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Defendants.

66 C 1459
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

Honorable Marvin E. Aspen

1.

The Statement filed by the Receiver recommends the Court deny the CAC's motion, and supports the creation of a site-based waiting list as proposed by the Developer. The Receiver also supports CHA's continuing efforts to search the CHA public housing waiting list to identify prospective tenants who are earning 50 to 80% of the area's median income (AMI). (The CAC agrees with the information provided in the CHA's response indicating that 50% of the median income is \$37,700 for a family of four, and \$30,150 for a family of two.)

The Receiver's objections are basically that: 1) the requested modification is contrary to promises made to the broader North Kenwood Oakland community by the Receiver, and Community leaders and officials; 2) the 50 to 80% requirement serves the important goals to deconcentrate poverty, and provide more stable jobs, which in turn will result in a more stable development and more stable community; and 3) the 50 to 80% vacancies can be filled by either a continuation of CHA's efforts to identify persons on the waiting list, offering units to qualified CHA tenants who have already made other permanent housing choices, and adoption of the site-based waiting list approach. The CAC does not support the recommendation by the Receiver to offer the restricted public housing units at Lake Park Crescent to qualified CHA residents who have already made their permanent housing choices, and are currently residing at other CHA developments that do not have a comparable income restriction.

DISCUSSION

A. The 50 to 80% Income Requirement Does Not Consider Prior Promises Made to Displaced CHA Families by HUD and CHA

The CAC agrees with the Receiver that some historical review is important in placing this issue in the proper context, and offers the following information for the Court's consideration.

The United States Department of Housing and Urban Development (HUD) took control of CHA in May, 1995, and maintained control and authority over all CHA operations and activities until June 1, 1999. HUD returned CHA to local control under the City of Chicago pursuant to a May 27, 1999 Memorandum of Understanding (MOU) between the City of Chicago and HUD. The MOU indicated HUD's intent to approve an acceptable CHA plan under the recently enacted Federal Moving to Work demonstration program.

The CHA submitted its ten year Plan for Transformation on January 6, 2000 for the redevelopment and rehabilitation of all CHA public housing. The CHA's Plan indicates that it held 23 Town Hall meetings; convened four regional public meetings throughout the City; conducted over 50 briefings for civic, community development, housing service and philanthropic organizations, and elected and appointed leaders; and convened a public hearing at McCormick Place. The CHA Plan also indicates that the Plan was discussed on talk radio and television, and available at every public library and the Internet. The CHA Plan was approved by HUD and resulted in a Moving

to Work Demonstration Agreement (MTW) dated February 6, 2000, signed by CHA, HUD, and the Mayor for the City of Chicago.

The MTW Agreement consists of a Memorandum of Approval, the Moving to Work Agreement, and a Resident Protection Agreement, and contained HUD waivers and approvals which subsequently facilitated and expedited the CHA development of mixed income housing throughout the City, to include the Lake Park Crescent development. The MTW Resident Protection Agreement required that CHA negotiate a legally enforceable Right to Return and Lease Amendment with the CAC, and states that compliance with the Right to Return Agreement is a condition of HUD's continued approval of the waivers, approvals and funding levels set forth in the MTW Agreement.

The protection and participation of CHA residents was a priority throughout the negotiations and planning process between CHA, HUD and the City, as evidenced by a November 15, 1999 letter from the Secretary of HUD, jointly addressed to CHA officials, the Mayor of Chicago and Congressmen Danny Davis, Bobby Rush and Jesse Jackson, Jr.. The letter stated, in part, "HUD has assured the residents that they will be fully involved in all aspects of the plan and that HUD will safeguard their rights."

The above historical references are intended to show that the approximately 25,000 families residing in CHA units in 1999 received repeated oral and written promises and agreements assuring that they

could return to the new and rehabilitated units produced under CHA's ten year plan. The CAC feels the Court should also consider the promises made by HUD and CHA to CHA residents, and the possible loss of credibility by CHA, HUD and the City with CHA residents with regards to the continued implementation of the plan. Cooperation and participation by CHA resident leaders have been significant factors in CHA's success and progress in developing mixed income housing throughout the City, and is equally important going forward.

The above historical discussion also illustrates the relationship between the protections and promises made by CHA and HUD to CHA residents, and the subsequent facilitation and expedited development of Lake Park Crescent and other CHA mixed income public housing developments. HUD's continued funding and MTW approvals for future phases of mixed income developments is still conditioned on CHA's compliance with the Resident Protection Agreement, which underscores the complexity referenced in Plaintiff's response to the CAC motion.

B. The CAC's Proposed Working Requirement Serves the Same Goals as the Current 50 to 80% Income Requirement.

The current 50 to 80% income requirement excludes a wide range of jobs that pay significant salaries that would benefit the Lake Park Crescent development, both economically and socially. The Receiver's assertion that amending the 50 to 80% income requirement would be detrimental to efforts to deconcentrate poverty and build a

more stable development is not supported by the available data. Their claim that " ... workers in the higher income category are almost certainly in more stable job positions ... " wrongly suggests that jobs earning less than 50 % of area median income are somehow not "stable".

