

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

DOROTHY GAUTREAUX, et al.)	
)	
Plaintiffs,)	
)	No. 66 C 1459
v.)	
)	Judge Marvin E. Aspen
CHICAGO HOUSING AUTHORITY,)	
)	
Defendant.)	

**JOINT APPENDIX OF RECEIVER, CHA AND GAUTREAUX PLAINTIFFS
IN RESPONSE TO CRA'S INTERVENTION PAPERS
AND OBJECTIONS TO THE ABLA REDEVELOPMENT PLAN**

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on June 3, 2004 he served copies of **Joint Appendix of Receiver, CHA and *Gautreaux* Plaintiffs in Response to CRA's Intervention Papers and Objections to the ABLA Development Plan** on the parties listed below by causing true and correct copies of the same to be delivered by messenger delivered to the following parties:*

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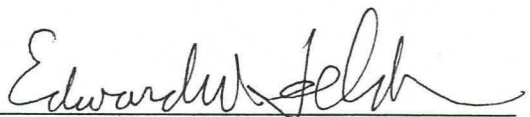
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*/ Copies of Exhibit D-1, a CD-ROM and VHS cassette, are being served to Putative Intervenor by delivering copies to Mr. Wilen only.

Exhibit A

IN THE UNITED STATES DISTRICT COURT
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DOROTHY GAUTREAUX, et al.,)	
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Plaintiffs,)	
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v.)	No. 66 C 1459
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CHICAGO HOUSING AUTHORITY,)	Judge Aspen
)	
Defendant.)	

DECLARATION OF VALERIE B. JARRETT

I, Valerie Jarrett, declare under penalty of perjury as follows:

1. I am a Managing Director and Executive Vice President of The Habitat Company LLC and supervise the activities of Habitat as Receiver in this litigation. Immediately prior to joining Habitat in 1995, I served as the Commissioner of the Department of Planning and Development for the City of Chicago. I have overseen the Receiver's activities in connection with the redevelopment of the ABLA Homes, and am familiar with the matters set forth in this Declaration.

2. I have reviewed the First Amended Intervenor's Complaint ("Complaint") filed by the "Concerned Residents of ABLA" ("CRA") and a few individuals affiliated with that group. I understand from the Complaint, and from prior settlement discussions with their counsel, that they seek to increase the percentage or number of very low income rental units at Roosevelt Square, the development replacing the public housing at ABLA. They appear to place particular emphasis on increasing the percentage or number of such units north of Roosevelt Road. In my judgment, such an increase is not desirable or feasible. As discussed below, increasing the number or percentage

of public housing residents north or south of Roosevelt presents unnecessary risks to the core goals of the Roosevelt Square redevelopment plan, including the ability to finance and develop a viable mixed-income community.

Overview.

3. Because of its location, less than two miles from the Loop, adjacent to both the University of Illinois-Chicago and the Illinois Medical District, this development offers a unique opportunity for achieving the core Gautreaux objectives of economic integration followed by racial integration. The plan for Roosevelt Square offers a realistic scenario for delivering immediately upon the completion of each phase new and vibrant economically and racially integrated neighborhoods, in which the public housing units and residents will no longer be isolated from the broader community, and will become fully part of the community.

4. Though it has been through an extraordinary and long public planning process, Roosevelt Square has yet to break ground. Mixed income redevelopment of public housing sites remains an experiment in its infancy. Determining an appropriate income mix requires professional judgment schooled by practical development experience and detailed knowledge of the community. At Roosevelt Square, as at each of the mixed-income redevelopment sites in Chicago, extensive discussions took place over a period of several years with public housing residents, residents of the surrounding neighborhood, community stakeholders, and government officials. The objective from the outset has been to balance the competing goals of maximizing the number of public housing units on-site, while creating a sustainable development that attracts residents at a variety of income levels, as part of a healthy community integrated into the City as a whole.

5. We believe we have achieved an appropriate balance with the planned income mix

and density at ABLA. The planned income mix at Roosevelt Square, which provides for about 30% of the new units to be public housing units, is intended to accomplish the core Gautreaux and HOPE VI objective of ending the isolation of very-low-income minority families. The plan will recreate a typical Chicago neighborhood that blurs the boundaries between buildings owned by CHA and those owned by individual Chicago homeowners. Both the physical redevelopment plan and the financial plan encourage potential renters and homeowners to cross streets that they previously would not cross, not just for exercise, but because they will have neighbors on both sides of the street and each will be invested in a new community.

6. One important component of this plan, and one which was important in terms of securing the City's support of the plan, has long been to make about half of all new units constructed at Roosevelt Square for-sale (roughly 40 percent at market rates and about 13 percent "affordable" units to buyers at or below 120% of area median income). The "affordable" component of the development, both those for-sale and those for rent, is important from a planning perspective. Affordable for-sale and rental units with access to jobs and transportation are in short supply in Chicago. It is an appropriate public policy to seek to address this need in a project of this nature. The plan appropriately seeks homeowners of a variety of incomes, because of the stability and long-term stake homeowners provide to their community. Few could argue that stability from homeowners would not have benefitted the ABLA community in the past. Having housing available at the "affordable" tier also provides for the possibility that public housing residents who obtain jobs and higher incomes could remain at Roosevelt Square by moving into the "affordable" category.

7. The "market" component of the plan, here about 40% of the new units to be developed, creates economic integration leading to a reasonable prospect of racial integration, a core

remedial objective in this case. Creating a community in which public housing residents will be in buildings interspersed in the community with homeowners (both market and “affordable”), will remedy the isolation experienced by *Gautreaux* class members as a result of the original development of racially segregated and isolated high-rises and other islands of concentrated poverty. As discussed later, the market component is also critical at ABLA to help underwrite the development cost of the public housing units.

8. No one knows how well this mixed-income concept that includes a substantial number of public housing units will work in practice. There is no manual on how to produce successful mixed-income public housing developments. In our judgment, even the current percentage of planned public housing presents a significant planning challenge and a risk to the goal of achieving economic and racial integration. Had the decision been one that the Receiver could make in a vacuum, it would probably have chosen a lower percentage of public housing. Despite this concern, as described below, the Receiver defended the planned percentages against attacks by some community stakeholders who felt very passionately that too much public housing was planned for the community, particularly north of Roosevelt.

Financial Feasibility.

9. The plan’s income-mix is not only reasonable and appropriate from the perspective of creating a viable mixed-income community, it is critical to the financial feasibility of the project. No clear data exists that tells us the percentage of public housing units at which significant numbers of potential market residents, residents who have a variety of options for choosing where they will live and invest their savings, will stay away from the project or pay significantly less for their units. This market reality is particularly critical to the success of the plan for Roosevelt Square.

10. Not the least of the challenges was attracting a capable, credible developer who would be willing to take the enormous financial risk a project of this scope entails and be able to generate funds to contribute to the development of the 755 public housing units permitted by the Court's revitalizing order of June 19, 1998. One of the reasons that LR Development was chosen by the Working Group (which consists of the ABLA LAC, the Gautreaux plaintiffs, the Receiver, the CHA, the City and community representatives) was that it is not only a sophisticated, experienced developer, but that it proposed a creative financing concept for generating additional funds to contribute to the development of 755 public housing units.

11. Of paramount concern to the Receiver through the entire planning process was the ability to pay for even the 755 public housing units permitted by the June 19, 1998 order, let alone the desire by some, such as CRA, to develop more public housing units at the ABLA site. I saw nothing in CRA's Complaint or in the opinions of academics attached to the Complaint that addresses the fundamental practical question of how to pay for developing more than 755 public housing units. Indeed, the HOPE VI development dollars available to build public housing units total about \$49 million. This is not nearly enough to build 755 public housing units, let alone a greater number.

12. When the 1998 HOPE VI application was submitted, CHA assumed that about \$75,000 per public housing unit would be spent from the HOPE VI funds, and that the units could be developed at an average of \$120,000 each. Both the escalation of costs since 1998 and our experience with other redevelopment projects in the City have taught us that these assumptions are wrong. In order to develop quality public housing units, particularly ones with architectural features making them externally attractive and indistinguishable from market-rate housing units, it will cost

much more than \$75,000 of HOPE VI funds and \$120,000 total to develop each unit. The HOPE VI funds are adequate to develop only about 325 public housing units.

13. In its financial modeling, the program manager hired to develop the site plan, Telesis, identified the financial problem but did not propose a clear solution. The subsequent RFP for a master developer disclosed that there were insufficient public funds to develop the minimum of 755 public housing units contemplated for the development. It asked prospective developers to identify the number of units that could be developed with available resources and to solve the financing problem identified by Telesis. LR's financing concept addressed this shortfall. It relies on the ability to sell market rate units at prices that the desirable location of the development should be able to generate, which in turn is expected to generate profits that can be applied to the shortfall.

14. The market rate component of the plan is therefore much more than simply balancing numbers in an income mix chart, or trying to define a mix that achieves a racial integration objective. The future development of public housing units is tied to the sale and pricing of market rate units. The market rate buyers will be, in effect, providing the funds to build new public housing units. The development agreement between the Receiver, CHA and LR ABLA LLC provides that the profits generated by the sales of new housing units above a certain threshold will be divided equally between CHA and LR ABLA LLC. CHA's share of the profits will be earmarked to underwrite the presently unfunded public housing units in Roosevelt Square.

15. Increasing the number or percentage of very low income rental units anywhere in the project imperils the financing scheme because it could harm the marketing potential of the market units. Any decrease in the number of market rate units would also upset the financing scheme. In the Receiver's judgment, LR's financing concept is already based upon optimistic assumptions about

the profits that will be generated from the sale of the planned 966 market units. If either the absolute numbers of such units, or the prices and profits generated by such units, were to fall, the challenge of generating enough funds to complete the development of 755 public housing units would be exacerbated. In LR's view (which we believe is reasonable), there is a risk that increasing the number or percentage of low income rental units could lead to a drop in the prices that home buyers would pay for the market units, leading to a loss in profits and funding for the public housing units. Accordingly, in the Receiver's judgment, the CRA would lose by winning. If they were to "win" by securing a judicial order requiring more public housing units they could depress the funding needed to build even the current number of units now planned.

16. The Receiver believes it is unwise, and financially reckless, to plan for or commit to developing more than the 755 public housing units currently planned. It also would create expectations for public housing residents that are likely to be disappointed.

A Summary of the History of the Plan's Development, Including the Resistance of Pressure to Reduce the Number of Public Housing Units.

17. A summary of the history leading to the creation of the plan places the present dispute in context.

18. The process that resulted in the ultimate design and occupancy plan for the ABLA redevelopment evolved over a number of years and was extraordinarily open. The origins of the planning process date back to 1996 when CHA prepared and submitted its first HOPE VI grant application to HUD regarding ABLA. That successful grant sought only to redevelop the Robert Brooks Extension (as distinguished from the Robert Brooks Homes, discussed below).

19. As a requirement of the HOPE VI funding application, a series of public meetings

was held that resulted in a more holistic planning concept that was described in the successful 1998 HOPE VI application submitted by CHA with the support of the Receiver.

20. During this period and thereafter competing visions for a rebuilt ABLA community emerged. On one side were “University Village” and “Little Italy” residents who wanted no public housing rebuilt North of Roosevelt. On the other side were certain ABLA residents who wanted every public housing unit that was demolished to be rebuilt. The percentages submitted in the HOPE VI application and approved by this Court’s agreed revitalizing order of June 19, 1998 struck a balance with the proposed mix for the new units of about 30% public housing, 30% affordable, and 40% market. When the rehabilitated public housing units and planned affordable units of the Robert Brooks Homes and Loomis Courts developments, respectively, are counted, the mix is approximately 37.4% public housing, 29.2% affordable (which includes 50 CHA for-sale homes), and 33.4% market.

21. After the 1998 HOPE VI award, the CHA and the Receiver agreed, with support and encouragement from HUD, to hire a “Program Manager” to refine and manage the ABLA development planning process. Unlike a developer, a Program Manager would oversee development of the plan which a developer would ultimately implement. Developing the RFP used to select the Program Manager led to the formation of the ABLA Working Group. This group – which includes representatives of the ABLA Local Advisory Council (“LAC”), the *Gautreaux* plaintiffs, the CHA, the Receiver, the City and community members – became the model oversight committee structure for each of the major redevelopment projects in Chicago. It became the model approach in large part because it ensured that key stakeholders were included and invested in the development process.

22. In early 2000 the Working Group approved the selection of the Telesis Corporation

("Telesis"), a nationally known planning firm, to serve as program manager. In this capacity, Telesis's role was threefold: (a) it developed a very detailed development plan that outlined on a block-by-block basis the density, building types and designs for the new development; (b) it performed a detailed analysis of the available funding sources and prepared financial models designed to test the ability to finance the redevelopment with those sources; and (c) it conducted a resident needs assessment that it used to prepare a social services implementation plan. This process took nearly a year. At multiple stages, in addition to bi-weekly Working Group Meetings, meetings were held with the ABLA Building Presidents, community stakeholders, area service providers and the CRA, as well as at least two Town Hall meetings that provided break-out sessions for comment, in which CRA members actively participated.

23. The plan that Telesis produced provided the baseline documents that were incorporated into the RFP that resulted in the ultimate procurement of LR as the Master Developer. Most of the key elements of the Telesis plan were incorporated into the LR Plan. One significant change was the incorporation of a request by the City to site a new fire station at 14th and Blue Island.

24. From the time that LR initially released its development plan it has participated in numerous meetings. In addition to regular meetings with the Working Group, LR held focused meetings with numerous stakeholders, neighbors, institutions and individuals. (Such involvement of the community in the planning process is consistent with this Court's previous encouragement of such communications.) LR was involved in extensive, protracted and largely public negotiations with the University Village Association ("UVA"), a community organization that opposed both the overall housing density and what it viewed as a too-high concentration of public housing North of Roosevelt near the Little Italy neighborhood.

25. Previously, after the completion of the Telesis Plan, the UVA had demanded that CHA reduce the overall project density by 10 percent. This would have had the effect of reducing the number of public housing units by 75. The Receiver, the CHA, the City and Gautreaux Plaintiffs rejected UVA's demands in order to maintain the planned number of new public housing units at 755.

26. LR attended several public meetings hosted by UVA. Additionally, LR hosted at least two Town Hall meetings and accepted Alderman Haithcock's invitation to attend a separate series of Town Hall meetings that she hosted. These meetings resulted in several modifications of the plan. These modifications included more open space, a few additional single-family units, enhanced architectural details and more landscaping. However, calls by UVA and others to decrease the overall density as well as reduce the number of public housing units were opposed forcefully and successfully by LR and the Working Group.

27. Throughout the planning process, community members submitted comments that may not have been aimed at reducing the number of public housing units, but if they had been accepted, would have accomplished that result. Most significant among these requests was to create more single-family housing units, particularly detached units. Because such housing would use more land for fewer units, it would have reduced the overall density and impeded the effort to develop 755 units of public housing. Similarly, there has been a consistent request for additional park space, particularly north of Roosevelt Road. In both cases the requests were incorporated only to the degree that it would not sacrifice public housing units.

28. St. Ignatius College Preparatory School is one of the community's most prominent institutions. It pursued a proposal for a use on the ABLA site that would have had the effect of

significantly reducing the land available on which to develop new public housing. It sought to close Blue Island Avenue and transfer a significant parcel of land to the school, which it would use to create an athletic field. This proposal was rejected. The Archdiocese of Chicago, with the support of the president of St. Ignatius, also strongly and repeatedly proposed to devote several acres of the ABLA site for the development of a new catholic elementary school. This proposal was also rejected.

The Site Plan and Planned Income Mix.

29. Among the charges made by CRA is that Roosevelt Square would “perpetuate segregation,” recreate racially isolated communities, and leave Roosevelt Road as a “Mason-Dixon line.” Their rhetoric is not supported by the facts.

30. The planned income mix and geographic distribution of the new units to be developed by LR is summarized in the two charts attached as Receiver Exhibits A-1 and A-2.

31. Exhibit A-1 is titled “ABLA Density Analysis North and South of Roosevelt for Proposed Distribution -- June 3, 2004.” It shows on a block-by-block basis the number and mix of units that are planned in each phase North of Roosevelt compared to those planned South of Roosevelt.

32. Exhibit A-2 is titled “ABLA Phasing Density Analysis by Phase of Proposed Distribution – June 3, 2004.” It shows the same information as the previous chart, but organized in chronological order according to the six phases of the redevelopment.

33. Exhibits A-1 and A-2 illustrate the following:

- a. There are 2,441 total new units to be developed. 755 (30.9%) will be public housing units, 335 will be affordable rental units (13.7%), 335 will be affordable for-sale units (13.7%), 50 will be CHA for-sale units (2.0%), and 966 will be market for-sale

units (39.6%).

- b. There are 79 acres on which the housing will be developed, 22.8 of which are north of Roosevelt (28.9%) and 56.1 of which are south of Roosevelt (71.1%). (Slight discrepancies are due to rounding.)
- c. 28% of the public housing units will be developed north of Roosevelt. The same percentage, 28%, of the market units will be developed north of Roosevelt.
- d. 72% of the public housing units will be developed south of Roosevelt. The same percentage, 72%, of the market units will be developed south of Roosevelt.
- e. 666 units, 27.3% of the total, will lie north of Roosevelt, while 1775 units, 72.7% of the total, will lie south of Roosevelt.
- f. The density of the new housing developed on each side of Roosevelt is roughly the same – 29.2 units per acre north of Roosevelt and 31.6 units per acre south of Roosevelt. This slight discrepancy results from the following factors: (i) the slightly lower density north of Roosevelt results from the number of small blocks, the presence of retail buildings on Taylor Street, and a larger number of town homes, in keeping with the surrounding neighborhood character; and (ii) the slightly higher density south of Roosevelt results from the fact that five of the eight blocks fronting directly on Roosevelt are on the south side of the Street, and the plan provides for larger buildings on Roosevelt. Roosevelt supports larger building types, in both mass and height, to counterbalance the extreme width of the street. These larger buildings include rental building prototypes of 9- and 14-units, and for-sale condominium building prototypes of 27- and 46- units. These higher density buildings are an appropriate design response to the character of Roosevelt Road, and permits the development to achieve the overall number of units while maintaining the traditional Chicago-neighborhood character of the side streets, which contain lower density town homes and 2- and 3-flat rental and for-sale buildings.
- g. Each phase will include development north and south of Roosevelt.

34. Attached as Exhibit A-3 is a chart titled “Phase One Unit Distribution,” which shows the planned distribution north and south of Roosevelt Road to be developed in Phase I, the construction of which is scheduled to begin on July 1, 2004. A total of 415 units are planned, of which 125 (30.1%) are public housing, 56 (13.5%) are affordable rental, 67 (16.1%) are affordable for-sale, 7 (1.7%) are CHA for-sale, and 160 (38.6%) are market for-sale. There will be a higher

percentage of public housing and a lower percentage of market housing in Phase I north of Roosevelt as compared to south of Roosevelt. North of Roosevelt, 31.8% of the units will be public housing compared to 29.0% south of Roosevelt. As for market housing, 37.6% of the units will be built north of Roosevelt as compared to 39.2% south of Roosevelt.

35. Regarding income mix, the planned mix at ABLA tilts more generously toward public and affordable housing than does the planned mix approved by this Court as part of the consent decree that resolved the Cabrini LAC litigation. That decree provided for 50% market rate housing, 20% affordable, and 30% public housing. Roosevelt Square decreases the share of market rate housing to below 40% of the new housing and increases the share of affordable housing. When the rehabilitated Brooks Homes are included, the total number of public housing units at ABLA will be approximately 37%. North of Roosevelt public housing units will comprise about 32% of the total units. South of Roosevelt public housing units (new and renovated) will comprise about 39% of the total units (new and renovated).

36. One of the principal complaints of CRA is that a higher percentage of public housing units will lie south of Roosevelt. For example, quoting a report by Professor Roberta Feldman, they note that “over 80% of the new and rehabbed public housing units at ABLA will be concentrated south of Roosevelt Road.” Mem. In Support of Intervention at 9. This is a misleading statement. The entire ABLA site, including the land on which new housing will be developed and the land containing the existing Brooks and Loomis Homes, totals 100.5 acres. Of this amount 22.8 acres lies north of Roosevelt, and 77.7 acres lies south of Roosevelt. Loomis and Brooks are 3.6 and 16.6 acres, respectively, while roads account for 1.3 acres. As noted above, even subtracting Loomis and Brooks, there is much more developable acreage south of Roosevelt, so of course there will be

substantially more public housing south of Roosevelt. There will also be substantially more market housing south of Roosevelt. Public housing and market rate units will be developed in *identical* percentages north and south of Roosevelt – 28% north and 72% south. What brings the total number of public housing units south of Roosevelt over 80% is an existing condition, the rehabilitated units at the Robert Brooks Homes, a site reality described below.

37. One of the key elements stressed in the Telesis Plan and subsequent RFP that was incorporated into the LR plan was to minimize the impact of Roosevelt Road as a dividing line in the ABLA Community. The Revitalization Plan approved by HUD states (Sect. 3.0, p.3) that it proposes the creation of connections across Roosevelt through the development of appropriate housing, landscaping and open spaces. In addition, the plan was to focus on development of housing that would minimize the barrier created by Roosevelt.

38. LR recognized that Roosevelt is a high-volume arterial street with a wide right of way and a divided roadway separated by a landscaped median. To address this barrier, Roosevelt Road was treated uniquely in one of the five “Street Character” plans drafted by one of the Developer’s consultants, Wolff Clements & Associates, as a “Residential Boulevard.” This plan seeks to unify the north and south sides of Roosevelt in a single design concept, minimizing the impact of Roosevelt’s width through taller buildings and higher density. Larger rental and for-sale buildings, containing units with fewer bedrooms, were sited along Roosevelt to take advantage of the wider street and less family-oriented nature of the street. The design contemplates rental courtyard buildings to create landscaped green space along the boulevard. In addition, responding to comments by the LAC, LR has proposed to the Chicago Department of Transportation that it eliminate or reduce the height of the concrete planters in the medians on Roosevelt in order to

connect both sides of Roosevelt.

39. The Receiver also believes that the planned density is appropriate to the creation of a viable mixed-income community and will facilitate racial integration. One important goal was to integrate the new development into the surrounding community. Thus, the ABLA site plan was designed to recreate a typical Chicago neighborhood in terms of density, traffic and pedestrian circulation and building design. The Working Group sought to incorporate into the redevelopment plan at least 755 public housing units while maintaining the mix of rental and for-sale unit types outlined in the 1998 Revitalizing Order and creating a neighborhood that had many of the design and density characteristics of the surrounding community. In addition, we sought to do so without creating new elevator buildings for public housing residents, which are contrary to this Court's injunction and have historically been the source of numerous safety and security problems. Increasing the density beyond that which is in the plan would have required either eliminating some of the single-family town homes that were requested repeatedly by the community and have historically been a very marketable product type, or incorporating elevator buildings which in the context of the ABLA community continue to be associated with crime and gangs and had little support from public housing residents or members of the larger community. Several comments from public housing residents were that they wanted yards and available park land. The overall mix of building types that was developed will provide a broad range of housing options and incorporates substantial areas of green space for recreation and outdoor relaxation, as well as a new state-of-the-art recreation center. The Receiver believes that the overall design effectively recreates the successful design principles of historic Chicago neighborhoods. It believes that the plan's low-rise design that mixes typical building types like town homes, two-flats, three-flats and six-flats with

larger buildings on the arterial streets will be both marketable and will sustain over the long term a healthy economically and racially integrated neighborhood.

The Robert Brooks Homes

40. Part of the Complaint focuses on the impact of the rehabilitated Brooks Homes public housing units on the south side of Roosevelt. The Brooks Homes consist of 329 public housing units situated in rowhouses. While CRA repeatedly characterizes these Homes with the pejorative label “barracks-style,” they are more attractive than CRA portrays. Rather than use more labels, the Receiver invites the Court to draw its own conclusions based upon the attached Receiver Exhibit A-4, which consists of two photographs of the exteriors of rehabbed Brooks rowhouses, which fairly and accurately depict their present appearance.

41. Pejorative descriptions aside, the presence of 329 public housing units in the midst of the development is not ideal and has presented planning challenges. Viewed solely from a Gautreaux perspective, it is undesirable to leave intact a concentration of predominantly very-low income units tenanted by an African-American population in one area of the redevelopment. Were we writing on a clean slate with adequate resources, the Receiver would recommend the demolition of Brooks and its replacement with mixed income housing essentially identical to the 2,441 units of housing being developed by LR elsewhere in Roosevelt Square. But doing so is not practical at this time.

42. The presence of the rehabilitated Brooks Homes is a result of historical circumstance and exigency. The Receiver is informed and believes that one of the principal reasons CHA initiated the rehabilitation of Brooks in about 1995 was to provide adequate on-site housing for many families who were going to be displaced from other buildings at ABLA that were dilapidated to the point of

being dangerous. Rehabilitation can occur much faster than creating mixed-income housing. In any event, the demolition and replacement of Brooks at this juncture would require funds that are not presently available, of housing stock that is currently adequate, and the relocation and disruption of 329 families. In addition, the rehabilitation and maintenance of Brooks was a matter that the LAC strongly supported.

43. As Receiver, we must develop housing in the real world, based on existing conditions and available funds, not in an idealized world. Brooks is part of the hand we are dealt at ABLA. We understand that CRA is proposing an increase in the number of public housing units at ABLA. This would exacerbate rather than solve the challenges to integration posed by the presence of Brooks. If the achievement of perfect racial integration were an absolute imperative, the remedy would be to decrease the number of public housing residents at Brooks and attempt to convert the units to affordable or market units. The size of the Brooks units renders such a plan difficult from a development perspective, and it does not appear that CRA is advocating such a result.

44. In light of the considerable amount of investment and work that has been done to rehabilitate Brooks and the lack of available funds to demolish Brooks and rebuild on its site, we believe that the most practical long-term approach is to create the new mixed-income development surrounding the rehabilitated Brooks Homes, as currently planned. This development will be linked to Brooks through the design of its streets. Brooks residents will have full access to Roosevelt Square's amenities, such as the new Fosco Park Field House and Community Center, and access to HOPE VI funded social service and job training programs. Should problems related to the concentration of poverty at Brooks threaten the viability of the new ABLA development, the Receiver would advocate decreasing the concentration of poverty at Brooks rather than increasing

the concentrations of very-low income families in other parts of the development. We are hopeful that this will not prove to be necessary. As the development proceeds, it might be possible later, after the passing of a substantial portion of the useful life of the rehabilitation and if funding becomes available, to replace Brooks with a mixed-income development fully commensurate with the surrounding housing being developed by LR.

Other Matters.

45. I participated in settlement discussions with attorneys for CRA during the summer of 2003. Impasse was reached at a meeting at the Receiver's office on August 27, 2003.

46. One of CRA's experts, Roberta Feldman, observes regarding Phase I that the buildings containing rental units (public housing and affordable) are separate from buildings containing market units. CRA Complaint, Ex. D at 2. This is a result of the financing structure LR developed. All of the market units are for-sale, not rental, so there are no buildings in which to mix market rental units with affordable and public housing rental units. However, the 50 CHA home ownership units will be placed with market units in for-sale buildings. From a development and management perspective, it is more practicable to have this rental/for-sale building-by-building separation, and it will also, it is hoped, support the higher profits from sales of the market units that are needed to contribute to the shortfall to pay for the public housing units. The buildings themselves, whether rental or for-sale, are interspersed through the development and are not identifiable as "public housing" or "rental" versus condo.

47. Ms. Feldman also objects to what she contends are "bland and boxy" designs for certain rental buildings shown in LR's Phase I renderings. CRA Complaint, Ex.D at 3. Her opinion, which is primarily one of taste, relies on inaccurate and incomplete information. First, there are five

main building types contained in Phase I. These types in turn have several variations that yield a total of 22 different building varieties, which are evenly divided among 11 for-sale building prototypes and 11 rental building prototypes. Second, her examples are outdated. She cites plans from August 20, 2003, even though the final Master Site Plan of October 20, 2003 has been in use and distribution since that time. Moreover, one for-sale market building she identifies with distinctive architectural features is the only one of its style to be built in the entire six-phase development. Situated at the corner of Blue Island Avenue and Roosevelt Road at the extreme east end of the development (on the south side of Roosevelt), it represents a signature “gateway” building to the rest of the development. It is therefore not representative of for-sale buildings in general, nor of any general plan to make the for-sale buildings architecturally distinct from the rental buildings. Ms. Feldman’s comparison of two buildings on Taylor is irrelevant since one of the two no longer exists, as shown in the October 20, 2003 Master Site Plan.

48. Another CRA opinion, of Mr. Goetz, looks at information drawn from the 2000 census concerning census tracts lying within a radius of one mile from the ABLA site. CRA Comp. Ex.F. He uses that information to draw conclusions about the surrounding neighborhoods north and south of Roosevelt Road. The 2000 census data is out-of-date in material respects regarding the surrounding community immediately east of the ABLA site and south of Roosevelt. Two new developments – University Commons and University Village – are significantly underway. These developments will provide a substantial number of new housing units that will enhance the long-term stability of the ABLA community. As one of CRA’s other experts notes in her statement (Patricia Wright), 1780 new units have been built or are planned in these two developments. When these units are combined with the 1775 new housing units planned as part of Roosevelt Square located

south of Roosevelt, an estimated 3,555 new housing units will be created on-site and next door on the south side of Roosevelt. Thus, Mr. Goetz's figures regarding the poverty and race factors south of Roosevelt are no longer valid.

49. CRA's Complaint asserts claims under the Housing and Community Development Act ("HCDA"), 42 U.S.C §5304(d). See Comp. ¶¶84-85. CRA acknowledges that these requirements apply only to "projects assisted by the HOME Program." Id. ABLA is not such a project. LR's financing plan includes no HOME or block grant funds in Phases 1-3. It is presently undetermined whether such funds will be used or available in the later phases.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on June 3, 2004



Valerie B. Farrett

DRAFT

**ABLA Phasing
Density Analysis by Phase of
Proposed Distribution -- June 3, 2004**

DRAFT

Block #	Phase	Total Units	RENTAL		FOR SALE			AREA	
			ACC	AFF	CHA	AFF	MR	Block -- Acres	Units per Acre
JA 5	Phase 1	70	21	13	2	7	27	2.3	30.4
JA 8a	Phase 1	70	17	6	1	19	27	3.1	22.6
JA 8b	Phase 1	30	16	4	0	0	10	1.0	29.5
North Subtotal		170	54	23	3	26	64	6.4	26.5
BE 3 - 4	Phase 1	162	43	20	3	24	72	3.7	43.8
BE 5	Phase 1	83	28	13	1	17	24	2.7	30.5
South Subtotal		245	71	33	4	41	96	6.4	38.2
Phase 1 Subtotal		415	125	56	7	67	160	12.8	32.3
JA 6	Phase 2	111	44	19	2	10	36	3.0	37.0
JA 7a	Phase 2	40	14	2	0	0	24	2.3	17.4
JA 7b	Phase 2	64	8	0	2	11	43	1.3	49.2
North Subtotal		215	66	21	4	21	103	6.6	32.6
BE 1	Phase 2	138	45	20	3	14	56	3.1	44.5
BE 2	Phase 2	84	32	14	2	10	26	3.1	27.1
BE 5	Phase 2	12	0	0	0	6	6	0.4	28.9
BE 6	Phase 2	30	10	5	1	3	11	0.8	36.8
South Subtotal		264	87	39	6	33	99	7.4	35.5
Phase 2 Subtotal		479	153	60	10	54	202	14.0	34.1
JA 2	Phase 3	66	20	10	1	9	26	2.3	28.7
JA 8b	Phase 3	15	2	1	1	5	6	0.3	45.9
North Subtotal		81	22	11	2	14	32	2.6	30.8
GA 1	Phase 3	102	30	11	2	14	45	2.9	35.2
GA 2	Phase 3	99	40	17	2	10	30	3.1	31.9
GA 3	Phase 3	95	33	15	2	12	33	3.4	27.9
South Subtotal		296	103	43	6	36	108	9.4	31.5
Phase 3 Subtotal		377	125	54	8	50	140	12.0	31.3
GA 1	Phase 4	84	26	12	2	10	34	2.8	30.0
North Subtotal		84	26	12	2	10	34	2.8	30.0
GA 6	Phase 4	88	24	11	2	13	38	3.4	25.9
GA 9	Phase 4	73	22	13	2	9	27	3.4	21.5
GA 10	Phase 4	103	38	17	2	13	33	3.4	30.3
South Subtotal		264	84	41	6	35	98	10.2	25.9
Phase 4 Subtotal		348	110	53	8	45	132	13.0	26.8
JA 4	Phase 5	73	25	11	2	8	27	2.8	26.1
North Subtotal		73	25	11	2	8	27	2.8	26.1
GA 11	Phase 5	119	46	22	2	15	34	3.6	33.1
GA 12	Phase 5	74	25	2	2	9	36	2.1	35.2
GA 13	Phase 5	137	46	21	2	20	48	3.6	38.1
OS 1	Phase 5	53	0	0	1	10	42	1.5	35.3
South Subtotal		383	117	45	7	54	160	10.8	35.5
Phase 5 Subtotal		456	142	56	9	62	187	13.6	33.5
JA 3	Phase 6	43	20	8	1	4	10	1.6	26.9
North Subtotal		43	20	8	1	4	10	1.6	26.9
GA 4	Phase 6	48	13	10	1	7	17	1.6	30.0
GA 8	Phase 6	112	34	14	2	22	40	3.7	30.3
GA 14	Phase 6	65	20	13	2	8	22	3.2	20.3
GA 15	Phase 6	45	13	11	1	6	14	1.8	25.0
OS 2	Phase 6	53	0	0	1	10	42	1.6	33.1
South Subtotal		323	80	48	7	53	135	11.9	27.1
Phase 6 Subtotal		366	100	56	8	57	145	13.5	27.1

	Total Units	RENTAL		FOR SALE			AREA		
		ACC	AFF	CHA	AFF	MR	Total Acres	% of Total Acres	Total Units per Acre
% North of Roosevelt Road	27.3%						22.8	28.9%	29.2
% South of Roosevelt Road	72.7%						56.1	71.0%	31.6
Composite Development Subtotals		755	335	50	335	966			
Grand Total				2441			79.0	100.0%	30.9

**ABLA Density Analysis North and South of Roosevelt for
Proposed Distribution -- June 3, 2004**

				RENTAL		FOR SALE			AREA	
	Block #	Phase	Total Units	ACC	AFF	CHA	AFF	MR	Block -- Acres	Units per Acre
Jane Addams	JA 1	Phase 4	84	26	12	2	10	34	2.8	30.0
	JA 2	Phase 3	66	20	10	1	9	26	2.3	28.7
	JA 3	Phase 6	43	20	8	1	4	10	1.6	26.9
	JA 4	Phase 5	73	25	11	2	8	27	2.8	26.1
	JA 5	Phase 1	70	21	13	2	7	27	2.3	30.4
	JA 6	Phase 2	111	44	19	2	10	36	3.0	37.0
	JA 7a	Phase 2	40	14	2	0	0	24	2.3	17.4
	JA 7b	Phase 2	64	8	0	2	11	43	1.3	49.2
	JA 8a	Phase 1	70	17	6	1	19	27	3.1	22.6
	JA 8b	Phase 1	30	16	4	0	0	10	1.0	29.5
	JA 8b	Phase 3	15	2	1	1	5	6	0.3	45.9
North of Roosevelt	Subtotal		666	213	86	14	83	270	22.8	29.2
Brooks Extension	BE 1	Phase 2	138	45	20	3	14	56	3.1	44.5
	BE 2	Phase 2	84	32	14	2	10	26	3.1	27.1
	BE 3 - 4	Phase 1	162	43	20	3	24	72	3.7	43.8
	BE 5	Phase 1	83	28	13	1	17	24	2.7	30.7
	BE 5	Phase 2	12	0	0	0	6	6	0.4	28.9
	BE 6	Phase 2	30	10	5	1	3	11	0.8	36.8
	Subtotal		509	158	72	10	74	195	13.8	36.8
Abbot	GA 1	Phase 3	102	30	11	2	14	45	2.9	35.2
	GA 2	Phase 3	99	40	17	2	10	30	3.1	31.9
	GA 3	Phase 3	95	33	15	2	12	33	3.4	27.9
	GA 4	Phase 6	48	13	10	1	7	17	1.6	30.0
	GA 6	Phase 4	88	24	11	2	13	38	3.4	25.9
	GA 8	Phase 6	112	34	14	2	22	40	3.7	30.3
	GA 9	Phase 4	73	22	13	2	9	27	3.4	21.5
	GA 10	Phase 4	103	38	17	2	13	33	3.4	30.3
	GA 11	Phase 5	119	46	22	2	15	34	3.6	33.1
	GA 12	Phase 5	74	25	2	2	9	36	2.1	35.2
	GA 13	Phase 5	137	46	21	2	20	48	3.6	48.9
	GA 14	Phase 6	65	20	13	2	8	22	3.2	20.3
	GA 15	Phase 6	45	13	11	1	6	14	1.8	25.0
	Off Site	OS 1	Phase 5	53	0	0	1	10	42	1.5
OS 2		Phase 6	53	0	0	1	10	42	1.6	33.1
	Subtotal		1266	384	177	26	178	501	42.3	29.9
South Of Roosevelt	Subtotal		1775	542	249	36	252	696	56.1	31.6

KEY

ACC = Public Housing
 AFF = Affordable
 CHA = Chicago Housing Authority
 MR = Market Rate

	Phase 1
	Phase 2
	Phase 3
	Phase 4
	Phase 5
	Phase 6

		RENTAL		FOR SALE			AREA		Total Units per Acre
	Total Units	ACC	AFF	CHA	AFF	MR	Total Acres	% of Total Acre	
% of Total Units North of Roosevelt Road	27.3%	28.2%	25.7%	28.0%	24.8%	28.0%	22.8	28.9%	29.2
% of Total Units South of Roosevelt Road	72.7%	71.8%	74.3%	72.0%	75.2%	72.0%	56.1	71.1%	31.6
Composite Development Subtotals		755	335	50	335	966			
% of Total		30.9%	13.7%	2.0%	13.7%	39.6%			
Grand Total		2441					79.0	100%	30.9

Phase One Unit Distribution

Block #	Phase	Total Units	RENTAL			FOR SALE			
			ACC	AFF	Total	CHA	AFF	MR	Total
JA 5	Phase 1	70	21	13	34	2	7	27	36
JA 8a	Phase 1	70	17	6	23	1	19	27	47
JA 8b	Phase 1	30	16	4	20	0	0	10	10
North subtotal		170	54	23	77	3	26	64	93
% of North subtotal		100.0%	31.8%	13.5%	45.3%	1.8%	15.3%	37.6%	54.7%
BE 3 - 4	Phase 1	162	43	20	63	3	24	72	99
BE 5	Phase 1	83	28	13	41	1	17	24	42
South subtotal		245	71	33	104	4	41	96	141
% of South subtotal		100.0%	29.0%	13.5%	42.4%	1.6%	16.7%	39.2%	57.6%
Subtotal		415	125	56	181	7	67	160	234
% of Subtotal		100.0%	30.1%	13.5%	43.6%	1.7%	16.1%	38.6%	56.4%

JA 5	Phase 1
JA 8a	Phase 1
JA 8b	Phase 1
North subtotal	
% of North subtotal	
BE 3 - 4	Phase 1
BE 5	Phase 1
South subtotal	
% of South subtotal	

CHA	All Affordab Market			Afford rent	Afford Sale
30.0%	31.4%	38.6%	100.0%	18.6%	12.9%
24.3%	37.1%	38.6%	100.0%	8.6%	28.6%
53.3%	13.3%	33.3%	100.0%	13.3%	0.0%
31.8%	30.6%	37.6%	100.0%	13.5%	17.1%
26.5%	29.0%	44.4%	100.0%	12.3%	16.7%
33.7%	37.3%	28.9%	100.0%	15.7%	21.7%
29.0%	31.8%	39.2%	100.0%	13.5%	18.4%





Exhibit B

AFFIDAVIT OF TIMOTHY VEENSTRA

Timothy Veenstra, being first duly sworn on oath and having personal knowledge of the facts contained herein, states as follows:

1. I am employed by the Chicago Housing Authority as a Development Manager and, in this capacity, have had principal responsibility at the CHA for the ABLA redevelopment plan since August, 1999. From May of 1997 to August of 1999, I worked in what was then called the CHA Modernization Department, focusing on CHA capital investments, including capital projects at ABLA, and the Brooks Homes rehabilitation. Before that, I worked in other CHA positions that involved the CHA developments, including ABLA. In my work with ABLA, I have thoroughly reviewed all documents in the CHA's custody related to ABLA. As such, I am personally familiar with the entire planning process that has taken place at ABLA, as well as with the Telesis Corp. master plan, and LR Development Co.'s final plan for the ABLA site.

2. This month we finally have arrived at the beginning of construction on the ABLA redevelopment plan. By June 19, 2004, LR Development must begin purchasing construction materials. The \$39 million Phase I closing will occur immediately thereafter, and full construction of the first 415 units will begin July 1, 2004. This will be followed by five later phases, so that a total of 2,441 new units will be built. The road we have had to travel to get to this point, however, has been an extraordinarily long one. It has taken over ten years and involved scores of individuals and institutions in the ABLA area. The plan that we have arrived at is the product of compromise, but we are thrilled to say it is supported not only by the CHA, but also by: the elected tenant leadership of the ABLA public housing development; the attorneys for the *Gautreaux* plaintiffs (the class of all public housing residents who have long sought new,

safe and racially integrated public housing); the City of Chicago (without whose support the project could not go forward, either financially or in terms of land use and other governmental approvals), the CHA Receiver (Habitat Co.), HUD (whose HOPE VI money is pivotal to the project), all of the elected public officials for the ABLA area; the University of Illinois at Chicago, the consortium of hospitals and other institutions that comprise the Illinois Medical District; the University Village Association (which represents the homeowners and many of the businesses and institutions in the area); St. Ignatius College Prep High School (which sits directly adjacent to the old ABLA development); and the many other commercial, religious and residential interests in the neighborhood. Indeed, the only remaining opposition to the plan that has been shaped over the last ten years is the present lawsuit, brought by a handful of tenants at ABLA.

The Conditions at ABLA

3. ABLA, like most of the other large, family developments at CHA, was in deplorable condition in the early 1990s. The properties were old. Indeed, the Jane Addams Homes at ABLA are the oldest public housing in the city, built back in the 1930s and designed with a life span of 60 years. CHA had never been given adequate funding to maintain the developments and the high concentration of very low income families, with enormous social problems, caused extraordinary wear and tear, as well as damage to the units. A vast network of dilapidated high-pressure underground steam lines and an aging central heating plant on Taylor Street has been another significant obstacle that has impacted the CHA's ability to operate the property, and is one of the physical constraints underlying the ABLA redevelopment plan.

4. In the early 1990s (and before), the ABLA tenant leadership urged the CHA to come up

with a plan to redevelop ABLA. Early on, the tenants sought money to rehabilitate the existing CHA buildings. Substantial money, however, was poured into ABLA's system and buildings, in a futile effort to rehabilitate units and sustain the operating systems. Though the CRA intervenors claim that CHA purposely neglected ABLA and let it run down, in fact between 1992 and 1997, CHA spent nearly \$60 million on capital improvements at ABLA. This represents 16% of all the capital dollars CHA spent authority-wide, even though ABLA contained only 9.8% of CHA's public housing units. CHA was convinced that these types of piecemeal repairs could not provide the solution needed to make a significant change in the long-term quality of life for CHA residents.

5. The condition of ABLA and CHA's other large, family developments was not unique. The same kind of dilapidated islands of poverty were found in every large American city, though not in the same magnitude as found in the City of Chicago. In 1989, the Commission on Severely-Distressed Public Housing was formed. Composed of experienced professionals in the public housing area, as well as public housing residents and legislators, it published its report on August 10, 1992. The Commission concluded that about 86,000 "severely distressed" public housing units across the nation should be removed within 10 years.

6. To carry out this bold program, Congress adopted the HOPE VI program on October 6, 1992. The goal of the HOPE VI program was to replace all "severely distressed" public housing units, replacing them with "communities" where low-income residents would have the opportunity to become self-sufficient renters or homeowners in redeveloped neighborhoods, living side-by-side with higher income residents. These highly concentrated islands of poverty would be replaced by low-density, mixed-income townhomes, apartments and condominiums, re-

integrated into the existing city street and neighborhood grid. The idea was not simply to upgrade the public housing stock, but to end the social and economic isolation of public housing families. In doing so, the redevelopment of public housing would also spur economic redevelopment in America's central cities. The HOPE VI program provides funding to public housing authorities so that they may demolish existing, dilapidated public housing buildings and replace them with a mixed-income community, where residents will receive social services and other assistance designed to re-integrate them into the economy and the wider society. Not long after adopting the HOPE VI program, Congress required public housing authorities, like CHA, to conduct thorough inspections of all existing family, public housing buildings (called a viability study), in order to determine whether the cost of replacing them with new units was less than the cost of rehabilitating them into a decent safe and sanitary condition, see 24 CFR Part 971. If so, the buildings could not lawfully be rehabilitated. The Jane Addams, and Grace Abbott developments in ABLA all failed the viability test, done May 18, 2000, and must therefore be demolished, according to HUD. The Brooks Extension did not undergo viability testing, as demolition applications had been previously approved.

