

November 20, 1987

November 20, 1987

TO: Judge Marvin E. Aspen
FROM: Daniel E. Levin
The Habitat Company
RE: CHA SCATTERED SITE HOUSING PROGRAM

The following is our report regarding the status and implementation of the Scattered Site program through October 31, 1987, and expanded through November 18th to cover several recent significant developments.

Projects Initiated and Issues Addressed

The following is a brief synopsis of the projects we have completed and those that are still in progress:

1. Met with regional HUD office personnel and construction task force to discuss construction costs and funding.
2. Met with HUD officials in Washington regarding issues raised in the initial Receiver's report.
3. Met with insurance representatives to discuss revisions in the insurance coverage.
4. Met with McHugh Construction Company representatives to discuss construction costs.
5. Selected scattered site Program Director.

6. Revised budget based on discussions with HUD.
7. Met with attorneys to discuss pending building code violations.
8. Met with HUD appointed liaison person - Bobbie Ross
9. Conducted various conversations with Aldermanic offices regarding the rehabilitation program.
10. Received approval from HUD on insurance coverage.
11. Received approval from HUD on initial operating budget.
12. Negotiated receiver agreement with HUD.
13. Received determination from HUD that proposed non-bid negotiated fee basis contracts cannot be used for rehabilitation work involving the CHA Scattered Site Housing program.

Summary of Major Meetings

The following is a chronological list of the major meetings we have held over the last month regarding Scattered Site housing. This does not include many informal meetings among Habitat personnel and extended telephone conversations with our attorneys, HUD attorneys, and other HUD officials both in the Chicago and Washington offices.

October 21, 1987 Meeting with McHugh Construction and L.J. Jones
Topic: Analysis of construction costs on buildings
 selected by HUD for review.

October 22, 1987 Meeting with HUD, Habitat Representatives and
 McHugh Construction
Topic: Initial cost comparison of construction
 cost on selected buildings.

October 26, 1987 Meeting with HUD, Habitat Representatives and
 McHugh Construction
Topic: Comparison of construction costs on
 selected buildings.

October 27, 1987 Meeting with HUD Officials/Washington D.C. and
 Habitat Representatives
Topic: Insurance requirements, contractors,
 ACC Contract, budget, naming of a liaison
 person, and general discussion of initial
 receiver report.

November 5, 1987 Submission of Revised Budget to Thomas
 Sherman/HUD Washington

November 12, 1987 Meeting on Financing

Topic: Possible financing alternative for Scattered Site program.

November 16, 1987 Meeting with Attorneys

Topic: Review proposed initial funding, HUD Rules and Guidelines

Pending Issues and Summary

We are pleased to report that over the past 45 days we believe we have made considerable progress in getting the initial phase of the development work for the Scattered Site Housing started. As a result of our meeting in Washington and subsequent discussions, we have received close to a final draft of an agreement between HUD and the receiver which would allow the program to begin.

We have received HUD's approval for our insurance and expect that if funding is in place within the next week, we should be able to begin work immediately on winterization of the buildings and preparing detailed cost estimates for construction. We are pleased with the appointment of a liaison person and believe we can work productively with Ms. Ross.

Unfortunately, HUD has determined that we will not be able to use the proposed non-bid negotiated fee basis contract for construction. While we continue to believe this decision will slow the actual rehabilitation work, we will work within HUD's program requirements on competitive bidding to accomplish the rehabilitation work.

We appreciate HUD's effort in getting the program to its current status and believe that if everything continues as planned, we will be able to begin quickly with our program.

We would be pleased to meet with you to discuss any aspect of this report.

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FOR THE NORTHERN DISTRICT OF ILLINOIS
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DOROTHY GAUTREAUX, et al.,)
)
 Plaintiffs,)
) No. 66 C 1459
 v.) 66 C 1460
)
 SAMUEL R. PIERCE, et al.,) Judge Marvin Aspen
)
 Defendants.)

NOTICE OF FILING

To: All Counsel on the Attached Service List

PLEASE TAKE NOTICE that on November 20, 1987 we filed with the Clerk of the Court on behalf of Daniel E. Levin and The Habitat Company, jointly as Receiver, the Second Status Report of the Receiver, a copy of which is attached hereto and hereby served upon you.



One of the Receiver's Attorneys

Maurice Jacobs
Timothy R. Conway
Greenberger, Krauss & Jacobs, Chartered
180 N. LaSalle Street
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CERTIFICATE OF SERVICE

Caroline M. Hennessy, a non-attorney, on oath states that she caused a copy of the foregoing Second Status Report of the Receiver to be served upon all parties on the attached Service List, by mail, this 20th day of November, 1987.

Caroline M. Hennessy
Caroline M. Hennessy

Subscribed and Sworn to
Before Me This 20th
Day of November, 1987.

Katherine E. Bassett
Notary Public



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