Fifty percent (50% of the AMI for a family of four is \$37,700 per year. Attached as Exhibit One is a chart that provides a sampling of the many different types of occupations in the Chicago. The current income requirement at Lake Park Crescent would therefore exclude families where the only income is from an occupation such as licensed practical nurse, baker, paramedics, minister, medical secretary, machinist, environmental engineering technician, butcher, and kindergarten teacher, to name a few. CHA residents in these traditional and respected occupations are equally deserving of acceptance at Lake Park Crescent, notwithstanding the fact these jobs are in the lower income range held in such apparent disdain by the community members and leaders referenced in the Receiver's statement.

Information on entry level salaries for Federal employees (Exhibit Two) likewise indicates that a CHA head of household hired by a Federal agency at the Grade One (GS-1) level up through the Grade Seven (GS-7) level would be ineligible for the 50 to 80% units at Lake Park Crescent. (See chart and analysis at Exhibit Two.)

Federal jobs within these grade levels include bindery workers, office appliance repairers, and heavy truck drivers (Grade Seven); medium truck drivers, packers, stockroom attendants, and sewing machine operators (Grade Six); forklift operators, warehouse salesmen, and light truck drivers (Grade Five); and laundry workers, janitors food service workers, laborers, and sales store workers (Grades One through Four). The job information at Exhibits One and Two demonstrate that the Receiver's assertion that workers in occupations with higher income levels are "almost certainly in more stable job positions" is an arbitrary, unsupported assumption; and is certainly contrary to the general acceptance of persons in many of the listed occupations in public and private housing developments and communities throughout the Chicago Metropolitan Area. It is also likely that many of the current Kenwood Oakland community members are employed in similar jobs at the same income levels, and would likewise be ineligible for the restricted public housing units.

It should be noted that CHA, the Receiver, the Plaintiffs, the Alderman for the Kenwood Oakland Community (Toni Preckwinkle), and Shirley Newsome, President of the Conservation Community Council, (CCC) are also members of the Working Group for the redevelopment of Madden Park and Ida B. Wells, one of the largest planned public housing mixed income developments. The Madden Park and Ida B. Wells developments are being demolished and will be replaced with 3,000

new units, a third of which will be public housing.

The Madden Park/Wells development is immediately adjacent to the Kenwood Oakland community, and does not have any minimum income restrictions for public housing families like those in place at Lake Park Crescent, even though it is much larger in scope, (3,000 total units versus 441), and will contain substantially more public housing units (900 versus 120). However, the Madden Park/Wells development does have a working requirement for public housing families, similar to the one proposed for Lake Park Crescent in the CAC's motion to amend.

Interestingly enough, the issues and concerns currently raised by the Receiver regarding the 50 to 80% income requirement at Lake Park Crescent were never raised by the Receiver, Alderman Preckwinkle or the community leaders representing homeowners when the revitalizing order for Madden Park/Wells was entered in 2002. The Receiver, as noted in Plaintiffs' June 3, 2005 additional submission, was party to the joint motion filed with the Court in 2002 seeking a revitalizing order for the Madden Park/Wells development referenced above. The Receiver also submitted an affidavit attesting to the considerable revitalization activity in that area.

The subsequent Order expanded the Kenwood Oakland Revitalizing area to include the redevelopment activity in Madden Park/Wells.

There is no objective rationale for continuing to impose the income restriction for Lake Park Crescent, while all parties, including the Receiver, supported the construction of more public housing units, without income restrictions in a poor area immediately adjacent to the Kenwood Oakland community. If the response to this point is that the Kenwood Oakland community members and leaders were more vocal and insistent in their goal to limit the number of lower income public housing residents in the new mixed income public housing, this would be disturbing; and would send the wrong message to other communities equally concerned about public housing replacement units proposed for their areas.

All parties agree that since the entry of the 1996 Order, the Kenwood Oakland community has experienced significant economic improvement without the actual implementation of the 50 to 80% income requirement. Available census data for the Kenwood Oakland area indicates that the median household income rose significantly from 1990 to 2000. (Exhibit Four) The data and analysis at Exhibit Four also indicates that the median household income for the Oakland area (the community with the higher percentage of low income families) rose from over \$9,000 in 1990 to almost \$11,000 in 2000. The data also indicates that income at the higher levels in the Kenwood community increased significantly from 1990 to 2000. The Receiver states that one of the reasons the 50 to 80% income

requirement is important is to "boost" the revitalization in the community. The data shows this revitalization is clearly taking place, without the need for any minimum income requirement for any of the Lake Park Crescent public housing units.

C. Vacancies Can Be Filled By Amending the 50 to 80% Income Requirement.

The Receiver urges a continuation of the effort to identify persons on the CHA waiting list that are eligible for the vacant 50 to 80% units. The CAC does not supports this effort, given there are a significant number of families on CHA's HOP list with a higher priority, who are working, and otherwise eligible, but do not meet the minimum income requirement. The data presented in the 2004 CHA Annual Report indicates that as of January 1, 2005, of the 35,259 applicants on the CHA waiting list for family public housing, only 228 have income levels between 51 and 80% of AMI, compared to 552 current public housing families that have income in this range. (See Exhibit Three, pages 90 and 91.)

