

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

DOROTHY GAUTREAUX, et al.,)	
)	
Plaintiffs,)	
)	No. 66 C 1459
v.)	66 C 1460
)	
SAMUEL R. PIERCE, et al.,)	Judge Marvin Aspen
)	
Defendants.)	

SEVENTH STATUS REPORT
OF RECEIVER

Maurice Jacobs
Timothy R. Conway
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THE CHICAGO HOUSING AUTHORITY
SCATTERED SITE HOUSING PROGRAM
STATUS REPORT #7

Submitted by:

The Receiver

Daniel E. Levin and
The Habitat Company

Covering the Period July 1, thru September 30, 1988

October 20, 1988



October 20, 1988

TO: Judge Marvin E. Aspen

FROM: Daniel E. Levin
The Habitat Company

RE: CHA SCATTERED SITE HOUSING PROGRAM
Quarterly Report: Third Quarter, 1988

S U M M A R Y

1. Priority during the quarter were the 43 buildings scheduled for rehabilitation in Program 115 and 116. HUD approval was obtained for going to public bid on these buildings and eight bid packages were opened during the months of July and August. HUD approved a construction contract on only one of the bid packages. The lowest bids ranged from 54% to 74% higher than the HUD allowed price. The other buildings have been re-packaged and HUD has approved of a cost-plus construction contract for them on a demonstration basis only. Two contractors have been selected for these packages and finalization of the contract is a priority for the fourth quarter.
2. The second priority was HUD approval to begin new development. Approval of Program 118 provides for new construction of townhouse units in the general and revitalizing areas. The architects are proceeding initially with eight properties currently in inventory and other sites will be added as soon as possible.
3. Other activities during the quarter include preparation of plans and specifications and bid opening for asbestos removal in 30 buildings and demolition of 10.
4. Materials were prepared for a meeting with HUD officials and the Judge regarding fund commitments for FY 1988. Subsequent to the Court hearing on the subject, a development application for 350 units was prepared and submitted to HUD. The application provides for 250 units of new construction and 100 units of acquisition with rehabilitation.

Chronology of Events

July

The Receiver's staff prepared and submitted a development proposal for Program 118, consisting of 106 units of new construction.

HUD approval was received to go to bid for 21 buildings in Program 115, and 19 buildings in Program 116. Several pre-bid meetings were held for contractors bidding on the rehabilitation packages.

Interviews were conducted to fill the positions of Property Supervisor/Relocation Coordinator and Construction Inspector. A Property Supervisor was subsequently hired.

Several meetings were held with Al Polikoff, Vince Lane, Allison Davis, Chuck Orlebeke, and Sue Brady, regarding private management of Scattered Site Housing throughout the City.

A preliminary meeting was held with Housing Resource Center staff regarding the preparation of a video on Scattered Site Housing.

August

Received bids for the rehabilitation of the first 21 buildings in Program 115. Requested approval from HUD to sign a construction contract on one group and to reject all other bids. Also requested approval by HUD to negotiate with a contractor for the buildings in the three remaining groups.

Advertised for public bid to do asbestos abatement work in 30 buildings.

Met with a group of HUD approved appraisers to make assignments for 48 parcels of property to be sold.

Prepared and submitted a development proposal for Program 119, consisting of 100 units of acquisition with rehab.

HUD approved rehab work on 2857 W. McLean and was subsequently turned over to CHA for management. This marks the first building under the Receiver's control to be officially completed.

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September Worked closely with contractor to finalize contract to rehab three buildings in Program 115. After extensive discussions and negotiations with six contractors, a firm was chosen to rehab the remaining buildings in Program 115 under a "cost-plus" construction contract. Pricing is underway at the present time.

Bids for Program 116 were opened and were significantly above HUD estimates. HUD approval was obtained to select a contractor for a "cost-plus" construction contract. Six firms were contacted and one was subsequently selected to do the rehabilitation work.

Alternate plans were prepared for the disposition of property in Program 117, using 1) silent sealed bids, or 2) an open public auction. Appraisals of all properties are in process by HUD approved appraisers. HUD approval was requested to proceed.

Bids for asbestos abatement were opened and approval from HUD was requested to proceed with a contract.

A meeting was held with HUD personnel regarding preliminary schematic drawings and outline specifications for the new townhouses planned for Program 118. A basic plan has received verbal approval by HUD. Vacant properties available for sale are actively being sought.

A development proposal for Program 120, 121 and 122 was submitted to HUD for construction of 250 units of new construction and 100 units of acquisition with substantial rehab.

Preparation of development proposals for Programs 123 and 124 (Cluster Plan) were begun for 100 elderly units and 100 family units.

A construction inspector was hired and will begin October 24th. In addition, candidates are being interviewed for Accounting Clerk and Acquisition Manager.

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FINANCIAL SUMMARY

As of 9/30/88 the financial report is summarized below:

Approved Budget	\$2,345,000
Amount Received	1,854,316
Expenses Paid	1,640,863
Interest Held by HUD	94,329
Remaining Budget to be Drawn	396,355
Cash Available	213,453
Restricted Tenant Receipts	63,271

The current fund balance is invested.

CONCLUSION

The time and cost advantages of a cost-plus construction contract continue to be an obvious way to improve the Program. We plan to work with HUD personnel to find a way to improve the method of contracting to net the lowest cost in the least time.

If you have any questions, please call or, if you prefer, we would be pleased to meet with you to discuss any aspect of this report.

PAH:ls

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NOTICE OF FILING

To: All Counsel on the Attached Service List

PLEASE TAKE NOTICE that on October 20, 1988 we filed with the the Clerk of the Court on behalf of Daniel E. Levin and The Habitat Company, jointly as Receiver, the Seventh 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
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(312) 346-1300

CERTIFICATE OF SERVICE

Joyce L. Leshner, a non-attorney, on oath states that she caused a copy of the foregoing Seventh Status Report of the Receiver to be served upon all parties on the attached Service List, by mail, this 20th day of October, 1988.

Subscribed and Sworn to
before me this _____
day of October, 1988.

Notary Public

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