The Planning Process

The 1996 HOPE VI Application

7. In the early 1990s, the elected ABLA Local Advisory Council, urged the CHA to launch a redevelopment of the ABLA site. In June of 1995, the month after HUD took control of the CHA, CHA began meeting with the ABLA Local Advisory Council, the group of tenant leaders democratically elected, with secret ballots, by the residents of ABLA, in order to explore methods of redeveloping ABLA, using a mixed-income approach. The goal was to put together a

HOPE VI application for ABLA. During this period, CHA met with the LAC and its lawyer, then Leroy Hansen, as well as with its development planner, Thom Finerty. In November of 1995, Ted Mazola, the former alderman for the ABLA area, and an engineer with real estate development expertise, became involved in the discussions. The LAC created a Planning Committee to study the matter carefully. In February of 1996, the ABLA LAC Planning Committee asked CHA for funding to develop a strategic plan for the revamping of ABLA. CHA provided part of a 1995 \$400,000 HOPE VI Planning Grant in June of 1996 and the ABLA LAC used it to hire Mr. Finerty as its planner. Mr. Finerty, in turn, hired Mr. Mazola to provide engineering and market research expertise to the LAC.¹

8. In June of 1996, the ABLA LAC, with its counsel and advisors, all funded by CHA, developed a planning strategy. It began with a comprehensive, door-to-door survey of ABLA residents, designed by the LAC and carried out by the LAC. The survey was aimed at determining what individual ABLA families wanted, if ABLA was to be redeveloped. Architects, engineers and environmental specialists were brought in to assess the development, and residents were trained so that they could accompany and assist these professionals, as they performed their work. All of this planning was done by the ABLA residents, and not by CHA staff. These meetings were open to the residents who now seek to intervene in this case, and call themselves the Concerned Residents of ABLA.

9. The ABLA LAC Planning Committee, in mid-1996, then divided into four subcommittees. The subcommittees focused on a) social services and self-sufficiency issues, i.e.

¹Mr. Finerty is a long time advocate for CHA tenants, having served as the development consultant for the Horner tenants for the last eight or nine years, where he works with and advises Mr. Wilen, counsel for the CRA and for the Horner plaintiffs.

the programs and initiatives needed to help residents overcome barriers to employment and full participation in their community; b) stabilization, i.e. how to preserve that housing that could be saved; c) operations and management, i.e. how best to manage the properties, both in terms of property management, but also in terms of heating, refuse disposal, weatherization and other systems at the development; and d) finance, i.e. how to put together the money needed for the redevelopment.

10. To assist the ABLA LAC, the Behavioral Sciences Department of the University of Illinois conducted focus groups with tenants, in order to expand upon the survey answers they gave. The surveys and focus groups, done in 1996, showed that 60% of the ABLA residents wanted to leave the development and 40% wanted to stay. In July of 1996, 2302 families lived at ABLA. The 40% of the families that wanted to stay amounted to 921 families-----less than the number of public housing units contemplated in the current plan for ABLA (1084).

11. By the fall of 1996, the ABLA LAC, working with the CHA, had developed a draft HOPE VI application for ABLA. This was the product of meetings that occurred every week, if not more often. The application focused on the demolition and replacement of the dangerous and hazardous Brooks Extension high-rises, located immediately across Roosevelt Road from St. Ignatius. A development-wide meeting was held on September 5, 1996, at which the plan was reviewed, and hundreds of ABLA residents attended. The residents supported the plan. Some of the proposed intervenors were present at this meeting. The Central Advisory Council, composed of the tenant leaders of all CHA developments endorsed the plan as well. On May 5, 1997, HUD awarded CHA \$24.5 million in HOPE VI funds, in order to address the redevelopment of the Brooks Extension site at ABLA.

12. In 1997, CHA prepared a second HOPE VI application for ABLA. This one focused on the redevelopment of the Grace Abbott Homes. HUD, however, denied this application and made it clear that it would not approve further HOPE VI funding for ABLA, unless CHA, the Receiver, the *Gautreaux* plaintiffs, the City of Chicago and the ABLA LAC developed a plan to renovate the entire ABLA development----not just the Brooks Extension or Abbott sites.

The Brooks Homes Rehabilitation

13. From 1994-1996, the conditions at ABLA became worse. The city building inspectors found hundreds of building code violations. The Circuit Court of Cook County imposed hundreds of thousands of dollars in fines on the CHA for these violations, despite the expenditure of \$14.2 million in CHA capital funds during 1996 alone. Eventually, the Circuit Court required CHA to vacate many buildings at ABLA.

14. While many of the ABLA residents who were relocated were happy to receive Section 8 certificates, allowing them to move to other areas of the city, with a substantial rent subsidy, some residents wanted to remain at ABLA because of commitments to relatives, friends, churches and other community institutions. The ABLA LAC urged the CHA to rehabilitate a portion of ABLA, so that residents who did not want to move out of ABLA would not have to do so while planning for the new ABLA mixed-income community continued. Initially, CHA was reluctant to undertake any rehabilitation at ABLA, preferring instead comprehensive redevelopment. It was, however, clear that a final ABLA plan was years away. In fact, it would take another nine years to reach even the beginning of construction. So, in 1996, at the urging and with the full concurrence of the ABLA LAC, the CHA began work on a plan for the Brooks Homes to be gutted and completely rebuilt with market rate features that would be compatible

with the future mixed-income housing on the rest of the site. To prevent mandatory off-site relocation during the reconstruction at Brooks, the high-rise at 1440 W. 13th Street was rehabbed to provide relocation housing for ABLA residents. The primary purpose of this plan was to provide a timely and significant improvement in the living conditions for ABLA residents who wanted to stay at ABLA, and who were being relocated from the Brooks Homes, the Brooks Extension, and the most dangerous buildings in the Addams Homes and the Abbott Homes. In addition, it was vitally important, as a credibility matter, for CHA to demonstrate to the ABLA tenants that it was ready to commit resources to build housing for the residents at ABLA. In the 1995-1997 period, there was much talk of large-scale redevelopment at ABLA, Horner, Cabrini and other sites, but relatively few units had actually been built.

15. The Brooks Homes originally consisted of 89 two-story buildings, with 835 units. The ABLA LAC strongly favored the rehabilitation of these units. CHA agreed to undertake renovation of Brooks because it consisted entirely of low-rise units, and had the most potential to be redeveloped effectively (both as an architectural matter and in terms of the buildings' systems). In 1997, the CHA began tearing down 45 of the buildings and saved the remaining 44, increasing unit sizes by 40% and reducing the density of units per acre by 50%. CHA then commenced a \$45 million rehab plan to convert these 44 buildings (with 329 units) into rehabilitated low-rise apartments. By May of 1998, 132 units were complete. The remaining 197 units were finished in 2000. In addition to Brooks, in 1997, CHA rehabilitated the high-rise at 1440 W. 13th Street (at a cost of about \$15 million) to provide an additional 132 units for ABLA families, pending completion of the ABLA redevelopment plan. This was completed in 1997. Those CHA families originally at Brooks, as well as those relocated from the Brooks Extension

the work on the plan. Members of the CRA regularly attended these meetings.

18. At the same time, the Illinois Medical District was working on its own redevelopment plan for the near West Side. The Medical District is the largest urban medical district in the country, with more than 560 acres of medical, educational and research facilities, valued at more than \$4 billion. The District's constituent entities, including Rush-Presbyterian St. Luke's Medical Center, the University of Illinois Medical Center and Cook County Hospital, employ more than 40,000 people in the vicinity of ABLA and have revenues of more than \$1.5 billion. The Medical District's own plans for redevelopment project 14 million square feet of new construction and the creation of 10,000 new jobs during the next ten-fifteen years. Simultaneously, the University of Illinois at Chicago had dramatic plans for development in the area. The University's 25,000 students and 11,000 employees make it the largest university in the Chicago area. It was planning 800-900 new residential units in the ABLA area, as well as other institutional construction.

19. Because the CHA, the Medical District and the University were all working on redevelopment plans for this key area of the city, the City of Chicago stepped up its participation in the planning process. The Mayor appointed a Program Manager to coordinate planning of all three redevelopment efforts and to centralize access to city departments. The city also agreed to provide major infrastructure improvements for the area, as part of the redevelopment effort. This includes streets, alleys, sidewalks, sewers, water lines, streetlights and street landscaping, totalling in excess of \$10 million (including the infrastructure supplied for the Brooks Homes).

20. In addition to the ABLA LAC, the CHA, the Medical District and the University of Illinois, the community contains over fifty different community organizations in the ABLA

neighborhood. Most are quite vocal on issues of redevelopment. The University Village Association is one of the strongest community groups in the neighborhood. It has been very concerned about the extent and nature of the public housing units that will be sited in the area. Members of the CHA working group, including the ABLA LAC, met regularly with these groups in an effort to solicit input and address their concerns. The Chairman of the University Village Association Board was appointed to the ABLA Working Group by the local alderman to represent the concerns of the community, UIC and the Medical District.

21. Before the 1998 HOPE VI application was submitted, the CHA conducted two public meetings for everyone from the ABLA community in mid-June of 1998. Notice was sent to every ABLA resident, including those with the CRA, and published as well. The preliminary plan was thoroughly discussed. The CRA's counsel (Mr. Wilen), who represents them in this intervention motion, asked for permission to review the draft HOPE VI plan. He was given the plan, commented on it, and some of his comments were incorporated into the application.

22. After obtaining this Court's revitalizing order, permitting CHA to build on the ABLA site, CHA and the Receiver filed the 1998 HOPE VI application on June 26, 1998. HUD approved the HOPE VI grant in late 1998, awarding an additional \$35 million to ABLA. A copy of the 1998 HOPE VI application's Executive Summary, and other relevant sections of this lengthy two-volume application is attached as Exh. 1.

The 1998-1999 Campaign for ABLA LAC Leadership

23. Every three years, the residents of ABLA are entitled to vote, by secret ballot, for their LAC leadership. In order to ensure the integrity of the elections, CHA does not administer them, but rather contracts with independent, not-for-profit organizations, with expertise in elections, to

run them. The 1999 ABLA LAC election was administered by the Chicago Workshop on Economic Development. Members of CRA, including Ferrell Freeman, one of the intervenors here, ran against the incumbent ABLA LAC, including Deverra Beverly, the president then and now of the LAC. The merits of the redevelopment plan were debated among the residents of ABLA, and, in February of 1999, the ABLA families voted to retain Ms. Beverly as president, and her slate as the LAC leaders.

The Selection of the Master Planner

24. In May of 1999, the ABLA Working Group, consisting of the ABLA LAC, the *Gautreaux* plaintiffs, the City of Chicago, the Receiver, the CHA, and representatives of the Illinois Medical District and the University of Illinois began the process of selecting a master planner. The master planner was to develop an overall plan for the ABLA land, which was to include site plans for each parcel, an overall land use plan, a determination of the number and type of buildings to be constructed, the unit mix (as between market, affordable and public housing units), the extent of home ownership units and rental units, and a financial plan to demonstrate the overall feasibility of the master plan. The master planner was also to undertake marketing studies to determine the viability of the plan being proposed, determine how social and supportive services were to be provided, examine density, as well as accessibility and visitability issues, and consider the need for racial and economic integration, among many other tasks. In the end, the master planner was to prepare a sufficiently detailed plan, so that a developer could be solicited to implement the plan.

25. The ABLA LAC met on many occasions with the Working Group to develop this RFP. It also conducted its regular monthly LAC meeting for all ABLA residents to discuss the

RFP. CRA representatives were invited to these meetings and sometimes attended.

The CRA's Initial Lawsuit

26. On July 29, 1999, right after the RFP for the master planner was issued, but before a planner had been selected, the CRA filed suit, challenging the ABLA redevelopment. The CHA, Receiver, HUD and ABLA LAC, as well as other parties working on the plan, all objected, saying it was premature for any court to consider the plan until the master planner was selected and had developed its plan. On September 25, 2000, this Court agreed, and denied the CRA the right to intervene in the *Gautreaux* case in order to raise its challenges.

The Mayor of Chicago Takes Control of the CHA

27. On July 1, 1999, the Mayor of the City of Chicago took back control of the CHA from HUD. From 1995 until 1999, the CHA had been administered by HUD and its designees. With the resumption of local control over HUD, the Mayor appointed a new board and his own leadership for the CHA. The Mayor's new CHA team set to work almost immediately on the sweeping Plan for Transformation, under which all of the CHA's crime-ridden, dilapidated, family high-rises and the oldest family low-rises would be demolished in favor of 25,000 new public housing units, built in a mixed-income, neighborhood setting. In order to implement the Plan for Transformation, the CHA reached complicated agreements with HUD and the elected representatives of the CHA tenants. One part of these agreements is the Relocation Rights Contract, which guarantees that any lease-compliant CHA tenant in residence as of October 1, 1999 will be entitled to a CHA public housing unit, but not necessarily one in the development where they previously resided. The Relocation Rights Contract is attached as Exh. 2. In accordance with the Relocation Rights Contract, all current ABLA residents, and those who have

lived at the development since October 1, 1999 will be entitled to a public housing unit, though not necessarily at ABLA, if they remain lease-compliant.

The Master Planner--Telesis Corp.

28. A number of firms responded to the RFP for a master planner. The ABLA Working Group considered all of the submissions and whittled them down to three finalists. On November 19, 1999, the ABLA Working Group conducted a large public meeting at ABLA, attended by 150-200 people. The president of CRA and her attorney were invited and attended. Each of the finalists made presentations. Everyone, including the CRA, was permitted to ask questions, and did.

29. On December 21, 1999, the Working Group unanimously recommended the Telesis Corp. of Washington D.C. to be the ABLA master planner. The Telesis Corp. is a nationally known firm, which specializes in mixed-income and affordable housing and community development. Telesis is especially noted for their community based approach to planning, resident advocacy, and has extensive HOPE VI and public housing development experience. A copy of the Executive Summary of the Telesis proposal is attached as Exh. 3. Neither the CRA nor its attorneys objected to the selection of Telesis as the master planner.

30. After a number of months of initial investigation, and contract negotiations with CHA and Habitat, Telesis began meeting in earnest with the ABLA stakeholders in October of 2000. Telesis finalized its plan in July of 2001. During this ten-month period, Telesis met with the full Working Group nineteen times (on 11/9/00, 12/6/00, 12/14/00, 12/20/00, 1/10/01, 1/24/01, 2/15/01, 3/7/01, 3/15/01, 4/11/01, 4/12/01, 4/26/01, 5/3/01, 5/17/01, 5/30/01, 6/13/01, 6/21/01 and 6/29/01).

31. In addition to these meetings, Telesis was careful to meet with and solicit the input of many stakeholders individually. So, for example, Telesis met twenty-seven times with the ABLA LAC between October 10, 2000 and June 12, 2001. Many of these occurred at the LAC's monthly meetings, to which all ABLA residents can come, including the CRA members. CRA members attended many of these meetings. On two occasions, January 18, 2001 and June 26, 2001, Telesis met specially with CRA representatives and the ABLA building representatives, to provide information and obtain feedback on their proposal.⁴

32. In addition to these meetings, on March 14, 2001, Telesis used the Village Foundation to plan and conduct three, well-attended resident forums, to discuss ABLA resident concerns and preferences as part of the planning process. At these forums, Telesis focused on Entrepreneurship and Self-Employment, Leadership and Self-Esteem, Community Building, Education, Job Preparation and Placement, Public Safety and Crime, Children and Family Issues, Health and Youth Services. CRA, as well as all other ABLA residents, were invited.

33. Telesis also hired the Holton GROUP, an expert on survey methods, to again train ABLA residents to do a survey of all existing ABLA residents, to ensure an even broader involvement of resident voices. This included residents with CRA. The survey covered everything from demographics to goals for the ABLA community, and delved into the ways in which physical, economic and social development could occur in the community and what services were required.

⁴ Originally this meeting was designed solely for those elected as building presidents, on the assumption that these were the designated leaders of ABLA. None of the CRA tenants had been elected to any office, even at the building level. Nonetheless, in an effort to include the CRA tenants, they were invited anyway, as they claimed to be ABLA leaders.

34. While carefully considering the ABLA residents' views, Telesis also met with a host of other interested parties in the neighborhood, in addition to its many meetings with CHA, the Receiver and the City. This included sessions with: the ABLA YMCA staff (4/18/01); the residents of the Cong. Collins Apts (1/30/01); the Duncan YMCA staff (4/5/01, 4/11/01, 4/18/01, 5/15/01, 6/5/01 and 6/20/01), the Growing Home group (3/7/01), a session with Ald. Haithcock (1/23/01), the Holy Family school and church (2/14/01 and 5/8/01), the Illinois Medical District (11/29/00), the Marcy Newberry Assn. (a social service provider) (1/11/01, 1/18/01, 3/8/01, and 5/15/01), Ald. Natarus (12/14/00), the Newberry Park Apts. residents (1/25/01), Pepes (5/8/01), the R&R Medical Center (5/1/01), St. Ignatius (2/22/01, 2/27/01, 4/4/01, 4/18/01 and 5/18/01), the University of Illinois at Chicago (from the President to the leaders of many parts of the university, including its Great Cities Institute, and the Voorhees Institute (which offered a report for CRA in this case) (10/24/00, 12/6/00, 12/7/00, 5/15/01, 10/5/01, 11/9/01, 11/15/00, 12/6/01, 1/17/01, 5/9/01, 6/5/01, 12/7/00, 12/6/00, 5/1/01, 3/29/01, 12/5-7/00, 5/2/01, and 1/17/01—with numerous meetings on the same day sometimes; the University Village Association (11/9/00, 1/11/01, 1/31/01 and 2/7/01), the Barbara Jean Wright Apts. residents (1/17/01), and the West Side Consortium (a collection of community groups—on twelve occasions between 11/9/00 and 5/15/01).

35. As part of its work in developing a social services plan, Telesis participated in the West Side Consortium's Community Congress, to which every interested party on the West Side was invited, including CRA. This event included more than 300 participants, and occurred on April 6, 2001 addressing such topics as education, child care, youth services, medical services, employment and economic development.

36. Several other community wide meetings were also held for everyone in the ABLA neighborhood, so that they could provide comments on the proposed Telesis plan. The first occurred on March 14, 2001, and consisted of three separate design workshops—focusing on the physical design proposed for the site, as well as the location and nature of schools, parks and the street grid. A second meeting occurred on June 27, 2001, and allowed for comment on every aspect of the plan. CRA and its attorneys were invited to these meetings and attended.

37. All in all, Telesis spent thousand of hours on developing the final plan for ABLA, at a cost of \$1.5 million. In the end, Telesis presented the ABLA HOPE VI Revitalization Plan to the ABLA Working Group, which approved the Plan in July. The CHA board approved the plan in August of 2001 at a public meeting, and HUD gave final approval on December 27, 2001. CRA was well aware of the action taken by the Working Group, CHA and HUD, as: a) all of these approvals were publicly made or announced; b) counsel for the CRA receives a copy of each Quarterly Report the Receiver files with the Court, and the July 20, 2001, October 20, 2001 and January 29, 2002 Reports clearly indicated that Telesis had concluded its final plan, and that plan was being approved; c) the ABLA LAC's October, 2001 newsletter, provided to all ABLA residents, including the CRA members, indicated that the final Telesis plan had been submitted to HUD for approval; d) the CHA's 2001 Annual Report, released on February 28, 2002 recounted HUD's approval of the final plan; and e) the HUD approval was a public document, available to anyone who asked. In addition, the initial RFP seeking a developer for ABLA was underway in October of 2001 and issued in November of 2001, according to the Receiver's Reports.

The Re-Election of Ms. Beverly as ABLA LAC President

38. In January of 2002, the ABLA residents again voted on who should serve as their leaders. Again, certain members of the CRA ran against the incumbent LAC officers. Carolyn Nance, one of the proposed intervenors, was one of those who ran for the LAC. The campaign again prompted a full discussion of the ABLA plan, which was now final. Once again, the families at ABLA voted to retain Deverra Beverly and her slate as their leaders, and voted against the CRA candidates.

The Selection of the Master Developer—LR Development

39. Once Telesis had prepared the final plan for ABLA, the ABLA Working Group set about preparing an RFP in order to find a developer willing to take on the project. Initially, the Working Group proceeded with plans to issue separate RFPs for different sections of the ABLA development, i.e. one RFP for the Brooks Extension site was issued in November of 2001, and one for the Addams/Abbott areas was being prepared. Eventually, however, these RFPs were withdrawn, in favor of a single RFP for a single master developer for the entire project. This RFP was discussed and agreed to by the Working Group, and released in June of 2002. The CRA was well aware of this RFP.

40. Two development teams responded with bids before the deadline of August 30, 2002. The Working Group then met repeatedly to assess the respondents, conduct interviews with each development team, and ask for additional information and clarification. For nearly four months, the various members of the Working Group debated the merits of the competing proposals. In December of 2002, the Working Group selected LR Development as the development team to build the new ABLA development.

The Final Development of the LR Plan

41. Even though LR Development was selected in December of 2002 in order to implement the Telesis plan, eighteen months of hard work lay ahead of LR Development, in order to finalize the plan and build consensus for the plan. Just in 2003, LR conducted ninety-six meetings with the various ABLA stakeholders to refine the plan, meet objections and build support for the venture. A list of all of these meetings, including the date and the party involved is attached as Exh. 4. The ABLA LAC and its president, Ms. Beverly, met constantly with LR and with the Working Group to resolve issues. Every month (on the second Tuesday of the month), the ABLA LAC met with any resident at ABLA, to keep them abreast of developments and solicit their input. CRA representatives were at most of these meetings.

42. In August and September of 2003, LR held three Town Hall meetings to describe their plan and obtain input. The entire community was invited. CRA representatives and their attorney attended. Periodically, during 2003, the CRA's counsel wrote to seek information and it was provided to him.

43. In addition to these Town Hall meetings, information about the development plan was mailed to all residents of the ABLA community, including CRA representatives, and a full description of the plan was available on LR's web site from at least July of 2003 to the present. The materials were also posted in the public lobby of the Roosevelt public library on Taylor Street.

44. The extensive community consultation process LR and the ABLA Working Group conducted led to many important revisions in the plan. For example, most of the site was downgraded to an underlying R-4 zoning (which limits retail development in favor of residential development) to reflect community sentiment; LR provided more specifically detailed sub-areas

of their development, and agreed to detailed restrictions in each sub-area for unit count, height, and permitted uses; agreed to prohibit certain uses that the larger community would not tolerate, e.g. drive-thru restaurants, cell phone towers and other uses; agreed to strict height requirements, which vary with the location of each building; added a new park at Riis School and added more open space and landscaping to the design; required certain building materials to be used, to conform to UIC's South Campus ordinance; added more single-family townhomes—now 15% of the townhomes in Phase I; and agreed to sunset the zoning ordinance, so that it expires if construction lags.

45. Despite these concessions, the 1084 public housing units in LR's ABLA plan is more than sufficient to accommodate all of the ABLA families who wanted to stay in the development back in 1996, and more than the number of ABLA families currently on site or who left ABLA since October 1, 1999. We have identified 1007 such families. Moreover, these public housing units will not be like the units that have been demolished. The new public housing units will be low-rise, will each have a front door facing the street, will have parking, an alley for utilities, trash and other purposes, and equipment and amenities far beyond anything found in the old ABLA. They will be like traditional Chicago residential dwellings. Indeed, the density of the ABLA site has been dramatically reduced to make it more livable. The number of units has been reduced by 19.5%.

46. The LR plan calls for sizable numbers of large public housing units. In particular, 18% of the public housing units will have three bedrooms, while only 17% of the old ABLA's units had three bedrooms. 13% of the new public housing units have four bedrooms, while only 4% of the old ABLA were four-bedroom apartments. While the LR plan will not build units

larger than four bedrooms in size, this is not materially different than the old ABLA buildings, which generally did not have such large units. Indeed, there were only sixteen to twenty-seven five-bedroom units in all of the old ABLA, depending upon when the count was done. Rather than build such large units, LR and the CHA are confident that these very large CHA families can be split into more manageable sizes, a practice CHA has followed in its other developments, including at Horner with the consent of CRA's counsel, who represents the Horner families. Splits occur when, for example, a grandmother lives with three adult daughters, one of whom has two of her own children. In that circumstance, the daughter with her own children is given an apartment separate from (but often nearby) the grandmother's unit.

47. Despite this painstaking work to reach an accommodation with all interests on the ABLA plan, LR ran into major problems, as it sought City Council approval for the massive zoning changes required for the project. Though the proposed zoning ordinance had been circulated publicly since July of 2003, when it moved to final Council approval in December of 2003, neighborhood opponents of the plan organized opposition in the Council. The opposition was led by the University Village Association, which speaks for many interests, including home owners in the area. This opposition triggered a whole new round of meetings with the UVA, the various aldermen, and many others in the community. This controversy was widely covered by the news media. Finally, a December 6, 2003 "summit meeting" with the objectors resolved the impasse, and zoning clearance was obtained for the LR plan in January of 2004, after public hearings before the Chicago Plan Commission and the City Council Zoning Committee.

48. Since January of 2004, LR has been working hard to close its financing on the \$39 million Phase I of the ABLA project, and to prepare for the commencement of construction on

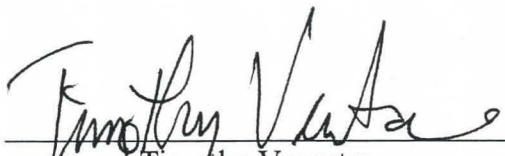
July 1, 2004. So, in December of 2003, LR obtained substantial commitments of low-income housing tax credits from the City of Chicago Dept. of Housing and the Illinois Housing Development Authority (approximately 9% of all the tax credits available in Illinois for 2003). LR has also obtained conventional mortgage and Federal Home Loan Bank financing, and commitments from the CHA/Habitat for HOPE VI financing of approximately \$16 million. In addition, a plat of subdivision has been approved by the city and recorded, showing the detailed location of all streets, alleys, property lines and other details. LR has finalized its architectural and engineering plans, and obtained building permits for most of the Phase I buildings.

49. In March of 2004, the City of Chicago commenced construction of the infrastructure for Phase I of the ABLA development. The sewers and water lines have largely been completed, and the city needs LR's construction contractor to hook up the buildings to these sewer and water lines. The City is now working on streets, alleys, and other aspects of the street grid at ABLA. All of the City's work is based on the LR site plan, construction schedule and the plat of subdivision that has been recorded.

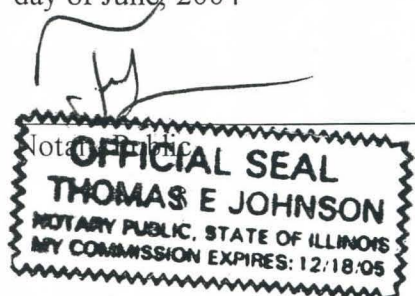
50. LR is now ready to close and begin construction on July 1, 2004. This construction has been carefully coordinated with the completion of the City's infrastructure work.

51. If the nature of the ABLA plan was changed at this date, there is no question that: LR could not commence construction, would lose its financing, part or all of the City's infrastructure work would have been wasted, the zoning ordinance would have to be reconsidered, and the community consensus that has been so carefully built over the last four years would be torn apart. In addition, for the first time ABLA residents who wish to remain on-site would have to be displaced from the site, as the planned new units would not be available to house the residents

now living in buildings CHA must close and demolish in 2005.


Timothy Veenstra

Signed and sworn to before me
by Timothy Veenstra this 3rd
day of June, 2004





The Chicago Housing Authority

June 26, 1998

Joseph Shuldiner
Executive Director

Executive Committee
Rosanna Marquez
Timothy W. Wright III
Dr. Mildred Harris

Ed Moses
Deputy Executive Director
for Community Relations
& Involvement

Carmen E. Browne
Acting Deputy
Executive Director
Finance & Administration

De M. Butler
Counsel

Mr. Andrew Cuomo
U.S. Department of Housing and Urban Development
Office of Public Housing Investments
451 Seventh Street SW, Room 4138
Washington, D.C. 20410

Dear Mr. Cuomo:

RE: 1998 HOPE VI Application - ABLA Homes

We are pleased to submit to HUD the Chicago Housing Authority's 1998 HOPE VI Application in regards to ABLA Homes. The CHA's HOPE VI Plan promises to transform ABLA Homes and integrate public housing into a vibrant revitalizing Near West Side neighborhood. The plan was conceived through a collaborative effort which included the ABLA Local Advisory Council (LAC), ABLA residents, the Chicago Housing Authority, the City of Chicago and the Plaintiff's Counsel and the court appointed receiver in the landmark desegregation case of Gautreaux vs. CHA et al.

The revitalization of ABLA Homes represents one of the most compelling commitments to the HOPE VI goal of public housing transformation. The plan will change the physical shape of severely distressed and obsolete public housing by replacing deteriorated and obsolete high-rise and rowhouse public housing with a mixed income community including 966 market rate, 845 affordable, and 1467 public housing apartments and townhomes. The CHA proposes to combine its \$24 million 1996 ABLA HOPE VI and the \$35 million from this application to leverage over \$84 million in City funding, and over \$287 million in private funds.

The most unique aspect of the ABLA plan is the introduction of private developer(s) owner(s) to leverage HOPE VI funds to create a total development worth approximately \$430 million. All land will be leased to a private owner(s) on a 99-year land-lease and various units will be targeted to various income groups to ensure a true mixed income community. CHA will in turn lease back 1467 of the total 3278 units to be built on a long-term lease. In addition, the private developer/owner will have full responsibility for on going management and maintenance of the property. Moreover, the CHA and the City

6/26/98

Letter To Andrew Cuomo

Re: 1998 HOPE VI Application

ABLA Homes

Page 2

of Chicago have committed that no current resident of ABLA Homes will be displaced from the neighborhood. The plan establishes positive incentives for self-sufficiency through an innovative and comprehensive Family Self-sufficiency plan.

Another encouraging aspect of the proposed plan is the unprecedented partnership between the CHA and key stakeholders in the community. As such, included within this application is an order from Judge Marvin Aspen, the judge in the desegregation case of Gautreaux vs. CHA et al designating the proposed redevelopment area as a "revitalizing" area.

Due to the complexity and ambition of the proposed revitalization, completion of the proposed HOPE VI plan will take a long time. The CHA is confident, however, that the level of commitment and the current momentum will ensure the success of the plan. We welcome HUD's involvement in a revitalization effort that will transform ABLA and the Near West Side into one of the most socially and economically integrated public housing communities in America.

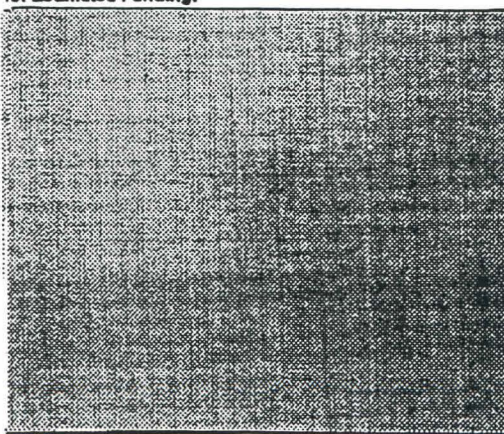

Sincerely,



Joseph Shuldiner
Executive Director

Application for Federal Assistance

OMB Approval No. 0348-0043

		2. Date Submitted June 29, 1998	Applicant Identifier EIN 36-6000618
1. Type of Submission: Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction <input type="checkbox"/> Non-Construction		3. Date Received by State	State Application Identifier
		4. Date Received by Federal Agency	Federal Identifier
5. Applicant Information			
Legal Name Chicago Housing Authority		Organizational Unit	
Address (give city, county, State, and zip code): 626 W. Jackson Boulevard Chicago, Illinois 60661-5601 County of Cook		Name, telephone number, and facsimile number of the person to be contacted on involving this application (give area codes) Mr. Andrew Rodriguez, Director Redevelopment Division (312) (312) 791-8500 X4502 - Fax: 207-0249	
6. Employer Identification Number (EIN): 3 6 - 6 0 0 0 6 1 8		7. Type of Applicant: (enter appropriate letter in box) O	
8. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es): <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other (specify):		A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School Dist. I. State Controlled Institution of Higher Learning J. Private University K. Indian Tribe L. Individual M. Profit Organization N. Non-profit O. Public Housing Agency P. Other (Specify):	
		9. Name of Federal Agency: U.S. Department of Housing and Urban Development	
10. Catalog of Federal Domestic Assistance Number: Title: HOPE VI Public Housing Revitalization		11. Descriptive Title of Applicant's Project: 1998 HOPE VI Revitalization Program ABLA Development, Chicago, Illinois	
12. Areas Affected by Project (cities, counties, States, etc.): City of Chicago, County of Cook, State of Illinois			
13. Proposed Project: Start Date Ending Date		14. Congressional Districts of: a. Applicant b. Project	
15. Estimated Funding: 		16. Is Application Subject to Review by State Executive Order 12372 Process? a. Yes This preapplication/application was made available to the State Executive Order 12372 Process for review on: Date: _____ b. No <input type="checkbox"/> Program is not covered by E.O. 12372 or <input type="checkbox"/> Program has not been selected by State for review.	
		17. Is the Applicant Delinquent on Any Federal Debt? <input type="checkbox"/> Yes If "Yes," explain below or attach an explanation <input type="checkbox"/> No	
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Joseph Shuldiner		b. Title Executive Director	c. Telephone Number (312) 791-8501
d. Signature of Authorized Representative 		e. Date Signed June 26, 1998	

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 Attachment: Application Data: Sources and Uses

Exhibit J: Program Implementation Schedule

Attachment: Program Implementation Schedule

Exhibit K: Innovation and Replication

K.1 Innovation
 K.2 Replication

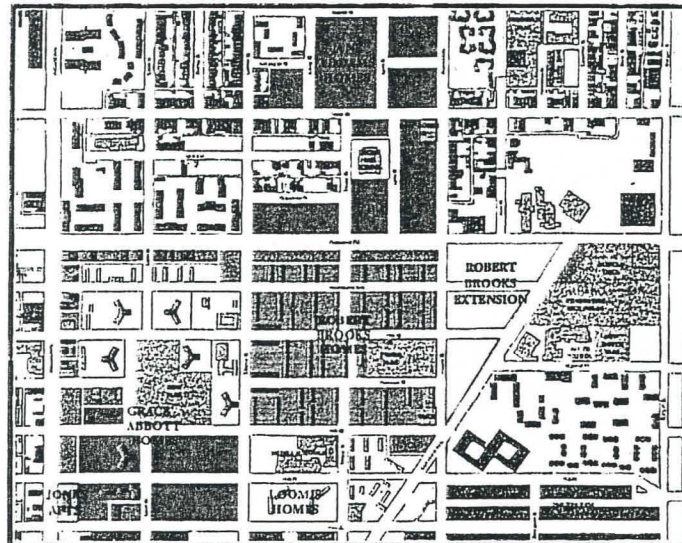
Exhibit L: Homeownership - as applicable

Exhibit M: HOPE VI Revitalization Certifications - All items are
 Attachments

1. 213 Letter
2. PHA Board Resolution for Submission of HOPE VI
Revitalization Application (Form HUD 52820-A)
3. Assurances - Construction Programs (SF 424D)
4. Certification of Consistency with the EZ/EC Strategic
Plan
5. Certification of Consistency with the Consolidated Plan
6. Certification Regarding Debarment and Suspension
7. Certification for a Drug-Free Workplace (Form HUD-50070)
8. Certification of Payments to Influence Federal
Transactions (HUD 50071)
9. Disclosure of Lobbying Activities (Form SF-LLL)
10. Recipients Disclosure/Update Report (Form HUD 2880)

EXHIBIT A

Executive Summary



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

A. EXECUTIVE SUMMARY

Through collaborative leadership, the ABLA Local Advisory Council (LAC), ABLA residents, the Chicago Housing Authority (CHA), the Receiver*, the Gautreaux Plaintiff's counsel and the City of Chicago have initiated an ambitious effort to completely revitalize and transform one of the largest and most distressed developments in CHA's inventory: ABLA Homes. The goal is to develop a desirable, diverse mixed-income community that can be replicated in Chicago and throughout the entire nation. The CHA requests \$35 million in HOPE VI funds to leverage a \$430 million development plan and to complete the revitalization of a 100-acre severely distressed public housing development.

ABLA Homes is comprised of six contiguous developments consisting of over 3,500 original units and occupied by over 1,500 very low-income families who are concentrated in a racially and economically segregated enclave within an otherwise revitalizing community. The severity of distress at the site is reflected in a vacancy rate of 52%, in thousands of ongoing fines and vacate orders by the local Housing Court, in the presence of asbestos and lead-based paint throughout, in the high crime rate, and in engineering reports recommending demolition of more than 2,700 units.

CHA proposes to combine its \$24 million 1996 ABLA HOPE VI grant and \$35 million from this 1998 HOPE VI application to leverage over \$84 million in City funding and over \$287 million in private funds to create a \$430 million redeveloped community. The City will combine use of incremental taxes from a Tax Increment Finance District, Low Income Housing Tax Credits (LIHTC), tax exempt bonds, and direct capital investments to match CHA funds and encourage private investors to invest in the area. Over 8 years, there will be 1,467 public housing units (1,084 on-site and 383 off-site), 845 affordable units, and 966 market rate units. The public housing units will be distributed throughout the 100 acre site and will be indistinguishable from private housing in the neighborhood.

CHA's 1998 HOPE VI application is a public/private partnership created to develop a holistic, self-sufficient and sustainable mixed income community. ABLA Homes is located in a dynamic market area adjacent to three communities experiencing major redevelopment. Capitalizing on strong market conditions, HOPE VI public housing units can be completed within seven to ten years following grant award and will generate a model of public housing transformation.

* Pursuant to a 1987 order of the Federal District Court in Gautreaux v. CHA et al, a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of CHA non-elderly public housing.

EXHIBIT A ATTACHMENTS

- *Application Data Cover Sheet*
- *Mayor Richard Daley, City of Chicago, Support Letter*
- *Ms. Deverra Beverly, ABLA Local Advisory Council President, Support Letter*
- *Mr. Alexander Polikoff, Business and Professional People for the Public Interest, Support Letter*

Application Data Cover Sheet

Development Name: ABLA HOMES

Date Submitted: June 26, 1998

Grant Information

PHA Name: Chicago Housing Authority

PHA Street Address: 626 West Jackson Blvd.

City, State, Zip: Chicago, Illinois 60661

Main Telephone #: (312) 791-8500

Existing Development Name: ABLA HOMES

DOFA Date:

Street Address/Zip:

Existing Project Number(s): IL2-23, IL2-17, IL2-3, IL2-31

Neighborhood name/Area of town: Near West Side

New Development Name: To be determined.

Congressional District: 7th

New Project Number(s): To be determined.

In Federal EZ/EC?: No

Grant Amount:

Date of Grant Announcement:

Date of Grant Agreement Execution:

Hope VI Grant #:

Expected Date of Completion:

Unit/Cost

TDC:

TDC Cap:

% of TDC:

Mixed Income Proposed?: Yes

Mixed Finance Proposed?: Yes

PHA Executive Director: Joseph Shuldiner

Telephone: (312) 791-8500 x4630 Fax: (312) 791-4601

HOPE VI Coordinator: Jane Hornstein

Telephone: (312) 791-8500 x4508 Fax: (312) 207-0249

E-mail Address: jhornste@thecha.org

HOPE VI Developer, (if any)

Telephone:

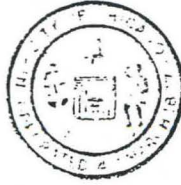
Fax:

Program Manager, (if any)

Telephone:

Fax:

Data summary	Existing	Post-Development
Number of Public Housing units (on and off site, including homeownership)	2,776	1,467
Number of Non-Public Housing units (on and off site, including homeownership)		1,811
Total Number of units	2,776	3,278
Number of units to be rehabilitated/reconfigured (excluding all acquisition with rehab):	0	478
Number of newly constructed on-site units;		2,417
Number of newly constructed/acquisition off-site units (including all acquisition with rehab):		383
Of the above, number of ACC homeownership units:	0	0
Of the above, number of Non-ACC homeownership units:	0	1,218
Of the above, total homeownership units:	0	1,218
Number of Occupied Units:	1,506	3,278



OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 26, 1998

The Honorable Andrew Cuomo
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Secretary Cuomo:

I, Richard M. Daley, Mayor and Chief Executive for the City of Chicago, have reviewed the HOPE IV Revitalization application submitted by the Chicago Housing Authority and have no objections to the application.

I support this application because it embodies a comprehensive, holistic approach to helping public housing families achieve a better life, with the enhanced dignity and self-esteem that comes with being self-sufficient. Moreover, the approach proposed here reflects the fundamental reality that government alone does not have adequate resources to properly address the social and financial needs of severely distressed public housing communities in Chicago and across the nation. Only through collaborative public-private partnerships which creatively leverage critical contributions from the broader community can we achieve success.

For this reason, I especially welcome the extent to which CHA and the City have acknowledged the importance of attracting such contributions to ABLA's revitalization plan by forming a new public-private committee to oversee and track relocation and self-sufficiency services. This committee will include residents and representatives from civic, academic and philanthropic benefactors.

The goal of this HOPE VI application is to revitalize and transform ABLA Homes into a desirable, diverse mixed-income community. The citizens of Chicago are committing more than \$100 million in direct and indirect funding to help make this vision a reality. When combined with CHA's funds, this will leverage more than \$260 million in private investments required to create a \$406 million redeveloped community.

Upon approval of CHA's 1998 HOPE VI application, the people of Chicago will take another major step forward in this ambitious effort to develop an innovative model for revitalization of public housing communities worthy of replication here in Chicago and across America.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard M. Daley", written over a large, stylized "X" mark.
Mayor

ABLA
ADDAMS/BROOKS/LOOMIS/ABBOTT
LOCAL ADVISORY COUNCIL

1254 South Loomis Street
Chicago, IL 60608
Telephone: (312) 791-8756 or 791-8851
Facsimile (312) 455-1871

Deverra Beverly
President

June 25, 1998

Beatrice Jones
Vice-President

Joseph Schuldiner, Executive Director
Chicago Housing Authority
626 West Jackson Blvd.
Chicago, Illinois 60661

Willie McKay
Secretary

Justean Gaines
Treasurer

Dear Mr. Schuldiner:

Ruth Crockett, Chairperson
Procurement and Contracts

The continuous efforts of the residents of ABLA to revitalize our community, as evident in the completion of Phase I Robert Brooks Homes Modernization, has led to the development of a comprehensive HOPE VI Application submission. It is the ABLA Local Advisory Council's belief that the role of the residents in the planning process and in the implementation process at all levels is critical to a successful revitalization of the greater ABLA community. In support of this belief, the ABLA LAC accepts the responsibilities of providing the resident participation and is pleased the CHA agrees the LAC will fill that role.

Ida Brantley, Chairperson
Modernization

Frances Sumlin, Chairperson
Budget

On behalf of the residents of ABLA including the ABLA LAC we extend our support to the 1998 Hope VI Application. The LAC support for the 1998 Hope VI Application is conditioned upon the LAC's ongoing participation in all redevelopment activities. It is further conditioned on the LAC's role being significant with real representation on any decision making body that is created in the revitalization process, examples being the existing Memorandum of Agreement Committee and the proposed five member ABLA Self-Sufficiency Leverage Council with two seats held by members of the ABLA LAC.

Austin Doss, Chairperson
Tenant Relations

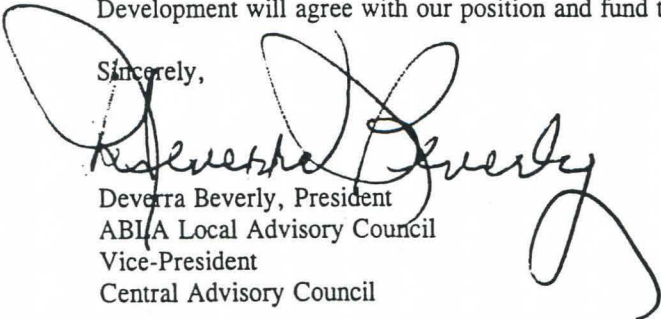
Gloria Mollison, Chairperson
Health & Education

Margie Taylor, Chairperson
Welfare

We are very excited about the innovative programs the ABLA LAC helped to create within this plan including the "residents helping residents" approach. Our residents were successful in receiving jobs on the modernization of Robert Brooks Homes Phase I and look forward to continuous job development in construction and other redevelopment programs.

Finally, the residents are ambitious and look forward to working on the positive creation of this overall redevelopment plan. We hope the U.S. Department of Housing and Urban Development will agree with our position and fund the \$35 million being requested.

Sincerely,


Deverra Beverly, President
ABLA Local Advisory Council
Vice-President
Central Advisory Council



Business and Professional People
for the Public Interest

June 25, 1998

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President
Sherry B. Goodman
Ann Smith
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Vice Presidents
Camilla Hawk Diaz-Perez
Secretary
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William Geller
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Thomas J. Lenz
Paul Levy
Robert B. Lifton
Ralph Martire
George R. McCoy
Zebedee McLaurin
McLennan
v. McConnell, II
Joseph B. Meister
n Clark Netsch
Alexander Polikoff
Hipolito Roldan
Lowell Sachnoff
Alan Saks
Dianne Sautter
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Marissa Manos
Elizabeth Murphy
D. Jo Patton
Mary Rice

United States Department of Housing
and Urban Development
451 Seventh Street, S.W. - #4138
Washington, D. C. 20410

Attn: Deputy Assistant Secretary for
Public Housing Investments

Dear Deputy Assistant Secretary:

On behalf of the Gautreaux plaintiff class in the litigation entitled Gautreaux v. CHA, No. 66 C 1459, in the Federal District Court for the Northern District of Illinois, Eastern Division, we write in support of the application submitted by the Chicago Housing Authority in response to the SuperNOFA published in the Federal Register on March 31, 1998.

The Gautreaux plaintiffs support this application for the following reasons:

1. In our opinion the revitalization plan proposed by the application will facilitate the provision of mixed-income housing opportunities, with the strong prospect of racially desegregated housing opportunities, to families of the Gautreaux plaintiff class who have been adjudicated to be entitled to receive, but have yet to receive, such opportunities.

2. By designating the proposed redevelopment area as a "Revitalizing Area" in its Order of June 19, 1998 (subject to CHA success in the HOPE VI competition), the Federal District Court has made a finding that the revitalization plan does in fact afford a prospect of providing such housing opportunities.

3. The plan has been prepared in a collaborative manner under the leadership of the Office of the Mayor of the City of Chicago, and with the active participation of code departments of the City of Chicago (the Departments of Planning and Housing), the Court-appointed Receiver, and the ABLA residents, thus strongly enhancing the likelihood of the plan's realization.