By contrast, 996 current CHA families earn between 30 and 50% of AMI. It is also possible that a significant number of CHA families who temporarily relocated to Section 8 are employed, and have incomes within the 50 to 80% range. The small number of families with incomes within the 50 to 80% range certainly supports relaxing the arbitrary income restrictions to allow the Developer to

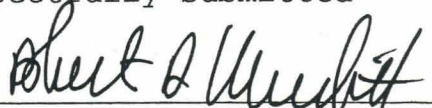
identify working and working to meet families to fill the vacant units currently held for persons in the 50 to 80% income range.

CONCLUSION

The Receiver's objections to the CAC's motion to amend the Court's June 3, 1996 Order are not supported by the facts, and would be grossly unfair to the thousands of otherwise eligible working public housing families who have recently entered the job market and are progressing towards permanent self sufficiency. The CAC does not oppose oral presentations and or participation by other non-parties. However, the Court should also consider the significant changes and developments since 1996, including the CHA's massive Ten Year Plan for Transformation (the only one of its kind in scale and scope in the nation).

Respectfully Submitted

By:


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EXHIBIT ONE

**Occupations with Mean Annual Salary Below \$37,700 in the Chicago
PMSA**

| Job Title | US BLS* Mean Annual Salary | SE** Average Annual Salary |
|---|-------------------------------|-------------------------------|
| Preschool Teacher*** | 23,390 | 26,647 |
| Kindergarten Teacher*** | 35,880 | |
| Adult Literacy, Remedial Education, & GED Teachers & Instructors | 30,840 | |
| Teacher Assistants | 21,500 | |
| Environmental Engineering Technicians | 36,340 | |
| Chefs and Head Cooks | 30,250 | |
| First-Line Supervisors/Managers of Housekeeping and Janitorial Workers | 36,460 | |
| Janitors (and Cleaners) | 22,050 | 22,929 |
| Maids and Housekeeping Cleaners | 19,190 | |
| All Office and Administrative Support Occupations | 30,350 | |
| Medical Secretaries | 33,160 | |
| Clergy | 37,410 | |
| Medical & Clinical Laboratory Technicians | 31,950 | |
| Pharmacy Technicians | 25,320 | |
| Surgical Technologists | 36,610 | |
| Licensed Practical & Licensed Vocational Nurses | 36,830 | |
| Opticians, Dispensing | 33,360 | |
| Emergency Medical Technicians & Paramedics | 32,950 | |
| Landscaping & Groundskeeping Workers | 21,950 | |
| Set & Exhibit Designers | 32,870 | |
| Coaches & Scouts | 27,280 | |
| Photographers | 33,280 | |
| Ambulance Drivers & Attendants | 19,450 | |
| Taxi Drivers & Chauffeurs | 23,710 | |
| School Bus Drivers | 27,630 | |
| Nursing Aides, Orderlies, Attendants | 21,250 | |
| Jewelers and Precious Stone & Metal Workers | 34,160 | |
| Machinists | 32,600 | 33,962 |
| Butchers & Meat Cutters | 24,740 | |
| Bakers | 21,810 | 21,988 |
| Engine & Other Machine Assemblers | 32,300 | |
| Cashiers | 17,010 | |
| Security Guards | 22,830 | |
| Child Care Workers | 19,870 | |
| Slaughterers & Meat Packers | 19,670 | |
| All Production Occupations | 28,080 | |
| Motorcycle Mechanics | 32,760 | |
| Lodging Managers | 36,080 | |
| Survey Researchers | 37,290 | |

| | | |
|---|--------|--|
| Biological Technicians | 31,600 | |
| Marriage & Family Therapists | 31,310 | |
| Mental Health Counselors | 31,610 | |
| Rehabilitation Counselors | 31,770 | |
| All Community & Social Service Occupations | 37,550 | |
| Mental Health & Substance Abuse Social Workers | 30,630 | |
| Animal Control Workers | 35,130 | |
| Parking Enforcement Workers | 28,980 | |
| All Building & Grounds, Cleaning, & Maintenance Occupations | 22,980 | |
| Structural Metal Fabricators & Fitters | 37,180 | |
| Home Appliance Repairers | 32,920 | |
| Barbers | 23,100 | |
| Funeral Attendants | 24,740 | |
| Concierges | 20,340 | |
| Travel Agents | 28,310 | |
| Telephone Operators | 33,620 | |
| Welders, Cutters, Solderers & Brazers | 34,230 | |
| Tailors, Dressmakers, & Custom Sewers | 27,390 | |
| Cabinetmakers & Bench Carpenters | 31,120 | |
| Locksmiths & Safe Repairers | 31,430 | |
| Floor Sanders & Finishers | 23,870 | |
| Computer, Automated Teller, & Office Machine Repairers | 35,060 | |
| Automotive Glass Installers & Repairers | 30,700 | |
| Rail Car Repairers | 37,150 | |
| Meter Readers, Utilities | 35,640 | |
| Executive Secretaries & Administrative Assistants | 37,340 | |
| Sailors & Marine Oilers | 27,730 | |
| Industrial Truck & Tractor Operators | 30,830 | |
| All Farming, Fishing, & Forestry Occupations | 22,370 | |
| Bookkeeping, Accounting, & Auditing Clerks | 32,460 | |

