

AUGUST 28, 1990 REPORT
OF CHICAGO HOUSING AUTHORITY
DEVELOPMENT DEMONSTRATION PROGRAM

This report details progress to date in the Authority's scattered site development demonstration program, pursuant to this Court's March 9, 1990 Order Gautreaux v. Kemp.

CHA submitted a request for proposal (RFP) for turnkey development to HUD for approval on July 2, 1990. As of this writing, CHA has received verbal comments but as yet no official response from HUD. Upon approval by HUD, the process of soliciting proposals and selecting turnkey developers can begin.

HUD has returned with suggested changes an RFP for outside counsel for the development program, which has been revised and resubmitted. Yet another RFP, for Architectural and Engineering services for review of turnkey proposals and construction phase inspections, is expected to be completed and submitted to HUD this week.

As previously reported, the Authority has been trying to obtain front-end funding from HUD since May 3, 1990. In response to a June 27, 1990 request from HUD, the Authority submitted two development applications to HUD, one for 275 units under the turnkey component of the demonstration program, and another for 75 units under the acquisition component, on August 10, 1990. The Authority is awaiting HUD's official response. However, preliminary indications are that the Authority will be required to submit additional information, including a housing market study, before HUD will provide front-end funding. A meeting between CHA and HUD has been scheduled for August 31, 1990 to attempt to resolve these issues.

On July 23, 1990, the Authority hired a Deputy Director of Development who is scheduled to begin work September 10, 1990. He has more than 20 years experience in development, and will manage the demonstration program. The Authority has also hired a Deputy Director of External Affairs who will be responsible for conducting outreach to community organizations and provide public information.

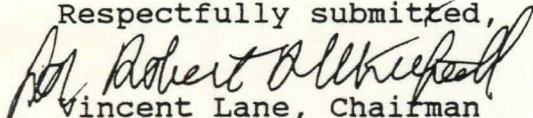
On related matters, CHA submitted to HUD a 965-page report of cost estimates for repair of the existing scattered site properties on Monday, July 2, 1990. The report compiled 8,658 work orders resulting from inspections of 1,300 units and major building systems in 324 existing scattered site buildings. The properties were subsequently inspected by an independent cost estimating firm experienced in developing public housing modernization plans. The firm's findings were used to supplement the information previously gathered by Authority staff to form the basis of an application to HUD for \$9.5 million for the repair of a portion of existing scattered site units.

After several meetings and correspondence between the parties, the Authority was requested to prepare applications under both the Major Construction of Obsolete Projects (MROP) and Comprehensive Improvement Assistance Program (CIAP). HUD has subsequently informed the Authority that CIAP funding will be used. A revised CIAP application for \$9.5 million for repair of a portion of scattered sites was submitted August 16, 1990.

On July 29, 1990, HUD responded to the RFP for private management of existing scattered site properties which had been submitted to HUD on May 21, 1990. After consultation with counsel for the plaintiff class, the RFP was revised to reflect HUD's comments, and to include additional scattered site properties turned over to the Authority since the document was first drafted. The Authority is re-submitting a revised RFP to HUD this week.

CHA has also met with several community and special interest groups regarding the development demonstration, including Access Living (handicapped rights advocacy and services), the Southwest Community Congress (2863 W. 63rd. St.), Save Our Neighborhood--Save Our City, and Latinos United. The Authority met with counsel for the plaintiff class several times to discuss progress in the development demonstration and in the scattered site repair program.

Respectfully submitted,


Vincent Lane, Chairman
Board of Commissioners

VL/CO/MTK/kr

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	66 C 1459
v.	)	66 C 1460
	)	Judge Aspen
JACK KEMP, Secretary of	)	
Housing and Urban Development,	)	
and CHICAGO HOUSING AUTHORITY,	)	
	)	
Defendants.	)	

NOTICE OF FILING

PLEASE TAKE NOTICE that on August 28, 1990 Defendant Chicago Housing Authority filed the attached status report on its demonstration development program with the district court clerk for the Northern District of Illinois, 219 South Dearborn, Chicago, Illinois.

Marilyn T. Kuhr

Marilyn T. Kuhr, One of the
Attorneys for Defendant
Chicago Housing Authority

CERTIFICATE OF SERVICE

Marilyn T. Kuhr, an attorney, states that a copy of this notice and attached status report on Chicago Housing Authority's demonstration development program was placed in first class postage prepaid envelopes, addressed to all parties on the attached service list, and deposited in the mail at 22 West Madison, Chicago before 4:30 P.M. on August 28, 1990.

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