4. Because of the location of the ABLA Revitalizing Area between the world's largest medical district on the west and the expanding University of Illinois, Chicago campus on the east, both of which institutions have recently initiated significant new development and have concrete plans for

additional development, the ABLA Revitalization Area constitutes a most attractive location for substantial private residential development interest.

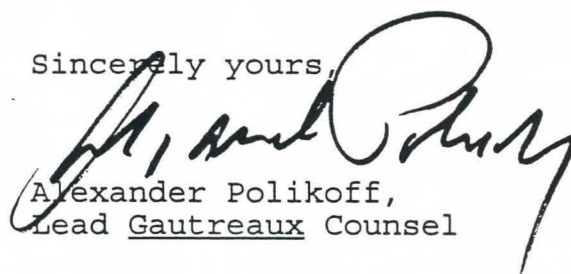
5. The HOPE VI grant of some \$28 million, secured in FY1996 pursuant to an "absolute priority" given to the CHA under Gautreaux, provides an important element of financial support to the overall plan while offering a significantly improved way of utilizing these 1996 funds -- i.e., to produce a residential community in which public housing units are mixed with non-public housing dwellings.

6. The agreement giving the City of Chicago, the Illinois Department of Human Services and residents of ABLA and the surrounding community a participatory role in relocation and family self-sufficiency planning and implementation greatly strengthens the prospects for leveraging services and support for, and enhancing the performance of, these crucial activities.

Overall, the strong, demonstrated commitment of the City of Chicago to this plan, the prime location of the site, the collaborative nature of the application process, and the continuing jurisdiction of the Gautreaux Court afford an excellent prospect for attracting private investment and assuring the transformation of this seriously distressed public housing-dominated neighborhood into a well-working mixed-income community which will afford significant relief to Gautreaux families while at the same time achieving HOPE VI objectives.

The site and the plan thus have the potential to become one of the jewels in the crown of HUD's HOPE VI nationwide revitalization efforts.

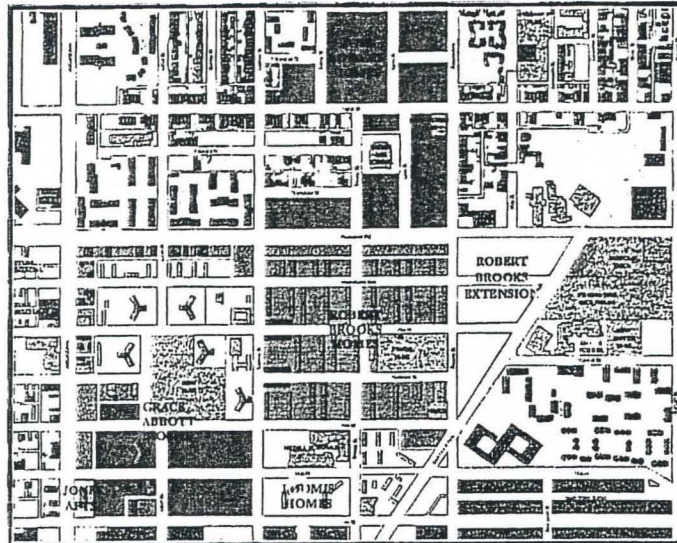
Sincerely yours,


Alexander Polikoff,
Lead Gautreaux Counsel

ALP:mm

EXHIBIT B

Existing Site Conditions



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

B. EXISTING SITE CONDITIONS

1. Existing Physical Conditions

The ABLA development is situated on 100 acres and has more than 3,500 original units in a mix of highrises, walk-ups and rowhouses. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the mistaken strategy of building superblock concentrated public housing developments that lead to physical and social isolation. ABLA has suffered a long history of inadequate maintenance combined with the natural deterioration of building systems and structures causing the housing stock to become generally obsolete. It is plagued with over a thousand City building code violations and currently exhibits an overall vacancy rate of 52%. The severe social and physical distress of ABLA has led the CHA, the ABLA LAC (Local Advisory Council), the Receiver, the Gautreaux plaintiffs, the City of Chicago, and the residents to partner in a plan that will lead to the complete transformation of ABLA Homes.

As noted in the City of Chicago's 1997 Consolidated Plan Annual Performance Report and the recently released Five Year Affordable Housing Strategy, the City has a continuing goal to work in partnership with the CHA to develop and facilitate housing programs that leverage private and public resources to benefit the range of constituencies in need of affordable housing. This goal will be accomplished by the funding of the 1998 HOPE VI revitalization grant for the ABLA development.

a. Physical Deterioration:

The building systems of the ABLA development endured years of wear, weathering, abuse and neglect. The absence of proper maintenance and the adverse conditions in this development have accelerated deterioration of most building systems to a point where the systems' integrity are compromised beyond repair. According to an independent physical assessment by On-Site Insight, Inc., these building systems would need to be completely replaced to sustain the development (See Attachment). These conditions hold true for the exterior building components, the site systems and internal mechanical systems. (Note: Phase I of Brooks Homes modernization was completed in May 1998 for 132 units. An additional 220 units will be renovated in Phase II for a total of 352 rehabbed units under the Comprehensive Grant Program. 356 units of Brooks Homes will be demolished as part of this HOPE VI Application.)

(1) *Major Structural Deficiencies*

The housing stock at ABLA reveals numerous structural deficiencies. These varied building types are of masonry construction whose structural deficiencies stem from age, weathering and the historical absence of proper maintenance. Deferred maintenance and vandalism have contributed to the adverse conditions and distress at all of the buildings. Typical structural defects include cracks and spalling in concrete columns at Grace Abbot and Brooks Extension, and cracks in floor slabs, sidewalks, and other concrete components. Typical exterior defects include improper grading around low rise buildings that allow large pools of surface water to pond along the edge of the building contributing to long term defects of the foundation walls. Settlement has also caused masonry walls and parapets of mostly all the buildings to deteriorate and have heaved bricks. Stress cracks appear inside and outside of the walls. Cracked and broken masonry joints and moisture damage from defective flashing has allowed the tuckpointing to become distressed.

Roofs: The roofs at ABLA, with the exception of Grace Abbott rowhouses, are flat, built up roofs with interior drains and roof top exhaust fans. Leaks in the roofs are a continuous maintenance problem caused by conditions such as cracks and punctures in the membranes, seals drying out around the base of the drains and split flashing. Numerous units in the high rise buildings are unleaseable due to the continuous roof leaks. Temporary repairs have been performed but have yet to adequately address the problem of uninhabitable units. Roofs at Jane Addams were installed over seven years ago, but the interior drains are still original and have deteriorated and continue to cause leaks.

Electrical/Mechanical: The present electrical system in each building in ABLA neither meets residents needs nor complies with the City of Chicago's Building Code. Neither the kitchens nor bathrooms have 20 amp circuits or ground fault duplex receptacles. Revisions to the electrical system will require upgrade from the present service and also an increase in primary, secondary and distribution services in order to accommodate the augmented electrical load.

The current heating system for the ABLA development includes underground distribution of steam heat and hot water supplied from a central heating plant located on the Jane Addams site. Inefficient overheating during the winter months and the inability to regulate the amount of heat for each unit has been a constant problem at ABLA. With all the buildings being tied into this inefficient high pressure steam heating system, all the residents are affected through the loss

of or reduction in delivery of heat and hot water due to the many shutdowns that occur. Much thought has been given to decentralizing the heating system at ABLA. Plans are currently underway for the decentralization of the occupied buildings at Grace Abbott but initial contractor costs are several million dollars over the budgeted amount. The cost of decentralizing the buildings at Jane Addams will be cost prohibitive and involve locating a mechanical room in each building's decrepit basement. Again, the central heating system was built in 1938 and is costly to maintain due to the continued repair of the underground steam and condensate piping, as well as the various auxiliary mechanical equipment. By redeveloping the entire ABLA community with new townhomes, the heating systems will be more reliable with up-to-date modern and more energy efficient equipment.

Lead Based Paint/Asbestos: Hazardous materials such as lead based paint (LBP) and asbestos have also been detected throughout ABLA by independent environmental consulting firms. LBP has been found on walls, ceilings and door and window frames, and many other components. Asbestos containing materials were found on pipe insulation and in some floor tile types. The designation of positive findings only indicates that these materials were detected, but not necessarily abated. Some abatement has been performed at ABLA but limited to priority situations. Public health officials say lead is the No. 1 environmental threat to children – whether they live in public housing or suburban homes. By demolishing existing housing units loaded with lead based painted components, disposing of it properly and building new, lead dust and chippings can be eliminated for the children of ABLA.

The testing results for ABLA are summarized in the following table:

SUMMARY OF ENVIRONMENTAL CONDITIONS *			
ABLA Development	LBP (Lead Based Paint)	Asbestos	UST (Underground Storage Tanks)
Jane Addams	Positive Findings	Positive Findings	None Registered
Grace Abbott Highrise	Positive Findings	Positive Findings	None Registered
Grace Abbott Lowrise	Positive Findings	No Testing Performed	None Registered
Brooks Extension	Positive Findings	Positive Findings	None Registered
Brooks Homes	Positive Findings	Positive Findings	None Registered

* For specific components, quantities, levels and locations see the attached individual reports at the end of this section.

Deferred Maintenance: The deferred maintenance backlog is clearly a negative indicator of the level of decay at ABLA. Despite maintenance staff's attempt to attack routine maintenance problems, their efforts have done little to improve the

quality of life within the residential units as indicative of the many code violations the ABLA development continues to receive. Typical citations for the units, that do not meet Housing Quality Standards include repair of peeling paint and plaster, extermination of rodents, cockroaches and other vermin, window repairs, installing rat-proof material around exterior walls, plumbing repairs, repair of exterior canopies and repair of common sidewalks. Conservative internal estimates demonstrate that it would cost the Authority between \$30,000 and \$50,000 per unit to address the code violations at the units at Jane Addams alone (this being only a short-term repair). In the meantime, the City of Chicago continues to fine the Authority thousands of dollars each month for failing to remedy code violations.

(2) *Major Site Deficiencies*

Major site deficiencies are most notably the deteriorated underground steam system and especially the condensate return portion, which is inoperative. The ABLA development has several steam leaks billowing up from the various manholes throughout the development. Leaking ground water that falls on the hot steam lines causes these steam leaks. Standing water after a heavy rain at ABLA is due to the backed up sewer system and possibly broken piping. New infrastructure systems will be installed by the various utility companies: gas, lighting, electrical, sewer, etc.: with coordination by the City of Chicago and the CHA. Most recently one high rise building was demolished at Brooks Extension and during the excavation of the foundations, there were remnants of charred buildings from the Chicago Fire in 1871, which gives evidence of the poor soil conditions at ABLA. This evidence helps to dictate the design of slab on grade homes for the redeveloped area. There is also a lack of usable play equipment and landscaping on site. Most playgrounds were taken down because of liability concerns due to them not having soft surfaces, but they were never replaced. Paved parking lots are currently filled with potholes, have drainage problems and are magnets for abandoned cars and "backalley" mechanics.

(3) *Design Deficiencies*

Planning deficiencies of the past concentrated ABLA's public housing residents in one contiguous area and physically isolated the public housing development. ABLA was built on four superblocks that are disproportionate to the community at large. The density of the existing ABLA development is approximately 37.33 units per acre, which is high when compared to the average density of 28 per acre of typical Chicago neighborhoods. The proposed redevelopment

plans calls for an average of 28 units per acre. The original site planning for ABLA started with the Jane Addams development to the north with further developments sited to the south. The first plans disregarded the order of the established city grid and subsequent plans followed in this pattern. This created large off sets from the existing streets, wastelands of large open spaces that are unused, unsecured and not well maintained, and an isolated enclave from the city and the surrounding community. There is a lack of security planning and provisions, such as guard booths, single entrances, locking systems or intercoms. The ABLA development has numerous indefensible spaces, like open lobbies, which permit criminal elements to take control over buildings and common areas and multiple entries. The open galleries on the high rise buildings at Brooks Extension cause exposure to the elements in inclement weather, which creates a dangerous situation for residents and additional maintenance problems. Jane Addams has interior stairwells, which feed apartments on three floors. Not having a working intercom system, the front door is left opened and unsecured. This exposes the stairways, which are steel pans filled with concrete, to the same inclement elements and continuous steam leaks from the basements. The existing stairs have rusted out metal nosing on top and rusted out steel pans in the back which are dangerous and hazardous for the residents using the stairs. Another design deficiency at ABLA is the lack of on site garden opportunities for the residents.

(4) *Environmental Conditions*

An environmental assessment was prepared for the ABLA development and it was found that there are no deficient environmental conditions that could jeopardize the suitability of this site for the proposed revitalization activities. No underground storage tanks have been registered at any of the developments. Six (6) underground storage tanks are registered at the central boiler house located to the north of the site within Jane Addams development and are scheduled for removal.

(5) *Accessibility Deficiencies*

The original building and site design of the buildings at ABLA did not address those physical modifications to public housing that are currently mandated by the American with Disabilities Act (ADA). The ABLA community has several residents with varying degrees of disability including mobility impairment (i.e. those requiring wheelchair or a walker/cane), blindness and deafness. Although the ABLA management office has been modified, few improvements

have been performed to the residential buildings. There are physical barriers at entrances, common spaces and within units. These barriers include exterior stoops and steps into buildings, raised thresholds, no door pulls, and cracked and broken sidewalks. In the majority of units, there is insufficient space in the kitchen and bathroom for a wheelchair to maneuver. Also light switches, electrical outlets and door hardware have accessibility deficiencies. Incorporated into the comprehensive redevelopment efforts for ABLA will be full compliance with section 504 ADA and Fair Housing requirements.

b. Distress Within Applicant's Control:

At the ABLA development approximately 52% of the units are vacant. Vacant units are heavily vandalized and stripped of all equipment and components including windows, radiators and piping. Free flowing water from broken lines and weather exposure from these units accelerates deterioration of the buildings. Fire and smoke damage originating from burned out abandoned apartments are clearly visible on the building's exterior. Most distress at the site is due to the level of high abuse that comes with isolating public housing residents within poorly maintained buildings. Criminal activity exacerbates the vandalism of stairwell and lobby lighting and security locks on the entry doors.

2. Distress in the Neighborhood

a. Physical Condition & Characteristics

The Near West Side of Chicago is a 5.76 square mile neighborhood directly west of the city's downtown. The neighborhood represents a juxtaposition of one of the nation's poorest public housing communities with some of the region's major generators of economic growth and opportunity. The targeted redevelopment area is anchored by the largest medical district in the country, the Illinois Medical District (IMD), and the University of Illinois at Chicago East and South Campuses (UIC). In addition to these large institutions, the Near West Side borders the vital industrial area known as the Pilsen District and holds a strong historical significance to Chicago with areas such as Little Italy on Taylor Street.

According to the 1990 Census, the Near West Side consisted of 21,543 housing units, of which over 5,900 are public housing units located in three developments in the community: Rockwell Gardens, Henry Horner Homes, and

ABLA Homes. In addition, there are a number of HUD subsidized developments in the community containing 2,242 units. In general, these subsidized developments are well-maintained.

The Near West Side is experiencing the tremendous energy of a revitalizing neighborhood with new market rate housing and large scale retail activities, and strong commercial corridors, such as Little Italy and Chinatown, which continue to draw clientele from across the city. The neighborhood also houses city wide institutions such as St. Ignatius College Preparatory School and the United Center. The neighborhood is also home to more than 3,300 public housing families who have historically been isolated from the existing resources in the community. The stark contrast between public housing and the wider Near West Side communities presents the challenge of ending years of isolation and concentration of poverty through integration and revitalization in the context of a mixed income community.

The disparities present in the Near West Side are also manifested in its physical characteristics. Large newly constructed institutional buildings and private market housing abut and surround over 160 acres of public housing and other deteriorated sub-standard housing. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the failed strategy of superblock concentrated public housing developments with the consequences of physical and social isolation. This plan will enable existing residents who desire to remain the opportunity to obtain the benefits of the ongoing revitalization of the community.

b. Land Use and Economic Activity

The average density in the Near West Side is between 25-28 units per acre, but it can be as low as 11 units per acre in certain areas such as new housing developments directly north of Jane Addams. ABLA, consisting of over 3,500 units within 100 acres, has an overall average density of 35 units per acre. ABLA housing includes a mix of rowhouses, walk-ups, and highrises, and densities range from 32 to 81 units per acre.

c. Demographic Data

According to the 1990 Census, the Near West Side has a population of 46,197 persons within 16,473 households. Population of the Near West Side is approximately 67% African American, 22% Caucasian, 9% Hispanic, 5% Asian, and 5% other. The racial composition of ABLA is nearly 100% African American. The Near West Side's juxtaposition of prosperity and extreme poverty is further demonstrated in the income levels. The 1996 estimated median household

income for the Near West Side is \$11,978. In the midst of major regional economic activity, approximately 55% of Near West Side families live below the poverty level. Of those in the labor force, the Near West Side has a 20% unemployment rate.

As of March 1998, the average income of ABLA Homes was \$7,000 or only 11.8 % of the 1998 area median income for a family of four in the Chicago metropolitan area (\$59,500).

d. Crime Statistics

- Serious Crimes between 1995 and 1997 at ABLA:

	1995	1996	1997
Homicide	1	8	2
Criminal Sexual Assault	20	15	15
Serious Assault	255	264	221
Robbery	78	119	44
Burglary	122	105	104
Theft	180	186	219
Vehicle Theft	12	8	11
TOTAL	668	705	616

- Average number of police calls per month: there was an average of 1,565 dispatches per month within the three beat area including ABLA Homes from March - September, 1996.
- Average monthly vandalism: Vandalism at ABLA Homes is a daily occurrence. Examples of vandalism include removal of window frames, kitchen sinks/plumbing fixtures, light fixtures in hallways, convectors/heating elements, and fire hoses. There are also common instances of fires in garbage chutes, broken windows, and removal of stairwell fire doors in highrises. Management staff estimates that CHA expends approximately \$40,000 per month, or a little more than \$125 per unit annually, to repair and/or replace items due to vandalism.
- Number of lease terminations/evictions for criminal activity: For the period from January to June 1997, there were 55 for-cause cases from ABLA Homes (44 for drug related one-strike, 4 for felony one-strike, and 7 for non one-strike reasons.)

e. Adequacy of Existing Facilities

The Near West Side is served by many institutions and commercial facilities. In addition to the University of Illinois at Chicago and the Illinois Medical District, the Near West Side is also home to Malcom X College, one of the

top medical assistant training schools in the country. Unfortunately, ABLA residents have traditionally not benefited from the educational or economic strengths present in the neighborhood. The Near West Side is serviced by two elevated rail ("El") lines and several bus routes. The Eisenhower Expressway cuts through the middle of the Near West Side and the junctions for the Kennedy and Dan Ryan Expressways border the east side of the neighborhood. When asked to list strengths in their community, ABLA residents repeatedly cite the close proximity to downtown and accessible public transportation as important valuable attributes of the community. Two commercial centers recently opened in the area with large supermarket anchors, Jewel on Harrison Street and Dominicks on Canal Street. A new commercial center is also being built on the southwest corner of Ashland and Roosevelt as part of the Illinois Medical District expansion. These recent developments have greatly increased available retail services to the public housing communities.

f. Public School Systems

The public schools that primarily serve the ABLA population, Jacob Riis School, Smythe School, and Medill School, are under populated. Chicago Public Schools has agreed to keep them operating and re-evaluate the needs upon completion of the proposed development activities.

g. Effect on the Neighborhood

The poor site design and physical deterioration of ABLA Homes have a blighting influence upon the Near West Side community. ABLA residents are isolated in superblocks which pose numerous dangerous and hazardous conditions for a resident population of which 33% are between the ages of one and ten. The deteriorated ABLA structures also hinder development of new housing, limit rehabilitation of the existing housing stock, deter commercial investment, and adversely affect the value of surrounding properties.

Long neglected maintenance of grounds deters efforts by residents to maintain their neighborhood. The mere visual effect of ill-kept, litter-strewn, unlandscaped grounds and partially boarded-up and vacant apartments discourages residents from maintaining their surroundings, and has a blighting effect upon the surrounding community and lessens the economic base of the City. The high incidence of crime, vandalism, gang activity, squatting, and open drug use discourages community interaction and creates social isolation. Community stability efforts, initiated by the ABLA LAC and concerned residents, are often undermined by the lack of security measures. Overburdened management, open and

vacant apartments, and poor design of structures throughout ABLA create indefensible spaces and an atmosphere that encourages crime, gangs, drug sales, and attracts additional outside criminal elements. The high concentration of very low-income minority persons, many lacking basic education or job skills, leads to social and economic isolation.

The ABLA Redevelopment Plan will effectively address many of the neighborhood deficiencies such as physical deterioration, poor site design, social isolation, and lack of municipal infrastructure and will create a revitalized, sustainable mixed income community.

(3) Need for Funding

a. Urgency of Distress

The Authority has approximately 1,200 outstanding work orders for ABLA, of which 10% are dangerous and hazardous. Common examples of these dangerous and hazardous violations include standing water in basements, open vacant units, plaster peeling, missing stair pans in hallways, missing peep holes, roof leaks, paint peeling, missing floor tile, and rotten kitchen cabinets.

In large part, code violation problems are most prevalent in Jane Addams, the oldest development within ABLA. As a result of these extensive violations, the Authority has been forced to close seven of the buildings at Addams. In total, sixteen ABLA buildings have been closed due to code violations. Although, a special crew has been assigned specifically to address dangerous and hazardous work orders, the City of Chicago recently brought demolition suits against the CHA in regards to four buildings which the City has determined are a threat to the public health and safety.

The severe distress at the site is also demonstrated in a vacancy rate of 52% and a tenant population of more than 1,500 families below 15% of the area median income. Without immediate intervention, the level of distress at the site will become imminently greater.

b. Lack of Available Funds

The CHA critically lacks available funds to implement the ABLA Redevelopment Plan. In the Draft Viability Analysis Summary and Proposed Revitalization Schedule, the CHA proposes a 15 year revitalization timetable for seventeen of the most distressed developments in the housing stock including ABLA Homes. The Viability Analysis states in part, "Existing levels of modernization funds are simply insufficient (and were never intended) to cover

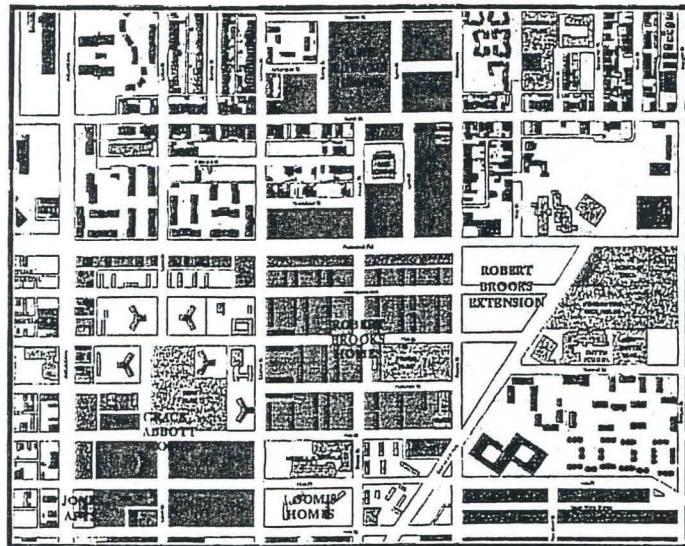
relocation, demolition, rehabilitation, and new construction on the scale contemplated by the plans. CHA receives \$118 million per year in modernization funding, but available dollars for physical improvements are limited to approximately \$50 million per year. (CHA uses a large portion of the modernization budget to pay for the costs of security.) Further, CHA estimates that the non-Viability sites will require \$625 million in rehabilitation funds over the 15-year phasing period. Even with regular infusions of HOPE VI funds, it is doubtful that CHA can complete all the work proposed at the 202 sites and maintain the non-202 sites in good condition."

Only with HOPE VI funds can ABLA be adequately redeveloped. A notable factor of the ABLA Redevelopment Plan is that it includes commitments and plans for complete funding of the revitalization, including all on-site and off-site replacement units, relocation, demolition, and self-sufficiency programs.

The revitalization of public housing developments throughout the City is a priority for the City of Chicago as demonstrated in the City's Consolidated Plan - "Neighborhoods Alive!" See excerpt from the City's Consolidated Plan in Exhibit D Attachments.

EXHIBIT G

Community Consultation and Coordination



1998 Hope VI Revitalization Application - ABLA

Chicago Housing Authority

June 26, 1998

All major redevelopment initiatives in ABLA are included in the MOA negotiations including redevelopment goals, policies, priorities, program schedule and strategies. For example, through this comprehensive MOA process, the CHA has committed to development of mixed income communities without displacing existing families --- all existing ABLA families who wish to remain in the area will have an opportunity to do so.

Strategic Planning Committees:

The ABLA LAC is adamant about improving the quality of life for all ABLA residents. These quality of life improvements begin with organizing active resident participation in the resolution of all matters related to redevelopment including physical redevelopment, human capital development programs, and quality of life activities for the ABLA community.

The extent of resident participation organized by the ABLA LAC is one of the Plan's greatest assets. Over the past eighteen months, the ABLA LAC has engaged residents to become full participants in the planning process through organized meetings and training. There are four distinct and separate strategic planning committees for each sub-development of ABLA in addition to the MOA Redevelopment Committee: Jane Addams Homes has a four member Planning Committee with a sixteen member sub-committee for organizing, Robert Brooks Homes has a four member Planning Committee, Brooks Extension has a seven member Planning Committee, and Grace Abbott Homes has a nine member Planning Committee. The planning committees consist of elected representatives from each of the buildings or areas that comprise each development. Each committee has the authority and the responsibility for strategic planning in its development. All decisions are reported to the MOA Redevelopment Committee wherein they are incorporated into the MOA.

Before beginning substantive discussions on redevelopment, the CHA provides four training sessions:

(1) What is Strategic Planning?

- Strategic Planning process
- Role of Committee as a whole and as individual members
- Section 202 Viability Analysis

(2) What is HOPE VI?

This session provided committee members with a general overview of HUD's HOPE VI Program including samples of successful models.

(3) What is Physical Redevelopment?

This session provided committee members with general aspects of physical redevelopment primarily to familiarize the members with the language and key issues with physical redevelopment.

- How to read a site plan?
- How to read a floor plan?
- What are amenities and how does the budget impact them?

(4) Family Profiles

This session trained committee members to conduct Family Profile Surveys.

- What are the important pieces of information that the survey collects?
- What is that information used for – e.g., how does the family size impact the physical site plan?

From this base of common knowledge, the planning committees explored community issues and priority areas of need. On the physical redevelopment, the planning committees determined preferred amenities and site plan items. The planning committees also conducted the Family Profile Surveys in their own buildings, not only collecting critical information but also using the Profile as a tool to begin discussing redevelopment plans and housing preferences with individual residents.

The relationship between the CHA and the ABLA LAC is based on a complementary goal of redeveloping the ABLA area and improving housing conditions for its current residents. With a strong commitment from both parties to cooperatively work through the difficult issues and create a long term sustainable community, the CHA fully appreciates the assets the ABLA LAC, the planning committees, and the residents bring to successfully redeveloping this area. The CHA recognizes that the strength and commitment demonstrated by these resident committees is one of the greatest assets to successful redevelopment of the entire ABLA area.

2. Community Support

The ABLA LAC and members of the surrounding community are in full support of the ABLA Redevelopment/1998 HOPE VI application as demonstrated in the attached support letter.

3. Continuing Involvement

The ABLA LAC and the planning committees will continue to be actively involved in every element of the ABLA Redevelopment Plan. Specifically, the planning committees will assist in monitoring the physical redevelopment implementation as well as provision of community services. The planning committees will meet with the developer and

separately with CHA on a monthly basis. The planning committees will be primarily responsible for serving as a liaison with residents with regards to development of the replacement units, relocation, transition, training, and self-sufficiency programs. The planning committees will also assist in organizing community activities and sub-committees for the purposes of resident selection and assignment, security, childcare, community gardens, and management issues.

b. Information Dissemination about Application

1. *Clear Information About Application:* The CHA has provided detailed information to the resident representatives about the 1998 HOPE VI application including providing a copy of all relevant materials and reviewing each aspect of the proposal together with the appropriate committees. The CHA provided summaries of each section of the application and an executive summary of the proposal for review by the committees. The MOA committee provided input in every facet of the CHA's proposal.

In addition to the required public meeting, the CHA hosted a Resident Information Meeting specifically for the residents that will be affected by the HOPE VI Proposal.

2. *Meeting Notices:* Notice of the public meeting was advertised in the Chicago Sun-Times. Fliers were also distributed throughout the ABLA development and the surrounding neighborhood and posted in high-traffic locations such as the ABLA Community Center, the Boys & Girls Club, the Duncan YMCA, neighboring schools, child care facilities, and community development organizations. The CHA also hosted a Resident Information Meeting for residents of the Jane Addams and Grace Abbott residents prior to the public meeting.

3. *Timing of Meeting Notices:* Notice of the public meeting was posted in sufficient time for interested persons to make arrangement to attend.

2. Coordination

a. City of Chicago ABLA/IMD/UIC Planning Task Force

ABLA Homes is a part of the Chicago's Near West Side community. The Near West Side is currently the City's highest revitalization priority with redevelopment initiatives not only by the CHA but also by the Illinois Medical District (IMD) and the University of Illinois at Chicago (UIC).

The City has initiated a series of coordination efforts entailing monthly meetings with representatives from the CHA, UIC, IMD, and relevant City departments, including the Mayor's Office, the Department of Planning & Development, the Department of Buildings, Infrastructure, Intergovernmental Affairs, and Budget. Through the City's efforts, critical discussions have been initiated to coordinate this tremendous revitalization effort on issues such as housing, park services, retail development, school services, and employment initiatives. Sub-Committees have been established in infrastructure, transportation, public school and education services, employment services, zoning, recreational and park services, and retail/commercial services. The overall planning committee with representatives from all three major redevelopment efforts meets on a monthly basis with representatives of the Mayor's Office.

The ABLA Redevelopment Plan has benefited significantly from the City of Chicago's Planning Task Force. Through the City's Task Force, the redevelopment of the ABLA area has been coordinated with the expansions of the Illinois Medical District (IMD) and the University of Illinois at Chicago (UIC). The cooperative energy in the redevelopment of the Near West Side – as well as the enthusiasm and commitment to a shared goal by all stakeholders – is at a level unprecedented in a CHA redevelopment effort. The CHA, the ABLA LAC, and the ABLA residents look forward to galvanizing all interested parties in the successful redevelopment of the ABLA community.

The IMD is the largest urban medical district in the country with more than 560-acres of medical, educational, and research facilities valued at more than \$4 billion. IMD currently employs more than 40,000 employees and reports revenues of more than \$1.5 billion. Its Master Plan projects 14 million square feet of new construction and the creation of 10,000 new jobs in the next 10-15 years. The IMD is an active participant of the City's Employment and Economic Development Sub-Committee committed to creating jobs for ABLA residents.

The UIC is the largest university in the Chicago area with more than 25,000 students and 11,000 employees. UIC recently hired a development manager to coordinate its south campus expansion plans over the next several years. UIC plans include the construction of 500 -700 residential units directly east of the Brooks Extension Revitalization site including affordable homeownership units. The UIC is also a committed participant to the City's Employment and Economic Development Sub-Committee.

The City has demonstrated its commitment to the Near West Side revitalization with a Mayoral appointment of a full-time Program Manager to coordinate planning of all three major redevelopment initiatives and to centralize access to City resources. The City has committed to building the public infrastructure and has played a critical role in coordinating increased employment and social services for ABLA residents. In addition, the Commissioner for the Department of Housing, an appointee of the Mayoral Cabinet, has taken a strong leadership role in bringing all parties to a consensus and providing necessary resources to make the proposed plan feasible.

b. Information Channels if proposal is funded:

There will be very few additional coordination and consultation relationships to be made if the grant is awarded. The ABLA LAC, the ABLA residents, and the CHA have worked closely with stakeholders to ensure that community consultation and coordination is already in place. These communication channels have been in place for over a year and will continue throughout the ABLA Redevelopment. In particular, the CHA will continue to participate in the following consultation and coordination meetings:

- ABLA Redevelopment - Memorandum of Agreement (MOA) meetings with the ABLA LAC - forum whereby the ABLA LAC and the CHA negotiate terms of redevelopment and monitor the entire redevelopment process. The MOA Committee meets biweekly.
- Resident Strategic Planning Committee - The Resident Strategic Planning Committees will be responsible for disseminating accurate information to the residents and providing input into the redevelopment implementation. For example, the selected developer's architect will work with the resident committees in creating the site plans and floor plans for the new units. The resident committees will also work with the CHA to implement the relocation plan and the Family Self-Sufficiency Programs in order to ensure a comprehensive revitalization. The four resident planning committees meet biweekly with the CHA.
- City of Chicago Inter-Governmental Task Force - The CHA will continue to actively participate in the City's Inter-Governmental Task Force as described above. The Task Force meets monthly.

-
- West Side Consortium - Ms. Deverra Beverly, President of the LAC, is a Board Member of the West Side Consortium, a consortium of over 50 community organizations in the area. The CHA is also a member. The City of Chicago has served as the lead in coordinating efforts with the West Side Consortium with CHA's participation, and in keeping the group updated on all the redevelopment initiatives planned for the area.
 - UIC Redevelopment Advisory Board - Deverra Beverly also on the Advisory Board for the UIC campus expansion.

In addition, the CHA and the ABLA LAC will develop a *Neighborhood Residents Advisory Council* that consists of resident representation from existing ABLA families, families expected to enter the new mixed income community, and families in the surrounding area. As described earlier in this Exhibit, each sector of the ABLA development has already established cluster-planning committees responsible for resident outreach, planning and priority setting. The Neighborhood Residents Advisory Council offers the opportunity to broaden participation to include neighborhood residents adjacent to the ABLA development as well as families that will come into the new community. The Council will foster relations between neighbors and aid in the reintegration of public housing into the broader community area.

c. Coordination with the Consolidated Plan

The CHA's redevelopment efforts are an integral part of the City's Consolidated Plan. Each of the CHA's major redevelopment projects, including ABLA Homes, is a part of the City's document and closely monitored by the Department of Housing, which coordinates the Consolidated Plan.

1. *Lead Agency:* The Department of Housing of the City of Chicago coordinates the Consolidated Plan.
2. *CHA Participation:* The CHA actively participates in affordable housing and accessibility issues of the Plan.
3. *CHA Participation - Level of Involvement:* CHA staff are active participants in the Consolidated Plan process. Mr. Andrew Rodriguez, CHA's Director of the Redevelopment Division, is a member of the Chicago Affordable Housing Task Force. Mr. Rodriguez's term is from August 11, 1997 to June 30, 1999. Mr. Ed Moses, CHA's Deputy Executive Director of the Office of Community Relations & Initiatives, is a member of the Committee designated to update the Chicago Housing Affordability Strategy ("CHAS"). The CHAS Committee is developing the framework, priorities, strategies, and program allocation plans for the City's entire affordable housing strategy. The

CHAS Committee will develop a document that will detail a five year plan to increase affordable housing in the City. The plan will include strategies for sustainable home ownership and rental housing and for assuring supportive services including employment. The updated CHAS will emphasize strategies for long-term sustainability of affordable housing and services throughout the City.

d. Develop Linkages

1. *Other HUD-funded organizations:* The CHA is actively participating in discussions with the Dept. of Health & Human Services and HOPE VI sites throughout Illinois to ensure efficient services to HOPE VI communities.
2. *Civil Rights Organizations:* In an unprecedented partnership, the CHA and the Gautreaux plaintiffs entered a joint motion requesting that the Federal District Court designate ABLA as "revitalizing." The Gautreaux plaintiffs were an active participant in the development of the 1998 HOPE VI application and will continue to be a key member during implementation of the redevelopment plan.
3. *Local Agency on Elderly and on Disabilities:* The City of Chicago's Inter-Governmental Task Force facilitated a working relationship between the CHA and the City's Departments of Aging and of Disabilities. The Task Force will continue to coordinate all necessary parties to ensure that the ABLA Redevelopment not only complies with all existing ordinances but incorporates innovative strategies for addressing the specific needs of elderly and disabled persons.
4. *Other government funded activities throughout community:* The City of Chicago will continue to facilitate coordination between the CHA and the numerous well-established community based organizations in the Near West Side that currently receive government funding assistance.
5. *Local police:* As noted in Exhibit D - Physical Revitalization, the City of Chicago is currently assessing the feasibility of establishing a District Police office in the ABLA redevelopment area. The District Office and the continued coordination with the City will ensure that the ABLA redevelopment area is provided with all necessary safety and security measures.

e. Agreements or Memoranda of Understanding to be Developed After Award: Department of Health & Human Services, Urban League, and Department of Aging

f. Empowerment Zone/Enterprise Community: ABLA is not in Federally designated EZ or EC.

EXHIBIT G ATTACHMENTS

- *Meeting Notices*
- *Sign-In Sheets*
- *Handout Materials*
- *Notarized Meeting Minutes*
- *Memorandum of Agreement between the CHA and the ABLA Local Advisory Council*
- *Support Letters*



ADDAMS/ABBOTT RESIDENTS

**YOU'RE INVITED
TO ATTEND A**

**HOPE VI APPLICATION
MEETING**

WITH

**JOSEPH SHILDINER, EXECUTIVE DIRECTOR
CHICAGO HOUSING AUTHORITY**

**MONDAY, JUNE 15, 1998
4:30PM**

**ABLA LAC OFFICE
1254 S. LOOMIS**

**HOSTED BY
ABLA LAC**

1821-2345

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B-40 LEGAL NOTICES

PUBLIC NOTICE

Notice of
Proposed Change in Schedule
To the Patrons of Ameritech Illinois:
Ameritech Illinois hereby gives
notice to the public that it has filed
with the Illinois Commerce
Commission, under Advice No. 5878,
to offer a new feature called
Anonymous Call Rejection (ACR).
This feature is being offered to
residential customers and is
designated as a noncompetitive
service, filed under tariff ICC No. 28,
Part 7, Section 2.

A copy of the proposed change in
schedule may be inspected by any
interested party at any business
office of this Company in Illinois.

Customers should be advised that
the Commission may alter or amend
the rates or conditions of service
after hearings held pursuant to IS
Illinois Administrative Code 200 and
may increase or decrease individual
rates in amounts other than those
requested by the Company.

All parties interested in the matter
may obtain information with respect
thereto either directly from this
Company or by addressing the Chief
Clerk of the Illinois Commerce
Commission, 527 East Capitol
Avenue, Springfield, Illinois
62774-9290.

AMERITECH ILLINOIS
BY: Jaime Villaseor
Director-Regulatory Affairs

PUBLIC NOTICE

Notice of
Proposed Change in Schedule
To the Patrons of Ameritech Illinois:
Ameritech Illinois hereby gives
notice to the public that it has filed
with the Illinois Commerce
Commission, under Advice No. 5888,
to offer a new feature called
Ameritech Privacy Manager. This
feature is being offered to
residential customers and is
designated as a noncompetitive
service, filed under tariff ICC No. 28,
Part 7, Section 2.

A copy of the proposed change in
schedule may be inspected by any
interested party at any business
office of this Company in Illinois.

Customers should be advised that
the Commission may alter or amend
the rates or conditions of service
after hearings held pursuant to IS
Illinois Administrative Code 200 and
may increase or decrease individual
rates in amounts other than those
requested by the Company.

All parties interested in the matter
may obtain information with respect
thereto either directly from this
Company or by addressing the Chief
Clerk of the Illinois Commerce
Commission, 527 East Capitol
Avenue, Springfield, Illinois
62774-9290.

AMERITECH ILLINOIS
BY: Jaime Villaseor
Director-Regulatory Affairs

PUBLIC NOTICE

NOTICE OF A FILED APPLICATION FOR A LIQUOR LICENSE

Richard M. Daley
Mayor

In accordance with Chapter 4-60-040(c), of the Municipal Code of Chicago, this serves as
notice, by the Chicago Department of Revenue, that the following applications have been
made for City retailer's licenses for the sale of alcoholic liquor:

Applicant: Goode Island, Inc.
Applicant Residence Address: 2145 W. Walton Ave., Chicago, Illinois 60622

PUBLIC MEETING TO BE HELD BY THE CITY OF CHICAGO AND THE CHICAGO HOUSING AUTHORITY

DATE: FRIDAY, JUNE 19,
1998
TIME: 2:30 P.M.
PLACE: UIC LECTURE
CENTER D-1
(BEHIND 804 S. HALSTED—
ACCESS THROUGH THE
CHICAGO CIRCLE CENTER
BUILDING)
SUBJECT: 1998 HOPE VI
APPLICATION FOR ABLA
HOMES.

LEGAL ADVERTISEMENT WEDNESDAY, JUNE 17, 1998 CITY OF CHICAGO DEPARTMENT OF PURCHASES, CONTRACTS AND SUPPLIES

Sealed Bids/Proposals will be received by the City of Chicago on the date and time (Chicago
Time) stated for that specific bid/proposal listed below, in Room 401, City Hall, 121 North
LaSalle Street, Chicago, Illinois at which time and place bids/proposals will be opened and
publicly read aloud for the following:

DESCRIPTION: Streetscaping 18" Street/Wood - Racine: CDOT
Project No.: S-7-043; Work includes but is not
limited to sidewalks, curb & gutter, street lights,
trees and tree grates.

SPECIFICATION NO.: PS70429801
ESTIMATE BETWEEN: \$1,000,001.00 AND \$5,000,000.00
BID DEPOSIT: 5% (Five Percent) of the Total Base Bid
PLAN DEPOSIT: \$100.00 (One Hundred Dollars)
PRE-BID CONFERENCE:
DATE: Thursday, June 25, 1998
LOCATION: 121 North LaSalle, Room 401 (Bid & Bond)
TIME: 1:30 PM

Note: The Pre-Bid Conference is not mandatory, however, all
bidders are encouraged to attend.
BID OPENING DATE: Tuesday, July 7, 1998
TIME: 11:00 A.M.

DESCRIPTION: Two (2) 40 Ton Low Boy Trailers
SPECIFICATION NO.: C070980023
ESTIMATE BETWEEN: \$80,000 and \$90,000
BID/PROPOSAL OPENING DATE: Thursday, July 2, 1998
TIME: 11:00 A.M.

DESCRIPTION: Request for Proposals for the Job Readiness
Program
SPECIFICATION NO.: B8-95239-02
PRE-BID/PROPOSAL CONFERENCE:
Monday, June 29, 1998 at 2:00 P.M. in the Bid and Bond Room of
City Hall, Room 401, 121 N. LaSalle Street, Chicago, 60602
BID/PROPOSAL OPENING DATE: Monday, July 13, 1998
TIME: 4:00 P.M.

DESCRIPTION: Request for Proposal (RFP) for Purchase and
Implementation Of Resource Inventory Software
SPECIFICATION NO.: C208-98-0001
BID/PROPOSAL OPENING DATE: Friday, July 24, 1998
TIME: 4:00 P.M.

DESCRIPTION: Remove, Furnish, and Install Fire Academy Chiller
Replacement
SPECIFICATION NO.: C031-97-0001A
ESTIMATE BETWEEN: \$121,500.00 and \$148,500.00
BID/PROPOSAL DEPOSIT: \$ n/a
PLAN DEPOSIT: \$ n/a
BID/PROPOSAL OPENING DATE: Monday, July 6, 1998
TIME: 11:00 A.M.