* US BLS = U.S. Bureau of Labor Statistics: November 2003 Metropolitan

** SE = SalaryExpert.Com

*** Except Special Education

EXHIBIT TWO

Wages of Federal Employees in Chicago

The United States Office of Personnel Management (OPM) uses two different systems to determine the wages of most federal employees in positions covered by Title 5 of the U.S. Code. The OPM uses the Federal Wage System (FWS) to determine wages for blue-collar jobs established by §5346 of Title 5, and the General Schedule (GS) to determine wages for white-collar jobs established by chapter 51 of Title 5. See OPM, *Handbook of Occupational Groups and Families*, 4-5 (August 2002). Both of these systems classify occupations into fifteen grades based on the degree of skill and experience required. OPM, *Introduction to Position Classification Standards*, § II(A)(4) (August 1991). The wages for any particular occupation are based on the grading of the occupation and the experience of the employee, which is broken into "steps" through which employees advance based on length of employment and level of performance. See FWS Appropriated Fund Operating Manual, S4-2.

Wage Rates for Blue-Collar Federal Employees in the Chicago Area

| Grade | HOURLY | | | | | ANNUAL (2000 hours @ hourly rate) | | | | |
|-------|--------|--------|--------|--------|--------|-----------------------------------|----------|----------|----------|----------|
| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
| 1 | 11.44 | 11.92 | 12.39 | 12.87 | 13.35 | \$22,880 | \$23,840 | \$24,780 | \$25,740 | \$26,700 |
| 2 | 12.62 | 13.14 | 13.66 | 14.19 | 14.71 | \$25,240 | \$26,280 | \$27,320 | \$28,380 | \$29,420 |
| 3 | 13.80 | 14.37 | 14.94 | 15.53 | 16.10 | \$27,600 | \$28,740 | \$29,880 | \$31,060 | \$32,200 |
| 4 | 14.99 | 15.61 | 16.24 | 16.85 | 17.49 | \$29,980 | \$31,220 | \$32,480 | \$33,700 | \$34,980 |
| 5 | 16.17 | 16.83 | 17.50 | 18.18 | 18.85 | \$32,340 | \$33,660 | \$35,000 | \$36,360 | \$37,700 |
| 6 | 17.24 | 17.95 | 18.67 | 19.39 | 20.10 | \$34,480 | \$35,900 | \$37,340 | \$38,780 | \$40,200 |
| 7 | 18.33 | 19.08 | 19.84 | 20.61 | 21.37 | \$36,660 | \$38,160 | \$39,680 | \$41,220 | \$42,740 |
| 8 | 19.41 | 20.22 | 21.02 | 21.83 | 22.64 | \$38,820 | \$40,440 | \$42,040 | \$43,660 | \$45,280 |
| 9 | 20.50 | 21.34 | 22.19 | 23.05 | 23.89 | \$41,000 | \$42,680 | \$44,380 | \$46,100 | \$47,780 |
| 10 | 21.57 | 22.47 | 23.36 | 24.27 | 25.15 | \$43,140 | \$44,940 | \$46,720 | \$48,540 | \$50,300 |
| 11 | 22.65 | 23.59 | 24.53 | 25.49 | 26.42 | \$45,300 | \$47,180 | \$49,060 | \$50,980 | \$52,840 |
| 12 | 23.55 | 24.53 | 25.53 | 26.50 | 27.48 | \$47,100 | \$49,060 | \$51,060 | \$53,000 | \$54,960 |
| 13 | 24.41 | 25.50 | 26.48 | 27.51 | 28.54 | \$48,820 | \$51,000 | \$52,960 | \$55,020 | \$57,080 |
| 14 | 25.31 | 26.38 | 27.45 | 28.48 | 29.55 | \$50,620 | \$52,760 | \$54,900 | \$56,960 | \$59,100 |
| 15 | 26.16 | 27.34 | 28.42 | 29.49 | 30.58 | \$52,320 | \$54,680 | \$56,840 | \$58,980 | \$61,160 |

The hourly rates in the chart above were issued by the Department of Defense Civilian Personnel Management Service on January 10, 2005, and are available at <http://www.cpms.osd.mil/wage/scheds/af/survey-sch/047/047R-10Jan2005.html>. This chart determines the wages for all occupations classified under the Federal Wage System (FWS) in the Chicago Wage Area. The annual salaries were calculated based on the assumption that an average employee works forty hours per week, and fifty weeks per year. For our purposes, the annual salaries which exceed Chicago Area Median Income (AMI) for a family of four - \$37,700 - are shaded in gray. The remainder of the occupations are those which would be excluded from 50% of the units pursuant to the revitalizing order as it stands.

According to the chart, all occupations classified under the FWS as Grades 1-4 would be excluded from half of the public housing units being developed in North Kenwood-Oakland

pursuant to the revitalizing order even after reaching Step 5 employment. An employee reaches Step 5 automatically after 312 calendar weeks, or 6 years, of satisfactory performance. *See* FWS Appropriated Fund Operating Manual, S4-2(b)(2). Thus, even after 6 years of hard work, employees in Grades 1-4 would be excluded from 50% of the units. These grades include laundry workers, janitors, food service workers, laborers, and sales store workers. *Id.* at S6-3.

Similarly, employees in Grade 5 would be excluded until they reached six years of employment. *Id.* at S4-2(b)(2). This grade includes forklift operators, warehouse salesmen, and light truck drivers. *Id.* at S6-3. Employees in Grade 6, including medium truck drivers, packers, stockroom attendants, and sewing machine operators, would be excluded until they reached Step 4, or 4 years of satisfactory service. *Id.* at S4-2(b)(2), S6-3. Even employees in Grade 7, including bindery workers, office appliance repairers, and heavy truck drivers would be excluded for their first six months of employment. *Id.*

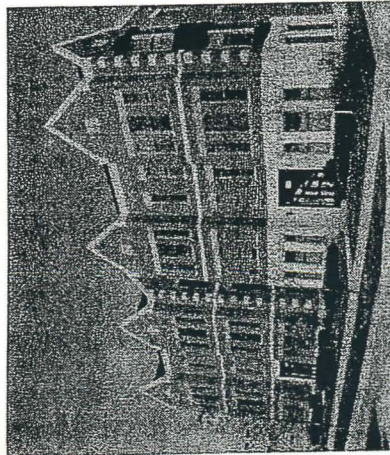
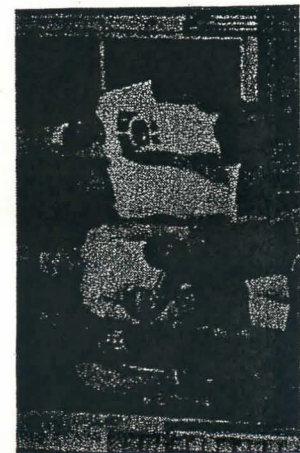
The chart below shows a similar trend of exclusion for white-collar occupations in the federal government. Once again, occupation classifications with annual salaries above \$37,700 have been shaded in gray.

Annual Salaries for White-Collar Federal Employees in the Chicago Area

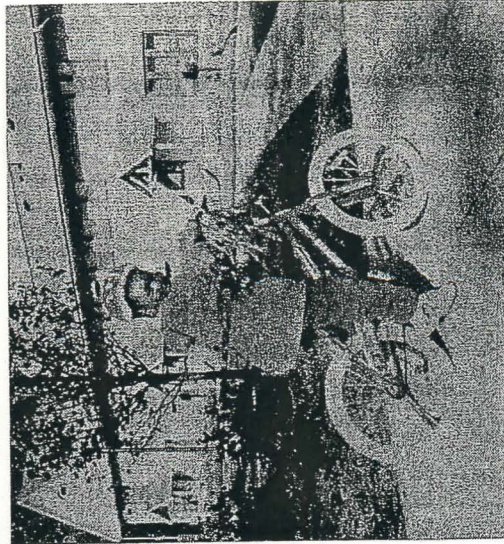
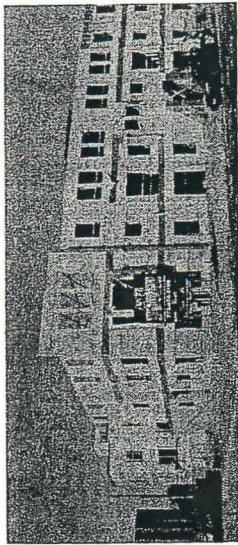
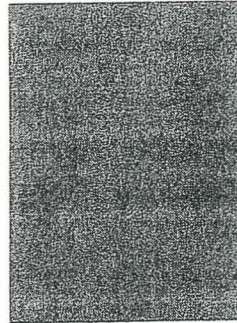
| Grade | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | Step 9 | Step 10 |
|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | \$19,171 | \$19,810 | \$20,448 | \$21,083 | \$21,721 | \$22,095 | \$22,724 | \$23,359 | \$23,386 | \$23,983 |
| 2 | \$21,554 | \$22,067 | \$22,780 | \$23,386 | \$23,647 | \$24,342 | \$25,038 | \$25,733 | \$26,429 | \$27,124 |
| 3 | \$23,517 | \$24,301 | \$25,086 | \$25,870 | \$26,654 | \$27,438 | \$28,222 | \$29,006 | \$29,790 | \$30,574 |
| 4 | \$26,401 | \$27,281 | \$28,161 | \$29,040 | \$29,920 | \$30,800 | \$31,680 | \$32,560 | \$33,439 | \$34,319 |
| 5 | \$29,538 | \$30,524 | \$31,509 | \$32,494 | \$33,479 | \$34,464 | \$35,449 | \$36,434 | \$37,419 | \$38,405 |
| 6 | \$32,926 | \$34,024 | \$35,121 | \$36,219 | \$37,316 | \$38,414 | \$39,512 | \$40,609 | \$41,707 | \$42,805 |
| 7 | \$36,589 | \$37,808 | \$39,028 | \$40,248 | \$41,468 | \$42,687 | \$43,907 | \$45,127 | \$46,347 | \$47,566 |
| 8 | \$40,521 | \$41,871 | \$43,221 | \$44,571 | \$45,922 | \$47,272 | \$48,622 | \$49,972 | \$51,323 | \$52,673 |
| 9 | \$44,756 | \$46,247 | \$47,739 | \$49,230 | \$50,722 | \$52,213 | \$53,705 | \$55,196 | \$56,688 | \$58,179 |
| 10 | \$49,286 | \$50,930 | \$52,573 | \$54,217 | \$55,860 | \$57,504 | \$59,147 | \$60,791 | \$62,434 | \$64,078 |
| 11 | \$54,151 | \$55,956 | \$57,761 | \$59,566 | \$61,371 | \$63,176 | \$64,982 | \$66,787 | \$68,592 | \$70,397 |
| 12 | \$64,903 | \$67,066 | \$69,228 | \$71,391 | \$73,554 | \$75,717 | \$77,880 | \$80,043 | \$82,206 | \$84,369 |
| 13 | \$77,180 | \$79,753 | \$82,325 | \$84,897 | \$87,470 | \$90,042 | \$92,614 | \$95,187 | \$97,759 | \$100,331 |
| 14 | \$91,203 | \$94,243 | \$97,284 | \$100,324 | \$103,365 | \$106,405 | \$109,445 | \$112,486 | \$115,526 | \$118,566 |
| 15 | \$107,281 | \$110,858 | \$114,434 | \$118,011 | \$121,588 | \$125,164 | \$128,741 | \$132,318 | \$135,894 | \$139,471 |