DESCRIPTION: Aluminum Aerial Cable
SPECIFICATION NO.: B8-28030-03

PUBLIC NOTICE

NOTICE OF A FILED APPLICATION FOR A LIQUOR LICENSE

Richard M. Daley
Mayor

In accordance with Chapter 4-60-040(c), of the Municipal Code of Chicago, this serves as
notice by the Chicago Department of Revenue, that the following
applications have been made for City retailer's licenses for the sale of alcohol-
ic liquor:

Applicant: Loko Corporation
Applicant Residence Address: 1314 W. Erie Street, Chicago, Illinois 60622
Name of Business: Loko Cafe Restaurant
Proposed Location: 1952 N. Damen Ave., Chicago, Illinois 60647
Type of Liquor License: 1477, Beer Garden
Date Application Was Filed: May 29, 1998

Applicant: Three Happiness Inc.
Applicant Residence Address: 8133 Meadowood Ave., Woodridge, Illinois 60517
Name of Business: Three Happiness Inc.
Proposed Location: 2130 S. Wentworth Ave., Chicago, Illinois 60616
Type of Liquor License: 1475, Incidental
Date Application Was Filed: May 28, 1998

Applicant: Dining & Nutrition Sue Inc.
Applicant Residence Address: 1059 W. North Ave., Chicago, Illinois 60607
Name of Business: Desert Cafe
Proposed Location: 6818 W. North Ave., Chicago, Illinois 60607
Type of Liquor License: 1477, Beer Garden
Date Application Was Filed: May 27, 1998

Applicant: Julian Bourne aka Bourne, Inc.
Applicant Residence Address: 1059 W. Glenlake #1W, Chicago, Illinois 60660
Name of Business: Julian's Coffee House & Bistro
Proposed Location: 674 W. Diversy Plwy., Chicago, Illinois 60660
Type of Liquor License: 1477, Beer Garden
Date Application Was Filed: May 27, 1998

Applicant: Mint Group, Inc.
Applicant Residence Address: 1000 W. Washington #321, Chicago, Illinois 60608
Name of Business: Mint
Proposed Location: 820 W. Lake Street, Chicago, Illinois 60607
Type of Liquor License: 1471, Late Hour
Date Application Was Filed: May 28, 1998

Applicant: 1952 N. Halsted Corporation
Applicant Residence Address: 2044 N. Wolcott Ave., Chicago, Illinois 60608
Name of Business: Tiff's
Proposed Location: 1952 N. Halsted Street, Chicago, Illinois 60614
Type of Liquor License: 1477, Beer Garden
Date Application Was Filed: May 28, 1998

Applicant: R & F Grocery, Inc.
Applicant Residence Address: 6057 S. Racine Avenue
Name of Business: R & F Grocery
Proposed Location: 6057 S. Racine Avenue
Type of Liquor License: 9502, Change of Officer
Date Application Was Filed: April 2, 1998

Applicant: AFO Inc.
Applicant Residence Address: 1630 N. Orchard Ave., Chicago, Illinois 60622
Name of Business: Adagio
Proposed Location: 823 W. Weed Street, Chicago, Illinois 60622
Type of Liquor License: 1471, Late Hour
Date Application Was Filed: May 28, 1998

Applicant: Rumors Bar & Grille, Inc.
Applicant Residence Address: 4855 N. Washenaw #3, Chicago, Illinois 60630
Name of Business: Rumors Bar & Grille
Proposed Location: 4500 N. Lincoln Ave., Chicago, Illinois 60625
Type of Liquor License: 1470, Tavern
Date Application Was Filed: June 2, 1998

Applicant: Bubba Gump Shrimp Restaurant
Applicant Residence Address: 2144 Camino Del Barco, Del Mar, CA 9
Name of Business: Bubba Gump Shrimp Co. & Market
Proposed Location: Navy Pier, 700 E. Grand Ave., Chicago, Illinois 60611
Type of Liquor License: 1475/1479, Incidental & Navy Pier Fixed
Date Application Was Filed: May 29, 1998

Applicant: Grand-Wood Enterprises
Applicant Residence Address: 202 E. Hillside Road, Barrington, Illinois 60015
Name of Business: Colucci's Restaurant
Proposed Location: 1758 W. Grand Avenue, Chicago, Illinois 60622
Type of Liquor License: 9502, Change of Officers
Date Application Was Filed: June 2, 1998

Applicant: Hemmer's, Inc.
Applicant Residence Address: 5433 N. Magnet Street, Chicago, Illinois 60630
Name of Business: Windy City Inn
Proposed Location: 2255-57 W. Irving Park Avenue, Chicago, Illinois 60618
Type of Liquor License: 9502, Change of Officers
Date Application Was Filed: June 2, 1998

Applicant: W. B. Entertainment, Inc.
Applicant Residence Address: 6222 W. Bernice Avenue, Chicago, Illinois 60634
Name of Business: O'Malley's Pub
Proposed Location: 6345 W. Belmont Avenue, Chicago, Illinois 60634
Type of Liquor License: 9502, Change of Officers
Date Application Was Filed: June 3, 1998

Applicant: Javier Lopez
Applicant Residence Address: 5310 N. Chester Ave., Chicago, Illinois 60630
Name of Business: Tarracas
Proposed Location: 3324 N. Halsted Street, Chicago, Illinois 60657
Type of Liquor License: 1475, Incidental/Conditional

Community Redevel of mo

ARLA Hope VI 6/15/98

Latonya Williams 1528 W. 14th Pl. 63125 829-3

Mildred Williams 1433 W 13th Chgo 766000 (312) 243-7

Dora Glanton 1440 W. 13th St

H. V. Moore 1204 W Taylor 312-733-3163

Johnnie Chatman 1236 W Roosevelt 312-82846

Sean Daniel 1440 West 13th Street 733-5383

W. L. M. Turner 1433 W. 13th St #208-829-4534

Mayer Wilson 1440 West 19th Street

Annette Jones 1538 W. 15th St. #10

Nelson Davis 1273 W. Calumet St #163

Marie Washington 1238 W Roosevelt 243-9

Rose McClendon 1490 W. 13th St. #303 3

Gloria Simpson 1433 W. 13th St #304

Gregory Taggart 1101 So Lyle St 741-

Reenie Williams 1520 W Hastings 487

Patricia King 1520 So Hart 905

Cecyle Nance 916 So. Ada apt 26

John Willie 927 S. Ada apt 261

Jessie Mae Watkins 1249 W. Calumet #110

Burnell Wilson 1204 W. Taylor

Edna A. Keys 1440 W. 13th Street

Ruanne Crockett 1420 So. Blue Island

Elizabeth King 1440 W. 13th St

Alice Haynes 1520 W. Hastings #506

Mary J. Henderson 1210 W Roosevelt #65

Mary Ellen - 1032 So. Raine St. #772

Jennie Dunn 854 S. Lyle

Catherine Farley - 1310 W Taylor St - 829-634

Elizabeth Wales 1316 W. Taylor St - 829-8962

Nora Jackson 909 S. Lyle St 432-1970

Cory Jordan 919 S. Lyle St

Lillian Lubinski 1350 W Hastings

Florence May 1223 W. Calumet 738-9793

Deborah Cobbins 830 S. Lyle St 226-8826

Friedo J. Carthorn 1440 W 13th St. Apt 405 (312) 829-12

ROBERT H. DOWNING JR. 1440 W. 13th St Apt. 208 243-6449

Annie D. Taylor 1512 W. WASHBURN E AVE 9th

Helen Hostuns 1510 W 13th Street Apt 208

Robert LADD 918 S. Lytle #41 226-0423

Josephine Jones 1440 W. 13th St. Apt. 503 - 233-519

Cullie M. Daugherty 1244 S. Throop

Sureanna Lamb - 1442 S. Blue Island - 312-563

Giadys Franklin 1440 W. 13th St Apt. 410 421-745

Loeas Williams 1440 W 13th St

Kimberly Williams 1302 S. Throop St

Maude Ray 1342 W. 15th St 206

Donna Brown 1206 W. Taylor St 312-563-9234

Pauline Bender 1524 W. 14th St

Janetta Hampton 1532 W. Hastings

RAOUL H. SMITH - CHA - SS/DA Repts

John Brunthery 1235 S. Loomis

Vanessa Jenkins Hall 1410 S. 14th St #203

Cynthia Evans 1410 S. 14th St. Apt #50

Dina MacLean 1440 W. 13th St Apt 703.

Eveline Cyphus 1440 W. 13th St 601

Gladys Wiley 1510 W. 13th St 803

Antietta Colman 1410 W 14th St #801 (312) 733-2

Essie Pass 1521 W 14th St Raw House

Blanca Moore (SCO) in 13th St 666

Frank Whiteside 1512 W 14th St

Jaymes Jones 1034 R Aig 829-524

Josephus Hampton 1111 S. Throop St 243-420

Jaqueline Taylor 1401 S. Lytle St

Beverly Jones 822 S. Lytle St Apt 205 432-1635

Nancy Jones 840 S. Lytle #72 829-7471

Robert Gibson 1433 W 13th 455-2878

James E. Woods 830 S. Lytle - 243-4109

Rebecca Whitman 871 10

A & J TUCKER 1520 W. HASTINGS 455-16

Bund Shad

6646 N. Cook

Nora Neble 1528 W 15th St 312) 73301

Joe 1412 W. Blue Island Ave

Rosie Lee Malters 1440 W 13th St Apt 607

Montgomery 1322 W. Taylor 3rd Fl

Christine Bradley 1322 W. Taylor 3rd Fl

Jessie Bridges 1218 W. Roosevelt Rd 631

Karen Owens 1433 W. 13th St. #504

Lyle Harris 1440 W 13th Apt 1503

Ruthie Pauls 1324 W Taylor Apt 213

Barbara Lane 1209 S Racine Apt 1504

JEANETTE LANE 1536 W. WASHBURN

AILEEN FREEMAN 1032 S. RACINE 771

Delores Burriss 1033 S. Lytle 768

Grace Stenston 1034 S. Racine 781

Daniel Burriss 1033 S. Lytle - 769

George Parker 1440 W. 13th Street

Eveline Mae Sloan 1440 W 13th St

Lula Winters 1525 W 14th St

Eda Glanton 1440 W. 13th St.

Virian H. Lawrence 1440 W. 13th St #903

Janice Hill 1413 S. Throop St.

Larry Shale 1410 W. 14th #809

Johnnie Kistner 1336 W ROOSEVELT APT 5

Frank Harris 1324 W. TAYLOR Apt 269

Donald S. Hubert 1410 W 14th St Apt 1509

Maet. Conley - 1322 W. TAYLOR ST #279

Eileen Stewart 1520 W. Hastings #709

Byron Dickers 8405 Lytle #921

Dorothy Sanders 1265 W 14th St 226-7793

Wanda J. Dume 1440 W. 13th Street #40

Gloria Spears 1261 W. 14th St 421-61

McKIN A. McNERSE 1440 W. 13th 791-8756

Mrs. Ruth Crockett 1418 S. Blue Is 791-8756

Duane Crockett 1420 S. Blue Is. 942-012

SADIYAH HILL	CHA	674-4304
DAVID RECHIBKO-HENDON	RADIANT CONSULTING INC.	773-722-61
DEVERA BEVERLY	CHA / LAC	791-87
Handy Wife	CHA	791-8500
Handy Wife	CHA	791-8500
Shulman	CHA	791-8401
E. Moses	CHA	567-183
Michael Lean	CMHDC	422 168
1520 W. 15th St.		852-980
1246 W. TAYLOR		829 2600

ABLA REDEVELOPMENT
1998 HOPE VI APPLICATION - PUBLIC MEETING
JUNE 19, 1998

NAME	ORGANIZATION/ADDRESS	PHONE
Joseph Brown	1239 W. Taylor St. 4 Fl. Apt #22	312-829-4939
Richard Blison	1076 W. Roosevelt Rd	312-421-5900 Ext 408
Victor Agosta	CMHDC	422-1680
Shannon Dewitt	City of Chicago	744-5588
Tom Finerty	Executive Director for City Chicago	(773) 486-0026
David Saltzman	DOH	747-6730
Diane Frazier	City Design Center	312 413 2651
Rev. Robert C. Johnson	West Side Consortium / Rev. Johnson 30 W. Monroe	312-580-1162
Margaret Gann	CHA	312-791-8500 x4606
Bud MYERS	CHA	" 1844
Ben. K... ..	MARKY-Nowday ASSOC. 1073 W Maxwell Chicago 60608	312-829-7555
Gabriel P. Godwin	925 S. Loomis University Village Assoc	312-243-3773

ABLA REDEVELOPMENT
1998 HOPE VI APPLICATION - PUBLIC MEETING
JUNE 19, 1998

NAME	ORGANIZATION/ADDRESS	PHONE
TRAUNZA HOBES	6007 S. CARRETER	773-476-1164
DAVE L. WATKINS	CHC	(312) 996-6097
ALAN P. MAMMOSER	CHC 601 S. MORGAN	312/996-4717
SADIYAH HILL	CHA	674-4304 x18.
Sharon Im	CHA-Redev't	312-791-8500 x4504
Andrea Rodriguez	CHA - Redevelopment	791-8500 x4501
Joseph Shuldiner	CHA	791-8401
Cyda Elkin	West Side Future	312-432-4080
Patricia Johnson	West Side Future	312-432-6768
Munirah Al-Hindor	Robert Consulting (ABLA CAC Cons)	773-722-6107
DEVERA BEVERLY	ABLA CAC	312-791-8756
JUSTEAN GAINES	ABLA L.A.C.	312-791-8756

ABLA REDEVELOPMENT
1998 HOPE VI APPLICATION - PUBLIC MEETING
JUNE 19, 1998

NAME	ORGANIZATION/ADDRESS	PHONE
Denise Arnold	DPD	742-1081
Gloria L. Smith	13095 SO EVANS Ave #178	
Betty Houston	1254 S. Loomis	791-8756
Gloria Spears	1254 S. Loomis	791-8756
Jacqueline Foss	1405 N. Forest RD	482-7538
Doree Tate	150 N Michigan	201 5700
Jim Hankin	CHA.	312-791-8500 x4508

CHA LEASEHOLDER HOUSING CHOICE AND RELOCATION RIGHTS CONTRACT¹

General Purpose.

This Contract sets forth the rights and responsibilities of the Chicago Housing Authority (CHA), its agents, and the CHA Leaseholder. The terms of this Contract shall apply in the event that CHA relocates said Leaseholder from his or her CHA unit either temporarily or permanently for any reason beyond the control of the Leaseholder when in conjunction with redevelopment, demolition, consolidation, rehabilitation, court order, or required conversion to tenant-based assistance.

It is understood that CHA's ability to offer a right of return is subject to the federal funding commitments identified in the Moving to Work Agreement ("MTW") with the United States Department of Housing and Urban Development ("HUD"). To the extent HUD reduces its commitment, fewer hard units will be built or rehabilitated. In the event that federal funds are reduced to a level that is insufficient to meet the level of hard unit production as described in the Plan for Transformation, it is the CHA's obligation under the Plan to consult with the Central Advisory Council ("CAC") to make revisions to the Plan as necessitated by this reduced funding. The MTW Agreement also provides that, if there is insufficient funding to meet the level of hard unit production, Leaseholders covered by this contract will receive a Section 8 voucher. This contract does not commit CHA to build units at a particular development to satisfy all families with a right of return. After meeting the Plan for Transformation goal of approximately twenty five thousand (25,000) public housing units, CHA agrees to make reasonable efforts to identify opportunities to add public housing units to its inventory.

This Contract does not apply to transfers required to fill vacant units (routine turnover units), to address building system failures, or CHA's failure to provide habitable housing when such housing is not subject to the redevelopment process as laid out in the CHA's Plan for Transformation. This contract, including the rights and obligations set forth herein and implementation thereof, is subject to any decisions or orders of the Gautreaux Court or any other applicable court order.

This Contract constitutes the basic rights and responsibilities of the CHA, its agents and the Leaseholder during the redevelopment process. Any existing or proposed Redevelopment Agreement between the developer and the CHA negotiated as part of the redevelopment process may contain additional relocation terms, conditions, and property specific requirements for admission and continued occupancy. In such cases, the Redevelopment Agreement will govern, provided that the protections to Leaseholders under this Contract are not diminished. CHA agrees to modify the terms and conditions of any existing or proposed Redevelopment Agreement(s) to ensure that Leaseholder rights and housing options covered by this Contract are retained. Similarly, if a Memorandum of Agreement (MOA) with the Local Advisory Council (LAC)

¹ If the agreed upon language conflicts with CHA's Admissions and Occupancy Policy, the Policy will be amended accordingly.

results from the redevelopment process, the terms and conditions of that MOA may not diminish the rights and protections afforded under this contract.

This Contract shall provide the rights and responsibilities for:

1. Leaseholders in occupancy on October 1, 1999 that are determined lease compliant; and
2. Household members of Leaseholders described above that become Leaseholders pursuant to the Admissions and Occupancy Policy (A&O Policy) and CHA's Split Family Transfer Procedures in order to address overcrowded conditions or for CHA initiated reasons. Household members must be authorized occupants as defined by the A & O Policy.
3. This Contract is not applicable to residents whose occupancy begins after 10/1/99.
 - a. These families do not have a right to return to a public housing unit. These families are, however, provided the relocation process protections outlined in this contract. The rights and responsibilities of these families are discussed in more detail in a separate contract.
 - b. The CHA agrees to track these families while they participate in the Section 8 Program. These families will be offered a Section 8 voucher with a preference on a site based waiting list and Citywide preference list. These families will be provided a priority over new admissions but after families with a right of return under this contract (See Section 4(d) & (c)(2)).

1. Lease Compliance, Additional Lease Requirements, Property Specific Requirements and Lease Amendments.

This Contract applies to lease compliant Leaseholders as determined by this paragraph and paragraphs 3 and 5 below. The conditions of lease compliance, additional lease requirements and property specific requirements are:

- a. Leaseholder is current with rent, or is current in a repayment agreement.
- b. When the Leaseholder is responsible for utility charges as a CHA Leaseholder, the Leaseholder has no unpaid balance with the CHA or a utility company or is current on a repayment agreement with the CHA or utility company.
- c. The Leaseholder, household member, or guest under the control of the Leaseholder is in compliance with the terms of the CHA lease adopted by

the CHA board on August 15, 2000, and any additional terms subsequently required to be added to such lease by federal law. Non-compliance with respect to the Lease obligations must be demonstrated by notices of Lease violations and/or evidence of serious or repeated violations of material terms of the Lease.

- d. Compliance with Section II of the A&O Policy, which prohibits unauthorized occupants, as defined in subparagraphs 6(c) and (d) of the Lease, or requires the household to add such occupants in accordance with the Lease.
- e. Leaseholder has a good housekeeping record (Leaseholder has maintained a clean and safe unit) as indicated by the housekeeping inspection reports in the Leaseholder's file.
- f. Leaseholder has not destroyed, defaced, damaged, or removed any part of a dwelling unit or development as indicated by the housekeeping inspection reports in the Leaseholder's file or work orders reflecting a pattern of Leaseholder damage or abuse.
- g. - Lease compliance as defined above shall include the period during which the family lives in CHA housing and any period of Section 8 assistance.
- h. New Authority-Wide Requirements: In addition to the lease requirements established by subparagraphs 1 (a) through (g) above, additional lease requirements may be adopted pursuant to subparagraph 1 (j) below. A Leaseholder who is and remains lease compliant as provided in subparagraphs 1 (a) through (g) above, but who is not in compliance with the additional lease requirements shall have the right not to be evicted and shall continue to have the right to return to a newly constructed or rehabilitated public housing unit as described in paragraphs 4 and 8 below, unless an independent hearing officer, as described in subparagraph 1(l), finds that the Leaseholder is not making a good faith effort to comply with the additional lease requirements. In making such a determination, the hearing officer shall take into consideration all of the Leaseholder's circumstances, including, but not limited to, the ability of the Leaseholder to comply with the additional lease requirements and to access adequate outreach, assessment, referral or follow-up services as part of the initiative to assist the Leaseholder to comply with additional lease requirements. The determination of the hearing officer shall be subject to the applicable provisions of existing law.

Additional lease requirements shall not include minimum income requirements. A Leaseholder who is exempt under the Community Service Requirements of the Quality Housing and Work Responsibility Act of 1998, and/or any amendments thereto, as set forth in 24 CFR 960.601,

or exempt under any provisions set forth in the Relocation Rights Contract, shall not be required to comply with additional lease requirements that consist of work requirements or require other actions related to the basis for such exemption.

- i. **Property Specific Requirements:** In addition to the lease compliance requirements established by subparagraphs 1 (a) through (h) above, existing or proposed Redevelopment Agreements may include property specific requirements. Property specific requirements include but are not limited to: criteria for admission, return to the property, requirements for continued occupancy, time periods and activities for meeting or curing a failure to meet such requirements, and documentation to establish or verify compliance with such requirements. Such requirements are to be developed by the working group engaged in the planning process for a property. As soon as such requirements are developed and adopted for the property, notice of such requirements to affected residents will be provided no less than one year prior to the date of housing offer.
- j. Any amendments to the CHA Residential Lease that exceed the minimum HUD regulatory requirements (24 CFR 966) will be subject to public notice and comment and HUD approval, consistent with paragraph 18 of the Resident Protection Agreement/MTW Agreement.
- k. At sites where property specific requirements are in place, lease compliance shall be defined to include such additional criteria. At sites where property specific requirements are not in place, lease compliance shall include only those criteria established in subparagraphs 1 (a) through (h) above.
- l. Determinations of lease compliance with respect to new authority-wide requirements as described in 1 (h) and of property specific requirements as described in 1 (i) are subject to the grievance procedures as referenced in subparagraph 11 (b) of this contract. Hearing Officers for such grievances will be independent parties jointly agreed to by the CAC and CHA.
- m. The benefit of any priority or preference for right of return or continued occupancy based on property specific requirements that include work must also be given to households where the head, spouse, or sole member is age 62 or older or is a person with disabilities (24 CFR 960.206 (b) (2)).
- n. Property specific requirements will apply equally to the private and public housing rental units in mixed income developments, unless otherwise required by law.

2. Utility Connections.

Families who select a permanent housing choice that requires tenant paid utilities must be able to obtain utility connections for that unit. If the Leaseholder (head of household) cannot demonstrate the ability to have utilities turned on in the Leaseholder's name at the time a permanent relocation unit is identified for that Leaseholder, the Leaseholder will not be offered the permanent relocation unit.

Prior to being made an offer, the Leaseholder must demonstrate to the CHA that the Leaseholder can have utilities turned on in the Leaseholder's name. Failure to obtain utility connections will not result in the loss of the right to return under this contract; however, prior to any subsequent unit offers, the Leaseholder must demonstrate the ability to obtain utility connections.

3. Recertifications and Determination of Lease Compliance.

The CHA has two recertification processes:

- a. Annual or interim recertifications, completed as a normal function of property management; and
- b. "Right of return" recertifications (annual or interim), that are completed in conjunction with relocation and in accordance with this contract.
 - (1) Initial Right of Return Recertification: Upon implementation of this Contract, all families who were in occupancy as of October 1, 1999 will attend a right of return recertification interview as a part of an annual or interim recertification. At this right of return recertification interview, families will be asked to sign a Residential Lease Agreement which incorporates their rights under the Relocation Rights Contract and complete a Housing Choice Survey.
 - (2) Final Right of Return Recertification: This right of return recertification process will begin when the CHA is ready to fill new or rehabilitated public housing units at a particular site. At this right of return recertification interview, families will be examined for continued lease compliance and compliance with any applicable property specific requirements.

The recertification to determine lease compliance shall be made as described in subparagraph 5(h) below. Serious Lease violations subsequent to recertification of either type, may result in termination of the Lease.

4. Basic Rights of CHA Leaseholders.

In cases of relocation due to redevelopment, demolition, required conversion to tenant-based assistance, rehabilitation, consolidation or court order, the CHA

shall provide the following basic rights to the Leaseholders as described in the General Purpose Section of this Contract:

- a. Comparable replacement housing as defined in paragraph 10 below.
- b. To the maximum extent possible and subject to subparagraph 4(c) below, CHA will house each Leaseholder in the Leaseholder's preferred housing choice. CHA will provide each Leaseholder with all relevant information regarding the available replacement housing choices. In the event of permanent relocation, the Leaseholder will be allowed to select up to three replacement housing choices in order of preference. Where temporary relocation is necessary, the Leaseholder will be able to choose a temporary Section 8 voucher, or state a public housing development preference that will be honored to the extent feasible. These choices are defined in Section 8 of this document and shall be listed on the Housing Choice Survey (HCS).

c. Lottery System and Unit Offers:

- (1) Lease compliant Leaseholders are guaranteed the right to return to a newly constructed or rehabilitated public housing unit. However, the CHA cannot guarantee that all families displaced by redevelopment activity will be able to return to their site of origin or receive their permanent housing choice.

When public housing units become available, first priority for those units (see order of offers provided in subparagraph 4(d) below) will be determined by lottery. The lottery will be by priority group and type and size of unit.

- (2) In order to satisfy the right of return, CHA will, in accordance with subparagraph 4(b) above, make two offers of otherwise comparable dwelling units. It is understood that these offers may not be the Leaseholder's site of origin or HCS preference. Failure to accept the second offer will result in the loss of right of return under this contract. Upon loss of the right of return, CHA will offer a preference for return to a public housing unit. This preference will be based on the Housing Choice Survey (HCS) and will permit the Leaseholder to obtain a preference on a site-based waiting list and preference on a citywide placement list. Families in occupancy after 10/1/99 will get a preference on these lists after right of return families who fail to accept a second offer of housing.

A Leaseholder will be offered the first available unit from the site-based waiting list or citywide placement list. A Leaseholder in preference status will be offered a unit based on availability and

only after a right of return Leaseholder is offered a unit, but prior to a new admission.

If the Leaseholder rejects an offer from a site based or citywide preference list, the Leaseholder will be removed from all lists and will not retain a preference for a public housing unit. CHA's exercise of this paragraph is subject to the grievance procedures under this Contract, pursuant to subparagraph 10(b).

- d. The CHA will house Leaseholders using the priorities listed below. Within any priority group, a lottery will be used to determine the order of offers. Lease compliant families not selected in a lottery will be eligible for lotteries at other sites where units are available.

For all public housing units, subject to applicable court orders and provided for in a redevelopment plan, the order of offers by unit type and bedroom size shall be as follows, subject to the additional requirements listed on pages 7 through 10 of this contract:

- (1) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant, and meet property specific requirements.
- (2) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant, and are engaged in activities to meet property specific requirements.
- (3) Leaseholders who did not live at the site on October 1, 1999, but chose that site as their permanent public housing choice, are lease compliant, and meet property specific requirements.
- (4) Leaseholders who did not live at the site on October 1, 1999 and chose that site as their permanent public housing choice, are lease compliant, and are engaged in activities to meet property specific requirements.
- (5) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and meet property specific requirements.
- (6) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and are engaged in activities to meet property specific requirements.

- (7) Leaseholders who were not selected in other lotteries, are lease compliant, and meet property specific requirements.
- (8) Leaseholders who were not selected in other lotteries, are lease compliant, and are engaged in activities to meet property specific requirements.
- (9) Leaseholders who receive a temporary Section 8 voucher in accordance with the criteria established for households who are unable to meet property specific requirements. (If such households are being offered units at a property without a redevelopment plan, the move from temporary Section 8 to a public housing unit will be treated as an administrative transfer.)
- (10) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and meet property specific requirements.
- (11) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and are engaged in activities to meet property specific requirements.
- (12) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and meet property specific requirements.
- (13) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and are engaged in activities to meet property specific requirements.
- (14) New admissions based on income requirements established in the A&O Policy or as agreed to in the Redevelopment Agreement for that site. Families in this group must meet the property specific requirements as established in the redevelopment plan for the site.

For categories 1, 3, 5, 7, 10, 12, and 14, the following must be true at the time of the housing offer:

- The household meets any additional property specific requirements established in the redevelopment agreement for the property; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract.

In the event the household subsequently fails to meet the property specific requirements, in order to continue in occupancy, the household must show evidence in activities to meet the property specific requirements and meet such requirements within a minimum of one (1) year (or a longer period as specified in the Redevelopment Agreement). The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure.

Should the household fail to meet such requirements within one (1) year or a longer period as specified in the Redevelopment Agreement, the Leaseholder is entitled to one transfer to another CHA unit in accordance with the following:

- CHA will offer a unit that meets Housing Quality Standards (HQS) as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- • In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a), not more than 180 days after expiration of the one-year cure period. Public housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the household meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the Leaseholder's right to remain in a public housing unit subject to being lease compliant, as defined in the CHA Residential Lease and its attachments.

For categories 2, 4, 6, 8, 11, and 13, the following must be true at the time of the housing offer:

- The household must provide evidence that they are engaged in activities in order to meet the property specific requirements; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract.

- The household must meet the property specific requirements referenced above within a minimum of one year (or a longer period as specified in the Redevelopment Agreement) from the date of admission.

In the event the household fails to meet the property specific requirements within one year (or a longer period as specified in the Redevelopment Agreement) the Leaseholder is entitled to one transfer to another CHA unit. The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure. The transfer unit will be offered in accordance with the following:

- CHA will offer a unit that meets HQS as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 housing choice voucher until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a) above, not more than 180 days after expiration of the one-year cure period. Public Housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the Leaseholder meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the leaseholder rights to remain in a public housing unit subject to their being lease compliant, as defined in the CHA Residential Lease and its attachments.

e. **Emergency Transfers.**

- (1) Emergency transfers (moves required when a building or unit's condition poses an immediate threat to the Leaseholders' safety and welfare) shall be executed as expeditiously as possible and in accordance with the Emergency Transfer section of the CHA's A&O Policy. As soon as practical after the occurrence, but in no event later than forty-five (45) days, the CHA shall inform the LAC in writing about such moves, the nature of the emergency, names of Leaseholders affected and the temporary or permanent location where they are housed. The release of personal information to the

- The household must meet the property specific requirements referenced above within a minimum of one year (or a longer period as specified in the Redevelopment Agreement) from the date of admission.

In the event the household fails to meet the property specific requirements within one year (or a longer period as specified in the Redevelopment Agreement) the Leaseholder is entitled to one transfer to another CHA unit. The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure. The transfer unit will be offered in accordance with the following:

- CHA will offer a unit that meets HQS as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 housing choice voucher until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a) above, not more than 180 days after expiration of the one-year cure period. Public Housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the Leaseholder meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the leaseholder rights to remain in a public housing unit subject to their being lease compliant, as defined in the CHA Residential Lease and its attachments.

e. Emergency Transfers.

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LAC is contingent upon the Leaseholder's authorization as provided by the release at the end of this document. Refusal to comply with a request from the CHA for an emergency transfer can be grounds for Lease termination. A move as a result of an Emergency Transfer does not extinguish any right of return or other relocation rights as provided by this contract.

- (2) CHA will not provide prior written notice to Leaseholders in situations where CHA has little or no warning of the condition or situation that results in an emergency. To the extent feasible, CHA will provide prior written notice within a reasonable time period to Leaseholders where there is prior knowledge or information concerning the conditions or situation creating the emergency (e.g. court ordered closing due to code violations). CHA will not use the emergency transfer provision for the purpose of building consolidation. To the maximum extent possible, CHA will close buildings using a building consolidation plan with notice as required by this contract.

5. CHA Responsibilities Prior to Relocation.

Prior to relocating any Leaseholder, the CHA shall:

- a. Conduct Relocation Planning Meetings for all affected Leaseholders to:
 - (1) Explain the reason for the relocation and any proposed plans for the development, including the proposed numbers of newly constructed or rehabilitated units (if applicable).
 - (2) Develop a relocation plan in consultation with the LAC and affected residents. CHA will conduct at least two such information sessions with at least one to be held during evening or weekend hours.
 - (3) Review the Relocation Packet described in subparagraph 5(c) below.
 - (4) Present residents with any existing scale models, photographs, video of other similar units built or rehabilitated in other CHA developments, or renderings of units to be built or rehabilitated.
- b. As part of the redevelopment process, enter into a Redevelopment Agreement that may include terms that affect the relocation process for the development. The Redevelopment Agreement will address site specific relocation issues not covered in this Contract. If there is no Redevelopment Agreement, then this Contract represents the applicable rights and procedures for the relocation process. The CHA will make a

good faith effort to enter into a MOA with the LAC that reflects any property specific understandings with respect to the redevelopment process.

- c. At the time of the Relocation Planning Meetings, provide Leaseholders with a Relocation Packet that contains information on their rights under the Uniform Relocation Act (URA) or Section 531 (Demolition and Disposition) of the Quality Housing and Work Responsibility Act (QHWRA). All Leaseholders will be required to sign for the receipt of the Relocation Packet. The Relocation Packet will include information on relocation assistance benefits, replacement housing choices as outlined in paragraph 6 of this Contract, processing time frames for Section 8 relocatees, and identify the office where the CHA Relocation Procedures Manual is available for inspection. If a Leaseholder cannot attend any of the Relocation Planning Meetings, then the CHA will provide the name of a contact person and the office address with telephone number where information may be obtained.
- d. As part of the initial right of return recertification, provide a HCS. The HCS will include the following information for each family member: name, age, gender, and any accessibility needs (e.g., wheelchair). In addition, HCS's shall allow families to identify characteristics of desirable neighborhoods and/or developments to which they are seeking to transfer. The CHA shall allow Leaseholders the opportunity to select up to three permanent replacement housing choices (including permanent Section 8) and a temporary housing choice (either public housing or Section 8). In conducting HCS's, CHA will provide written notice in accordance with subparagraph 5(h)(1)(ii) below. Families have the option to change their permanent housing choices on their HCS one time. This change may be made at any time between submitting their HCS in conjunction with their initial right of return recertification and accepting an offer of permanent replacement housing.
- e. Ensure that all communication regarding any relocation activities be written in plain, understandable language and posted and made available in the property management offices and any relocation site offices. Persons who are unable to read or understand relocation documents or notices (e.g. illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g. sign language interpreter or reader) and appropriate follow-up by CHA staff. Each written communication shall indicate the name, address and telephone number (including the telecommunication device for the deaf (TDD/TTY) number, if applicable) of a person who may be contacted for answers to questions or other needed help.

- f. Amend its property management contracts or other applicable contracts to include all rights, responsibilities, and obligations required by this Contract.
- g. Make offers of housing in accordance with the priorities established in this Contract and in accordance with CHA's approved A&O Policy and the Tenant Selection and Assignment Plan, as conformed to this Contract.
- h. Provide Leaseholders with the following written notices in the order described below:

(1) For All CHA Leaseholders

- (i) **Relocation Contract Notice:** The CHA will provide Leaseholders with information regarding lease compliance as it relates to this Contract. Any Leaseholder who was in occupancy on October 1, 1999 and is lease compliant is protected by this contract. A sample notice is attached hereto as Exhibit A.

- (ii) **Right of Return Recertification Notice:** The CHA shall provide each affected Leaseholder a fourteen (14) day written notice to attend the recertification interview that is completed in preparation for relocation and in accordance with paragraph 3 of this Contract. Sample notices are attached hereto as Exhibits B and K.

Subsequent to the right of return recertification, the property manager will prepare a building roster. The roster will identify the status of each Leaseholder with respect to right of return, family size and other household information necessary to effect the relocation process. The roster will be used to distribute and track the completion of the HCS's. This roster will also track Leaseholders with a right of return to a particular site who have been relocated to another site as the result of an emergency transfer.

- (iii) **Notice of Lease Compliance:** This written notice describes the outcome of the right to return recertification. Samples of these notices are attached hereto as Exhibits E1-E3 and L1-L2. The right to return recertification will result in one of three outcomes:

- The Leaseholder will be found lease compliant and will be recertified with the right of return; or

- Evidence of incurable Lease violations will be discovered and the CHA will begin the Lease termination process or, if applicable, terminate Section 8 assistance. If the Court enters judgment for eviction or a hearing officer upholds termination of Section 8 assistance, the Leaseholder will be evicted with no right to return and receive a Loss of Right of Return Notice, Exhibit D1. If the Court or hearing officer enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the eviction or Section 8 termination process within sixty (60) days, the Leaseholder will be deemed lease compliant; or
- Evidence of curable Lease violations will be discovered and the Leaseholder will be given one hundred eighty (180) days to cure.

(iv) **Notice of Final Determination of Lease Compliance (Initial Right of Return Recertification:** The CHA will notify the Leaseholder in writing at the end of the one hundred eighty (180) days as to the result of the attempt to cure. If the Leaseholder cures all existing Lease violations, then the Leaseholder will be determined Lease compliant. If the Lease violations are not cured, the CHA will terminate the Lease in accordance with subparagraph 5(h)(2)(iii). A sample of these notices are attached hereto as Exhibit F1-F2 and M1-M2.

(2) For First Moves, Permanent or Temporary:

(i) **180/120 Day General Information and Eligibility Notice (required by 49 CFR 24.203(a) & (b)):** The CHA shall provide each affected Leaseholder a written general information notice stating their rights under Section 531 of QHWRA (Demolition and Disposition), or the URA, as applicable. This written notice shall state:

- Whether the Leaseholder will or may have to move and caution them not to move prematurely.
- The reason for the relocation and information regarding the Relocation Planning meetings described in subparagraph 5(a) above.

- That the Leaseholder is entitled to the relocation assistance as provided by this contract.

This notice shall be issued as soon as feasible, but in no event less than six months (180 days) prior to the proposed date of relocation resulting from demolition, rehabilitation, or conversion to tenant-based assistance. A minimum of four months (120 days) prior notice is required for relocation due to planned building consolidation. A sample notice is attached hereto as Exhibit G.

(ii) **Ninety (90) Day Notice: (required by 49 CFR 24.203(c))** CHA shall provide each affected Leaseholder notice of displacement in the following manner:

- **Leaseholders moving to temporary or permanent Section 8** Leaseholders moving to Section 8 units will receive a ninety (90) day notice of displacement when ~~an approvable request for the unit has passed an HQS inspection has been submitted.~~ A sample of the notice is attached hereto as Exhibit H and N.
- **Leaseholders moving out of their development of origin** Leaseholders requiring a move to a unit that is not in their development of origin will receive a ninety (90) day notice once the address of a comparable replacement housing unit has been identified. A sample of the notices are attached hereto as Exhibit H and N.
- **Leaseholders moving to another unit within their development of origin** Leaseholders who do not leave their development of origin will be treated as administrative transfers. If applicable, leaseholders will receive notice pursuant to 49 CFR 24.203.

(iii) **Notice of Satisfaction of Right of Return:** Leaseholders moving permanently will receive a notice stating that choosing a permanent Section 8 or new or rehabilitated public housing unit constitutes their final housing choice and that the leaseholder's right of return has been satisfied, Exhibit D2.

(3) **For Subsequent Temporary Moves:** The notice process for subsequent temporary moves will follow the process outlined in

subparagraph 5(h)(1)(ii - iv) and (2) of this Contract with the following exceptions:

- (i) At the option of the CHA, if a Leaseholder was recertified within six (6) months of a notice of subsequent temporary move, then an additional recertification will be waived. If the CHA opts to recertify the Leaseholder, then the CHA is required to provide the Leaseholder with all applicable notices as set forth in subparagraph 5(h)(2) above.
 - (ii) Temporary Housing Choice Survey (HCS) Notice: In the event of subsequent temporary relocation(s), the Leaseholder will have the option to fill out a temporary HCS. The permanent housing choice indicated on the first housing choice survey will remain the Leaseholder's permanent housing choice preference. The CHA will provide each Leaseholder with at least four (4) days advance written notification of the dates and times when temporary replacement housing choice surveys will be conducted by CHA relocation staff.
- (4) **Invoking the Right to Return - Final Move:** The written notice process for permanent or final moves follows the process for first moves as outlined in subparagraph 5(h) (1) and (2), with the following exceptions:
- (i) No Relocation Contract Notice will be given for the final move.
 - (ii) No 180/120 General Information Notice will be given for the final move.
 - (iii) A Leaseholder who is given written notice of Lease violations will have thirty (30) days to cure and will be reevaluated following the cure period. A Leaseholder who has cured will receive written notice that the Leaseholder will be relocated ninety (90) days from the date of the notice as described in subparagraph 5(h)(2)(vi). During the cure period, the Leaseholder's priority for a unit of the Leaseholder's choice will be suspended.
 - (iv) The CHA will move to terminate assistance for a Section 8 Leaseholder or evict a Leaseholder who has not cured within the thirty (30) days. If a hearing officer upholds a termination of assistance or if the Court enters judgment for eviction, the Leaseholder will lose assistance or be evicted with no right

to return. If the hearing officer or Court enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the assistance termination or eviction process within sixty (60) calendar days, the Leaseholder will be deemed Lease compliant.

- i. In addition to the notices described above, the following notice will be given in conjunction with the Redevelopment Process:

- (i) **Notice of Property Specific Requirements:** As redevelopment working groups develop property specific requirements for sites undergoing redevelopment, the CHA will give notice to all families with a right of return describing the approved requirements. Such notice will be given no less than one (1) year prior to an offer of a replacement housing unit.

6. CHA Responsibilities During Relocation.

- a. - Good Neighbor and Transition counseling will be made available to all Leaseholders and members of their household. Transition counseling consists of an introductory information session that includes an overview of the Section 8 program, information on private sector housing requirements, home management training, and Leaseholder rights under the Federal Fair Housing Act and related state and local Fair Housing laws. Individual counseling sessions will also occur. Individual counseling will provide families with the opportunity to connect to supportive services, receive information on housing search techniques, engage in financial planning, and if requested receive a referral to a Mobility Counseling program. Transition Counseling will also include limited follow-up contact after the move.

Mobility Counseling is available for Leaseholders interested in moving to opportunity areas. Opportunity areas are defined as census tracts with no more than 23.49 % of families with incomes below the poverty level ("low poverty census tract") and no more than 30 % African-American population ("racially diverse census tract"). Mobility Counseling is available for Leaseholders who indicate an interest in moving to opportunity areas or to low poverty or racially diverse census tracts. Mobility Counseling will also include follow-up contact by telephone and at least one (1) post-move visit to the family (provided the family is within the Chicago metropolitan area).

- b. The CHA or its designee shall provide public transportation stipends for any relocatee to Section 8 housing, and transportation assistance for

mobility moves sufficient to allow the Leaseholder in each case to inspect up to three Section 8 units.

- c. The CHA shall allow the Leaseholder adequate time to enter into a lease for the unit selected. Adequate time for public housing Leaseholders will be defined as one (1) year. The CHA or its Section 8 contractor will permit increased time through extensions or re-issuance of vouchers for relocatees.
- d. The CHA shall provide the Leaseholder with relocation assistance or services in accordance with either the URA or Section 531 of QHWRA titled Demolition and Disposition, as applicable. Such assistance shall apply for both temporary and permanent relocation. Upon request, the CHA will make available a copy of any applicable property specific Redevelopment Agreement to the Leaseholder.
- e. The CHA shall ensure that each comparable replacement dwelling unit is decent, safe, and sanitary, at a minimum meets the Section 8 housing quality standards and conforms to the requirements in subparagraphs 10(a) and (b) of this Contract.
- f. The CHA will provide the following moving services to the Leaseholder for relocation: transportation (as described in subparagraph 6(b) above), packing materials, temporary storage (not to exceed ninety (90) days), reimbursements for utility hook-up including telephone and cable, and credit checks. Through the moving company, CHA will also provide property replacement insurance. CHA will reimburse families for any reasonable losses sustained during the move. CHA may also provide reimbursement for other moving related activities determined by the CHA to be reasonable and necessary to the move.
- g. In providing moving services pursuant to subparagraph 6(f) above, the following shall apply: For all local temporary moves to Section 8, defined as any move within the Chicago metropolitan area, CHA will provide moving services for both the initial move to the temporary housing choice and the return move to the permanent housing offered. CHA will not reimburse or provide moving services for Leaseholders using a temporary Section 8 voucher outside the Chicago metropolitan area. For permanent Section 8 moves outside the Chicago metropolitan area, CHA will provide moving services as outlined in subparagraph 6(f) above.
- h. The CHA is obligated to abide by the above set of responsibilities for all Leaseholder relocation associated with this Contract.
- i. CHA will work to assure access to existing social services for CHA residents.

7. Leaseholder Obligations.

During the relocation process, the Leaseholder shall be bound by certain duties and responsibilities. Failure to adhere to these duties and responsibilities may result in the delay or forfeiture of the right of return as provided for in this Contract.

a. A Leaseholder may lose the right to return by failing to abide by any of the following:

- (1) Provide all relevant information, in a timely manner, to the CHA during a recertification process and attend recertification appointments.

If the Leaseholder fails to comply with this obligation, CHA will send written notice of this failure to the Leaseholder. The Leaseholder must provide the necessary information and/or schedule any necessary appointments within fifteen (15) calendar days from the verified date of mailing. In the event the Leaseholder fails to respond to this notice within fifteen (15) calendar days, the CHA may evict the Leaseholder, resulting in the loss of the right to return.

- (2) Attend at least one (1) Relocation and/or Redevelopment Planning Meeting described in subparagraph 5(a) that explains the relocation process, plans for development, and the timing of such procedures to be implemented, or pick up a Relocation Packet at the Redevelopment Planning Meeting or at the Leaseholder's management office and sign a certification attesting to its receipt.

If the Leaseholder fails to pick up and sign for a Relocation Packet, the CHA will send written notice of failure to comply with this obligation. The Leaseholder must attend a presentation to receive a Relocation Packet or retrieve one from the management office within fifteen (15) calendar days from the verified date of mailing and sign a certification. Failure of the Leaseholder to respond to this notice within the fifteen (15) calendar days may result in the loss of the right to return.

- (3) Complete and return a signed Housing Choice Survey (HCS) form.

If the Leaseholder fails to comply with this obligation, the CHA will send written notice to the Leaseholder informing the Leaseholder of the failure. The Leaseholder must return a signed HCS within fifteen (15) calendar days from the verified date of mailing of the

notice of failure to comply. If no HCS is received from the Leaseholder, the CHA will assign the Leaseholder a temporary relocation unit based on availability, without regard to preference, and the Leaseholder will lose the right to return.

- (4) Maintain lease compliance in accordance with the terms and conditions in CHA's Lease and Leases executed during tenure as a temporary Section 8 resident. When notified of lease compliance issues, the Leaseholder must take appropriate steps to remedy such issues. Failure to maintain lease compliance may result in eviction and loss of the right to return as stated in paragraphs 3 and 5.
 - (5) Remove a household member who is subject to a lifetime registration requirement under a state sex offender registration program within fifteen (15) days of notice to do so.
 - (6) Accept one of two (2) housing offers as described in subparagraph 4(c)(2) of this contract.
- b. – A Leaseholder may delay the right of return by failing to abide by any one of the following:
- (1) If applicable, failing to attend and participate in all required Section 8 screening, orientation, briefing sessions, and recertifications; and
 - (2) At the time of the permanent move, failing to abide by the personal housing choice ranking identified through the HCS process outlined in paragraph 5 of this document.
- c. The Right of Return is extinguished at the time of acceptance of an offer of a CHA newly rehabilitated or newly constructed unit.

8. Types of Permanent Housing.

The CHA will provide lease compliant Leaseholders with the following permanent comparable replacement housing options:

- a. Section 8. A Section 8 unit is an existing unit owned by a private landlord located anywhere in the United States, and is in compliance with all Section 8 Program standards. Permanent Section 8 is a final housing choice. If a Leaseholder is successful in securing a Section 8 unit within the one year time allotment as provided in subparagraph 6(c), then the CHA will not provide a Right to Return. Therefore, if the Leaseholder chooses Permanent Section 8 on the HCS, then the Leaseholder must

select two (2) public housing choices in the event that no Section 8 unit is secured within one (1) year.

- b. Rehabilitated Scattered Site. A scattered site unit is a public housing unit constructed in accordance with the orders of the Federal Court in the Gautreaux case. (These units are identified as Category 3 in the Plan for Transformation). Subject to satisfaction of all rights to return established through this Contract, scattered site units will be occupied in accordance with the percentages established in the Gautreaux Court Ordered Tenant Selection and Assignment Plan. For the purposes of this Contract, scattered sites do not include local replacement housing units described in subparagraphs 8(c)(1) and (2) below.

- c. Local Replacement Housing

- (1) Rehabilitated Unit. A rehabilitated unit is a unit located in a development that is substantially rehabilitated as part of the redevelopment plan. A substantially rehabilitated unit is defined as a unit that is rehabilitated at a level sufficient to remain a viable public housing unit for twenty (20) years following rehabilitation. Lease compliant Leaseholders who are currently residing in the units to be rehabilitated shall have first priority for those units in accordance with the order of offers in subparagraph 4(d).

- (2) Newly Constructed Units. Lease compliant Leaseholders who currently reside in units to be demolished shall have first priority for all on-site or neighborhood public housing units located in or near the developments or sub-developments from which they were displaced.

- (i) On-site Unit. An on-site unit is a newly constructed unit located on the site of the units that were demolished as part of the redevelopment plan.

- (ii) Neighborhood Unit. A neighborhood unit is a newly constructed unit located in the community area adjacent to the public housing development.

9. Types of Temporary Housing:

The CHA will provide lease compliant Leaseholders with the following temporary comparable replacement housing options:

- a. Transfer Unit. A transfer unit is a decent, safe, and sanitary unit, in compliance with Section 8 housing quality standards, local health and safety codes, located in any CHA development. A lease compliant

Leaseholder who selects a transfer unit will retain the right of return to a local replacement housing unit as described above.

- b. Existing Scattered Site. Same as defined in subparagraph 8(b) above with the provision that a lease compliant Leaseholder who selects an existing scattered site unit as a temporary choice will retain the right to return to a new or rehabilitated scattered site unit or local replacement housing unit as referenced above.
- c. Section 8 Unit. Same as defined in subparagraph 8(a) above with the provision that, in accordance with the A&O Policy, Leaseholders opting for temporary Section 8 will be given a right of return to a local replacement housing unit. In addition, temporary Section 8 Leaseholders invoking their right to return, will be classified as CHA transferees.
- d. Non-CHA Housing. Other housing options voluntarily chosen by the Leaseholder. Lease compliant Leaseholders who select this option retain their right of return to a local replacement housing unit.

10. Nature of Comparable Replacement Housing.

Each relocated Leaseholder is entitled to a comparable replacement-housing unit.

- a. A comparable replacement housing unit, whether public housing or Section 8, is defined as one that is decent, safe and sanitary, functionally equivalent to the Leaseholder's original dwelling unit, adequate in size to accommodate the Leaseholder's household, located in an area not subject to unreasonable adverse environmental conditions, located in an area not less desirable than the location of the Leaseholder's original dwelling unit with respect to commercial and public facilities, reasonably accessible to the Leaseholder's place of employment, located on a site that is typical in size for residential development with normal site improvements, meets Section 8 housing quality standards (where applicable) and is no more costly to the Leaseholder than the public housing unit from which the Leaseholder is moving.
- b. Consistent with applicable federal regulations, a comparable replacement housing unit must meet the accessibility needs of the Leaseholder and/or the Leaseholder's family members.
- c. A Leaseholder may reject an offer of a replacement housing unit that is not comparable as described in subparagraphs 10(a) and (b). Such refusal will not affect the Leaseholder rights under this contract.
- d. For Section 8, the CHA will foster moves to opportunity areas, but the final

location choice belongs to the Leaseholder. An opportunity area is defined as a census tract with no more than 23.49 % of families with incomes below the poverty level and no more than 30 % African-American population.

11. Monitoring and Enforcing this Contract.

- a. Reporting. On a quarterly basis, the CHA shall report to the CHA Board of Commissioners, the CAC, and the community at large on development and relocation activities. The report shall also include site-by-site information with sufficient detail to enable the CHA Board of Commissioners and the CAC to ensure that Leaseholders are afforded the rights guaranteed under this Contract. The information in the report shall include but not be limited to the timely service of notices, the timely presentation of relocation information, completed recertifications, family status as a result of the recertification, and HCS results. The report will also include Section 8 utilization information and identify the number of expired Section 8 vouchers where families are not successful in finding housing. This report shall be in writing and shall be forwarded to the CHA Board of Commissioners and the CAC, and be made available to the community at large, within thirty (30) days of the end of each quarter. The CHA shall contract with an independent auditor to ensure monitoring and tracking of the relocation process.
- b. Grievance Procedures.
 1. Public housing Leaseholders, as well as Leaseholders who choose Section 8 as a temporary housing choice and are program participants, may enforce the guarantees contained in this contract through the standard CHA grievance process. This in no way restricts a Leaseholder's right to seek enforcement of this contract through the judicial system. This Agreement does not supercede applicable federal, state, or local law.
 2. A temporary Section 8 household, as described above, may use the CHA grievance process including the right to a formal hearing (unless otherwise excluded by the CHA grievance procedures), only to enforce provisions of the contract or any termination of Section 8 assistance pursuant to 24 CFR 982.552. In the event that a household with a temporary Section 8 voucher files a grievance, the informal hearing shall be conducted by the contractor for the Section 8 program. Any subsequent formal hearing shall be heard by a Hearing Officer designated by CHA's General Counsel.

12. Applicability.

For those choosing a temporary Section 8 voucher or other non-CHA housing with the right to return, the applicable portions of this contract shall survive the termination of the Leaseholder's Lease.

13. Amendment.

If policy changes to this contract are required, the CHA will negotiate the proposed changes with the CAC and request approval from the CHA's Board of Commissioners. If procedural changes to this contract are required, the CHA will similarly negotiate these changes with CAC prior to implementation, but need not seek the approval of the CHA's Board of Commissioners for such changes. Such changes will be approved in writing by the CEO or his/her designee.

LEASEHOLDER:

CHA:

Name (printed)

Name (printed)

Signature

Signature

Phone

Date: _____

Optional Release of Information:

With my signature below, I hereby grant authority to the CHA to release information regarding any emergency transfer I am required to make in connection with the relocation process. I understand that information including but not limited to my name, the nature of the emergency, and the temporary or permanent location at which I am subsequently housed will be made available to the LAC in the development I am relocating from and to. I understand that this release is optional and my choice not to release this information in no way effects my rights under this contract.

Name (printed)

Signature



The Chicago Housing Authority

EXHIBIT A

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

A. Finch
General Counsel

(date)

RE: RELOCATION RIGHTS CONTRACT NOTICE

Dear Resident or Former Resident:

The CHA's Plan for Transformation, which was approved by the Department of Housing and Urban Development ("HUD") on February 6, 2000, outlines a strategic plan for rebuilding or rehabilitating the CHA's public housing stock. This historic event will result in quality public housing units that are integrated into the communities in which they are located. The CHA anticipates that the redevelopment and rehabilitation of its public housing stock will result in the relocation of a significant number of families during this period.

In order to fulfill CHA's promise that lease compliant residents will be able to return to public housing, the CHA, with the CHA and other interested parties, has created a CHA Leaseholder Housing Choice and Relocation Rights Contract ("Relocation Rights Contract"). This contract sets forth the rights and responsibilities of you and the CHA in the event of permanent or temporary relocation and ensures that relocation will be done in a consistent and compassionate manner.

In accordance with the Relocation Rights Contract, you must maintain your lease compliance. Failure to pay rent and meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. The conditions of lease compliance are detailed in the Relocation Contract. In summary, they are as follows:

- Current with rent or in a repayment agreement
- Current with utilities and able to obtain utility service
- Compliance with the obligations outlined in the Lease
- Unit houses no unauthorized occupants

Copies of this contract are now available at your management office, the CHA Relocation Department office, all Latino site offices, the Central Advisory Council office, Local Advisory Council offices, and the CHA Management Analysis and Planning (MAP) Department office. You will be contacted in the coming weeks by your property manager to notify you of the date and time an informational meeting will be held.

Sincerely,

Terry Peterson, Chief Executive Officer

[NOTE: CHA must be able to show proof of mailing.]



The Chicago Housing Authority

EXHIBIT B

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

(date)

RE: INITIAL RIGHT OF RETURN RECERTIFICATION NOTICE

Dear _____:

As a result of the Authority-wide redevelopment process outlined in CHA's Plan for Transformation, you will be relocated from your building at some future date.

In order to establish your right to return to a new or rehabilitated public housing unit or lease a Housing Choice Voucher unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you must be determined lease compliant at your Right of Return Recertification.

The purpose of this letter is to notify you that you must attend a recertification appointment with your property manager on (date). Subsequent to conducting this recertification, you will receive a notice advising you of the outcome of the recertification, including your lease compliance status.

If you cannot attend this appointment, please contact your property manager, (name), at (phone), (address) to reschedule within the next five (5) days. **FAILURE TO ATTEND THIS APPOINTMENT AND SIGN YOUR NEW LEASE MAY RESULT IN EVICTION AND THE LOSS OF YOUR RIGHT OF RETURN.**

At your recertification appointment you will be asked to:

- Update your information and circumstances
- Sign a revised Residential Lease Agreement and/or a Relocation Rights Contract
- Review the Relocation Rights Contract
- Review and/or sign a Housing Choice Survey

Signing a public housing Lease activates your rights and responsibilities under the Relocation Rights Contract. Section 8 residents must sign the Relocation Rights Contract to activate your rights and responsibilities under the Contract. You will be given the opportunity to read the Lease and/or Relocation Rights Contract, and the Housing Choice Survey before signing and will have the opportunity to ask any necessary questions.

At your recertification appointment, you will be asked to complete a Housing Choice Survey. All Housing Choice Surveys must be completed, signed, and returned to the property management office within five (5) business days of your interview.

The purpose of the Housing Choice Survey is to give you the opportunity to express your preferences for temporary and permanent housing when you are relocated. To the extent feasible, CHA will house you according to your

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preference. However, it is understood that you may be required to accept a unit you have not preferred. Whatever unit you are offered will be decent, safe, sanitary, meet minimum housing quality standards, and will be otherwise comparable as defined in the Relocation Rights Contract.

FAILURE TO RETURN A SIGNED HOUSING CHOICE SURVEY MAY RESULT IN THE LOSS OF YOUR RIGHT TO RETURN TO A NEW OR REHABILITATED PUBLIC HOUSING UNIT.

Sincerely,

(name and title)

[NOTE: This notice must be personally served or sent by certified or registered first-class mail, return receipt requested at least. Persons who are unable to read and understand this notice (e.g., illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g., sign language interpreter or reader) and counseling.]



The Chicago Housing Authority

EXHIBIT C

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

(date)

RE: 15-DAY NOTICE OF NON-COMPLIANCE

Dear _____:

This letter serves to notify you that you have not complied with the requirements of the Relocation Contract as a result of the following action:

☐ Housing Choice Survey Not Submitted To Property Manager

FAILURE TO SUBMIT YOUR HOUSING CHOICE SURVEY MAY RESULT IN THE LOSS OF YOUR RIGHT OF RETURN.

☐ Right of Return Recertification Interview Not Attended

☐ Right of Return Recertification Interview Attended, But Failed To Provide Necessary Information To Property Manager

FAILURE TO ATTEND OR PROVIDE INFORMATION MAY RESULT IN EVICTION AND THE LOSS OF YOUR RIGHT OF RETURN.

You have 15 days to comply with the above. Failure to submit a Housing Choice Survey to your property manager may result in the loss of your right of return. Failure to attend your right of return recertification interview or failure to provide the necessary information to your property manager may result in eviction and the loss of your right of return.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: CHA must be able to show proof of mailing.]



The Chicago Housing Authority

EXHIBIT D1

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

J.A. Finch
General Counsel

(date)

RE: NOTICE OF LOSS OF RIGHT OF RETURN

Dear _____:

This letter serves to notify you of your loss of right of return for the following reason:

- ☐ Housing Choice Survey Not Submitted, Or Not Submitted In A Timely Manner After Issuance of a 15 Day Notice of Non-Compliance
- ☐ Right of Return Recertification Not Attended
- ☐ Right of Return Recertification Documentation Not Submitted, Or Not Submitted In A Timely Manner After Issuance of a 15 Day Notice of Non-Compliance
- ☐ Failure To Pick Up A Relocation Packet
- ☐ Court Order of Lease Termination
- ☐ Declined Two Offers of Comparable Housing
(In this case you will retain a preference)

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: CHA must be able to show proof of mailing.]

The Chicago Housing Authority

EXHIBIT D2

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

(date)

RE: NOTICE OF SATISFACTION OF RIGHT OF RETURN

Dear _____:

This letter serves to notify you that your right of return has been satisfied for the following reason:

- ☐ You have signed a lease for a permanent Section 8 Unit
- ☐ You have accepted an offer for a permanent new or rehabilitated public housing unit

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: CHA must be able to show proof of mailing.]



The Chicago Housing Authority

EXHIBIT E1

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

A. Finch
General Counsel

(date)

RE: NOTICE OF LEASE COMPLIANCE (INITIAL RIGHT OF RETURN
RECERTIFICATION)

Dear _____:

In accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Right of Return Recertification.

On (date) you attended a Right of Return Recertification appointment with your property manager.

The purpose of this letter is to notify you that, at this time, you have been found lease compliant and will be eligible for relocation assistance when it becomes necessary to vacate your building. You have been recertified and have a right of return to a new or rehabilitated public housing unit or obtain a Section 8 unit. In order to retain your right of return, you must remain lease compliant.

If you have any questions regarding your status, please contact your property manager, (name), at (phone), (address).

Sincerely,

(name and title)

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT E3

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

(date)

RE: NOTICE OF LEASE VIOLATION (INITIAL AND FINAL RIGHT OF RETURN RECERTIFICATION)

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit or receive a Housing Choice Voucher in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Right of Return Recertification.

On (date) you attended a Right of Return Recertification appointment with your property manager.

The purpose of this letter is to notify you that evidence of lease violations were discovered at your right of return recertification. These violations are _____.

Accordingly, the CHA will move to terminate your lease. You will receive a separate notice of lease termination. If the court enters an order terminating the lease, you will lose your right to return to a new or rehabilitated public housing unit, and the right to relocation assistance when it becomes necessary to vacate your building. If the Court reinstates your lease, you retain your right of return, and your right to relocation assistance.

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions regarding your status, please contact your property manager, (name), at (phone), (address).

Sincerely,

(name and title)

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT F1

Maaron Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

G.A. Finch
Legal Counsel

(date)

**RE: NOTICE OF FINAL DETERMINATION OF LEASE COMPLIANCE
(INITIAL RIGHT OF RETURN RECERTIFICATION)**

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit or a Section 8 unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Right of Return Recertification.

On (date) you were notified that curable lease violations were discovered during your Right of Return Recertification. Accordingly, you were given 180 days to cure those lease violations.

The 180 day cure period has ended. After a re-assessment of your status, the CHA has found that you were able to cure the identified lease violations. You are lease compliant at this time and have a right to return to public housing and are eligible for relocation assistance. In order to retain your right of return, you must remain lease compliant.

If you have any questions regarding your status, please contact your property manager, (name), at (phone), (address).

Sincerely,

(name and title)

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT F2

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

J.A. Finch
General Counsel

(date)

RE: NOTICE OF FINAL DETERMINATION OF LEASE COMPLIANCE (INITIAL RIGHT OF RETURN RECERTIFICATION)

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit or a Section 8 unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Right of Return Recertification.

On (date) you were notified that curable lease violations were discovered during your Right of Return Recertification. Accordingly, you were given 180 days to cure those lease violations.

The 180 day cure period has ended. **After a re-assessment of your status, the CHA has found that you were unable to cure the identified violations. Accordingly, the CHA will move to terminate your lease.** You will receive a separate notice of lease termination. If the court enters an order terminating the lease, you will lose your right to return to a new or rehabilitated public housing unit and will not be eligible for relocation assistance. If the Court reinstates your lease, you will retain your right of return, and your right to relocation assistance.

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions regarding your status, please contact your property manager, (name), at (phone), (address).

Sincerely,

(name and title)

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT G

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

C. A. Finch
General Counsel

(date)

RE: 180/120 DAY GENERAL INFORMATION NOTICE

Dear _____:

The Chicago Housing Authority (CHA) intends to vacate the building that you reside in for the following purpose:

- | | |
|---|---|
| <input type="checkbox"/> Demolition | <input type="checkbox"/> Consolidation (120 Day Notice) |
| <input type="checkbox"/> Rehabilitation | <input type="checkbox"/> Court Order |
| <input type="checkbox"/> Redevelopment | |
| <input type="checkbox"/> Conversion to Tenant-Based Assistance/Housing Choice Voucher | |

This notice is to inform you of your rights under federal law, if applicable, and/or the CHA Leaseholder Housing Choice and Relocation Rights Contract. When your building is vacated and you are displaced, you will be eligible for relocation assistance. **HOWEVER, YOU ARE NOT REQUIRED TO MOVE NOW. THIS IS NOT A NOTICE TO VACATE THE PREMISES.**

You should continue to pay your monthly rent to the CHA because a failure to pay rent and meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. Please contact us before you make any moving plans.

Relocation assistance that will be made available to you in conjunction with this move is as follows:

Counseling and Other Advisory Services. All families will receive good neighbor transitional and/or mobility counseling services.

Moving Services. CHA will provide moving services at no expense to the family.

Replacement Housing. CHA will offer a comparable replacement unit for which you will pay no more than 30% of your adjusted income.

You will also be given the opportunity to make a choice of a comparable replacement unit, including: a newly constructed or rehabilitated CHA unit, a transfer to an existing CHA unit, a Housing Choice voucher, or a scattered site unit. CHA will also provide moving services, including moving expenses and utility reconnection charges. You will not be required to vacate the property earlier than 90 days after at least one comparable replacement dwelling unit has been made available.

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In the event you choose a Housing Choice Voucher, you will not be required to vacate the property until a unit has been made available with a lease effective date. If you are unable to find a Section 8 unit within a reasonable time, you may be transferred to a temporary public housing unit. If you are transferred to a temporary public housing unit, you must continue to make reasonable efforts to locate a Section 8 unit.

You will have the right to grieve any determination by the CHA as to your eligibility for relocation assistance, the amount of such assistance, and the acceptability of the comparable replacement dwelling(s).

Additionally, the CHA and the (name of development) LAC will be conducting relocation planning meetings for all affected leaseholders to jointly develop a relocation plan and explain the relocation process. At these meetings, CHA's proposed plans for the development and the reasons for the relocation will be discussed.

The first relocation planning meeting has been set for (date), at (time), at (location).

A relocation packet providing information on your rights under the Uniform Relocation Act and the relocation rights provided by the Quality Housing and Work Responsibility Act will be made available at this meeting and subsequently at your property management office. The relocation packet will also include information on relocation assistance benefits, replacement housing choices, processing time for Section 8 relocatees, and CHA relocation procedures. You must pick up and sign for this packet. Failure to do so may result in the loss of the right to return to a new or rehabilitated public housing.

If you have any questions, please contact (name), (title), at (phone), (address).

Again, this is not a notice to vacate. If the CHA decides not to proceed with vacating your building, you will be notified in writing.

Sincerely,

(name and title)

[Note: In the event of relocation due to demolition, rehabilitation, or conversion to tenant-based assistance the CHA shall provide the leaseholder with this written notice 180 days prior to the proposed date of relocation. In the event of relocation due to consolidation, the CHA shall, provide the leaseholder with this written notice 120 days prior to the proposed date of relocation. This written notice may be served less than 180 (or 120, in the case of consolidation) days prior to relocation in case of an emergency where the unit is uninhabitable and presents a substantial danger to the resident's health and safety.]

[NOTE: This notice must be personally served or sent by certified or registered first-class mail, return receipt requested at least. Persons who are unable to read and understand this notice (e.g., illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g., sign language interpreter or reader) and counseling.]

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The Chicago Housing Authority

EXHIBIT H

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

A. Finch
General Counsel

(date)

RE: 90-DAY NOTICE (Temporary Move)

Dear _____:

The purpose of this letter is to notify you that you must vacate the building within 90 days, but in no event later than (insert date which is 90 days after personal service/certified mailing of notice upon the Leaseholder).

In completing your housing choice survey, you selected:

☐ Public Housing ☐ Section 8 Voucher

as your first choice of temporary housing.

☐ CHA is able to offer you a temporary unit in the above category. The address of the temporary unit is listed below.

☐ CHA is unable to offer you a temporary unit in the above category, but is able to offer you a unit at the address listed below.

(Address)

CHA would be pleased to provide you with transportation to inspect this dwelling unit. You have the right to refuse this unit if it is not decent, safe, sanitary, does not meet minimum housing quality standards, or is not otherwise comparable as defined in the Relocation Rights Contract. Such refusal will not affect your rights under the Relocation Rights Contract.

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: This notice must be personally served or sent by certified or registered first-class mail, return receipt requested. Persons who are unable to read and understand this notice (e.g., illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g., sign language interpreter or reader) and counseling.]



The Chicago Housing Authority

EXHIBIT I

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

J.A. Finch
General Counsel

(date)

**RE: HOUSING CHOICE SURVEY UPDATE NOTICE - TEMPORARY
HOUSING**

Dear _____:

Demolition and or building consolidation is required for your building. Accordingly, You will be required to move to another temporary housing unit until a permanent replacement unit is ready for your occupancy.

In an effort to provide you with the greatest housing choice possible, CHA is reminding you that you have the opportunity to request a Housing Choice Survey Modification Form from your current property management office and change your temporary housing choices.

If you would like to take advantage of this opportunity, please pick up a Housing Choice Survey Modification Form from your current property management office no later than (Date) . You will be required to return the completed form within five (5) days of the date you receive it. Please note: the only choice eligible for update at this time is your temporary housing choice. If you need to update family composition or income information, please contact your property manager immediately to set up an interim recertification interview.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[Note: The Property Manager must be able to show proof of mailing.]



The Chicago Housing Authority

EXHIBIT J

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Deputy Chief Operating Officer

A. Finch
General Counsel

(date)

RE: NOTICE OF PROPERTY SPECIFIC REQUIREMENTS

Dear _____:

The Working Group for the _____ redevelopment area has developed the following property specific requirements:

☐ _____

☐ _____

☐ _____

☐ _____

A Redevelopment Agreement including these requirements has been approved by the CHA Board of Commissioners.

If you have selected this site as one of your Housing Choice Survey preferences, you will be required to meet these criteria or be engaged in activities to achieve these criteria before you will be offered a new or rehabilitated replacement housing unit at this location. You should contact the Service Connector for your area to find out what services are available to assist you in achieving these criteria.

In an effort to provide you with the greatest housing choice possible, CHA is reminding you that you have the opportunity to request a Housing Choice Survey Modification Form from your current property management office and change your permanent housing choices one time. This change may be made at any time up until an offer of permanent replacement housing is accepted.

If you would like to take advantage of this opportunity, please pick up a Housing Choice Survey Modification Form from your current property management office. Please note: the only choice eligible for update is your permanent housing choice. If you need to update family composition or income information, please contact your property manager immediately to set up an interim recertification interview.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[Note: The CHA must be able to show proof of mailing.]



The Chicago Housing Authority

EXHIBIT K

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

A. Finch
General Counsel

(date)

RE: FINAL RIGHT OF RETURN RECERTIFICATION NOTICE

Dear _____:

Construction has begun for (Development). CHA expects units to be available within six to nine months. At that time, CHA hopes to be able to offer you a replacement unit that would satisfy your right of return.

In order to establish your right to return to a new or rehabilitated public housing unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you must be determined lease compliant at your Right of Return Recertification.

The purpose of this letter is to notify you that you must attend a recertification appointment with the property manager for the development listed above on (date). Subsequent to conducting this recertification, you will receive a notice advising you of the outcome of this recertification.

If you cannot attend this appointment, please contact your property manager, (name), at (phone), (address) to reschedule within the next five (5) days.

FAILURE TO ATTEND THIS APPOINTMENT MAY RESULT IN EVICTION AND THE LOSS OF YOUR RIGHT OF RETURN.

Sincerely,

(name and title)

[NOTE: The property manager must be able to show proof of mailing. This recertification must be conducted within 90 days of the date of this letter.]



The Chicago Housing Authority

EXHIBIT L1

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

J.A. Finch
General Counsel

(date)

**RE: NOTICE OF LEASE COMPLIANCE (FINAL RIGHT OF RETURN
RECERTIFICATION)**

Dear _____:

In accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Final Right of Return Recertification.

On (date) you attended a Final Right of Return Recertification appointment with your new property manager.

The purpose of this letter is to notify you that you have been found lease compliant and are eligible for relocation assistance. You have been recertified and have a right of return to a new or rehabilitated public housing unit or obtain a Housing Choice Voucher.

CHA may be offering you a comparable replacement unit for which you will pay no more than 30% of your adjusted income. However, prior to the offering of any replacement housing, you must demonstrate the ability to have utility service connected in your name where appropriate.

CHA will also provide for moving services and utility reconnection charges. You will not be required to vacate the property earlier than 90 days after at least one comparable replacement dwelling unit has been made available.

You will have the right to grieve any determination by the CHA as to your eligibility for relocation assistance, the amount of such assistance, and/or the acceptability of the comparable replacement dwelling(s) to which you will be referred.

If you have any questions regarding your status, please contact your new property manager, (name) at (phone), (address).

Sincerely,

(name and title)

cc: Current Property Manager
CHAC

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]

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The Chicago Housing Authority

EXHIBIT L2

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

L. Finch
General Counsel

(date)

RE: NOTICE OF LEASE VIOLATION – 30 DAY CURE (FINAL RIGHT OF RETURN RECERTIFICATION)

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Final Right of Return Recertification.

On (date) you attended a Final Right of Return Recertification appointment with your new property manager.

The purpose of this letter is to notify you that evidence of lease violations have been discovered. If not cured, these violations could result in lease termination. These violations are _____

Accordingly, you have 30 days from the date of this letter to cure these lease violations. At the conclusion of this 30 days period, you will receive a final notice of lease compliance. This notice will advise as to whether or not you have cured your violations.

If you are able to cure these violations within the 30 day period, you will retain your right to return to a new or rehabilitated public housing unit and receive relocation assistance. If you are unable to cure these violations within the 30 day period, the CHA will move to terminate your lease. If the court enters an order terminating the lease, you will lose your right to return to a new or rehabilitated public housing unit and the right to relocation assistance. If the Court reinstates your lease, you will retain your right of return, and your right to relocation assistance.

CHA may be offering you a comparable replacement unit for which you will pay no more than 30% of your adjusted income. However, prior to the offering of any replacement housing, you must demonstrate the ability to have utility service connected in your name where appropriate.

CHA will also provide for moving services and utility reconnection charges. You will not be required to vacate the property earlier than 90 days after at least one comparable replacement dwelling unit has been made available.

You will have the right to grieve any determination by the CHA as to your eligibility for relocation assistance, the amount of such assistance, and/or the acceptability of the comparable replacement dwelling(s).

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions regarding your status, please contact your new property manager, (name), at (phone), (address).

Sincerely,

(name and title)

cc: Current Property Manager
CHAC

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT M1

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

A. Finch
General Counsel

(date)

**RE: NOTICE OF FINAL DETERMINATION OF LEASE COMPLIANCE
(FINAL RIGHT OF RETURN RECERTIFICATION)**

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Final Right of Return Recertification.

On (date) you were notified that lease violations were discovered during your Right of Return Recertification. Accordingly, you were given 30 days to cure those lease violations.

The 30 day cure period has ended. After a re-assessment of your status, the CHA has found that you were able to cure the identified lease violations. You are lease compliant at this time and have a right to return to public housing and are eligible for relocation assistance. In order to retain your right of return, you must remain lease compliant.

If you have any questions regarding your status, please contact your new property manager, (name), at (phone), (address).

Sincerely,

(name and title)

cc: Current Property Manager
CHAC

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT M2

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey

Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates

Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

M. Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

(date)

RE: NOTICE OF FINAL DETERMINATION OF LEASE COMPLIANCE,
FINAL RIGHT OF RETURN RECERTIFICATION

Dear _____:

In order to establish your right to return to a new or rehabilitated public housing unit in accordance with the CHA Leaseholder Housing Choice and Relocation Rights Contract, you were required to be determined lease compliant at a Final Right of Return Recertification.

On (date) you were notified that curable lease violations were discovered during your Final Right of Return Recertification. Accordingly, you were given 30 days to cure those lease violations.

The 30 day cure period has ended. After a re-assessment of your status, the CHA has found that you were unable to cure the identified violations.

Accordingly, the CHA will move to terminate your lease. If the court enters an order terminating the lease, you will lose your right to return to a new or rehabilitated public housing unit and will not be eligible for relocation assistance. If the Court reinstates your lease, you will retain your right of return, and your right to relocation assistance.

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions regarding your status, please contact your new property manager, (name), at (phone), (address).

Sincerely,

(name and title)

cc: Current Property Manager
CHAC

[NOTE: The property manager must be able to show proof of mailing.]

[NOTE: For public housing leaseholders only.]



The Chicago Housing Authority

EXHIBIT N

haron Gist Gilliam
hairperson

ahm Emanuel
ice-Chairman

oard of Commissioners

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ichael Darcy

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arnest Gates

r. Mildred Harris

ndrew Mooney

andra Young

erry Peterson
hief Executive Officer

Bridget Reidy
Operating Officer

Finch
eneral Counsel

(date)

RE: 90-DAY NOTICE (PERMANENT MOVE)

Dear _____:

The purpose of this letter is to notify you that your permanent replacement housing unit will be ready for move in within 90 days, but in no event later than (insert date which is 90 days after personal service/certified mail of notice upon the Leaseholder).

In completing your housing choice survey, you selected a new or rehabilitated public housing unit as your permanent replacement housing. Your first development choice was:

(Development Name)

- ☐ CHA is able to offer you a replacement unit within this Development. The address is listed below.
- ☐ CHA is unable to offer you a replacement unit within this Development. However, you selected the following category of replacement housing, _____, as your second choice. CHA is able to offer you a replacement unit within this Development. The address is listed below.
- ☐ CHA is unable to offer you a replacement unit within this Development. However, you selected the following category of replacement housing, _____, as your third choice. CHA is able to offer you a replacement unit within this Development. The address is listed below.
- ☐ CHA is unable to offer you a replacement unit in any of the Developments you preferred in your Housing Choice Survey. However, CHA is able to offer you a replacement housing unit in the _____ Development. The address is listed below.

(Address)

You have five (5) business days to accept or reject this offer.

CHA would be pleased to provide you with transportation to inspect this dwelling unit. You have the right to refuse this unit if it is not decent, safe, sanitary, does not meet minimum housing quality standards, or is not otherwise comparable as defined in the Relocation Rights Contract. Such refusal will not affect your rights under the Relocation Rights Contract. However, if you refuse this unit for reasons other than those listed above, it will be considered a refusal under the contract. CHA is only required to make two (2) offers of permanent replacement housing before your right of return is extinguished. If you accept this unit, your right of return will be satisfied.

You have the right to grieve this notification. You must file any grievance by (date) in your management office. You should refer to the grievance policy, which is one of the attachments to your lease. Prior to any hearing, you have the right to examine any relevant documents, records or regulations directly related to your case, with prior notification to CHA.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: This notice must be personally served or sent by certified or registered first-class mail, return receipt requested. Persons who are unable to read and understand this notice (e.g., illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g., sign language interpreter or reader) and counseling.]



The Chicago Housing Authority

EXHIBIT O

Baron Gist Gilliam
Chairperson

Abm Emanuel
Vice-Chairman

Board of Commissioners
Allie Amey
Samie Bone
Michael Darcy
Petricia Peralta Davis
Arnest Gates
Mrs. Mildred Harris
Andrew Mooney
Andrea Young

erry Peterson
Chief Executive Officer

Bridget Reidy
Operating Officer

Finch
General Counsel

(date)

RE: ACCEPTANCE/REJECTION OF OFFER LETTER

Dear _____:

On (Date) you received an oral offer of permanent replacement housing. The purpose of this letter is to confirm your acceptance or rejection of that offer. Please check the appropriate box below and confirm your choice with your signature.

☐ I accept this offer

Head of Household/Leaseholder Signature _____

Co-Head of Household Signature _____

OR

☐ I reject this offer

Head of Household/Leaseholder Signature _____

Co-Head of Household Signature _____

Return a signed copy of this letter within five (5) business days to the contact person listed below.

If you have any questions, please contact (name), (title), at (phone), (address).

Sincerely,

(name and title)

[NOTE: This notice must be personally served or sent by certified or registered first-class mail, return receipt requested. Persons who are unable to read and understand this notice (e.g., illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g., sign language interpreter or reader) and counseling.]

626 West Jackson Boulevard • Chicago, Illinois 60661-5601 • (312) 791-8500

Executive Summary

Telesis Corporation brings together an unique set of credentials and experiences to ensure the success of the impressive ABLA revitalization plan:

- Telesis has planned and implemented major neighborhood redevelopment projects of similar scope and scale in other cities. We have developed or planned nearly \$1 billion in neighborhood redevelopment projects with almost 9000 units of housing and a diversity of commercial projects designed to strengthen the economic foundations of neighborhood life in partnership with private, public and community partners.
- Telesis is deeply experienced in the Hope VI program. It has been involved in planning or implementing over \$200 million in Hope VI awards. It is currently the development manager for two large scale HOPE VI neighborhood revitalization programs.
- Telesis is dedicated to community partnerships. Every project undertaken by Telesis has been in partnership with the community and its residents. We have successfully implemented resident training for jobs and businesses including programs to employ residents in the construction of their new homes, even creating resident-owned construction companies.
- Telesis has also been directly involved in the implementation of two of the most important housing remedy orders in the United States.

Given the sophistication and vision of the Working Group, the experience of Telesis, and the unprecedented opportunity ABLA presents, Telesis believes that our partnership at ABLA could yield a success unparalleled in American housing history.

Holistic Redevelopment

Neighborhood redevelopment projects planned and implemented by Telesis involve the mandatory range of comprehensive revitalization: from homeownership to world-class architecture and landscape design, from learning centers to employment centers, from community policing to community daycare. Beginning with its first project in the Parkside neighborhood of Washington, D.C., Telesis has focused and addressed the spectrum of challenges that confront urban neighborhoods today. The Parkside neighborhood redevelopment transformed what residents and the press dubbed a "war zone" into a thriving mixed-income community where success has been a model in the neighborhood renaissance of our Nation's capital. In partnership with residents, financial institutions, and local government, we helped make the worst neighborhood in Washington one of the best.

Telesis believes that good design is fundamental to good living.

Since 1985 we have been involved in neighborhood transformations in Hartford, Louisville, Peoria, Miami and elsewhere. In Miami, we worked with civic leaders and community residents to produce a \$1 billion economic development

master plan which achieved an Empowerment Zone designation for Miami Dade County and the award of \$130 million in tax-exempt bonds. Telesis believes that physical and community development are inseparable. In all our projects, we address the diverse elements of a community -- innovative housing stock and market-supported retail centers; job training programs and computer classes; community centers and community corporations. We transform these many parts into an organic, investment-worthy whole.

We will bring this comprehensive development experience to collaborate with the Working Group, ABLA residents, and the City of Chicago. We envision a development manager's role that facilitates all dimensions of the ABLA revitalization -- from supportive services to homeownership planning, from construction oversight to legal and financial management. Just as these diverse issues are part of a comprehensive, and compelling, whole, so too will the Telesis team be an integral part of the Working Group's undertaking.

HOPE VI

Telesis offers the residents of ABLA and the Working Group unrivaled experience with the opportunities afforded urban neighborhoods by the HOPE VI program. Telesis has achieved HOPE VI grant awards for nine out of ten of its master plans. It is currently developing and implementing five HOPE VI revitalization programs totaling approximately \$300 million in development costs. Telesis is the development manager for the New York City Housing Authority in the Rockaways, New York and the Peoria Housing Authority's HOPE VI Program. Telesis designed

and implemented the Ellen Wilson redevelopment in Washington, D.C., one of the first HOPE VI projects. The award-winning revitalization of Ellen Wilson epitomized HUD's vision for blending first-rate design, homeownership opportunity and resident employment in a thoroughly mixed-income setting.

Community/Resident Partnerships

Telesis has formed meaningful partnerships with residents in every project in which it is involved. It partners with residents and community corporations to acquire, own and redevelop housing. It forms partnerships with residents for construction and rehabilitation of housing produced in its redevelopment plans and it fosters the development of resident construction companies. It has trained and employed hundreds of residents in its development projects. As development manager, we will arrange to employ residents in construction and communication to help us maintain a project website and neighborhood Intranet, and produce a film documentary of this historic transformation. We are well-versed in all these means of engagement. Judging by the momentum the ABLA transformation is already generating, Telesis is confident that we will help make participation an essential ingredient in the ABLA community reconstruction of itself.

Housing Remedy Orders

As development managers at ABLA, Telesis would bring a staff with unparalleled expertise in helping to manage the implementation of housing remedy orders. In Yonkers, New York, and Dallas Texas, Telesis has demonstrated

consistent capacity to negotiate the legal and political issues that complicate desegregation cases. We would bring the same perseverance and expertise to bear in helping the City of Chicago make the ABLA revitalization a model not only for physical and socioeconomic redevelopment, but for the transformation of racial and ethnic relations in America's cities.

It has been a pleasure for Telesis to learn the ABLA story as we have prepared for this RFP. It will be an honor to work with you in writing the story's fitting end.

Meeting No.	Date	Subject
1	16-Jan	ABLA Working Group
2	21-Jan	CSS Sub Committee
3	29-Jan	Oscar D'Angelo
4	31-Jan	ABLA Working Group
5	4-Feb	Meeting with Father Paulson/St. Ignatius
6	7-Feb	BPI
7	12-Feb	Ms. Beverly
8	13-Feb	ABLA Working Group Meeting
9	13-Feb	Lunch w/Tom, Greg DeStafano and IMD
10	22-Feb	UVA Workshop
11	26-Feb	Archdiocese meeting re: new school
12	27-Feb	ABLA Working Group Meeting
13	5-Mar	Taylor St. Merchants Association re: Taylor St. Guidelines
14	11-Mar	Meeting w/BPI and Habitat
15	11-Mar	CAPS meeting at ABLA LAC
16	11-Mar	ABLA LAC Monthly Resident Meeting
17	12-Mar	Ms. Beverly
18	13-Mar	ABLA Working Group Meeting
19	25-Mar	Oscar D'Angelo
20	26-Mar	Ms. Beverly
21	26-Mar	Mike Belletire
22	26-Mar	St. Ignatius Board of Directors Meeting
23	27-Mar	ABLA Working Group Meeting
24	27-Mar	Duncan YMCA Board Presentation
25	8-Apr	ABLA CAPS and LAC meetings

26	10-Apr	ABLA Working Group Meeting
27	18-Apr	Retail update with Bellatire
28	23-Apr	BPI - Site Plan and Tenant Selection Criteria
29	24-Apr	ABLA Working Group Meeting
30	1-May	St. Ignatius / John Chandler
31	7-May	Ben Kendrick re: retail, jobs
32	8-May	ABLA Working Group Meeting
33	14-May	Ben Kendrick
34	16-May	West Side Consortium - Education Subcommittee
35	21-May	Ald. Solis Cmnty Meeting at Notre Dame Church
36	22-May	ABLA Working Group Meeting
37	5-Jun	Ben Kendrick, et al, re: Jobs, Sect. 3 and MBE/WBE
38	5-Jun	Tenant Selection Plan review with ABLA LAC
39	12-Jun	ABLA Working Group Meeting -- LAC Offices 1254 S. Loomins
40	17-Jun	Mike Belletire
41	17-Jun	Taylor St. Merchants Association
42	18-Jun	Ms. Beverly re: Town Hall planning & Retail on Roosevelt Rd.
43	20-Jun	Ben Kendrick
44	20-Jun	Ms. Beverly
45	24-Jun	Ms. Beverly
46	26-Jun	ABLA Working Group Meeting
47	26-Jun	UVA -- ABLA Subcommittee
48	10-Jul	ABLA Working Group Meeting
49	11-Jul	Meeting with Roosevelt Rd Property Owners
50	17-Jul	Carmen Gallucci, et al re: parking on Taylor (TBD)
51	21-Jul	Malik Nevels
52	22-Jul	Taylor St. Merchants
53	23-Jul	IL Med District / Joe Dunne
54	24-Jul	ABLA Working Group Meeting

55	31-Jul	Joanna Hazelden, Roosevelt Branch Library
56	5-Aug	Church meetings re: PD
57	6-Aug	TSP Review with LAC
58	7-Aug	Alderman Haithcock
59	11-Aug	Ms. Beverly
60	14-Aug	ABLA Working Group Meeting
61	14-Aug	Tom at DPD w/CHA
62	14-Aug	ABLA LAC
63	19-Aug	Bud Scents from the Chicago Archdiocese
64	20-Aug	Alderman Solis
65	20-Aug	1st Town Hall at ABLA YMCA Community Center
66	21-Aug	Terry Peterson and Valerie Jarrett
67	22-Aug	Duncan YMCA Board presentation
68	28-Aug	ABLA Working Group
69	2-Sep	Tom at St. Ignatius
70	3-Sep	2nd Town Hall Meeting at ABLA YMCA
71	4-Sep	Ald. Haithcock
72	11-Sep	ABLA Working Group Meeting
73	23-Sep	Terry Peterson / Valerie Jarrett
74	25-Sep	ABLA Working Group Meeting
75	9-Oct	ABLA Working Group Meeting
76	13-Oct	Ben Kendrick
77	15-Oct	ABLA LAC re: CSS
78	15-Oct	Taylor St. Merchants
79	16-Oct	Leo Hennicoff
80	20-Oct	Ben Kendrick -- WS2000
81	23-Oct	ABLA Working Group Meeting
82	29-Oct	West Side Consortium -- ABLA Update
83	30-Oct	Ben Kendrick re: ABLA PD

84	31-Oct	IMD -- CPD-- District Security meeting / presentation
85	3-Nov	DOH
86	4-Nov	IMD -- PD presentation
87	6-Nov	CSS Sub-Committee
88	7-Nov	HUD Presentation
89	7-Nov	Dr. Hennicoff
90	13-Nov	ABLA Working Group Meeting
91	13-Nov	CSS Subcommittee
92	25-Nov	Taylor St. Biz Org meeting
93	2-Dec	Chris Gent / Park District
94	5-Dec	Briefing w/Terry Peterson and Sharon Gist Gilliam re: Summit Meetin
95	6-Dec	UVA "Summit Meeting"
96	11-Dec	ABLA Working Group Meeting

AFFIDAVIT OF JOHN G. MARKOWSKI

John G. Markowski, being first duly sworn under oath and having personal knowledge of the facts set forth herein, states as follows:

1. I am the Commissioner of the City of Chicago's Department of Housing. I have served as Commissioner since 1999. In this capacity, I have responsibility for, among other things, administration of the Low-Income Housing Tax Credit program in the City, and the Department of Housing's participation in the CHA's Public Housing Plan For Transformation, which will result in the development of mixed-income housing on and near CHA developments.

2. I am familiar with the ABLA redevelopment project. The Department of Housing is a member of the ABLA working group and has played an active role in planning the development. This has included selecting and working with the Telesis Corp., the competitively selected master planner, and with LR Development, the competitively selected master developer.

3. The ABLA project is one of the most important development efforts underway in the City of Chicago. If LR Development can move forward with construction on the initial phase on July 1, 2004 and thereafter completes the entire six-phase plan for the ABLA redevelopment project, the near southwest side of the City will literally be transformed. The present ABLA neighborhood consists of isolated and dilapidated public housing developments. The residents of these developments are virtually one-hundred percent African-American and virtually one-hundred percent very low and very, very low-income households. Nearby, however, are well-established and growing institutions (the University of Illinois at Chicago, the Medical District, St. Ignatius and others) that have stimulated recent commercial and market residential development. But the ABLA public housing development, however, has had little connection with the larger community in which it is located. The ABLA redevelopment plan will replace the isolated and dilapidated public housing units with brand new units, in sufficient numbers to accommodate all of the ABLA families presently on site or who have been on site since October 1, 1999 (when the City effectively took back control of the CHA), and add considerable numbers

of affordable units as well. More importantly, however, these new public and affordable housing units will be integrated into the surrounding community, so that CHA residents can participate in the social and economic life of the neighborhood.

4. The mix between public, affordable and market units is reasonably apportioned throughout the ABLA redevelopment project site. This will ensure economic integration for the area. Beyond that, however, the location of the area--- with close access to the university, the medical district and the Loop----will make the market for-sale units very attractive. The City strongly believes that many white, African-American, Asian, Hispanic and other families will purchase these units, thus creating racial integration in the area as well.

5. To facilitate the ABLA redevelopment project, the City has invested approximately \$1,200,000, and will invest an additional approximately \$5,667,3000 prior to the completion of the ABLA redevelopment project, for public improvements and infrastructure for the area. Sewer work is already approximately 40% complete, and design work for all infrastructure improvements is approximately 35% complete.

6. In addition to the public improvements and infrastructure work underway, the City has allocated \$500,000 in low income housing tax credits, and may allocate an additional \$300,000 in tax credits, to the first phase of the ABLA redevelopment project. Such allocations, together with an additional allocation of tax credits from the Illinois Housing Development Authority ("IHDA"), are expected to generate approximately \$20,000,000 in equity for such first phase. This represents 41.5% of all Phase I funding. These tax credits were awarded December 19, 2003.

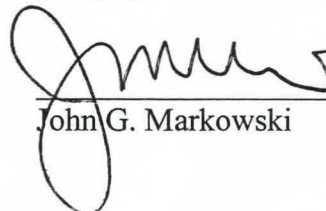
7. Under Section 42 of the Internal Revenue Code, and the regulations thereunder, which govern the federal Low-Income Housing Tax Credit program LR Development is required to meet two important deadlines:

8. Six months after the award of the Tax Credits, LR must incur obligations equal to 10% of the reasonably expected basis for the project. This must be done by June 19, 2004 (with respect to the City's allocation) and June 23, 2004 (with respect to IHDA's allocation). For

Phase I of the ABLA redevelopment, this amounts to approximately \$3,500,000. The City has been informed that LR Development is prepared to expend these funds on building materials but may not be willing to continue incurring the expenses necessary to meet the 10% carryover test as long as a ruling on the intervention complaint or any subsequent related decision keeps open the possibility that the closing will be delayed, or construction may be delayed or halted. If LR Development fails to meet this deadline, one of the conditions precedent to the ultimate allocation of the tax credits will not have been met, and such allocation will effectively have been lost.


9. Within the end of the second year from the date the Tax Credits are awarded, LR must "place-in-service" the fully-constructed tax-credit supported units in Phase I. This "place-in-service" deadline for Phase I is December 31, 2005. If LR Development fails to meet this deadline, it again will have failed to meet a condition precedent to the allocation of the tax credits and the allocation will effectively have been lost. LR's current construction schedule calls for it to start work July 1, 2004 and finish in November of 2005. Thus, there is no room to accommodate delay in the construction of these units.