Source: U.S. Office of Personnel Management, General Schedule Locality Pay Tables (January 2005)
<http://www.opm.gov/oca/05tables/html/chi.asp>

EXHIBIT THREE



FY2004 ANNUAL REPORT



CHANGE.
CHICAGO HOUSING AUTHORITY

CHA GE.

CHICAGO HOUSING AUTHORITY

Sharon Gist Gilliam
Chairperson

Lori Healey
Vice-Chairperson

Board of Commissioners

Hallie Amey

Earnest Gates

Dr. Mildred Harris

Michael Ivers

Martin Nesbitt

Carlos Ponce

Mary E. Wiggins

Sandra Young

Terry Peterson
Chief Executive Officer

Adrienne G. Minley
Chief of Staff

Gail A. Niemann
General Counsel

March 1, 2005

I am very pleased to present the Chicago Housing Authority's (CHA) FY2004 Annual Report, which details the CHA's progress during the past year. CHA's *Plan for Transformation*, a vision to redevelop or rehabilitate 25,000 public housing units, continues to successfully move forward.

During FY2004, the CHA surpassed the pivotal midway point of the Plan and gained further momentum. This year, we completed 1,900 units, bringing the total number of completed units to 13,137 - 52% of the total units promised under the Plan. We completed 91% of our senior units and 98% of our scattered site units, surpassing our goals by 17% and 8% respectively. We also closed five mixed-income real estate transactions during FY2004, bringing the total to 26 mixed-income deals completed since the Plan began. The Plan is taking shape all across the city with construction now underway at or near every major redevelopment site, with many new units already completed and leased.

Our residents are moving from uninhabitable old public housing buildings to safer apartments in CHA's redeveloped or rehabilitated housing stock or to apartments in the private market with a Housing Choice Voucher. Since the Plan began, we have successfully relocated 4,000 households, 2,200 of which have already moved into their permanent replacement housing unit. For these families, and so many others, the better life we promised under the Plan for Transformation is already happening.

As the largest revitalization project in the nation, the Plan's sustained progress would not be possible without the continued support from HUD, the City of Chicago, private businesses, community leaders, and our residents. All of these parties are helping to dramatically transform poverty and crime-ridden communities into places filled with hope and opportunity.

During 2005, the Plan's sixth year, we will continue to deliver more units, prepare families to be successful in mixed-income settings, and connect residents with opportunities that will foster their economic and social self-sufficiency. I look forward to another year of progress.

Sincerely,



Terry Peterson, Chief Executive Officer
Chicago Housing Authority



APPENDIX B: PUBLIC HOUSING STOCK AND DEMOGRAPHIC INFORMATION

The following charts showing the public housing stock and the demographics of the CHA public housing resident population, public housing wait lists, and Housing Choice Voucher (HCV) Program, document the significant changes inherent in the implementation of the Plan for Transformation. These changes reflect the monumental overhaul of Chicago's public housing, subsequent changes to the public housing population, and the use of the HCV Program.

The information provided will vary as the CHA makes the data available for conversion to a new housing management software program and database. The ability of the CHA, CHAC, Inc., and property management companies to effectively manage both public housing and the HCV Program will increase greatly with the establishment of this new software and database. In FY2004, great strides were made in the effort to customize the technology.

| Family Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Housing Stock & Occupancy | 1/1/2004 | 1/1/2005 |
| Total Units | 19,782 | 18,813 |
| Occupied Units | 10,405 | 9,452 |
| Total Number of Residents | 31,308 | 27,721 |
| Average Family Size | 3.0 | 2.9 |
| Unit Size (All Units) | 1/1/2004 | 1/1/2005 |
| 0 Bedroom | 121 | 111 |
| 1 Bedroom | 3,090 | 2,841 |
| 2 Bedrooms | 8,041 | 7,784 |
| 3 Bedrooms | 6,829 | 6,459 |
| 4 Bedrooms | 1,498 | 1,416 |
| 5 Bedrooms | 199 | 198 |
| 6 Bedrooms | 4 | 4 |
| 7+ Bedrooms | 0 | 0 |
| Gender (All Residents) | 1/1/2004 | 1/1/2005 |
| Female | 19,677 | 17,532 |
| Male | 11,631 | 10,189 |