10. As of the date this affidavit is executed, the City has approved a planned development covering the entire six-phase ABLA project site, meaning zoning is effectively in place to proceed with the entire project. Such zoning was approved after substantial public debate and community input. The City has also issued building permits for the majority of the rental buildings contemplated for Phase I, such that LR Development may begin construction on July 1, 2004, provided that it closes its financing. The City is prepared to close its part of the financing by such date.



John G. Markowski

Signed and sworn to before me
by John G. Markowski this 3rd day of JUNE, 2004



Notary Public



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

DOROTHY GAUTREAUX, et al.,)	
)	
Plaintiffs,)	
)	
v.)	No. 66 C 1459
)	
CHICAGO HOUSING AUTHORITY,)	Judge Aspen
)	
Defendant.)	

DECLARATION OF STEPHEN M. PORRAS

Stephen M. Porras, having personal knowledge of the facts set forth herein, declares, to the best of his knowledge and under penalty of perjury, as follows:

1. I am a Vice President of LR Development Company LLC. I have served as Vice President since October 23, 2000. In this capacity, I have responsibility for the firm's planning, acquisition, financing and development of affordable housing.
2. I am familiar with the ABLA redevelopment project, also known as Roosevelt Square, having coordinated the response by LR Development Company and its development team members to the June 17, 2002 Request for Proposals for the Mixed Income Redevelopment of the ABLA Homes (the "RFP") issued by the Chicago Housing Authority ("CHA"), the City of Chicago and The Habitat Company and served as overall project manager since LR ABLA LLC was selected as master developer ("LR ABLA") in December 2002.
3. Since the time of the designation, the development team has completed planning and secured City of Chicago zoning approval of the entire redevelopment site and is within four weeks of undertaking a financial closing for Phase 1 that will allow construction to begin immediately thereafter. As of the end of the first quarter of 2004, LR ABLA has expended approximately \$3,767,000 for third party professional and other services in conjunction with their efforts to bring the rental and for-sale portions of the redevelopment to the point of being able to start construction on the first phase. This figure does not include developer overhead, estimated at approximately \$1,000,000 since December 2002.
4. The ABLA Homes redevelopment is to be comprised of 2,441 on-site rental and for-sale housing units and approximately 80,000 square feet of commercial/retail space to

be built on approximately 180 acres over roughly ten years in six phases. Of the total number of new housing units, 1,090 will be rental units, of which 755 will be designated for CHA families and 335 will be targeted to low-income families. In both instances, the families must earn 60% or less of Area Median Income ("AMI") at initial occupancy. All rental units will be rent- and income-restricted in a manner that conforms to Section 42 of the Internal Revenue Code (the "Code"), thus qualifying them for the federal low-income housing tax credit. In addition, LR ABLA will construct 1,351 for sale units that will be comprised of 966 market rate units with no income restrictions, 335 units targeted to families earning less than 120% of AMI, and 50 units targeted to CHA families at or below 80% of AMI.

5. It is estimated that the total development cost for the overall project is approximately \$600,000,000. Funding for the rental portion of the project will come from the U.S. Department of Housing and Urban Development's ("HUD") HOPE VI program, equity from the sale of federal low income housing tax credits, conventional mortgages, awards from the Federal Home Loan Bank of Chicago's Affordable Housing Program and other City of Chicago and CHA funds. We estimate that by the completion of Phase 3 the HOPE VI funds, which total approximately \$49,000,000 and can only be used to build CHA replacement units, will have been exhausted, leaving a gap in the funds necessary to complete construction of the CHA units in Phases 4-6. As a result, LR ABLA has committed to a mechanism by which it will provide the CHA with substantial additional funds for the public housing rental portion of the development solely from profits earned in the for-sale portion of the development. Any reduction in the number of for-sale market rate units, the prices for which these units will sell, or an increase in the cost to build these units would reduce the funds available for development of CHA replacement units in the latter phases of the redevelopment. In other words, any reduction in the profits generated from the sale of market rate units increases the risk that there will not be enough funds to complete the planned 755 units.
6. LR ABLA has established Roosevelt Square Community Partners ("RSCP"), an Illinois not for profit corporation that is seeking tax-exempt status from the Internal Revenue Service pursuant to 501(c)(3) of the Code. RSCP has been established to facilitate and fund localized community support programs and services. RSCP's activities will supplement and complement the City of Chicago's Service Connector program at ABLA and the CHA's own Community and Supportive Service program for Roosevelt Square. RSCP is to receive an estimated \$4,000,000 "give back" of development fees as and when earned by the rental and for-sale development entities. In our view, adequate funding of these social services programs is critical to the overall success of this mixed income development. Any reduction in number of market rate units would reduce this special endowment of financial resources and hinder RSCP's development of community support programs and services that are vital to the project's success.

7. One example of a prospective RSCP-assisted community program is to provide Home Ownership Assistance of up to \$5,000 to purchasers of the 50 CHA for-sale units paid out of the development fee "give back" described above. Any reduction in the number of market rate units would hinder RSCP's ability to assist CHA families wishing to purchase their own homes at Roosevelt Square.
8. Increasing the number or percentage of public housing or very low-income rental units could adversely affect the sale prices, and therefore the profits, generated from the sale of the market rate units. Any such decrease in market rate unit profits would reduce the funds available to develop the remainder of the planned 755 public housing units in the final phases of the development.
9. The overall redevelopment has been divided into six phases of nearly equal unit count. All six phases contemplate construction of CHA and affordable rental units, as well as for-sale units, north and south of Roosevelt Road. Phase 1 of the ABLA Homes redevelopment is comprised of 181 rental units (125 CHA replacement units and 56 units at rent levels restricted to no more than 60% of Area Median Income) and 234 for sale units (7 units designated for CHA residents; 67 units designated for families with incomes of less than 120% of Area Median Income; and 160 market rate units).
10. In preparation for the imminent financial and real estate closing and start of construction of the rental portion of Roosevelt Square, the development team has completed and received approval of its master site plan for Phase 1 from the Working Group and the City of Chicago Department of Planning and Development; completed designs for 38 rental buildings; received building permits for 25 of the 38 buildings; procured financing; and submitted evidentiaries to HUD.
11. The proposed financing plan for Phase 1 is as follows: 1) a \$15,372,476 loan from HOPE VI funds; 2) \$20,376,881 in equity from the sale of federal low income housing tax credit allocations awarded in December 2003 by the Illinois Housing Development Authority and the Chicago Department of Housing ("DOH") and a pending supplemental award by DOH; 3) a \$2,000,000 first mortgage from Bank of America, N.A.; and 4) \$500,000 from the Federal Home Loan Bank of Chicago's Affordable Housing Program.
12. Under applicable sections of the Internal Revenue Code, an award of federal low income tax credits made in a given year can be "carried over" for utilization in the following calendar year if the recipient can certify to the expenditure of 10% of the reasonably expected total eligible project cost within six months of the award. In the case of Phase 1 of the rental portion of Roosevelt Square, the operative date is June 18, 2004 (six months from the date of execution of the tax credit reservation letter from the Chicago Department of Housing). To date, approximately \$1.5 million in eligible payments have been made that will apply to the "10% carryover test." However, based on total eligible development costs of approximately \$35 million dollars LR ABLA will need to expend an additional \$2.0 million dollars for the

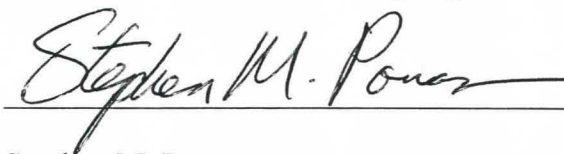
procurement of materials such as lumber and steel prior to June 18, 2004 in order to be able to certify that it met the 10% carryover test timely. LR ABLA may not be willing to continue incurring the expenses necessary to meet the 10% carryover test as long as a ruling on the intervention complaint or any subsequent related decision keeps open the possibility that (i) the financial and real estate closing will be substantially delayed, (ii) the project will never be allowed to start construction, or (iii) construction may be stopped at some point after its commencement. Unless the rental developer can certify to having timely met the 10% carryover test, the private investors and lender will be unwilling to proceed with the closing as currently scheduled.

13. Compliance with the Internal Revenue Code also requires that construction of tax credit eligible units be completed within two years after the end of the year in which the low-income housing tax credit is awarded. In this case, the operative date is December 31, 2005. Currently, the construction schedule assumes start of construction on July 1, 2004; construction is scheduled to be completed by November 30, 2005. This leaves only one month for completion of any remaining inspections by HUD, CHA, and the City of Chicago and leaves virtually no leeway in the schedule for delays due to unknown conditions. A delay in the financial and real estate closing will risk completion of the project by the required date and jeopardize the availability of equity from the sale of the federal low income housing tax credits, thereby causing (i) a shortfall in the financing proceeds necessary to complete the rental portion of the first phase, (ii) probable severe financial hardship on the developer as a result of the investor exercising its rights under the guaranties provided by the developer and (iii) probable loss of the rental developer's general partner interest in the limited partnership owner entity.
14. The for-sale component's on-site sales center is currently scheduled to open approximately on July 15, 2004. If the subject complaint is not fully and finally resolved in favor of the defendants, sales material will have to disclose that fact, which in turn may cause sales to either (i) not materialize, (ii) materialize at a slower rate than projected, or (iii) materialize only after a lowering of the sales prices. If any of these possibilities or combinations thereof happen, there will be less net cash flow from this component of the development available as a "profit share" to subsidize the construction of CHA rental housing in the later phases, thereby either reducing the number of CHA units built or forcing the expenditure of other public funds to increase, the availability of which are speculative at this time.
15. Submitted with this Declaration is a CD-ROM and VHS cassette, each of which contains a digital animation that fairly and accurately depicts the preliminary site planning and architectural designs for Phase 1. This same animation has been on our website – www.rooseveltsquare.com – since August 2003, was shown to the public during "town hall" meetings held in the summer of 2003, and was on display at the Roosevelt Branch of public library in the community from August through October 2003. Counsel for the parties seeking intervention, Mr. Wilen, attended one of the town hall meetings and viewed this animation.

16. The animation is a three-dimensional representation of the architecture and streetscape of Phase 1 of Roosevelt Square. The images were based on the preliminary drawings of the various rental and for-sale buildings prepared by the development team's architects. The architecture of the buildings – designs, materials and finishes – has remained largely the same as depicted in the animation, although there have been some changes. The depiction of the buildings on the street fronts and in relation to one another remains essentially as shown in the animation.
17. The video clip starts with a “bird’s eye view” of the entire site in its current undeveloped state and then zooms in to the corner of Blue Island and Roosevelt Road. At that point the animation starts and travels west on Roosevelt looking at the Phase 1 buildings on the south side of Roosevelt. At Racine, it depicts the buildings north of Roosevelt. It proceeds north on Lytle, stops at Grenshaw to show the row of for-sale and rental townhomes planned for that street, then continues north toward Taylor, where it turns east toward Racine. At the end of this segment, it skips down to view the buildings on the north side of Washburne moving in an easterly direction. At Washburne and Blue Island, it turns the block and heads north back toward Roosevelt. The animation ends where it began, at Blue Island and Roosevelt, and then fades to an aerial view of the Loop.
18. The animation depicts that there is no difference in the quality or nature of the architectural design between those buildings being developed north of Roosevelt v. south of Roosevelt. The animation reflects the developer’s objective to achieve parity in the qualitative and aesthetic character of the for-sale and rental buildings, as required by the RFP. The same parity is planned and required for later phases.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on June 1, 2004

A handwritten signature in black ink, reading "Stephen M. Porras", written over a horizontal line.

Stephen M. Porras

Exhibit E

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

DIANE LINK WALLACE, ANGELA MAPLES, LISA)
TAYLOR, MARY E. SISTRUNK, PANDORA MEADORS,)
ANNIE R. SMITH, and NICHELLE HART, on Behalf of)
Themselves and All Others Similarly Situated,)

Plaintiffs,

vs.

THE CHICAGO HOUSING AUTHORITY ("CHA"), an)
Illinois Municipal Corporation, and TERRY PETERSON, in)
His Official Capacity as Chief Executive Officer of the CHA,)

Defendants.)

03 C 0491

The Honorable Judge
Ruben Castillo

FIRST AMENDED COMPLAINT

I. PRELIMINARY STATEMENT

1. This suit is brought on behalf of a class of current and former residents of the Chicago Housing Authority who were or will be involuntarily displaced from public housing and segregated into overwhelmingly African-American neighborhoods by Defendants.

2. While Plaintiffs resided in units owned by the Chicago Housing Authority, they endured the longstanding physical deterioration of their homes, and a legacy of racial segregation, crime, and poverty in their communities. These conditions persisted in spite of the economic prosperity of the 1990s, which began to foster economic revitalization and racial integration in neighborhoods surrounding a number of Plaintiffs' public housing developments.

3. In 1995, Defendant CHA began a policy and practice of vacating and demolishing Plaintiffs' homes to clear the way for mixed-income communities. As Plaintiffs were displaced from their homes, CHA knowingly failed to provide relocation services to them, or provided

relocation services that discouraged Plaintiffs from renting dwellings in white and integrated neighborhoods because of the race of the persons living in such neighborhoods. In some cases, CHA discouraged Plaintiffs from renting in such neighborhoods by failing to inform them of their desirable features; in others, CHA blatantly steered Plaintiffs to predominately African-American neighborhoods. As a result of these CHA practices and others, the displaced Plaintiffs became segregated in overwhelmingly African-American communities characterized by high poverty, high crime, poor schools and poor municipal services.

4. Over 78 percent of the involuntarily displaced families have been moved to census tracts whose racial composition is over 95 percent African-American. Over 86 percent of the families have been moved to census tracts whose racial composition is over 80 percent African-American, and over 93 percent have been moved to census tracts whose racial composition is over 50 percent African-American. (Paul Fischer, Where Are the Public Housing Families Going? An Update 4 (January 21, 2003), attached hereto as Exhibit A.)

5. Eighty percent of the families have been moved to census tracts above the city average of 16.6 percent of households living in poverty, and 50 percent of the families have been moved to census tracts with more than double the citywide poverty percent. (*Id.* at 6.)

6. Defendants' policies and practices violate federal law and Defendants' contractual obligations, and have harmed both the broader community and Plaintiffs, who have been uprooted from their revitalizing communities and involuntarily segregated in economically marginal neighborhoods. Plaintiffs have endeavored to negotiate with Defendants, to no avail, and their only remedy is the present suit.

II. JURISDICTION AND VENUE

7. This court has jurisdiction over Plaintiffs' claims under 28 U.S.C. §§ 1331 (federal question), 1343 (civil rights), 1367 (supplemental jurisdiction), and 42 U.S.C. § 3613 (fair housing).

8. Venue is proper in this judicial district under 28 U.S.C. § 1391(b).

III. JURY DEMAND

9. Plaintiffs demand trial by jury on each and every claim to which they are so entitled.

IV. PARTIES

A. The Plaintiffs

10. Plaintiff Diane Link Wallace is an African-American female who, as a result of Defendant CHA's failure to maintain her home at the ABLA public housing development in habitable condition, was involuntarily displaced and relocated by Defendants in 1997 to an impoverished and overwhelmingly African-American neighborhood. She subsequently moved to 7925 South Peoria, an overwhelmingly African-American neighborhood where she currently resides with her two children, but she would like to move to a racially integrated neighborhood with better services, including better schools, or back to a new unit at a revitalized ABLA.

11. Plaintiff Angela Maples is an African-American female who was involuntarily displaced in 2002 by Defendants from her former home at the Stateway Gardens public housing development and relocated by Defendants to an overwhelmingly African-American, poverty-

stricken neighborhood. She currently lives at 7310 South Jeffrey Boulevard, but she would like to move to a racially integrated neighborhood with better services, or back to a new unit at a revitalized Stateway Gardens public housing development.

12. Plaintiff Lisa Taylor is an African-American female who, as a result of Defendant CHA's failure to maintain her home at the ABLA public housing development in habitable condition, was involuntarily displaced and relocated by Defendants in 1997 to a predominately African-American, poverty-stricken neighborhood. She currently lives at 2438 West 64th Street and would like to move to a racially integrated, safe, and more economically prosperous neighborhood with better services, or back to a revitalized ABLA.

13. Plaintiff Mary E. Sistrunk is an African-American female who was involuntarily displaced by Defendants in 1996 from her former home at the Robert Taylor public housing development and, over the course of the following seven years, relocated by Defendants to a series of predominately African-American, poverty-stricken neighborhoods. Ms. Sistrunk currently lives with her eight children in a predominately African-American neighborhood at 8641 South Marquette Avenue, but would like the opportunity to move to a racially integrated, and more prosperous neighborhood with better services, including better schools.

14. Plaintiff Pandora Meadors is an African-American female who was involuntarily displaced by Defendants in 1996 from her former home at the Cabrini-Green public housing development and relocated, without any assistance from Defendants, to a predominately African-American, poverty-stricken neighborhood. Ms. Meadors currently lives with her children at 4303 West Cortez Street, but would like the opportunity to move to a racially integrated and more prosperous neighborhood with better services, including better schools, or back to a revitalized Cabrini-Green.

15. Plaintiff Annie R. Smith is an African-American female who has been three times transferred from apartment to apartment at the Ida B. Wells public housing development since Defendant CHA began its demolition activities at Wells in 1996. Her current home at 532 East 38th Street in Wells, where she lives with her four children, is scheduled for demolition in 2005, at which time Ms. Smith and her family will suffer their fourth displacement. Although Ms. Smith desires to live in Wells after it is revitalized, she would like to exercise her right to temporarily relocate with a housing choice voucher to a racially integrated and more prosperous neighborhood with better services, including better schools.

16. Plaintiff Nichelle Hart is an African-American female who was involuntarily displaced from her home at 3616 South State Street in April 2003. Ms. Hart and her six children moved to a predominately African-American, poverty stricken neighborhood at 6727 South Green Street. Although Ms. Hart wishes to ultimately return to Stateway Gardens it is revitalized, she would like the opportunity now to move to a racially integrated, and more prosperous neighborhood with better services, including better schools.

B. The Defendants

17. Defendant Chicago Housing Authority ("CHA") is an Illinois municipal corporation, created and existing under the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq. The CHA is a Public Housing Agency within the meaning of 42 U.S.C. § 1437 and administers federally subsidized and assisted low-rent housing as authorized by the United States Housing Act ("USHA").

18. Defendant Terry Peterson is the Chief Executive Officer of the CHA. He is charged with administering the agency's policies, including those related to all public housing and housing choice voucher programs of CHA.

C. Class Action Allegations

19. Plaintiffs bring this action pursuant to Fed. R. Civ. P. 23(a) and (b)(2), on behalf of a class that is defined as follows:

All persons who, on or after January 1, 1995, resided in and were subsequently moved out of, or will be moved out of CHA public housing using a Section 8 voucher or certificate or a "Housing Choice Voucher," as a result of the actual demolition, de facto demolition, or proposed demolition of their dwelling units.

20. **Numerosity.** The class is so numerous that joinder of all members is impracticable. Upon information and belief, it is comprised of approximately 8,157 families – 2,157 families that CHA relocated between 1995 and 2000 and 6,000 families that CHA projected in January 2000 that it would thereafter relocate as part of its ongoing demolition and relocation policies.

21. **Commonality.** There are questions of law and fact common to members of the proposed class, including, but not limited to the following:

- a. Have the Defendants operated a program of building closure, demolition and forced relocation that has perpetuated segregation in the Chicago metropolitan area, in violation of the Fair Housing Act?
- b. Have the Defendants operated a program of building closure, demolition and forced relocation that has had an adverse disparate impact upon African-Americans, women, and families with children, in violation of the Fair Housing

Act?

- c. Have the Defendants failed to affirmatively further fair housing, in violation of the Fair Housing Act, Executive Orders 11063 and 12892, and the Quality Housing and Work Responsibility Act of 1998?
- d. Have the Defendants discriminated against Plaintiffs on the basis of race in violation of the Fair Housing Act and Title VI of the Civil Rights Act of 1964 by intentionally steering Plaintiffs to racially segregated neighborhoods?
- e. Have the Defendants failed to operate a relocation assistance program that adequately assesses the needs and preferences of the Plaintiffs, in violation of the Uniform Relocation Act of 1970?
- f. Have the Defendants failed to operate a relocation assistance program that gives the Plaintiffs reasonable opportunities to relocate to replacement dwellings that are not located in areas of African-American concentration, in violation of the Uniform Relocation Act of 1970?

22. Declaratory and injunctive relief are appropriate with respect to the class as a whole because Defendants have acted and are acting on grounds generally applicable to the class.

23. **Typicality.** The individual Plaintiffs' claims are typical of the claims of the class as a whole in that all of the named Plaintiffs have been segregated or will be segregated by the practices of Defendants into African-American neighborhoods, giving rise to claims under Title VI of the Civil Rights Act of 1964, the Fair Housing Act, the Quality Housing and Work Responsibility Act of 1998, and the Uniform Relocation Act of 1970.

24. **Adequacy of class representatives and class counsel.** The named Plaintiffs and their counsel will adequately represent the class.

Subclasses

25. Within the above-described class there are Plaintiffs who have some additional claims that are not shared by other Plaintiffs, and who seek relief distinct from that sought by other Plaintiffs. For this reason, it is appropriate pursuant to Fed. R. Civ. P. 23(c)(4) to recognize two subclasses, each brought pursuant to Fed. R. Civ. P. 23(b)(2).

26. **Class members relocated after October 1999.** Upon information and belief there are at least 1,200 families who have been relocated since the effective date of the Relocation Rights Contract for CHA residents, October 1999, making this subclass so **numerous** that joinder of all members would be impracticable.

27. There are questions of law and fact **common** to the proposed subclass, which include all of those set forth for the general class, as well as the following questions:

- a. Have the Defendants breached ¶ 6(a) of the Relocation Rights Contract executed between the CHA Defendants and the subclass Plaintiffs by failing to make available meaningful mobility counseling to the subclass Plaintiffs?
- b. Have the Defendants breached ¶ 5(b) of the Relocation Rights Contract by failing, prior to relocating any covered leaseholder, to make a good faith effort to negotiate with each affected Local Advisory Council ("LAC") of CHA residents a Memorandum of Agreement ("MOA") that reflects property-specific understandings with respect to the redevelopment process?
- c. Have the Defendants breached ¶ 11(a) of the Relocation Rights Contract by failing to consistently issue quarterly reports?

d. Have the Defendants breached ¶ 4(a) of the Relocation Rights Contract by failing to provide comparable replacement housing to the subclass Plaintiffs?

28. Declaratory and injunctive relief are appropriate with respect to the entire subclass because the Defendants have acted on grounds generally applicable to the subclass.

29. The claims of Plaintiffs Angela Maples and Nichelle Hart are **typical** of the claims of the subclass as a whole in that they claim that Defendants have breached their obligations under the Relocation Rights Contract.

30. **Class members residing in public housing who will be relocated.** Upon information and belief there are approximately 256 families who will be involuntarily displaced with Section 8 vouchers in 2003, and approximately 4,636 families may be involuntarily displaced with Section 8 vouchers in the future (the 6,000 movers estimated by CHA in 2000 less the estimated 1,364 movers who will have relocated from 2000-2003), making this subclass so **numerous** that joinder of all members would be impracticable.

31. In addition to all the questions of law and fact **common** to the general class and subclass of families who relocated after October 1999, the second subclass have distinct questions of law and fact stemming from their posture as current residents who have not yet been, but will be relocated in the future.

32. The claims of Plaintiff Annie Smith are **typical** of the claims of the subclass as a whole in that she claims that Defendants' plans will cause her to become relocated to a racially segregated neighborhood.

33. Declaratory and injunctive relief are appropriate with respect to the entire subclass because the Defendants have planned to act on grounds generally applicable to the subclass.

V. STATUTORY AND REGULATORY SCHEME

A. The Housing Choice Voucher Program

34. Defendants have relocated Plaintiffs from their original homes in public housing using a government program called the Housing Choice Voucher ("HCV") Program, formerly known as the Section 8 voucher and certificate programs.

35. The HCV program is one of various federal rental subsidy programs ultimately administered by the United States Department of Housing and Urban Development ("HUD"). In the HCV program, HUD funds and regulates state or local governmental entities called public housing agencies (PHAs), which directly administer the program.

36. In Chicago, Defendant CHA is the PHA responsible for administering the HCV program, but Defendant CHA has contracted with Quadel Consulting Corporation and its subsidiary CHAC, Inc., to directly administer the program.

37. Families participating in the HCV program rent units that meet program housing quality standards. If after inspecting a prospective unit, the PHA approves a family's unit and tenancy, the PHA enters into a "housing assistance payment contract" with the owner to make rent subsidy payments on behalf of the family. 24 C.F.R. 982.1.

38. The amount of the rental subsidy is calculated based on a local "payment standard" that reflects the cost to lease a unit in the local housing market. If the rent is less than the payment standard, the family generally pays 30% of adjusted monthly income for rent. If the rent is more than the payment standard, the family also pays the amount by which the rent exceeds the payment standard, up to 40% of the family's adjusted monthly income. Id.

B. The Fair Housing Act

39. The Plaintiffs claim that their forced relocation into racially segregated neighborhoods violates the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, 42 U.S.C. §§ 3601, et seq. The Fair Housing Act provides in relevant part that "it shall be unlawful":

- a. To . . . make unavailable or deny[] a dwelling to any person because of race, color, . . . sex, [or] familial status. . . .
- b. To discriminate against any person in the terms, conditions, or privileges of . . . rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, sex [or] familial status. . . .
- c. To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the . . . rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, . . . sex, [or] familial status . . . or an intention to make any such preference, limitation, or discrimination.
- d. To represent to any person because of race, color, . . . sex [or] . . . familial status . . . that any dwelling is not available for inspection . . . or rental when such dwelling is in fact so available.

42 U.S.C. § 3604.

40. HUD has promulgated regulations implementing the above language to prohibit practices generally referred to as "steering":

It shall be unlawful, because of race, color . . . sex, [or] . . . familial status . . . to restrict or attempt to restrict the choices of a person by word or conduct in connection with seeking, negotiating for, buying or renting a dwelling so as to perpetuate, or tend to perpetuate, segregated housing patterns, or to discourage or obstruct choices in a community, neighborhood or development.

24 C.F.R. 100.70(a).

41. HUD regulations define such steering to include:

Discouraging the purchase or rental of a dwelling because of race, color, religion, sex, handicap, familial status, or national origin, by exaggerating drawbacks or failing to inform any person of desirable features of a dwelling or of a community, neighborhood, or development.

24 C.F.R. 100.70(b)(2).

42. The Fair Housing Act provides further that HUD shall administer its programs and activities relating to housing and urban development in a manner affirmatively to further fair housing. 42 U.S.C. § 3608(e)(5).

43. HUD has, in turn, promulgated regulations mirroring the language of 42 U.S.C. § 3608(e)(5) requiring local housing authorities to affirmatively further fair housing. 24 C.F.R. §§ 960.103(b), 982.53(c).

44. Additional regulations expand upon the nature of this obligation, requiring that the local authorities annually certify to HUD that they will affirmatively further fair housing, see 24 C.F.R. 903.7(o) (public housing plans); 24 C.F.R. 982.53(b) (housing choice voucher program requirements), and setting forth the standards by which such certification shall be judged, see 24 C.F.R. § 903.7(o)(3).

45. HUD has also promulgated regulations expanding upon the prohibition of § 3604(b) upon discrimination in the terms, conditions, or privileges of the rental of a dwelling. Among the prohibited practices described by HUD is “[f]ailing or delaying maintenance or repairs of . . . rental dwellings because of race, color . . . sex . . . [or] familial status. . . .” 24 C.F.R. § 100.65(b)(2).

C. Executive Orders 11063 and 12892

46. Executive Order 11063, issued by President Kennedy, and titled "Equal Opportunity in Housing," directs "all departments and agencies in the executive branch of the

Federal Government, insofar as their functions relate to the provision, rehabilitation, or operation of housing and related facilities, to take all action necessary and appropriate to prevent discrimination because of race, color, creed, or national origin. . . ." Exec. Order 11063, § 101, 27 Fed. Reg. 11527 (Nov. 20, 1962).

47. Executive Order 12892 mandates that the Secretary of HUD affirmatively further fair housing, directs other federal agencies to cooperate with HUD in the order's enforcement, and amends the language of 11063 to extend its reach to the prevention of discrimination on the basis of sex, disability, and familial status. Exec. Order 12892, §§ 2-201, 6-604(b), 59 Fed. Reg. 2939 (Jan. 17, 1994).

48. HUD has promulgated regulations implementing Executive Orders 11063 and 12892, which provide as follows:

All persons receiving assistance from, or participating in any program or activity of the Department involving housing and related facilities shall take all action necessary and proper to prevent discrimination on the basis of race, color, religion (creed), sex or national origin.

24 C.F.R. § 107.21 (2003).

D. Title VI of the Civil Rights Act

49. Title VI of the Civil Rights Act of 1964 provides that "[n]o person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance." 42 U.S.C. § 2000d.

50. HUD regulations implementing Title VI state that a recipient of federal funding may not on the basis of race, color or national origin:

- (i) Deny a person any housing, accommodations, facilities, services, financial aid, or other benefits provided under the program or activity;
- (iii) Subject a person to segregation or separate treatment in any matter related to his receipt of housing, accommodations, facilities, services, financial aid, or other benefits under the program or activity;
- (iv) Restrict a person in any way in access to such housing, accommodations, facilities, services, financial aid, or other benefits, or in the enjoyment of any advantage or privilege enjoyed by others in connection with such housing, accommodations, facilities, services, financial aid, or other benefits under the program or activity;

24 C.F.R. § 1.4(b)(1).

51. The regulations also impose a duty upon a covered agency to take affirmative steps to remedy past discrimination:

- i. In administering a program regarding which the recipient has previously discriminated against persons on the ground of race, color, or national origin, the recipient must take affirmative action to overcome the effects of prior discrimination. . . .
- ii. Where previous discriminatory practice or usage tend . . . to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which this Part 1 applies, the applicant or recipient has an obligation to take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the act.

24 C.F.R. § 1.4(b)(6).

E. The Quality Housing and Work Responsibility Act

52. The process of demolition and forced relocation initiated by Defendants is governed, in part, by the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"), Pub. L. 105-276, 112 Stat. 2461.

53. QHWRRA requires every public housing authority to prepare and submit for HUD approval an "annual public housing agency plan" detailing the PHA's policies in the administration of its programs.

54. The Act requires the PHA to certify in the plan that it will "carry out the public housing agency plan in conformity with...the Fair Housing Act...and will affirmatively further fair housing." 42 U.S.C. § 1437c-1(d)(15).

F. The Uniform Relocation Act

55. Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (hereinafter the "Uniform Relocation Act" or "URA"), 42 U.S.C. § 4601, et seq., in order to ensure that persons displaced from their homes as a result of government action are not materially disadvantaged by their forced relocation.

56. The URA and its implementing regulations specify that:

- a. A displacing agency, before approving a project, must assess the characteristics and needs of the households to be displaced, 42 U.S.C. § 4625(c)(1); 49 C.F.R. § 24.205(c)(2)(i)), and determine whether qualified replacement housing is available to meet those needs, 49 C.F.R. § 24.205(a)(2), 24 C.F.R. § 970.8(d)(3).
- b. A displacing agency must "[a]ssure that a person not be required to move from a dwelling unless the person has had a reasonable opportunity to relocate to a comparable replacement dwelling." 42 U.S.C. § 4625(c)(3). The URA defines the term "comparable replacement dwelling" as a "dwelling that is (1) decent, safe and sanitary; (2) adequate in size to accommodate the occupants; (3) within the financial means of the displaced person; (4) functionally equivalent; (5) in an area not subject to unreasonable adverse environmental conditions; and (6) in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment." 42 U.S.C. § 4601(10).
- c. "Wherever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings, not located in an area

of minority concentration, that are within their financial means." 49 C.F.R. § 24.205(c)(2)(ii)(C).

G. The Moving to Work Agreement

57. On or about February 6, 2000, HUD and CHA entered into an agreement known as the Moving to Work Demonstration Agreement. (See Moving to Work Agreement, attached hereto as Exhibit B.)

58. The Moving to Work Demonstration Agreement incorporates a Resident Protection Agreement and a Memorandum of Approval, both of which control in the event that either one conflicts with the Moving to Work Demonstration Agreement. (Id. at 3.)

59. The Memorandum of Approval provides:

HUD agrees on the importance of mobility counseling to the success of CHA's plan. Therefore, HUD will approve CHA's request to temporarily convert a portion of its Section 8 vouchers into a funding source of \$25 million for relocation costs. (Id. at 6.)

60. The Memorandum of Approval further provides:

The Resident Protection Agreement requires as a condition for HUD's continued approval of CHA's waiver requests that:

- a. relocating families "receive extensive pre-move counseling, assistance in accessing services, Section 8 mobility counseling so that they can make informed choices and secure adequate housing, and post-move counseling;" (Id. at 9.)
- b. second-move mobility counseling be provided "to all existing Section 8 families who indicate an intention to move, or who must move for various reasons;" (Id.)
- c. "CHA will work with various organizations to expand landlord participation and receptiveness of neighbors;" (Id. at 8.)
- e. CHA will "contract for quarterly testing for fair housing compliance throughout the section 8 and public housing programs." (Id. at 8-9.)

61. Finally, the Moving to Work Agreement itself requires CHA to “administer its programs and activities in a manner affirmatively to further fair housing.” (Id. at 5.)

H. The Relocation Rights Contract

62. On January 16, 2001, CHA and the Central Advisory Counsel of CHA tenants agreed to the terms of a Relocations Rights Contract, to be incorporated into the lease of every CHA tenant in occupancy on October 1, 1999. (See Relocation Rights Contract, attached hereto as Exhibit C at 2.)

63. The contract establishes the obligations of CHA with respect to the relocation of residents, the specific rights of CHA residents within the relocation process, and the temporary and permanent choices for replacement housing available to residents.

64. The contract states that “Mobility Counseling is available for Leaseholders who indicate an interest in moving to opportunity areas or to low poverty or racially diverse census tracts.” (Id. at 6(a).)

65. The contract assures residents “comparable replacement housing” (id. at ¶ 4), defined, in relevant part, as housing that is “located in an area not less desirable than the location of the Leaseholder’s original dwelling unit with respect to commercial and public facilities. . . .” (Id. at ¶ 10.)

66. The contract requires that prior to relocating any Leaseholder, the CHA shall:

As part of the redevelopment process, enter into a Redevelopment Agreement that may include terms that affect the relocation process for the development. The Redevelopment Agreement will address site specific relocation issues not covered in this Contract . . . The CHA will make a good faith effort to enter into a MOA with the LAC [Local Advisory Council] that reflects any property specific understandings with respect to the redevelopment process.

(Id. at ¶ 5(b).)

67. Furthermore, the Contract requires CHA to report to the community at large on development and relocation activities on a quarterly basis. Each report shall include “site-by-site information . . .[regarding] timely service of notices, the timely presentation of relocation information, completed recertifications, family status as a result of recertification, and HCS [housing choice survey] results . . . Section 8 utilization information and . . . the number of expired Section 8 vouchers where families are not successful in finding housing.” (Id. at ¶ 11(a).)

VI. STATEMENT OF FACTS

A. CHA’s Racially Segregative Policies and Practices

68. From 1995 until the present, Defendant CHA has continuously and consistently implemented a policy and practice of displacing Plaintiffs from their homes to allow the rapid demolition of the family housing developments.

69. During this time, Defendant CHA continuously and consistently pursued a policy and practice of allowing the condition and safety of public housing to deteriorate, creating an incentive for Plaintiffs to quickly relocate to the private rental market with housing choice vouchers.

70. The relocation policies and practices that Defendant CHA pursued during this time for those Plaintiffs who accepted vouchers had the effect of discouraging Plaintiffs from inspecting or renting in predominately white or racially integrated neighborhoods, because:

- (a) Defendant CHA failed to provide any relocation services whatsoever; and/or

(b) Defendant CHA and its agents failed to inform Plaintiffs of the desirable features of such neighborhoods; and/or

(c) Defendant CHA and its agents actively steered Plaintiffs to predominately African-American neighborhoods; and/or

(d) Defendant CHA failed to effectively take affirmative steps such as outreach to landlords in predominately white or racially integrated neighborhoods, the creation of incentives for its agents to relocate families to such neighborhoods, or the provision of social services to families to assist their move to such neighborhoods.

71. In engaging in the above actions or omissions, CHA intended and/or knew or should have known that its actions and omissions would have the effect of discouraging Plaintiffs from inspecting or renting in predominately white or racially integrated neighborhoods because of the race of the persons living in such neighborhoods.

72. Defendant CHA's policies and practices have continued and still continue uninterrupted despite intervening events such as:

- (a) CHA's contracting for the provision of relocation services for CHA relocatees;
- (b) the formal adoption of a published "Plan for Transformation";
- (c) the execution of the Moving to Work and Relocation Rights contracts; and
- (d) the relocation services provided by CHAC to "second mover" HCV-holder families, variously called CHAC's "Mobility" or "Housing Opportunity" Program.

B. The Historical Genesis of the CHA Policies and Practices

73. Defendant CHA built its family public housing as segregated housing for African-Americans. In the case of Gautreaux v. Chicago Hous. Auth., 296 F. Supp. 907 (N.D. Ill. 1969),

CHA was adjudicated to have done so deliberately, thus violating the rights of African-American residents to equal protection of the law.

74. In the fifty-four family housing developments operated by CHA in 1968, 91% of the units were located in areas that were or soon would be substantially all African-American.

75. To this day, public housing in Chicago remains disproportionately composed of African-American, female-headed households with children.

76. Approximately 93% of the residents in CHA's family developments are African-American; approximately 88% of the households are headed by females; and the average household size is 3.1, meaning that many CHA households include multiple children.

77. Over the course of the decades following construction of the family developments, CHA neglected its duty to properly maintain them, and the living conditions in many of the developments deteriorated severely.

78. By 1995, HUD estimated that 58% of CHA's 40,000 units were uninhabitable.

79. While the CHA developments deteriorated, the flourishing economy of the mid-1990s brought a process of gentrification to many of the neighborhoods surrounding CHA developments.

80. The average increase, for instance, in median household income from 1990 to 2000 for the census tracts in which the development of Cabrini-Green was located, and for those tracts bordering Cabrini-Green, was \$28,460.

81. In some cases, such as that of Cabrini-Green, neighborhoods surrounding the developments became increasingly inhabited by white residents.

82. Beginning in approximately 1995, CHA instituted a policy of demolishing its stock of public housing based upon applications submitted by CHA pursuant to the

“Homeownership and Opportunity for People Everywhere” (“HOPE VI”) Program, which applications were approved by HUD.

83. These applications cited CHA’s plans to replace public housing developments with “mixed-income communities,” which would dramatically reduce the number of public housing units on each site.

84. Demolition began in 1995 at Cabrini-Green, and accelerated over subsequent years at other CHA developments, including Robert Taylor Homes, Henry Horner Homes, Clarence Darrow Homes, ABLA and Lakefront Homes.

85. As CHA demolished or vacated buildings, it continuously pursued a practice of encouraging residents to accept rental vouchers under the Section 8 rental voucher program (now the HCV program) and move into the private rental market.

86. In January 2000 CHA coined a name for its demolition and relocation policies – the “Plan for Transformation,” and submitted a document so-titled to HUD outlining its plans, along with a list of commitments, waivers and requests.

87. The Plan called for the demolition of 51 of Chicago’s gallery-style high-rise buildings, as well as several thousand mid-rise and low-rise units.

88. On or about February 6, 2000, HUD entered into an agreement with CHA called the Moving to Work Agreement, which granted CHA approval for its policy of demolition and relocation, as well as relief from regulations governing how CHA spent federal funds. (Moving to Work Agreement, attached hereto as Exhibit B.)

89. In return, CHA committed to take certain steps to protect the rights of CHA residents, including entering into a legally enforceable agreement with the residents concerning their rights within the relocation process.

90. Accordingly, on January 16, 2001, CHA agreed with the Central Advisory Council of CHA residents to the terms of a Relocation Rights Contract to be entered into between CHA and each leaseholder in occupancy as of October 1999. (Relocation Rights Contract, attached hereto as Exhibit C.)

91. This contract gave residents who thereafter relocated from CHA developments as a result of demolition the option to return, subject to a multitude of stipulations.

92. In implementing its freshly named policies, CHA continued to pursue a practice of demolition that was massive in scope and unrelenting in pace, and which gave relocating residents little time to find new homes.

93. At the same time, CHA built little new housing. From 1999 to 2002, CHA demolished 11,053 units in its family properties, but built only 758 new units, adding to the strain on Chicago's rental market for low-income persons.

94. By the end of 2003, CHA plans to demolish another 2,600 units in its family properties (Plan for Transformation, attached hereto as Exhibit D at append. 5, pg. 80), bringing the total number of units demolished pursuant to the Plan to 13,653, or 71.4% of the 19,133 units scheduled for demolition pursuant to the Plan.

C. CHA's Racial Steering Practices

95. From 1995 until approximately 1997, CHA did not operate any program to assist the hundreds of families relocating from demolished or vacated units.

96. In approximately 1997, CHA hired Changing Patterns for Families, Inc. ("Changing Patterns"), to provide relocation services to CHA families.

97. Upon information and belief, relocating families asked Changing Patterns for assistance with moving to neighborhoods that were not predominately African-American.

98. Upon information and belief, apartments for which Plaintiffs qualified were available in neighborhoods that were not predominately African-American.

99. Upon information and belief, Changing Patterns failed to provide assistance to families to move to neighborhoods that were not predominately African-American.

100. Upon information and belief, Changing Patterns followed and has continued to follow a custom and practice of relocating families to predominately African-American neighborhoods.

101. Upon information and belief, CHA knew that Changing Patterns followed a custom and practice of relocating families to predominately African-American neighborhoods.

102. Upon information and belief, CHA failed to take any action to prevent Changing Patterns from relocating families to predominately African-American neighborhoods.

103. In late 1999, CHA retained Family Dynamics, Inc., in addition to Changing Patterns, to provide relocation services and housing search assistance to residents displaced by its policies.

104. Upon information and belief, relocating families asked Family Dynamics for assistance with moving to neighborhoods that were not predominately African-American.

105. Upon information and belief, apartments for which Plaintiffs qualified were available in neighborhoods that were not predominately African-American.

106. Upon information and belief, Family Dynamics failed to provide assistance to families to move to neighborhoods that were not predominately African-American.

107. Upon information and belief, Family Dynamics followed a custom and practice of relocating families to predominately African-American neighborhoods.

108. Upon information and belief, CHA knew that Family Dynamics followed a custom and practice of relocating families to predominately African-American neighborhoods.

109. Upon information and belief, CHA failed to take any action to prevent Family Dynamics from relocating families to predominately African-American neighborhoods.

110. In approximately early 2001, CHA terminated Family Dynamics' contract.

111. In approximately mid-2001, CHA retained E.F. Ghoughan and Associates, Inc., in addition to Changing Patterns, to provide relocation counseling to CHA residents.

112. Upon information and belief, relocating families asked E.F. Ghoughan for assistance with moving to neighborhoods that were not predominately African-American.

113. Upon information and belief, apartments for which Plaintiffs qualified were available in neighborhoods that were not predominately African-American.

114. Upon information and belief, E.F. Ghoughan failed to provide assistance to families to move to neighborhoods that were not predominately African-American.

115. Upon information and belief, E.F. Ghoughan followed and has continued to follow a custom and practice of relocating families to predominately African-American neighborhoods.

116. Upon information and belief, CHA knew that E.F. Ghoughan followed a custom and practice of relocating families to predominately African-American neighborhoods.

117. Upon information and belief, CHA failed to take any action to prevent E.F. Ghoughan from relocating families to predominately African-American neighborhoods.

D. The Discriminatory Effect of the CHA Policies and Practices

118. In 1999, Professor Paul Fischer published a study showing that relocated public housing residents had become overwhelmingly clustered in some of Chicago's poorest, most

racially segregated neighborhoods. (Paul Fischer, Section 8 and the Public Housing Revolution: Where Will the Families Go? (1999).)

119. CHA knew, or should have known about the findings of Professor Fischer, which were based upon data received from CHA's agent, CHAC, Inc.

120. In 2003, Professor Fischer released a second study that showed that families relocated by CHA continued to be almost uniformly segregated into high poverty, African-American neighborhoods. (Paul Fischer, Where Are the Public Housing Families Going? An Update (January 21, 2003), attached hereto as Exhibit A.)

121. The displaced families have been segregated regardless of what year they moved (Id.)

122. The displaced families have been segregated regardless of whether they made a second, third, or fourth move. (Id.)

123. The displaced families have been segregated regardless of which development was the family's development of origin. (Id.)

124. The segregation of dislocated public housing residents has had an adverse disparate impact on African-Americans. Compared to Cook County and Chicago, where 23% and 36.8%, respectively, of all residents are African-American, 93% of all residents of the CHA family developments are African-American.

125. The segregation of dislocated public housing residents has had an adverse disparate impact on women. Compared to Cook County and Chicago, where 51.6% and 51.5%, respectively, of all persons are female, 63% of all residents of CHA's family developments are female. Even more striking, compared to Cook County and Chicago, where 15.6% and 18.9%, respectively, of all

households are headed by a female without a husband present, 88% of all households in the CHA family developments are headed by a female.

126. The segregation of dislocated public housing residents has had an adverse disparate impact on families with children. Compared to Cook County and Chicago, where the average household size is 2.68 and 2.67, respectively, the average household size for the family developments is 3.1. While only 30.9% and 28.9% of all family households in Cook County and Chicago, respectively, have children under the age of 18, upon information and belief, a disproportionately greater percentage of Plaintiffs have children under the age of 18.

E. The Named Plaintiffs

(i) Diane Link Wallace

127. Until 1997 Diane Wallace lived with her two foster children at 1255 South Washburne in the Robert Brooks Homes, within the larger public housing development commonly referred to as ABLA.