| Senior Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Housing Stock & Occupancy | 1/1/2004 | 1/1/2005 |
| Total Units | 9,886 | 9,881 |
| Occupied Units | 6,118 | 6,768 |
| Total Number of Residents | 6,679 | 7,399 |
| Average Family Size | 1.1 | 1.1 |
| Unit Size (All Units) | 1/1/2004 | 1/1/2005 |
| 0 Bedroom | 1,259 | 1,258 |
| 1 Bedroom | 8,550 | 8,547 |
| 2 Bedrooms | 76 | 75 |
| 3 Bedrooms | 1 | 1 |
| 4 Bedrooms | 0 | 0 |
| 5 Bedrooms | 0 | 0 |
| 6 Bedrooms | 0 | 0 |
| 7+ Bedrooms | 0 | 0 |
| Gender (All Residents) | 1/1/2004 | 1/1/2005 |
| Female | 3,454 | 3,736 |
| Male | 3,217 | 3,656 |

| Family Housing Demographics from the CCS Database | | | |
|--|----------|---------------------|----------|
| Age (All Residents) | 1/1/2004 | Age (All Residents) | 1/1/2005 |
| 0-20 | 17,724 | 0-20 | 15,328 |
| 21-60 | 11,870 | 21-61 | 10,849 |
| 61 and over | 1,714 | 62 and over | 1,544 |

| Senior Housing Demographics from the CCS Database | | | |
|--|----------|---------------------|----------|
| Age (All Residents) | 1/1/2004 | Age (All Residents) | 1/1/2005 |
| 0-20 | 10 | 0-20 | 9 |
| 21-60 | 1,384 | 21-61 | 1,403 |
| 61 and over | 5,285 | 62 and over | 5,987 |

| Family Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Race & Ethnicity (All Residents) | | |
| | 7/1/2004 | 7/1/2005 |
| White | 2,569 | 2,612 |
| Black | 28,509 | 24,889 |
| Native/Alaskan | 79 | 78 |
| Asian/Pacific Islander | 149 | 48 |
| Other | 2 | 6 |
| Hispanic* | 2,348 | 2,385 |
| Annual Income Ranges (Number of Households & Average Annual Household Income) | | |
| | 7/1/2004 | 7/1/2005 |
| \$0-3,999 | 4,091 | 3,784 |
| \$4,000-7,999 | 3,401 | 2,923 |
| \$8,000-15,999 | 1,447 | 1,339 |
| \$16,000-27,999 | 1,054 | 903 |
| \$28,000-35,999 | 252 | 297 |
| \$36,000 and greater | 160 | 206 |
| Average Annual Household Income (\$) | 10,668 | 11,719 |

*Hispanic is categorized as an ethnic code and may be listed in several race categories.

| Family Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Employment Status (Number of Households) | | |
| | 7/1/2004 | 7/1/2005 |
| Employed | 3,681 | 3,569 |
| SSI | 3,294 | 3,237 |
| Social Security | 1,924 | 1,886 |
| TANF** | 1,553 | 1,196 |
| Income Relative to AMI (All Households) | | |
| | 7/1/2004 | 7/1/2005 |
| Number of households with income <30% of AMI | 8,805 | 7,726 |
| Number of households with income 30-50% of AMI | 971 | 996 |
| Number of households with income 51-80% of AMI | 420 | 552 |
| Number of households with income 81% or greater of AMI | 209 | 178 |

**TANF includes AFDC, Earnfare, and General Assistance

| Senior Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Race & Ethnicity (All Residents) | | |
| | 7/1/2004 | 7/1/2005 |
| White | 1,982 | 2,131 |
| Black | 4,107 | 4,530 |
| Native/Alaskan | 53 | 101 |
| Asian/Pacific Islander | 490 | 466 |
| Other | 47 | 38 |
| Hispanic* | 428 | 552 |
| Annual Income Ranges (Number of Households & Average Annual Household Income) | | |
| | 7/1/2004 | 7/1/2005 |
| \$0-3,999 | 2,129 | 2,392 |
| \$4,000-7,999 | 2,628 | 2,679 |
| \$8,000-15,999 | 1,269 | 1,557 |
| \$16,000-27,999 | 78 | 124 |
| \$28,000-35,999 | 9 | 10 |
| \$36,000 and greater | 5 | 6 |
| Average Annual Household Income (\$) | 8,612 | 9,095 |

*Hispanic is categorized as an ethnic code and may be listed in several race categories.

| Senior Housing Demographics from the CCS Database | | |
|--|----------|----------|
| Employment Status (Number of Households) | | |
| | 7/1/2004 | 7/1/2005 |
| Employed | 206 | 299 |
| SSI | 3,695 | 3,776 |
| Social Security | 3,587 | 4,167 |
| TANF** | 867 | 939 |
| Income Relative to AMI (All Households) | | |
| | 7/1/2004 | 7/1/2005 |
| Number of households with income <30% of AMI | 5,857 | 6,362 |
| Number of households with income 30-50% of AMI | 219 | 325 |
| Number of households with income 51-80% of AMI | 37 | 73 |
| Number of households with income 81% or greater of AMI | 5 | 8 |