128. In 1997, Ms. Wallace's apartment flooded because of bursting sewage pipes, causing damage to her possessions and an infestation of mold.

129. The mold, along with high lead paint levels, placed the health and safety of Ms. Wallace's asthmatic foster children at risk.

130. When Ms. Wallace reported the flooding to Defendant CHA, it offered to give her a Section 8 voucher, and relocate her to a unit in the private market.

131. Since she had no other choice for housing, Ms. Wallace accepted, and on that same day that she reported the problems, she moved to a two-unit apartment building at 5241 South Bishop, where an agent of CHA knew the landlord.

132. Ms. Wallace's apartment on South Bishop suffered from multiple problems, including rats, roaches, and a broken bathtub. Both of the building's apartments were connected to her heat and electricity accounts, and her landlord repeatedly entered her apartment at night unannounced. With rampant drug and criminal activity occurring in front of the building almost daily, Ms. Wallace feared for her children's safety.

133. The closest school, Libby Elementary, provided an inadequate education to Ms. Wallace's first-grade daughter, failed to appropriately diagnose her with a learning disability (she having suffered from lead poisoning), and wrongfully expelled her.

134. In spite of the serious condition problems in the apartment, Defendant CHA's agent, CHAC, repeatedly held that it complied with housing quality standards until the fall of 2001, when it finally allowed Ms. Wallace to move.

135. Ms. Wallace was interested in moving to a safer and more racially diverse neighborhood with better schools, so she signed up for the "Second Mover" program, now called the "Housing Opportunity Program," or "HOP," which is run by Defendant CHA's agent, CHAC, and is designed to help voucher holders move to neighborhoods of opportunity.

136. Ms. Wallace advised CHAC that she wanted to live near the racially integrated and economically more prosperous neighborhood of Ford City, but the apartment to which CHAC finally helped her move was at 7925 South Peoria.

137. This apartment, in which Ms. Wallace continues to reside, suffers from a variety of problems that affect the health and safety of Ms. Wallace and her asthmatic children, including leaking faucets, cockroaches, unaffixed floor tiles, poor insulation, insecure mailboxes, and inadequate heat.

138. The neighborhood surrounding her apartment is almost entirely African-American, with poor schools and a high percentage of its residents living in poverty.

(ii) Angela Maples

139. In 1985, Angela Maples and her daughter moved to 3544 South State Street within the Stateway Gardens public housing development.

140. In 2001, Defendant CHA placed Ms. Maples' home on the demolition schedule for autumn 2002.

141. In March 2002, Ms. Maples received her housing choice voucher. Changing Patterns, the relocation agency charged with relocating Stateway Gardens residents, would only identify units for Ms. Maples in high poverty, predominately African-American neighborhoods on the City's South Side.

142. When Ms. Maples asked to see units on the City's North Side, her Changing Patterns counselor responded that she could not rent an apartment on the North Side because she was not employed. The counselor refused to help her even identify potential units on the North Side.

143. Ms. Maples fared no better with two other Changing Patterns counselors. The second counselor finally relented to her repeated requests to see units on the North Side and gave her an address for an apartment on the far Northwest side. The counselor, however, could tell Ms. Maples nothing about the neighborhood or the apartment.

144. The third and final counselor only identified units for Ms. Maples on the South Side, but agreed to go with Ms. Maples to units on the North Side if she located them herself.

145. On September 26, 2002, resigned that she would be unable to move to the North Side, Ms. Maples moved to a unit shown to her by Changing Patterns at 7310 South Jeffrey Boulevard, where she currently resides.

146. In September 2002, Ms. Maples attended a relocation meeting for residents of 3544 South State Street. Officials from CHA, Changing Patterns, CHAC, and the property management were present.

147. At this time, Ms. Maples and other residents complained that Changing Patterns staff refused to show them apartments in neighborhoods anywhere other than Englewood.

148. CHA and Changing Patterns officials said this was "wrong" and that they would look into the matter immediately. They took Ms. Maples' contact information and said they would follow up with her to remedy the situation.

149. Ms. Maples never heard from either official.

150. The neighborhood surrounding Ms. Maples' apartment is almost entirely African-American, with a high percentage of residents living in poverty.

(iii) Lisa Taylor

151. Until 1997, Lisa Taylor and her young son lived at 1111 South Roosevelt Road, within the ABLA public housing development.

152. In 1997, Defendant CHA failed to provide Ms. Taylor and her family with minimally habitable housing. Scalding water ran continuously out of the family's bathtub, causing paint to peel and mold to grow throughout the unit.

153. These conditions exacerbated her son's asthma, and her own sickle cell anemia and diabetes.

154. As a result, Ms. Taylor was required to have several toes on both feet amputated, was forced to leave her job as a home health care aid, and began receiving Social Security Disability benefits.

155. Ms. Taylor repeatedly complained about the conditions in her apartment to CHA and city officials, to no avail.

156. At the suggestion of a friend, Ms. Taylor attended a building meeting at the Jane Addams homes within ABLA. There, Ms. Taylor spoke to a CHA official who offered to give her a Section 8 voucher and relocate her to a unit in the private market where he knew the landlord.

157. Since she had no other safe choice for housing, Ms. Taylor accepted, and three months later she moved to a two-unit apartment building at 5241 South Bishop, where she lived until June 2003.

158. Ms. Taylor's apartment on South Bishop suffered from multiple problems, including broken back entry gates, rotting garbage in the back yard, no lights in the front and back porch, mice, leaking gas, a leaking bathroom ceiling, and broken, rotting windows.

159. Because of severe crime in her neighborhood and her health problems, Ms. Taylor was trapped in her home. Delivery persons and cab drivers refused to come to her house, and Ms. Taylor's fourteen-year-old son, who lives with other family members in Markham, was afraid to even help his mother take out the garbage when he visited her.

160. The neighborhood in which Ms. Taylor lived for six years is almost entirely African-American, with poor schools and a very high percentage of its residents living in poverty.

161. In spring 2003, subsequent to the filing of this lawsuit, Ms. Taylor sought to move with the assistance of the HOP program, but was unable to locate a substantially better apartment in a less segregated neighborhood through the listings provided by HOP. Five of the six apartments HOP provided were in census tracts over 97% African-American and the sixth apartment listing was in a census tract over 85% African-American.

162. Without the assistance of CHAC, Ms. Taylor located an apartment at 2438 West 64th Street and moved there in June 2003.

163. The neighborhood in which the new apartment is located is primarily African-American, with poor schools and a high percentage of its residents living in poverty.

(iv) Mary Sistrunk

164. Until 1996, Mary Sistrunk lived her entire life at the Robert Taylor Homes public housing development, except for four years from 1989 to 1993 during which she lived in the Stateway Gardens.

165. In 1996, CHA announced that her home at 5323 South Federal was slated for demolition, and Ms. Sistrunk and her family made the first of the eleven moves they would make over the next six-and-a-half years.

166. Changing Patterns served as relocation "counselor" for ten of the moves that Ms. Sistrunk and her family made with their Housing Choice Voucher, each into an apartment with serious problems, which passed its initial inspection only because CHAC turned a blind eye.

167. When each apartment inevitably failed future inspections, CHAC required Ms. Sistrunk to relocate, bringing financial gain to Changing Patterns, which is paid by the move, and trauma to Ms. Sistrunk's uprooted family.

168. Over the course of her many moves, Ms. Sistrunk repeatedly requested that Changing Patterns show her apartments on the City's North Side or northern suburbs.

169. In response, Changing Patterns advised Ms. Sistrunk that she "needed to stop complaining," and continued to steer Ms. Sistrunk to highly racially segregated, highly impoverished, high crime areas of the City's South Side, including apartments that she lived in at 4849 South Justine, 5731 South Ashland, 4641 South Michigan, 4624 South St. Lawrence, 90th Street and Exchange, 13024 South Langley, 6727 South Green, and 6820 South May.

170. Ms. Sistrunk is currently living in an overcrowded apartment at 8641 South Marquette Avenue, which has onerously high heating bills.

171. The neighborhood surrounding her home is almost entirely African-American, with a high percentage of its residents living in poverty.

172. The frequent turnover of housing has had drastic consequences on Ms. Sistrunk's family.

173. Her eight children, ages 6 to 18, have transferred to different schools each time they moved, causing serious delays in their educational development.

174. The frequent moves have also been a serious strain on the family's finances, forcing Ms. Sistrunk to lose her job and money spent on security deposits and credit checks.

175. In September 2002, in an incident of neighborhood violence, Ms. Sistrunk's nine-year old son was shot in the leg.

(v) **Pandora Meadors**

176. Around February 1995, Ms. Meadors was given a Section 8 voucher from Defendant CHA, which had advised her that it intended to demolish her home at 1158 North Sedgwick, a high-rise public housing building in the Cabrini-Green development.

177. CHA advised Ms. Meadors that it had assigned her a counselor to help her find an apartment on the private market.

178. Ms. Meadors attempted to contact this counselor, but was unable to reach her, and the counselor did not return Ms. Meadors' calls.

179. Because of her large family and limited resources, Ms. Meadors struggled without success to find a new apartment.

180. Unable to find a unit before her building was demolished, Ms. Meadors temporarily relocated to another building in Cabrini-Green – 1150 North Sedgwick.

181. CHA then slated 1150 North Sedgwick for demolition.

182. In November of 1996, CHA cut off lights, gas and water service to 1150 North Sedgwick.

183. Ms. Meadors' pipes froze and burst, and her door became frozen shut, so that she was locked into her apartment.

184. Ms. Meadors and her son, the remaining occupants in the apartment, escaped from the apartment by climbing out the kitchen window.

185. Ms. Meadors lived for the next two months in her sister's apartment in Cabrini-Green, during which time CHA demolished 1150 North Sedgwick, causing Ms. Meadors to lose all of her possessions that had remained locked in the apartment.

186. Although Ms. Meadors advised CHA of her predicament, it failed to move her to another public housing unit, or to provide her with any relocation counseling or assistance whatsoever.

187. On or about January 26, 1997, Ms. Meadors used her voucher to move with her family into a unit at 4303 West Cortez, which Ms. Meadors found without the assistance of CHA or any of its agents.

188. The apartment into which Ms. Meadors and her family moved was a dilapidated, dark, dank, and virtually windowless single family home infested with rats and with inadequate heat.

189. The apartment passed and continued to pass inspection only because CHAC failed to properly acknowledge the apartment's many defects.

190. In approximately April 2002, the building's owner sold the building, and as a result, CHAC issued Ms. Meadors "moving papers" – an application for CHAC to enter into a housing assistance payment contract with a new landlord, which a program participant who desires or is obligated to move is required to have completed within 180 days.

191. At the time that Ms. Meadors picked up her moving papers, CHAC advised her that it did not have apartment listings available for her to take with her.

192. Because of the large size of Ms. Meadors' family, her limited resources, and the failure of Defendants to provide her with any assistance, Ms. Meadors had difficulty finding a new apartment.

193. In December 2002, Ms. Meadors received a notice from CHAC indicating that it was terminating her voucher because she had moved without advising CHAC.

194. Ms. Meadors had not, in fact, moved, and filed a timely grievance with CHAC concerning its putative termination of her voucher.

195. On January 23, 2003, the Plaintiffs, including Ms. Meadors, filed the present suit.

196. On February 12, 2003, Ms. Meadors received a notice from Defendant CHA advising her that her request for a grievance hearing had been denied.

197. On approximately March 31, 2003, Defendant CHA reversed its position concerning the termination of Ms. Meadors' voucher, and reissued her moving papers, good for 120 days.

198. On March 31, 2003 Ms. Meadors requested to participate in CHAC's Housing Opportunity Program for second movers.

199. Ms. Meadors was advised that she could not participate in HOP because she already resided in what CHAC considered to be an "opportunity" neighborhood – West Humboldt Park.

200. Ms. Meadors' West Humboldt Park apartment is located in a predominately African-American neighborhood, with poor schools and one of the Chicago's highest crime rates.

201. With the expiration of her voucher imminent, Ms. Meadors chose to stay in her apartment, which had been partially renovated by her new landlord.

(vi) Annie R. Smith

202. In 1967, Annie Smith moved with her family to 540 East 36th Street, within the public housing development known as the Ida B. Wells Extension.

203. In 1986, Ms. Smith, married with three young children, moved out of the Wells Extension and into a private home in Chicago.

204. After Ms. Smith's husband lost his job in 1991, the family moved back to Wells. For the next five years, Ms. Smith's family lived at 3833 South Langley within the Clarence Darrow Homes.

205. In approximately December 1996, Defendant CHA informed Ms. Smith and other residents that their building was to be demolished, and that they either had to leave the development or relocate within Wells.

206. Two weeks later Ms. Smith and her family moved to 706 East Pershing Road within the Darrow Homes.

207. In approximately October 1999, Defendant CHA informed Ms. Smith that her home was slated for demolition and she would again have to move.

208. Approximately one week later, Ms. Smith and other families from the Pershing Road property met with CHA "relocation specialists." At this meeting, exhausted by the previous move and turmoil it had caused her family, Ms. Smith requested a temporary housing choice voucher.

209. The CHA relocation specialists informed Ms. Smith that she would have to move within the development because no vouchers were then available.

210. In November 1999, Ms. Smith moved to 635 East 37th Place within the Wells public housing development.

211. In mid-2000, Ms. Smith completed her Housing Choice Survey – a document in which residents may, pursuant to the Relocation Rights Contract, express their preferences for permanent and temporary housing.

212. Ms. Smith initially indicated her preference for a temporary housing choice voucher and permanent housing in Wells after new units became available.

213. Defendant CHA, however, advised Ms. Smith that it had no more temporary vouchers to issue her. CHA advised Ms. Smith that she had only two options: to take a permanent voucher and forfeit her chance to receive a new or rehabbed public housing unit, or to stay on-site and preserve her right of return.

214. Wary of losing the option to live in a revitalized Wells or another mixed-income community, Ms. Smith elected to stay on-site at Wells through the redevelopment process.

215. In July 2002, Ms. Smith received yet another notice that her building would be closed, and in December 2002, Ms. Smith and her four children moved to an inferior apartment at 532 East 38th Street.

216. Moving four times in six years has placed severe stress on Ms. Smith and her family. During each move the family lost furniture, clothing, cherished family photos, heirlooms, and trusted neighbors.

217. Ms. Smith recently learned that her current home will be vacated for demolition in 2005. Rather than make yet another move within Wells, Ms. Smith would like to temporarily move with a housing choice voucher to a viable, safe community with good schools, public transportation, social services, and economic opportunities.

(vii) Nichelle Hart

218. For the past thirty years, Nichelle Hart has lived at the Stateway Gardens public housing development. Since 2000, Ms. Hart and her six children have lived at 3616 South State Street.

219. In 2002, CHA placed Ms. Hart's home on its Autumn 2003 demolition schedule.

220. In December 2002, Ms. Hart attended a mandatory building meeting, where Defendant CHA advised her that she could either take a temporary or permanent housing choice voucher or move to a gang-terrorized and severely dilapidated building at Stateway Gardens – 3651-53 South Federal.

221. Because Ms. Hart would ultimately like to reside in a revitalized Stateway Gardens, she opted to take a temporary house choice voucher.

222. At a subsequent December 2002 meeting convened by CHAC, agents of CHA advised Ms. Hart that she had three months to find an apartment or her family would be moved to 3651-53 South Federal in March 2003.

223. Ms. Hart wished and continues to wish to move to a safe, diverse neighborhood, with good schools and access to social services, but because all residents she knew who had been relocated with housing choice vouchers had moved to derelict apartments in high-poverty, African-American neighborhoods, she was concerned that she would suffer a similar fate.

224. Changing Patterns showed Ms. Hart apartments only in predominately African-American neighborhoods on Chicago's south side, including units at 79th and Exchange and 87th and Stewart. Many of the units had numerous problems with their condition.

225. Dissatisfied with the condition of these apartments, Ms. Hart found an apartment without the assistance of Changing Patterns at 6727 South Green Street, where she presently resides.

226. The neighborhood surrounding this apartment is almost entirely African-American, with inadequate schools and a high percentage of its residents living in poverty

VII. INJURY TO THE NAMED PLAINTIFFS AND THE PLAINTIFF CLASS

227. Plaintiffs have been segregated or will be segregated by Defendants' implementation of their forced relocation program.

228. Plaintiffs have been denied or will be denied the opportunity to rent dwelling units in racially integrated areas of economic opportunity by the Defendants' implementation of their forced relocation program.

229. Plaintiffs have been involuntarily relocated or will be involuntarily relocated into neighborhoods with high levels of poverty, seriously troubled schools, a dearth of employment opportunities, inadequate social services (including day care), and high incidence of crime.

230. Plaintiffs have suffered or will suffer deprivation of their contractual rights under the Relocation Rights Contract, and their rights as third-party beneficiaries to the Moving to Work and Resident Protection Agreements executed between CHA and HUD.

231. Plaintiffs have lost or will lose their historic communities, many in neighborhoods that are just beginning to show signs of racial integration and economic revitalization, with little realistic opportunity to return to public housing in those neighborhoods.

232. For all the above reasons, Defendants' program of forced relocation will cause or has caused Plaintiffs irreparable harm which, absent judicial intervention, they will suffer or will continue to suffer, and for which they have no adequate remedy at law.

VIII. CLAIMS FOR RELIEF

COUNT I

(By All Plaintiffs)

Violation of the Fair Housing Act, 42 U.S.C. § 3608(e)(5)
(Failure to Affirmatively Further Fair Housing) and 42 U.S.C. § 1983

233. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

234. Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

235. By displacing Plaintiffs from their homes in public housing and operating a redevelopment and relocation program that caused Plaintiffs to become segregated into predominately African-American neighborhoods, Defendants violated their duty to affirmatively further fair housing. 42 U.S.C. § 3608(e)(5); 24 C.F.R. §§ 960.103(b); 107.20(a); 903.7(o); 982.53(b) and (c).

236. By breaching their duty to affirmatively further fair housing, Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT II

(By All Plaintiffs)

Violation of QHWRRA, 42 U.S.C. § 1437c-1
(Failure to Affirmatively Further Fair Housing) and 42 U.S.C. § 1983

237. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

238. Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

239. By displacing Plaintiffs from their homes in public housing and operating a redevelopment and relocation program that caused Plaintiffs to become segregated into predominately African-American neighborhoods, Defendants violated their duty to affirmatively further fair housing. 42 U.S.C. § 1437c-1(d)(15).

240. By breaching their duty to affirmatively further fair housing, Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT III

(By All Plaintiffs)

Violation of Executive Orders 11063 and 12892
(Failure to Affirmatively Further Fair Housing) and 42 U.S.C. § 1983

241. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

242. The Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

243. By displacing Plaintiffs from their homes in public housing and operating a redevelopment and relocation program that caused Plaintiffs to become segregated into predominately African-American neighborhoods, Defendants violated their duty to affirmatively further fair housing. Exec. Order 11063, 27 Fed. Reg. 11527 (1962); 24 C.F.R. § 107.21; Exec. Order 12892, 59 Fed. Reg. 2939 (1994).

244. By breaching their duty to affirmatively further fair housing, Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT IV

(By All Plaintiffs)

Violation of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d
(Failure to Take Affirmative Action) and 42 U.S.C. § 1983

245. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

246. The Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their practices described herein were taken under color of state law.

247. In the case of Gautreaux v. Chicago Hous. Auth., 296 F. Supp. 907 (N.D. Ill. 1969), Defendant CHA was found to have engaged in a practice of intentional discrimination that violated the right of CHA residents to equal protection of the law.

248. The effects of this prior discrimination remain present in the segregated housing patterns of CHA residents.

249. In implementing the above-described policies and practices, Defendants have failed to take affirmative action to overcome these effects of Defendant CHA's prior discrimination, and to take reasonable action to remove or overcome the consequences of the prior discrimination and to accomplish the purpose of the Act.

250. By failing to take such action, Defendants have denied Plaintiffs the benefits of and have subjected Plaintiffs to discrimination under the public housing and housing choice voucher programs, in violation of 42 U.S.C. § 2000d and its implementing regulation, 24 C.F.R. § 1.4(b)(6).

251. By violating 42 U.S.C. § 2000d and 24 C.F.R. § 1.4(b)(6), Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT V

(By All Plaintiffs)

Violation of the Fair Housing Act, 42 U.S.C. § 3604
(Perpetuation of Segregation)

252. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

253. The Defendants' practices as described above have and will continue to have the effect of segregating Plaintiffs, and of perpetuating residential housing segregation in the City of Chicago, and therefore constitute a violation of 42 U.S.C. § 3604, as further elaborated in its implementing regulations, 24 C.F.R. § 100.70(a).

COUNT VI

(By All Plaintiffs)

Violation of the Fair Housing Act, 42 U.S.C. § 3604
(Racial Steering)

254. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

255. The Defendants have intentionally steered Plaintiffs to predominately African-American neighborhoods.

256. By intentionally steering Plaintiffs to predominately African-American neighborhoods, Defendants have violated the Fair Housing Act, 42 U.S.C. § 3604, as further elaborated in its implementing regulations, 24 C.F.R. §§ 100.50, 100.65, 100.70, 100.75, and 100.80.

COUNT VII

(By All Plaintiffs)

Violation of Title VI of the Civil Rights Act of 1964,
42 U.S.C. § 2000d (Racial Steering) and 42 U.S.C. § 1983

257. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

258. The Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their practices described herein were taken under color of state law.

259. Defendants have intentionally steered Plaintiffs to predominately African-American neighborhoods.

260. By intentionally steering Plaintiffs to predominately African-American neighborhoods, Defendants have subjected Plaintiffs to discrimination in housing on the basis of race, in violation of 42 U.S.C. § 2000d, as elaborated in its implementing regulation, 24 C.F.R. § 1.4(b)(1).

261. By subjecting Plaintiffs to discrimination on the basis of race, Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT VIII

(By All Plaintiffs)

Violation of the Fair Housing Act, 42 U.S.C. § 3604
(Adverse Disparate Impact on the Basis of Race)

262. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

263. Defendant CHA's failure to maintain Plaintiffs' current or former public housing dwellings has had an adverse disparate impact upon African-Americans.

264. The Defendants' building closure, demolition, and relocation policies and practices as described above have had an adverse disparate impact upon African-Americans.

265. These practices constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604, as further elaborated in its implementing regulations, 24 C.F.R. §§ 100.50, 100.65, 100.70, 100.75, and 100.80.

COUNT IX

(By All Plaintiffs)

Violation of the Fair Housing Act 42 U.S.C. § 3604
(Adverse Disparate Impact on the Basis of Gender)

266. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

267. Defendant CHA's failure to maintain Plaintiffs' current or former public housing dwellings has had an adverse disparate impact upon female-headed households.

268. The Defendants' building closure, demolition, and relocation policies and practices as described above have had an adverse disparate impact upon female-headed households.

269. These practices constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604, as further elaborated in its implementing regulations, 24 C.F.R. §§ 100.50, 100.65, 100.70, 100.75, and 100.80.

COUNT X

(By All Plaintiffs)

Violation of the Fair Housing Act, 42 U.S.C. § 3604
(Adverse Disparate Impact on the Basis of Family Status)

270. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

271. Defendant CHA's failure to maintain Plaintiffs' current or former public housing dwellings has had an adverse disparate impact upon families with children.

272. The Defendants' building closure, demolition, and relocation policies and practices as described above have had an adverse disparate impact upon upon families with children.

273. These practices constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604, as further elaborated in its implementing regulations, 24 C.F.R. §§ 100.50, 100.65, 100.70, 100.75, and 100.80.

COUNT XI

(By All Plaintiffs)

Violation of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970
and 42 U.S.C. § 1983

274. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

275. Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their practices described herein were taken under color of state law.

276. The Defendants have failed to take the following actions required by the Uniform Relocation Act:

- (a) Operate a relocation assistance program that adequately assesses the needs and preferences of the displaced families. 42 U.S.C. § 4625(c)(1) and 49 C.F.R. § 24.205(c)(2)(1);
- (b) Operate a relocation assistance program that gives displaced families reasonable opportunities to relocate to replacement dwellings that are not located in areas of African-American concentration. 49 C.F.R. § 24.205(c)(2)(C);
- (c) Provide the displaced families comparable replacement housing, including housing that is in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, and services. 42 U.S.C. §§ 4601, 4625(c)(3), 4630(3); 49 C.F.R. § 24.2.

277. Defendants' failure to take each of the above actions is a violation of the Uniform Relocation Act, as further elaborated by the regulations promulgated thereunder.

278. By violating the Uniform Relocation Act, Defendants deprived Plaintiffs of rights secured to them by federal law, in violation of 42 U.S.C. § 1983.

COUNT XII

(By Plaintiffs Relocated After 10/1/99)
Breach of the Moving to Work Agreement

279. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

280. The Moving to Work Agreement is a contract between CHA and HUD.

281. Plaintiffs are third party beneficiaries of this contract.

282. The Defendants have failed to take the following actions required by the Moving to Work Agreement:

- (a) Appropriately spend the \$25 million allocated for mobility counseling;
- (b) Provide extensive pre-move counseling, assistance in accessing services, Section 8 mobility counseling, and post-move counseling;
- (c) Provide effective second-move mobility counseling;
- (d) Effectively work with various organizations to expand landlord participation in the Housing Choice Voucher program;
- (e) Contract for quarterly testing for fair housing compliance throughout the section 8 and public housing programs; and
- (f) Administer the Plan for Transformation so as to limit resegregation and further fair housing.

283. The Defendants' failure to take each of the above actions is a breach of the Moving to Work Agreement.

COUNT XIII

(By Plaintiffs Relocated After 10/1/1999)
Breach of the Relocation Rights Contract

284. Plaintiffs re-allege paragraphs 1 to 232 of this Complaint and incorporate them herein.

285. The Relocation Rights Contract is a contract between Defendant CHA and each Plaintiff who was a CHA Leaseholder in occupancy as of October 1, 1999.

286. The Defendants have failed to take the following actions required by the Relocation Rights Contract:

- a. Make available mobility counseling as required by ¶ 6(a) of the Contract.
- b. Make a good faith effort to negotiate with each affected LAC an MOA prior to relocating any covered leaseholder that reflects any property specific understandings with respect to the redevelopment process, as required by ¶ 5(b) of the Contract.
- c. Consistently issue quarterly reports as required by ¶ 11(a) of the Contract.
- d. Provide comparable replacement housing as required by ¶ 4(a) of the Contract.

287. The Defendants' failure to take each of the above actions is a breach of the Relocation Rights contract.

IX. RELIEF REQUESTED

WHEREFORE, Plaintiffs respectfully request that this Court:

A. Declare that the actions and omissions of the Defendants, as set forth above, violate the Fair Housing Act, Title VI of the Civil Rights Act, Executive Orders 11603 and 12892, the Quality Housing and Work Responsibility Act, the Uniform Relocation Act, the Moving to Work Agreement, and the Relocation Rights Contract.

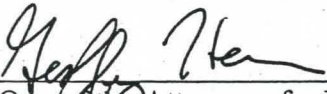
B. Enter an injunction enjoining Defendants from:

- (1) Failing to develop a program to assist Plaintiffs to relocate to racially integrated communities, including, where applicable, public housing developments that are in revitalizing areas.
- (2) Continuing the relocation of Plaintiffs from CHA units with Housing Choice Vouchers without developing and implementing a program to assist Plaintiffs to relocate to racially integrated communities.
- (3) Failing to comply with the Relocation Rights Contract.
- (4) Failing to comply with the Moving to Work Agreement.

C. Enter an order requiring Defendants to pay Plaintiffs' reasonable costs and attorneys' fees for the prosecution of this action.

D. Grant Plaintiffs such further relief as this Court deems just and proper.

Respectfully submitted,



One of the Attorneys for Plaintiffs

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KATHERINE E. WALZ
GEOFFREY HEEREN
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LAW, INC.
111 N. Wabash, Suite 500
Chicago, IL 60602
312-263-3830

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CHICAGO LAWYERS' COMMITTEE
FOR CIVIL RIGHTS UNDER LAW, INC.
100 N. LaSalle St., Suite 600
Chicago, IL 60602
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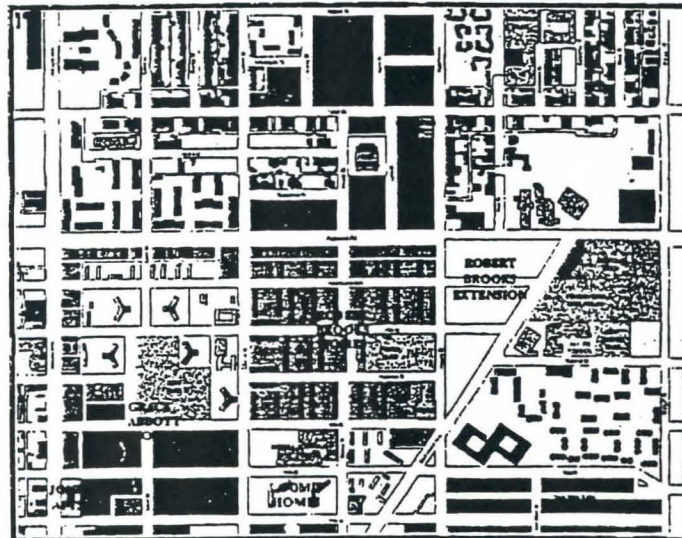
ALEXANDER POLIKOFF
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FOR THE PUBLIC INTEREST
25 E. Washington St., #1515
Chicago, IL 60602
312-641-5570

Attorneys for Plaintiffs

Exhibit F

EXHIBIT A

Executive Summary



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

A. EXECUTIVE SUMMARY

Through collaborative leadership, the ABLA Local Advisory Council (LAC), ABLA residents, the Chicago Housing Authority (CHA), the Receiver*, the Gautreaux Plaintiff's counsel and the City of Chicago have initiated an ambitious effort to completely revitalize and transform one of the largest and most distressed developments in CHA's inventory: ABLA Homes. The goal is to develop a desirable, diverse mixed-income community that can be replicated in Chicago and throughout the entire nation. The CHA requests \$35 million in HOPE VI funds to leverage a \$430 million development plan and to complete the revitalization of a 100-acre severely distressed public housing development.

ABLA Homes is comprised of six contiguous developments consisting of over 3,500 original units and occupied by over 1,500 very low-income families who are concentrated in a racially and economically segregated enclave within an otherwise revitalizing community. The severity of distress at the site is reflected in a vacancy rate of 52%, in thousands of ongoing fines and vacate orders by the local Housing Court, in the presence of asbestos and lead-based paint throughout, in the high crime rate, and in engineering reports recommending demolition of more than 2,700 units.

CHA proposes to combine its \$24 million 1996 ABLA HOPE VI grant and \$35 million from this 1998 HOPE VI application to leverage over \$84 million in City funding and over \$287 million in private funds to create a \$430 million redeveloped community. The City will combine use of incremental taxes from a Tax Increment Finance District, Low Income Housing Tax Credits (LIHTC), tax exempt bonds, and direct capital investments to match CHA funds and encourage private investors to invest in the area. Over 8 years, there will be 1,467 public housing units (1,084 on-site and 383 off-site), 845 affordable units, and 966 market rate units. The public housing units will be distributed throughout the 100 acre site and will be indistinguishable from private housing in the neighborhood.

CHA's 1998 HOPE VI application is a public/private partnership created to develop a holistic, self-sufficient and sustainable mixed income community. ABLA Homes is located in a dynamic market area adjacent to three communities experiencing major redevelopment. Capitalizing on strong market conditions, HOPE VI public housing units can be completed within seven to ten years following grant award and will generate a model of public housing transformation.

* Pursuant to a 1987 order of the Federal District Court in Gautreaux v. CHA et al, a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of CHA non-elderly public housing.

EXHIBIT A ATTACHMENTS

- *Application Data Cover Sheet*
- *Mayor Richard Daley, City of Chicago, Support Letter*
- *Ms. Deverra Beverly, ABLA Local Advisory Council President, Support Letter*
- *Mr. Alexander Polikoff, Business and Professional People for the Public Interest, Support Letter*

Application Data Cover Sheet

Development Name: ABLA HOMES

Date Submitted: June 26, 1998

Grant Information

PHA Name: Chicago Housing Authority

PHA Street Address: 626 West Jackson Blvd.

City, State, Zip: Chicago, Illinois 60661

Main Telephone #: (312) 791-8500

Existing Development Name: ABLA HOMES

DOFA Date:

Street Address/Zip:

Existing Project Number(s): IL2-23, IL2-17, IL2-3, IL2-31

Neighborhood name/Area of town: Near West Side

New Development Name: To be determined.

Congressional District: 7th

New Project Number(s): To be determined.

In Federal EZ/EC?: No

Grant Amount:

Date of Grant Announcement:

Date of Grant Agreement Execution:

Hope VI Grant #:

Expected Date of Completion:

Unit/Cost

TDC:

TDC Cap:

% of TDC:

Mixed Income Proposed?: Yes

Mixed Finance Proposed?: Yes

PHA Executive Director: Joseph Shuldiner

Telephone: (312) 791-8500 x4630 Fax: (312) 791-4601

HOPE VI Coordinator: Jane Hornstein

Telephone: (312) 791-8500 x4508 Fax: (312) 207-0249

E-mail Address: jhornste@thecha.org

HOPE VI Developer, (if any)

Telephone:

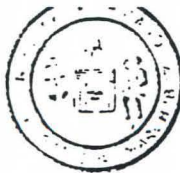
Fax:

Program Manager, (if any)

Telephone:

Fax:

Data summary	Existing	Post-Development
Number of Public Housing units (on and off site, including homeownership)	2,776	1,467
Number of Non-Public Housing units (on and off site, including homeownership)		1,811
Total Number of units	2,776	3,278
Number of units to be rehabilitated/reconfigured (excluding all acquisition with rehab):	0	478
Number of newly constructed on-site units:		2,417
Number of newly constructed/acquisition off-site units (including all acquisition with rehab):		383
Of the above, number of ACC homeownership units:	0	0
Of the above, number of Non-ACC homeownership units:	0	1,218
Of the above, total homeownership units:	0	1,218
Number of Occupied Units:	1,506	3,278



OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 26, 1998

The Honorable Andrew Cuomo
Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Secretary Cuomo:

I, Richard M. Daley, Mayor and Chief Executive for the City of Chicago, have reviewed the HOPE IV Revitalization application submitted by the Chicago Housing Authority and have no objections to the application.

I support this application because it embodies a comprehensive, holistic approach to helping public housing families achieve a better life, with the enhanced dignity and self-esteem that comes with being self-sufficient. Moreover, the approach proposed here reflects the fundamental reality that government alone does not have adequate resources to properly address the social and financial needs of severely distressed public housing communities in Chicago and across the nation. Only through collaborative public-private partnerships which creatively leverage critical contributions from the broader community can we achieve success.

For this reason, I especially welcome the extent to which CHA and the City have acknowledged the importance of attracting such contributions to ABLA's revitalization plan by forming a new public-private committee to oversee and track relocation and self-sufficiency services. This committee will include residents and representatives from civic, academic and philanthropic benefactors.

The goal of this HOPE VI application is to revitalize and transform ABLA Homes into a desirable, diverse mixed-income community. The citizens of Chicago are committing more than \$100 million in direct and indirect funding to help make this vision a reality. When combined with CHA's funds, this will leverage more than \$260 million in private investments required to create a \$406 million redeveloped community.

Upon approval of CHA's 1998 HOPE VI application, the people of Chicago will take another major step forward in this ambitious effort to develop an innovative model for revitalization of public housing communities worthy of replication here in Chicago and across America.

Sincerely,
A handwritten signature in black ink, appearing to read "Richard M. Daley".
Mayor

ABLA
ADDAMS/BROOKS/LOOMIS/ABBOTT
LOCAL ADVISORY COUNCIL

1254 South Loomis Street
Chicago, IL 60608
Telephone: (312) 791-8756 or 791-8851
Facsimile (312) 455-1871

Deverra Beverly
President

Beatrice Jones
Vice-President

Willie McKay
Secretary

Justean Gaines
Treasurer

Ruth Crockett, Chairperson
Procurement and Contracts

Ida Brantley, Chairperson
Modernization

Frances Sumlin, Chairperson
Budget

Austin Doss, Chairperson
Tenant Relations

Gloria Mollison, Chairperson
Health & Education

Margie Taylor, Chairperson
Welfare

June 25, 1998

Joseph Schuldiner, Executive Director
Chicago Housing Authority
626 West Jackson Blvd.
Chicago, Illinois 60661

Dear Mr. Schuldiner:

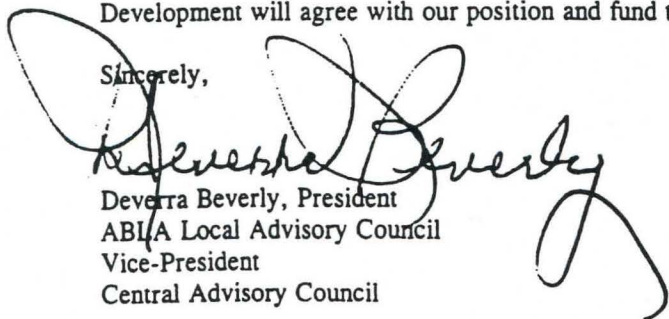
The continuous efforts of the residents of ABLA to revitalize our community, as evident in the completion of Phase I Robert Brooks Homes Modernization, has led to the development of a comprehensive HOPE VI Application submission. It is the ABLA Local Advisory Council's belief that the role of the residents in the planning process and in the implementation process at all levels is critical to a successful revitalization of the greater ABLA community. In support of this belief, the ABLA LAC accepts the responsibilities of providing the resident participation and is pleased the CHA agrees the LAC will fill that role.

On behalf of the residents of ABLA including the ABLA LAC we extend our support to the 1998 Hope VI Application. The LAC support for the 1998 Hope VI Application is conditioned upon the LAC's ongoing participation in all redevelopment activities. It is further conditioned on the LAC's role being significant with real representation on any decision making body that is created in the revitalization process, examples being the existing Memorandum of Agreement Committee and the proposed five member ABLA Self-Sufficiency Leverage Council with two seats held by members of the ABLA LAC.

We are very excited about the innovative programs the ABLA LAC helped to create within this plan including the "residents helping residents" approach. Our residents were successful in receiving jobs on the modernization of Robert Brooks Homes Phase I and look forward to continuous job development in construction and other redevelopment programs.

Finally, the residents are ambitious and look forward to working on the positive creation of this overall redevelopment plan. We hope the U.S. Department of Housing and Urban Development will agree with our position and fund the \$35 million being requested.

Sincerely,


Deverra Beverly, President
ABLA Local Advisory Council
Vice-President
Central Advisory Council



Business and Professional People
for the Public Interest

June 25, 1998

Directors

Betsy K. Saltzman
President

Sherry B. Goodman
Ann Smith
Robert M. Weissbourd
Vice Presidents

Camila Hawk Diaz-Perez
Secretary

Rayman L. Solomon
Treasurer

James M. Alter
Lucy B. Ascoli
Frederick W. Axley
Sheldon L. Baskin
Henry C. Buford
Barbara T. Bowman
Douglas W. Cassel, Jr.
Susan Davis
Levin M. Despres
Edward F. Dobbins, Jr.
Kevin Dunnington
Gary Edidin
Harriet Wilson Ellis
William Farley
William Geller
Eric Gershenson
Graham Gray
Frances R. Grisman
Marc Hilton
Donald I. Jackson
Joseph Kellman
Steve Kersten
Iris Krieger
Susan Larson
Paul Lehman
Thomas J. Lenz
Paul Levy
Robert B. Lufton
Ralph Marture
George R. McCoy
Zebdee McLaurin
Rita McLennan
E. Hoy McConnell, II

Christopher B. Meuser
Clark Netsch
Alexander Polakoff
Hipolito Roldan
Lowell Sachnoff
Alan Saks
Dianne Sauter
Daniel Scheinfeld
Mary Skipton
Ada Skyles
Michael Spock
Leslie A. Stulberg
Sanjay Taylor
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Alexander Polakoff

Staff Counsel

Julie Elena Brown
Adam Gross
Robert L. Jones, Jr.
Jeanne L. Nowaczewski
Laurel K. O'Sullivan

Administrative/Program Staff

Michael Afflerbach
Eva Dziekonski
Catherine Fitzgerald
Erica Granetz
Suzanne Krugier
Kris Kruger
Eve Marcus
Joe Mikva
Marissa Manos
Elizabeth Murphy
D. Jo Patton
Mary Ruce

United States Department of Housing
and Urban Development
451 Seventh Street, S.W. - #4138
Washington, D. C. 20410

Attn: Deputy Assistant Secretary for
Public Housing Investments

Dear Deputy Assistant Secretary:

On behalf of the Gautreaux plaintiff class in the litigation entitled Gautreaux v. CHA, No. 66 C 1459, in the Federal District Court for the Northern District of Illinois, Eastern Division, we write in support of the application submitted by the Chicago Housing Authority in response to the SuperNOFA published in the Federal Register on March 31, 1998.

The Gautreaux plaintiffs support this application for the following reasons:

1. In our opinion the revitalization plan proposed by the application will facilitate the provision of mixed-income housing opportunities, with the strong prospect of racially desegregated housing opportunities, to families of the Gautreaux plaintiff class who have been adjudicated to be entitled to receive, but have yet to receive, such opportunities.

2. By designating the proposed redevelopment area as a "Revitalizing Area" in its Order of June 19, 1998 (subject to CHA success in the HOPE VI competition), the Federal District Court has made a finding that the revitalization plan does in fact afford a prospect of providing such housing opportunities.

3. The plan has been prepared in a collaborative manner under the leadership of the Office of the Mayor of the City of Chicago, and with the active participation of code departments of the City of Chicago (the Departments of Planning and Housing), the Court-appointed Receiver, and the ABLA residents, thus strongly enhancing the likelihood of the plan's realization.

4. Because of the location of the ABLA Revitalizing Area between the world's largest medical district on the west and the expanding University of Illinois, Chicago campus on the east, both of which institutions have recently initiated significant new development and have concrete plans for

additional development, the ABLA Revitalization Area constitutes a most attractive location for substantial private residential development interest.

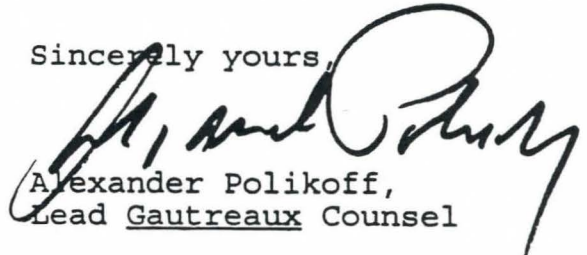
5. The HOPE VI grant of some \$28 million, secured in FY1996 pursuant to an "absolute priority" given to the CHA under Gautreaux, provides an important element of financial support to the overall plan while offering a significantly improved way of utilizing these 1996 funds -- i.e., to produce a residential community in which public housing units are mixed with non-public housing dwellings.

6. The agreement giving the City of Chicago, the Illinois Department of Human Services and residents of ABLA and the surrounding community a participatory role in relocation and family self-sufficiency planning and implementation greatly strengthens the prospects for leveraging services and support for, and enhancing the performance of, these crucial activities.

Overall, the strong, demonstrated commitment of the City of Chicago to this plan, the prime location of the site, the collaborative nature of the application process, and the continuing jurisdiction of the Gautreaux Court afford an excellent prospect for attracting private investment and assuring the transformation of this seriously distressed public housing-dominated neighborhood into a well-working mixed-income community which will afford significant relief to Gautreaux families while at the same time achieving HOPE VI objectives.

The site and the plan thus have the potential to become one of the jewels in the crown of HUD's HOPE VI nationwide revitalization efforts.

Sincerely yours,

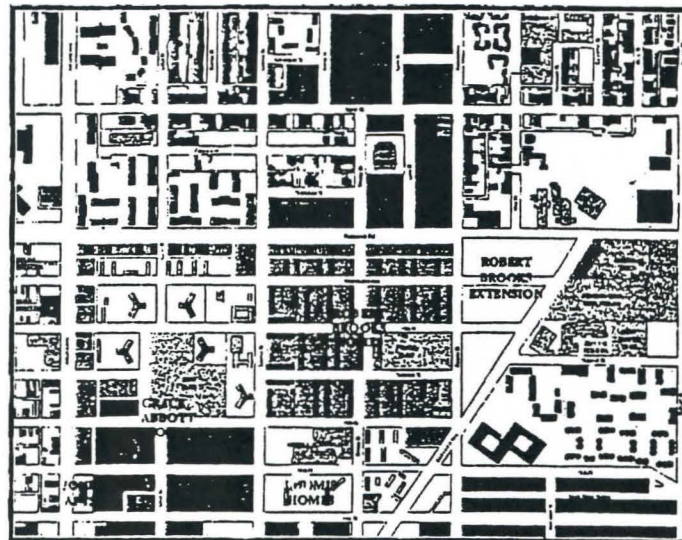


Alexander Polikoff,
Lead Gautreaux Counsel

ALP:mmm

EXHIBIT B

Existing Site Conditions



1998 Hope VI Revitalization Application - ABLA

Chicago Housing Authority

June 26, 1998

B. EXISTING SITE CONDITIONS

1. Existing Physical Conditions

The ABLA development is situated on 100 acres and has more than 3,500 original units in a mix of highrises, walk-ups and rowhouses. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the mistaken strategy of building superblock concentrated public housing developments that lead to physical and social isolation. ABLA has suffered a long history of inadequate maintenance combined with the natural deterioration of building systems and structures causing the housing stock to become generally obsolete. It is plagued with over a thousand City building code violations and currently exhibits an overall vacancy rate of 52%. The severe social and physical distress of ABLA has led the CHA, the ABLA LAC (Local Advisory Council), the Receiver, the Gautreaux plaintiffs, the City of Chicago, and the residents to partner in a plan that will lead to the complete transformation of ABLA Homes.

As noted in the City of Chicago's 1997 Consolidated Plan Annual Performance Report and the recently released Five Year Affordable Housing Strategy, the City has a continuing goal to work in partnership with the CHA to develop and facilitate housing programs that leverage private and public resources to benefit the range of constituencies in need of affordable housing. This goal will be accomplished by the funding of the 1998 HOPE VI revitalization grant for the ABLA development.

a. Physical Deterioration:

The building systems of the ABLA development endured years of wear, weathering, abuse and neglect. The absence of proper maintenance and the adverse conditions in this development have accelerated deterioration of most building systems to a point where the systems' integrity are compromised beyond repair. According to an independent physical assessment by On-Site Insight, Inc., these building systems would need to be completely replaced to sustain the development (See Attachment). These conditions hold true for the exterior building components, the site systems and internal mechanical systems. (Note: Phase I of Brooks Homes modernization was completed in May 1998 for 132 units. An additional 220 units will be renovated in Phase II for a total of 352 rehabbed units under the Comprehensive Grant Program. 356 units of Brooks Homes will be demolished as part of this HOPE VI Application.)

(1) *Major Structural Deficiencies*

The housing stock at ABLA reveals numerous structural deficiencies. These varied building types are of masonry construction whose structural deficiencies stem from age, weathering and the historical absence of proper maintenance. Deferred maintenance and vandalism have contributed to the adverse conditions and distress at all of the buildings. Typical structural defects include cracks and spalling in concrete columns at Grace Abbot and Brooks Extension, and cracks in floor slabs, sidewalks, and other concrete components. Typical exterior defects include improper grading around low rise buildings that allow large pools of surface water to pond along the edge of the building contributing to long term defects of the foundation walls. Settlement has also caused masonry walls and parapets of mostly all the buildings to deteriorate and have heaved bricks. Stress cracks appear inside and outside of the walls. Cracked and broken masonry joints and moisture damage from defective flashing has allowed the tuckpointing to become distressed.

Roofs: The roofs at ABLA, with the exception of Grace Abbott rowhouses, are flat, built up roofs with interior drains and roof top exhaust fans. Leaks in the roofs are a continuous maintenance problem caused by conditions such as cracks and punctures in the membranes, seals drying out around the base of the drains and split flashing. Numerous units in the high rise buildings are unleaseable due to the continuous roof leaks. Temporary repairs have been performed but have yet to adequately address the problem of uninhabitable units. Roofs at Jane Addams were installed over seven years ago, but the interior drains are still original and have deteriorated and continue to cause leaks.

Electrical/Mechanical: The present electrical system in each building in ABLA neither meets residents needs nor complies with the City of Chicago's Building Code. Neither the kitchens nor bathrooms have 20 amp circuits or ground fault duplex receptacles. Revisions to the electrical system will require upgrade from the present service and also an increase in primary, secondary and distribution services in order to accommodate the augmented electrical load.

The current heating system for the ABLA development includes underground distribution of steam heat and hot water supplied from a central heating plant located on the Jane Addams site. Inefficient overheating during the winter months and the inability to regulate the amount of heat for each unit has been a constant problem at ABLA. With all the buildings being tied into this inefficient high pressure steam heating system, all the residents are affected through the loss

quality of life within the residential units as indicative of the many code violations the ABLA development continues to receive. Typical citations for the units, that do not meet Housing Quality Standards include repair of peeling paint and plaster, extermination of rodents, cockroaches and other vermin, window repairs, installing rat-proof material around exterior walls, plumbing repairs, repair of exterior canopies and repair of common sidewalks. Conservative internal estimates demonstrate that it would cost the Authority between \$30,000 and \$50,000 per unit to address the code violations at the units at Jane Addams alone (this being only a short-term repair). In the meantime, the City of Chicago continues to fine the Authority thousands of dollars each month for failing to remedy code violations.

(2) *Major Site Deficiencies*

Major site deficiencies are most notably the deteriorated underground steam system and especially the condensate return portion, which is inoperative. The ABLA development has several steam leaks billowing up from the various manholes throughout the development. Leaking ground water that falls on the hot steam lines causes these steam leaks. Standing water after a heavy rain at ABLA is due to the backed up sewer system and possibly broken piping. New infrastructure systems will be installed by the various utility companies: gas, lighting, electrical, sewer, etc.; with coordination by the City of Chicago and the CHA. Most recently one high rise building was demolished at Brooks Extension and during the excavation of the foundations, there were remnants of charred buildings from the Chicago Fire in 1871, which gives evidence of the poor soil conditions at ABLA. This evidence helps to dictate the design of slab on grade homes for the redeveloped area. There is also a lack of usable play equipment and landscaping on site. Most playgrounds were taken down because of liability concerns due to them not having soft surfaces, but they were never replaced. Paved parking lots are currently filled with potholes, have drainage problems and are magnets for abandoned cars and "backalley" mechanics.

(3) *Design Deficiencies*

Planning deficiencies of the past concentrated ABLA's public housing residents in one contiguous area and physically isolated the public housing development. ABLA was built on four superblocks that are disproportionate to the community at large. The density of the existing ABLA development is approximately 37.33 units per acre, which is high when compared to the average density of 28 per acre of typical Chicago neighborhoods. The proposed redevelopment

plans calls for an average of 28 units per acre. The original site planning for ABLA started with the Jane Addams development to the north with further developments sited to the south. The first plans disregarded the order of the established city grid and subsequent plans followed in this pattern. This created large off sets from the existing streets, wastelands of large open spaces that are unused, unsecured and not well maintained, and an isolated enclave from the city and the surrounding community. There is a lack of security planning and provisions, such as guard booths, single entrances, locking systems or intercoms. The ABLA development has numerous indefensible spaces, like open lobbies, which permit criminal elements to take control over buildings and common areas and multiple entries. The open galleries on the high rise buildings at Brooks Extension cause exposure to the elements in inclement weather, which creates a dangerous situation for residents and additional maintenance problems. Jane Addams has interior stairwells, which feed apartments on three floors. Not having a working intercom system, the front door is left opened and unsecured. This exposes the stairways, which are steel pans filled with concrete, to the same inclement elements and continuous steam leaks from the basements. The existing stairs have rusted out metal nosing on top and rusted out steel pans in the back which are dangerous and hazardous for the residents using the stairs. Another design deficiency at ABLA is the lack of on site garden opportunities for the residents.

(4) Environmental Conditions

An environmental assessment was prepared for the ABLA development and it was found that there are no deficient environmental conditions that could jeopardize the suitability of this site for the proposed revitalization activities. No underground storage tanks have been registered at any of the developments. Six (6) underground storage tanks are registered at the central boiler house located to the north of the site within Jane Addams development and are scheduled for removal.

(5) Accessibility Deficiencies

The original building and site design of the buildings at ABLA did not address those physical modifications to public housing that are currently mandated by the American with Disabilities Act (ADA). The ABLA community has several residents with varying degrees of disability including mobility impairment (i.e. those requiring wheelchair or a walker/cane), blindness and deafness. Although the ABLA management office has been modified, few improvements

have been performed to the residential buildings. There are physical barriers at entrances, common spaces and within units. These barriers include exterior stoops and steps into buildings, raised thresholds, no door pulls, and cracked and broken sidewalks. In the majority of units, there is insufficient space in the kitchen and bathroom for a wheelchair to maneuver. Also light switches, electrical outlets and door hardware have accessibility deficiencies. Incorporated into the comprehensive redevelopment efforts for ABLA will be full compliance with section 504 ADA and Fair Housing requirements.

b. Distress Within Applicant's Control:

At the ABLA development approximately 52% of the units are vacant. Vacant units are heavily vandalized and stripped of all equipment and components including windows, radiators and piping. Free flowing water from broken lines and weather exposure from these units accelerates deterioration of the buildings. Fire and smoke damage originating from burned out abandoned apartments are clearly visible on the building's exterior. Most distress at the site is due to the level of high abuse that comes with isolating public housing residents within poorly maintained buildings. Criminal activity exacerbates the vandalism of stairwell and lobby lighting and security locks on the entry doors.

2. Distress in the Neighborhood

a. Physical Condition & Characteristics

The Near West Side of Chicago is a 5.76 square mile neighborhood directly west of the city's downtown. The neighborhood represents a juxtaposition of one of the nation's poorest public housing communities with some of the region's major generators of economic growth and opportunity. The targeted redevelopment area is anchored by the largest medical district in the country, the Illinois Medical District (IMD), and the University of Illinois at Chicago East and South Campuses (UIC). In addition to these large institutions, the Near West Side borders the vital industrial area known as the Pilsen District and holds a strong historical significance to Chicago with areas such as Little Italy on Taylor Street.

According to the 1990 Census, the Near West Side consisted of 21,543 housing units, of which over 5,900 are public housing units located in three developments in the community: Rockwell Gardens, Henry Horner Homes, and

ABLA Homes. In addition, there are a number of HUD subsidized developments in the community containing 2,242 units. In general, these subsidized developments are well-maintained.

The Near West Side is experiencing the tremendous energy of a revitalizing neighborhood with new market rate housing and large scale retail activities, and strong commercial corridors, such as Little Italy and Chinatown, which continue to draw clientele from across the city. The neighborhood also houses city wide institutions such as St. Ignatius College Preparatory School and the United Center. The neighborhood is also home to more than 3,300 public housing families who have historically been isolated from the existing resources in the community. The stark contrast between public housing and the wider Near West Side communities presents the challenge of ending years of isolation and concentration of poverty through integration and revitalization in the context of a mixed income community.

The disparities present in the Near West Side are also manifested in its physical characteristics. Large newly constructed institutional buildings and private market housing abut and surround over 160 acres of public housing and other deteriorated sub-standard housing. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vivid example of the failed strategy of superblock concentrated public housing developments with the consequences of physical and social isolation. This plan will enable existing residents who desire to remain the opportunity to obtain the benefits of the ongoing revitalization of the community.

b. Land Use and Economic Activity

The average density in the Near West Side is between 25-28 units per acre, but it can be as low as 11 units per acre in certain areas such as new housing developments directly north of Jane Addams. ABLA, consisting of over 3,500 units within 100 acres, has an overall average density of 35 units per acre. ABLA housing includes a mix of rowhouses, walk-ups, and highrises, and densities range from 32 to 81 units per acre.

c. Demographic Data

According to the 1990 Census, the Near West Side has a population of 46,197 persons within 16,473 households. Population of the Near West Side is approximately 67% African American, 22% Caucasian, 9% Hispanic, 5% Asian, and 5% other. The racial composition of ABLA is nearly 100% African American. The Near West Side's juxtaposition of prosperity and extreme poverty is further demonstrated in the income levels: The 1996 estimated median household

income for the Near West Side is \$11,978. In the midst of major regional economic activity, approximately 55% of Near West Side families live below the poverty level. Of those in the labor force, the Near West Side has a 20% unemployment rate.

As of March 1998, the average income of ABLA Homes was \$7,000 or only 11.8 % of the 1998 area median income for a family of four in the Chicago metropolitan area (\$59,500).

d. Crime Statistics

- Serious Crimes between 1995 and 1997 at ABLA:

	1995	1996	1997
Homicide	1	8	2
Criminal Sexual Assault	20	15	15
Serious Assault	255	264	221
Robbery	78	119	44
Burglary	122	105	104
Theft	180	186	219
Vehicle Theft	12	8	11
TOTAL	668	705	616

- Average number of police calls per month: there was an average of 1,565 dispatches per month within the three beat area including ABLA Homes from March - September, 1996.
- Average monthly vandalism: Vandalism at ABLA Homes is a daily occurrence. Examples of vandalism include removal of window frames, kitchen sinks/plumbing fixtures, light fixtures in hallways, convectors/heating elements, and fire hoses. There are also common instances of fires in garbage chutes, broken windows, and removal of stairwell fire doors in highrises. Management staff estimates that CHA expends approximately \$40,000 per month, or a little more than \$125 per unit annually, to repair and/or replace items due to vandalism.
- Number of lease terminations/evictions for criminal activity: For the period from January to June 1997, there were 55 for-cause cases from ABLA Homes (44 for drug related one-strike, 4 for felony one-strike, and 7 for non one-strike reasons.)

e. Adequacy of Existing Facilities

The Near West Side is served by many institutions and commercial facilities. In addition to the University of Illinois at Chicago and the Illinois Medical District, the Near West Side is also home to Malcom X College, one of the

top medical assistant training schools in the country. Unfortunately, ABLA residents have traditionally not benefited from the educational or economic strengths present in the neighborhood. The Near West Side is serviced by two elevated rail ("El") lines and several bus routes. The Eisenhower Expressway cuts through the middle of the Near West Side and the junctions for the Kennedy and Dan Ryan Expressways border the east side of the neighborhood. When asked to list strengths in their community, ABLA residents repeatedly cite the close proximity to downtown and accessible public transportation as important valuable attributes of the community. Two commercial centers recently opened in the area with large supermarket anchors, Jewel on Harrison Street and Dominicks on Canal Street. A new commercial center is also being built on the southwest corner of Ashland and Roosevelt as part of the Illinois Medical District expansion. These recent developments have greatly increased available retail services to the public housing communities.

f. Public School Systems

The public schools that primarily serve the ABLA population, Jacob Riis School, Smythe School, and Medill School, are under populated. Chicago Public Schools has agreed to keep them operating and re-evaluate the needs upon completion of the proposed development activities.

g. Effect on the Neighborhood

The poor site design and physical deterioration of ABLA Homes have a blighting influence upon the Near West Side community. ABLA residents are isolated in superblocks which pose numerous dangerous and hazardous conditions for a resident population of which 33% are between the ages of one and ten. The deteriorated ABLA structures also hinder development of new housing, limit rehabilitation of the existing housing stock, deter commercial investment, and adversely affect the value of surrounding properties.

Long neglected maintenance of grounds deters efforts by residents to maintain their neighborhood. The mere visual effect of ill-kept, litter-strewn, unlandscaped grounds and partially boarded-up and vacant apartments discourages residents from maintaining their surroundings, and has a blighting effect upon the surrounding community and lessens the economic base of the City. The high incidence of crime, vandalism, gang activity, squatting, and open drug use discourages community interaction and creates social isolation. Community stability efforts, initiated by the ABLA LAC and concerned residents, are often undermined by the lack of security measures. Overburdened management, open and

vacant apartments, and poor design of structures throughout ABLA create indefensible spaces and an atmosphere that encourages crime, gangs, drug sales, and attracts additional outside criminal elements. The high concentration of very low-income minority persons, many lacking basic education or job skills, leads to social and economic isolation.

The ABLA Redevelopment Plan will effectively address many of the neighborhood deficiencies such as physical deterioration, poor site design, social isolation, and lack of municipal infrastructure and will create a revitalized, sustainable mixed income community.

(3) Need for Funding

a. Urgency of Distress

The Authority has approximately 1,200 outstanding work orders for ABLA, of which 10% are dangerous and hazardous. Common examples of these dangerous and hazardous violations include standing water in basements, open vacant units, plaster peeling, missing stair pans in hallways, missing peep holes, roof leaks, paint peeling, missing floor tile, and rotten kitchen cabinets.

In large part, code violation problems are most prevalent in Jane Addams, the oldest development within ABLA. As a result of these extensive violations, the Authority has been forced to close seven of the buildings at Addams. In total, sixteen ABLA buildings have been closed due to code violations. Although, a special crew has been assigned specifically to address dangerous and hazardous work orders, the City of Chicago recently brought demolition suits against the CHA in regards to four buildings which the City has determined are a threat to the public health and safety.

The severe distress at the site is also demonstrated in a vacancy rate of 52% and a tenant population of more than 1,500 families below 15% of the area median income. Without immediate intervention, the level of distress at the site will become imminently greater.

b. Lack of Available Funds

The CHA critically lacks available funds to implement the ABLA Redevelopment Plan. In the Draft Viability Analysis Summary and Proposed Revitalization Schedule, the CHA proposes a 15 year revitalization timetable for seventeen of the most distressed developments in the housing stock including ABLA Homes. The Viability Analysis states in part, "Existing levels of modernization funds are simply insufficient (and were never intended) to cover

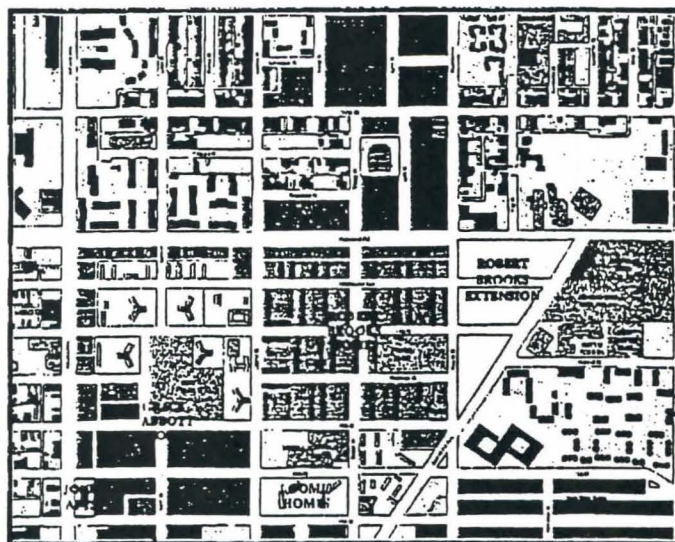
relocation, demolition, rehabilitation, and new construction on the scale contemplated by the plans. CHA receives \$118 million per year in modernization funding, but available dollars for physical improvements are limited to approximately \$50 million per year. (CHA uses a large portion of the modernization budget to pay for the costs of security.) Further, CHA estimates that the non-Viability sites will require \$625 million in rehabilitation funds over the 15-year phasing period. Even with regular infusions of HOPE VI funds, it is doubtful that CHA can complete all the work proposed at the 202 sites and maintain the non-202 sites in good condition."

Only with HOPE VI funds can ABLA be adequately redeveloped. A notable factor of the ABLA Redevelopment Plan is that it includes commitments and plans for complete funding of the revitalization, including all on-site and off-site replacement units, relocation, demolition, and self-sufficiency programs.

The revitalization of public housing developments throughout the City is a priority for the City of Chicago as demonstrated in the City's Consolidated Plan - "Neighborhoods Alive!" See excerpt from the City's Consolidated Plan in Exhibit D Attachments.

EXHIBIT C

Predevelopment Activities



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

C. PREDEVELOPMENT ACTIVITIES

1. Site Control

The site encompasses five sections: Jane Addams Homes with 24.52 acres, Grace Abbott Homes with 29.81 acres, Brooks Homes with 14.92 acres, Brooks Extension with 9.03 acres, and Roosevelt Road with 12.05 acres for a total of approximately 90 acres. The CHA is in control of the entire site except for three areas: (1) Addams Park is adjacent to the Grace Abbott Homes and is currently owned by the Chicago Park District; (2) Liberty Shopping Center is on the southern tip of the Brooks Extension development and was acquired by the Chicago Metropolitan Housing Development Corporation (CMHDC) in February 1998; and (3) the strip between Roosevelt Road and the alley, between Ashland Ave. and Racine Ave. which is privately owned.

Addams Park will be transferred to the CHA through an Intergovernmental Agreement between the Park District and the CHA. Attached is a commitment letter from the Park District. The Liberty Shopping Center is currently undergoing demolition and will be sold to the CHA for redevelopment. Attached is a commitment letter from CMHDC. Both agreements are scheduled to be finalized upon notification of approval of this application by HUD and the owners will grant site control to CHA at least sixty (60) days after approval of the application. The Roosevelt Road strip will be purchased by the City and will be conveyed to the selected developer(s) for additional mixed income housing. Acquisition is scheduled to begin in early November, and will be completed in early 1999.

Please note that 352 units of Brooks Homes are a part of the existing Development and are currently under going comprehensive modernization. These units have not been calculated into the 669 new units because rehabilitation will be completed under the direction of CHA.

2. Zoning

The four HOPE VI redevelopment sites are currently zoned as part of Planned Development #4 in the Chicago Zoning Ordinance. This Planned Development designation approved the design and layout of ABLA Homes as constructed. Addams Park although currently programmed as a public park is zoned R-4 General Residential District. Roosevelt Road is currently zoned commercial and will be rezoned residential as a part of this development.

Prior to the development of the 1998 HOPE VI ABLA Redevelopment Plan, a PUD amendment for the 1996 HOPE VI - Brooks Extension site was approved by the City.

The selected developer(s) will work with the City of Chicago Department of Planning and Development to amend Planned Development Ordinance #4 to encompass the entire redevelopment site. The implementation of the amended Planned Development is subject to the approval of the Chicago Plan Commission and City Council. The collaborative partnership with the City will ensure that all zoning issues are efficiently addressed. See attached City of Chicago Planned Development Handbook.

3. Relocation

To assist families with relocation to replacement and Section 8 housing, CHA conducts a Needs Assessment with a monitoring component to aid in Family Transition. The Needs Assessment and Monitoring Program includes:

- data collection, and reporting system design,
- participant interviews, and data collection
- assessment profiles.

A confidential Family Assessment Profile is completed for each family, utilizing a coding system and a report summary that outlines findings in the areas of family services, education, employment training and placement. This information is used to generate a Family Personal Profile which assesses the strengths and needs of families. Once the Family Personal Profile is completed a recommended service listing is generated to referral service agencies.

Assessment summaries are submitted monthly and family status reports are conducted on families annually. The annual report includes all progress reports and detail services utilization by participants along with a summary of successes in the aforementioned assessment category areas.

a. Section 8 Relocation

CHA's objective is to encourage, motivate, and assist residents who choose to transition to private market housing by providing counseling and supportive services to individuals receiving Section 8 Certificate/ Vouchers through the Family Transition Counseling Program. The goal of the Family Transition Counseling Program is to counsel and assist families in locating and accessing appropriate housing in the private market. To the greatest extent feasible, such

housing will be in economically non-impacted areas throughout the Chicago metropolitan area. The counseling components consist of the following elements:

- Introductory Information Session
- Counseling Services and Follow-up
- Extended Counseling and Extended Follow-up

The orientation session focuses on a realistic introduction to the advantages and disadvantages of relocating into other areas of the city; initiation of the process to assist families who desire to move into these areas; and identification of the types of additional services that families may need. Information provided in the orientation include the following:

- The calculation of 30% of adjusted income as it relates to a family's portion of the rent in the Section 8 program;
- Fair market rent schedules, payment standard, exceptions, and procedures;
- Utility allowance
- Security Deposit
- Forms used in Section 8 program administration;
- Standard leasing application information;
- Racial and familial discrimination, the rights protected by the Federal Fair Housing Act, the rights protected by the State of Illinois, Cook County and the City of Chicago, and the necessary steps to take if discrimination occurs; and
- An explanation and discussion of all written materials provided and information on additional services.

Participants in the Counseling Services receive support through an individual counselor and a series of group sessions. Counseling Services are designed to aid families in accessing housing in areas that may be unfamiliar to them.

Through individual counseling families receive the following services:

- Assistance in preparing any paperwork necessary for Section 8 assistance and any other applications or paperwork associated with moving into a new unit neighborhood.
- Counsel families on housing search techniques and train families how to present themselves as prospective tenants to undecided landlords in non-impacted areas.
- Offer financial planning assistance that helps families prepare a monthly budget and estimate the maximum feasible rent a family can pay.
- Perform credit checks; provide families with a copy of the credit check report; a review and explain the results.
- Identify five housing alternatives based on family needs and desires. Provide information on the neighborhoods in which the five housing alternatives are located. This information should include: public transportation routes, social services, employment and training opportunities, crime rates, schools, day care facilities and procedures for transferring or enrolling school age children.

-
- Provide the family escort services to at least three of the selected housing options so the family may conduct a physical unit inspection.
 - Assist in filing a housing discrimination complaint with the Illinois HUD office when the family alleges that illegal discrimination is preventing the family from finding a suitable unit.
 - Conduct a 30-day follow-up assistance and evaluation visit to ensure that the family is aware of the availability of support services.

The Extended Counseling and Follow-up services are to support families moving into housing in economically and non-impacted areas unfamiliar to them. This program will inform (or refer) families of the counseling and services offered by public or private agencies in the areas of employment, education, health and social services. Follow-up services include the following:

- A plan to contact the family sixty (60) days after move-in and every sixty (60) days thereafter as necessary, for a period of one (1) year from the move in date.
- A provision to contact the family approximately ninety (90) days before the renewal of the certificate or voucher.
- Provisions to contact the owners and managers of the housing as necessary to resolve any problems that may arise.

The CHA currently contracts with four qualified Section 8 relocation service providers: American Marketing Service, Leadership Council for Open Metropolitan Communities, Changing Patterns for Families, and Family Dynamics. All four service providers will work with ABLA residents. The CHA will work with the ABLA Family Self-Sufficiency Leverage Council, as described in Exhibit E - F, to establish linkages between these existing service providers as well as on any future Request for Proposals to provide additional relocation services to ABLA residents.

In an effort to improve upon the above system, CHA is currently meeting with the City of Chicago (a representative of the Mayor and the Commissioner of Housing), Business and Professional People in the Public Interest (BPI), the Leadership Council for Open Metropolitan Communities and the Metropolitan Planning Council to revise and recommend improvements for all Section 8 housing relocation on a city-wide basis. The above program is subject to change based on the recommendations of this committee.

4. Hazard Abatement

Hazardous environmental conditions exist in the properties proposed for rehabilitation and demolition. Friable Asbestos is typically found within certain portions of the pipe insulation of the steam and water distribution system

located in the buildings' crawl spaces, mechanical rooms and plumbing risers. Non-Friable Asbestos is typically found in the original ACT floor tiles. Although limited abatement has already been completed, prior to any rehabilitation or demolition activity, all remaining asbestos containing material will be abated in its entirety. This hazardous material procedure will be performed under the guidelines of the most stringent local and federal requirements.

Lead based paint (LBP) is also found randomly throughout the units; it typically exists on doorframes, window frames, and some wall and ceiling surfaces. However, as federal and state laws do not require LBP removal, no LBP remediation will be performed on buildings prior to demolition. Underground Storage Tanks (UST) are located at the main heating plant of the Jane Addams development and, although abandoned, are scheduled for removal. Other site conditions are limited to the underground steam pipes and utility ducts that contain hazardous material such as asbestos or transite. Prior to the physical development of the site or during demolition procedures these conditions will be remediated in full compliance with EPA standards.

5. Demolition

Proposed demolition activity will take place in all four family redevelopment sites of ABLA. The purpose of demolition is based on two main factors: de-densification (in regards to the proposed high-rise demolition), and elimination of distressed non-viable properties that have become a detriment to the community.

The following table details the proposed demolition plan:

<i>Sub-Development</i>	<i>Building Type</i>	<i># Floors</i>	<i># Structures</i>	<i># Dwelling Units</i>
Jane Addams	Walk-Ups and Rowhouses	2,3 and 4	32	987
Robert Brooks (Roosevelt Rd & Fosco Park)	Rowhouses	2	40	356
Grace Abbott	Rowhouses	2	33	168
	Highrises	15	7	1,050
Brooks Extension*	Highrise	16	3*	450

*Note: One highrise has been demolished.

The site of all demolished buildings will be utilized for residential development or the new community center.

The CHA has a pending demolition application for half of the Jane Addams units and an approved demolition application for two of the three Brooks Extension highrises. The CHA will submit a Demolition Application requesting approval for the remaining properties. See attached map of buildings proposed for demolition.

6. Disposition

The entire site will be disposed to the selected developer(s) pursuant to a 99-year land lease with monthly payments on market rate uses. In total, the CHA will dispose of nearly 70 acres. The CHA will submit a disposition application once the Inter-Governmental Agreement with the Chicago Park District is finalized, the Liberty Shopping Center is acquired from CMHDC, and the developer(s) has been selected through a competitive RFP process.

7. Acquisition

As previously mentioned, Addams Park (presently used as a public park) will be acquired and transferred to the CHA through an Intergovernmental Agreement with the Chicago Park District. The purpose of this acquisition is to make available strategically located land on which to build new housing. The development of this parcel is critical to the comprehensive planning efforts and concepts of breaking up the public housing super blocks, returning to the street grid and natural fabric of the city and returning a sense of community back to the area.

The Liberty Shopping Center site will be acquired from CMHDC once demolition is completed.

The City of Chicago will complete acquisition of properties along Roosevelt Road, which will be conveyed to the selected developer(s).

8. Site Improvements

The ABLA Redevelopment Plan includes extensive improvements to the infrastructure. Of particular concern at ABLA Homes has been the inadequate heating system – built in 1938 to service 1,000 units, it was extended to serve all 3,500 units of ABLA. Through the ABLA Redevelopment Plan, the heating system will be completely decentralized.

The City of Chicago will fund and construct the public improvements: streets, alleys, sidewalks, sewers, water, streetlights and street landscaping on the site. A preliminary estimate of this amount is approximately \$2.50 per square

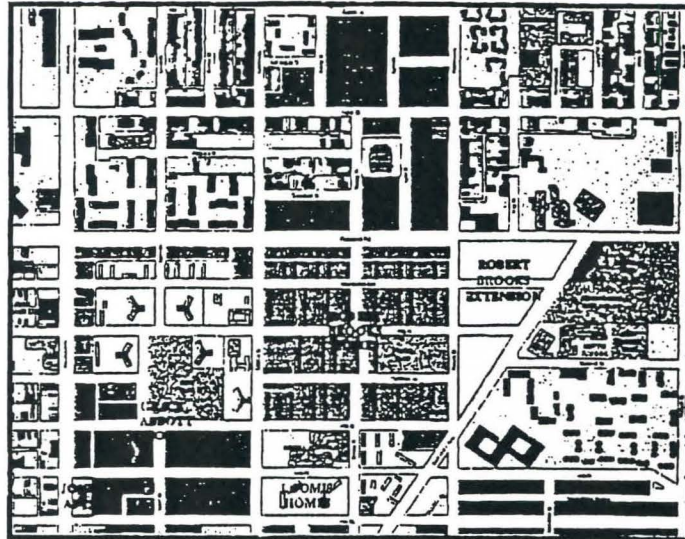
foot or approximately \$9.8 million for 90 acres*. The City of Chicago has begun site surveys and plans to begin construction of new streets on the Brooks Extension, Brooks Homes, and the southern portion of the Grace Abbott sites in early Fall 1998. The City has committed to reinstituting the original City street grid on the site in order to facilitate reintegration of ABLA Homes into the surrounding neighborhood.

In addition, the site improvements to the new housing properties will include front and back yards and adequate open spaces in accordance with the City of Chicago Planned Development Ordinance. Improvements will include landscaping and site amenities such as park benches, trash receptacles, etc.

* Includes new infrastructure at Brooks Homes, which is being renovated under the Comprehensive Grant Program.

EXHIBIT D

Physical Revitalization Plan



1998 Hope VI Revitalization Application - ABLA
Chicago Housing Authority
June 26, 1998

D. PHYSICAL REVITALIZATION PLAN

1. Description of Physical Revitalization

The ABLA Redevelopment/1998 HOPE VI Plan is the result of an unprecedented partnership between the CHA*, the City of Chicago, the ABLA Local Advisory Council (LAC), ABLA residents, and the plaintiffs in the landmark desegregation case Gautreaux v. CHA et al.

The overall ABLA Redevelopment Plan contemplates 2,895 on-site units and 383 off-site units. In total, 44.8% of all units will be designated for public housing of which 26.1% will be located off-site, 11.9% for affordable rental, 13.8% for an innovative affordable homeownership/rental program and 29.5% for market rate units. The ABLA Redevelopment/1998 HOPE VI Plan contemplates a total of 2,417 on-site units and 383 off-site units, and will completely revitalize one of the most distressed public housing developments in the country. The 1998 HOPE VI Plan proposes to utilize \$59 million in HOPE VI funds (\$24 million from 1996 HOPE VI allocation at Brooks Extension) to leverage an additional \$371 million in funding by the City of Chicago and private investor(s) by utilizing innovative financing strategies.

The ABLA Redevelopment/1998 HOPE VI Plan maximizes the leverage of limited public resources by bringing integral partners to the table, coordinating development activities in compliance with the City of Chicago's Consolidated Plan for Affordable Housing, and utilizing creative financing strategies. The City of Chicago's Department of Housing will issue a Request for Proposal (see attached draft) to solicit development proposals nationally and to procure a qualified developer(s) with relevant experience in developing large-scale, mixed finance and mixed income development in former public housing neighborhoods. The RFP will require the development of a minimum of 669 public housing units and 328 affordable rental units in order to maintain the presence of affordable housing in the neighborhood and to meet the needs of existing residents. The selected developer(s) will demonstrate relevant experience in developing multifamily units in urban settings and familiarity with complex financial structures including tax credit finance and layered financing. The RFP will also emphasize the need for the selected developer(s) to have the capacity and resources

* Pursuant to a 1987 order of the Federal District Court in Gautreaux v. CHA, et al., a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of CHA non-elderly public housing.

units of which 669 will be for public housing. *This scenario is subject to change based on the proposal of the selected developer(s).*

For the on-site units, the marketability of the site allows for a true income mix:

Targeted Income Range	% of Dev't	# of Units	Rental vs. For Sale
0-35%	37%	1,084	Rental
36-60%	14%	391	Rental
60+ rental	7%	202	Rental
81-120%	9%	252	For Sale
120%	33%	966	For Sale/Rental
TOTAL	100%	2,895	

The 383 off-site units will be 100% replacement units for public housing. These units will be located in neighborhoods in compliance with the Gautreaux Judgement Order. Please refer to Affirmatively Furthering Fair Housing below for more information on the Order.

In order to meet the needs of existing residents and to maximize income diversity, the CHA has agreed to a long term income mix where units targeted within the range of 0-35% of AMI will decrease to 30% and units targeted within the range of 36-50% of AMI will increase to 18% of the overall development. All 669 public housing units will remain under the ACC contract and will remain eligible for public housing subsidies. The long-term income targets will be achieved upon unit turnover and through the anticipated increase in income levels of existing residents participating in Self-Sufficiency Programs. Existing residents will not be relocated to meet a specific timeframe for achieving long-term income targets.

Prior to soliciting a private developer(s), the City will complete designation of the area as a Tax Increment Financing District and the CHA will enter into a Programmatic Agreement for Jane Addams with the Section 106 consulting parties pursuant to the National Historic Preservation Act (16 U.S.C. 470f). The CHA and the Section 106 consulting parties for Jane Addams (i.e. Illinois Historic Preservation Office, Advisory Council on Historic Preservation, and HUD) have successfully negotiated a Programmatic Agreement that will ensure that the redevelopment of Jane Addams will recognize the historic significance of the development to the greatest extent feasible. See attached.

5. Affirmatively Further Fair Housing

a. Accessibility

In completing the new construction activities, the CHA will ensure that the entire development complies with the Uniform Federal Accessibility Standards and the Fair Housing Act provisions on accessible and adaptable design. 5% of the rental and for-sale units will be accessible to individuals with mobility disabilities, and 2% of the rental and for-sale units will be accessible to individuals with visual or hearing disabilities.

b. Visitability

The CHA will ensure that all redevelopment activities comply with HUD guidance on visitability. These visitability features will include, at a minimum, accessible thresholds for unit and bathroom entrances. Each site will contain an accessible route through the entire site. Bathrooms will be accessible. All HUD visitability guidelines will be incorporated in specifications for all construction activities.

c. The Gautreaux Judgment Order

At this time, under the ruling in the case *Gautreaux v. CHA et al.*, United States District Court, Northern District of Illinois (the "Gautreaux litigation"), CHA is not permitted to build in a "limited area" unless either the CHA builds an equal number of units in the "general area" or the judge designates the "limited area" revitalizing. A limited area is defined a census tract which has more than a 30 percent African-American population. Attached is the motion jointly submitted by the CHA and the *Gautreaux* plaintiffs, and signed by Judge Marvin Aspen designating the ABLA area as "revitalizing."

6. Lessen Concentration of Low-Income Families

a. Significantly reduce the isolation of low income residents

The ABLA Redevelopment/1998 HOPE VI Plan will reduce the total number of public housing units from the existing 3,500 units to 1,084 on-site and 383 off-site units. The proposed income targets for the new development ensures deconcentration of low-income families while also recognizing the need to maintain affordable housing in the neighborhood. The proposed income mix provides not only a healthy mix for a sustainable community but also aims to

provide opportunities for public housing residents. The concentration of low income housing will be lessened in two significant ways: one, by integrating the proposed site into the revitalizing activities of the surrounding neighborhood, and, two, by increasing employment opportunities for the existing resident population and increasing existing incomes.

The CHA, under the federal court case Gautreaux v. CHA, et al., is prohibited from constructing public housing units in "limited areas" unless the CHA builds an equal number of units in "general areas" or the court designates the "limited area" as "revitalizing." A limited area is defined as a census tract with more than 30% African-American population. Attached is a signed order by Judge Marvin Aspen which designates ABLA Homes as "revitalizing."

The Near West Side, where ABLA Homes is located, is a mile and a half west of the Chicago's downtown commercial business district. The neighborhood represents a stark juxtaposition of one of the nation's poorest public housing communities with some of the region's major generators of economic growth and opportunity. Neighboring ABLA is the largest medical district in the country, the Illinois Medical District, which employs more than 40,000 workers and generates more than \$1.5 billion in annual revenue, and the largest university in the Chicago area, the University of Illinois at Chicago (UIC), with 25,000 students and 11,000 employees. ABLA is strategically situated to leverage private resources and ensure that ABLA and its existing residents are actively involved in the revitalization of the neighborhood.

The entire Near West Side is experiencing tremendous revitalization with a surge of new market rate housing and large scale institutional expansion. The Illinois Medical District (IMD) has begun a 14 million square foot facilities expansion program and projects the creation of 10,000 new jobs over the next 10 to 15 years. The University of Illinois at Chicago (UIC) campus expansion includes construction of 700 residential units directly east of ABLA in addition to student housing and commercial development. The ABLA Redevelopment, IMD, and UIC expansions are closely interrelated and interdependent. Consequently, the City of Chicago has established an intergovernmental redevelopment task force, which includes representatives from CHA, IMD, and UIC, to coordinate a joint redevelopment planning strategy and process. Failure to proceed with ABLA Homes revitalization at this time as proposed in this 1998 HOPE VI application would significantly reduce opportunities and available financial resources in the future.

b. Increase access to municipal services, job information, mentoring opportunities, transportation, etc.

The ABLA redevelopment plan will greatly increase access to municipal services, educational facilities, job training and employment opportunities. For example, UIC's development team has committed to training and hiring ABLA residents during its five year construction program. In addition, UIC will hire residents as permanent employees through a pilot employment program being established that will waive standard state civic service requirements and provide on-the-job training. Similarly, IMD, which generate more than 50% of all jobs created in Chicago during the past two years, has recently established a special initiative to hire ABLA residents. Both institutions are undertaking such efforts to assist in promoting self-sufficiency among ABLA residents as part of the overall revitalization program.

7. Off-Site Replacement Housing

The proposed ABLA Redevelopment will include 383 off-site replacement units. The CHA will work closely with the City Department of Housing to identify appropriate off-site opportunities.

8. New Construction

Based on a recent market feasibility study commissioned by the City of Chicago's Department of Planning and Development, the median sale price for detached housing units on the Near West Side surrounding ABLA Homes in 1997 was \$159,000, \$117,000 for attached units, and \$205,000 for buildings with two to four units. Only 3% of the units in the housing stock were single family detached, while 40% of total units are located in buildings with 50 or more units.

Based on the market study, the CHA certifies that there is insufficient existing housing in the neighborhood to develop replacement housing through acquisition of existing units or acquisition and rehabilitation.

9. Non-Dwelling Spaces

The Chicago Park District will construct an 80,000 square foot community center on the ABLA site that will include an indoor swimming pool and other recreational amenities. The community center will also house satellite service delivery offices for the City of Chicago's Department of Human Services and Office of Employment & Training, day care facilities, a health and wellness center, a computer learning center for children and adults, a parent-child center to be operated by the Chicago Board of Education, and the ABLA LAC offices. In addition, the selected developer(s)

will be expected to include in its design proposal provisions for non-dwelling community spaces throughout the development.

Other non-dwelling facilities include park expansion and an increase in green and recreational spaces at a school located in the heart of the existing ABLA community. In addition, the Chicago Board of Education has committed capital improvement funds and information and technology improvements for all seven schools in the greater ABLA redevelopment area.

Exhibit G

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is made as of the 21st day of May, 1999, by and between the following parties: The Chicago Housing Authority ("CHA"), the Habitat Company ("Habitat"), the City of Chicago Department of Planning and Development ("DPD"), the City of Chicago Department of Housing ("DOH"), the ABLA Local Advisory Council ("LAC") and Plaintiff's counsel in Gautreaux vs. CHA et. al., (collectively, "the Parties"). The purpose of this Memorandum is to clarify and confirm the understandings of the parties regarding their current intentions relative to the collective efforts proposed to be undertaken in order to revitalize the ABLA Homes Community as contemplated in the HOPE VI Revitalization Plan. The Parties acknowledge and understand that the statements contained in the Memorandum are subject to the approval of the governing body of each Party as may be required by law or by the Charter or rules governing each Party.

Recitals

The Parties propose to undertake a project to redevelop the ABLA Homes ("the Project"). Subject to applicable legal requirements, and recognizing that each participant brings certain resources and responsibilities:

The Parties propose to meet on a regular basis in order to collectively make decisions regarding the Project;

The Parties pledge good faith and best efforts to make each such decision by consensus;

It is the intent of the Parties that each Party will participate in the decision-making process as fully as possible;

It is the intent of the Parties to ensure that no single Party has more control than any other Party in the working group decision-making process;

It is the intent of the Parties to work with a Development Manager for the Project to develop a Master Plan and to work diligently to implement the Master Plan for the benefit of the entire ABLA Homes Community.

THEREFORE, the Parties set forth their respective contributions and responsibilities as follows:

The CHA and Habitat

The Chicago Housing Authority ("CHA") and The Habitat Company, as receiver for CHA's development of non-elderly housing programs ("Habitat") have authorized DOH to issue a Request for Proposals and to manage the process of selecting a Development Manager. However, CHA and Habitat shall remain separately responsible for those duties imposed respectively upon each under the HOPE VI and other public housing capital funding rules and regulations, orders of the Gautreaux court, and all federal, state and local laws.

At the appropriate point in the process, CHA and Habitat will enter into separate contracts with entities and individuals for matters that fall within their various areas of responsibility under the Receivership Order of August 14, 1987 in the Gautreaux case and subsequent orders of the court.

CHA will lease its land to an approved Developer(s) who will be responsible for constructing certain physical improvements. CHA will be responsible for ensuring that applicable HUD and CHA management requirements are met and that relocation services provided for all residents choosing Section 8 relocation will be provided by CHA's private contractors.

City of Chicago Department of Planning and Development ("DPD")

DPD will oversee and coordinate the participation of all City Departments and other agencies of local government involved in the redevelopment process, including but not limited to, the Chicago Board of Education and the Chicago Park District. DPD will also coordinate assistance and communication with other government agencies to ensure the compatibility of various redevelopment projects in the area. DPD will coordinate and fund via the Roosevelt/ Racine TIF the acquisition of private parcels to be redeveloped in the Project, subject to the required process and approval.

City of Chicago Department of Housing ("DOH")

DOH will issue the Request for Proposal ("RFP") for a Development Manager. On behalf of the Parties, DOH will be responsible for coordinating all meetings and conferences regarding the RFP. DOH will provide technical advice regarding the financial structuring for the Project. DOH will coordinate and provide identified funds for the development of homes subject to the required process and approval.

ABLA Local Advisory Council ("LAC")

LAC is the elected representative body of the ABLA residents. The LAC will represent the concerns and interest of the residents to the other Parties and convene meetings of its membership to keep the tenants apprised of all phases of the redevelopment process. The LAC will have two (2) representatives as a part of the working group.

Plaintiff's Counsel in Gautreaux

Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement of 7/25/96 between plaintiff's counsel and CHA respecting a portion of the funding for the HOPE VI Revitalization Plan.

University of Illinois Chicago ("UIC")/Illinois Medical District ("IMD")

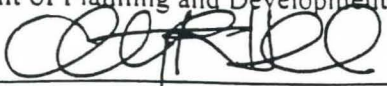
One representative will serve as the liaison for both UIC and IMD. This representative will participate in the redevelopment process to ensure that assistance from both or either entity is properly coordinated. The representative will be responsible for keeping both UIC and IMD apprised of the redevelopment process. UIC and IMD will submit the name(s) of the representative to the Alderman. The Alderman will submit one name to the working group. The working group parties will by consensus approve or reject the Alderman's recommendation.

Other Provisions

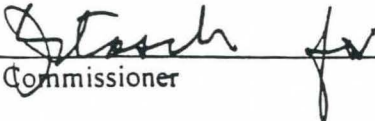
This Agreement shall not create a partnership or joint venture among the Parties hereto. There are no third-party beneficiaries of this Agreement and no third-party shall have any rights hereunder.

By executing below the parties indicate that the foregoing correctly sets forth their understanding regarding their respective obligations and contributions to the ABLA Homes revitalization project.

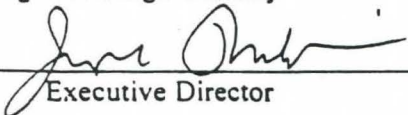
City of Chicago
Department of Planning and Development

BY: 
Commissioner

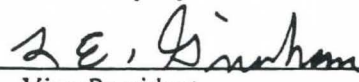
City of Chicago
Department of Housing

BY: 
Commissioner

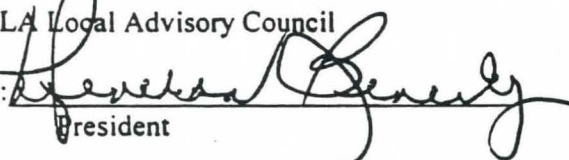
Chicago Housing Authority

BY: 
Executive Director

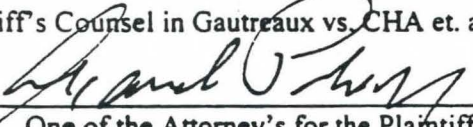
The Habitat Company

BY: 
Vice President

ABLA Local Advisory Council

BY: 
President

Plaintiff's Counsel in Gautreaux vs. CHA et. al.

BY: 
One of the Attorney's for the Plaintiff