**TANF includes AFDC, Earnfare, and General Assistance

APPENDIX D: HOUSING CHOICE VOUCHER (HCV) PROGRAM DEMOGRAPHIC INFORMATION

| Demographics of Current HCV Program Participants as of 12/31/04 | | | |
|---|--------------------|-------------------------|--------|
| Total HCV Program Participants | | 104,349 | |
| | Heads of Household | Other Household Members | Total |
| Age | | | |
| Age 62 and over | 5,241 | 683 | 5,924 |
| Under age 62 | 30,800 | 67,624 | 98,424 |
| Unknown/Pending | 1 | 0 | 1 |
| Race | | | |
| White | 5,033 | 7,680 | 12,713 |
| Black | 30,892 | 60,469 | 91,361 |
| Other | 107 | 133 | 240 |
| Unknown/Pending | 10 | 25 | 35 |
| Ethnicity | | | |
| Hispanic | 4,089 | 7,166 | 11,255 |
| Non-Hispanic | 31,948 | 61,132 | 93,080 |
| Unknown/Pending | 5 | 9 | 14 |
| Disability | | | |
| Handicapped/Disabled | 12,007 | 4,574 | 16,581 |

| Demographics of Current HCV Program Participants as of 12/31/04 | |
|---|--------------|
| Bedroom Breakdown | Total |
| 0 Bedroom | 1,654 |
| 1 Bedroom | 5,258 |
| 2 Bedrooms | 20,779 |
| 3 Bedrooms | 44,188 |
| 4 Bedrooms | 20,456 |
| 5 Bedrooms | 8,807 |
| 6 Bedrooms | 2,304 |
| 7 Bedrooms | 617 |
| 8 + Bedrooms | 286 |
| Unknown/Pending | 0 |
| Rent and Payments | |
| Average Contract Rent | \$940 |
| Average HAP | \$762 |
| Average Total Tenant Payment | \$228 |
| Income | |
| Average Gross Annual Income | \$8,272 |
| Average Adjusted Annual Income | \$9,073 |
| Percentage of households with Wage Income | 30% |
| Households with annual income above 30% of Area Median Income | 4,667 |
| Households with annual income below 30% of Area Median Income | 31,375 |
| Unknown/Pending | 0 |

EXHIBIT FOUR

Census Information Showing Economic Improvement in North Kenwood-Oakland

Using census research conducted by the University of Notre Dame's Institute for Latino Studies, *see* Chicago Fact-Finder, www.nd.edu/~chifacts/chicago.html, it's possible to see the demographic and economic changes that have taken place in the Kenwood and Oakland Community Areas since 1990. The Institute's Chicago Fact-Finder, *id.*, provides census information from 1990 and 2000 on a variety of demographic categories at the geographic level of Chicago Community Area. The charts below illustrate these changes.

As is obvious from the charts included, the changes have been significant, and positive. Median annual income has increased significantly in both neighborhoods. *See* Charts 1 and 2. The household income distribution has become far less concentrated in the lower brackets. *See* Charts 3-6. Finally, individual and family poverty rate have decreased in every category. *See* Charts 7-10.

It is also important to note that these data only reflect the improvement that took place before 2000. There is no reason to think that progress has slowed over the last five years. In fact, given all of the recent development in the neighborhoods, it is likely that there has been even more progress.

All income data derived from the 1990 and 2000 Census are for 1989 and 1999, respectively. Also, data regarding median household income for 1990 has been adjusted for inflation to be comparable to data for 2000.

Median Household Income

Universe: Households

Source: 1990 Census Summary Tape File 4 (Table PB65A)

Source: 2000 Census Summary File 3 (Table P53, P152B, P152D, P152H, P152I)

Chart 1.

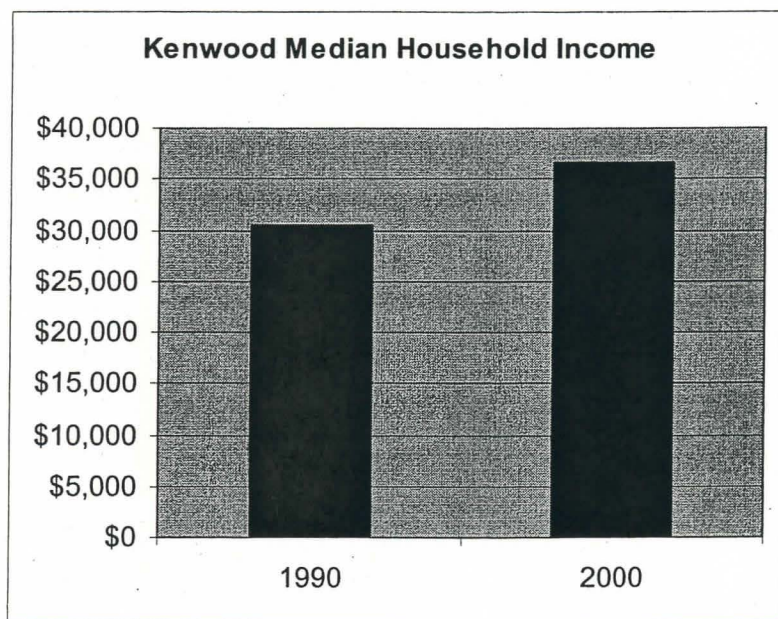
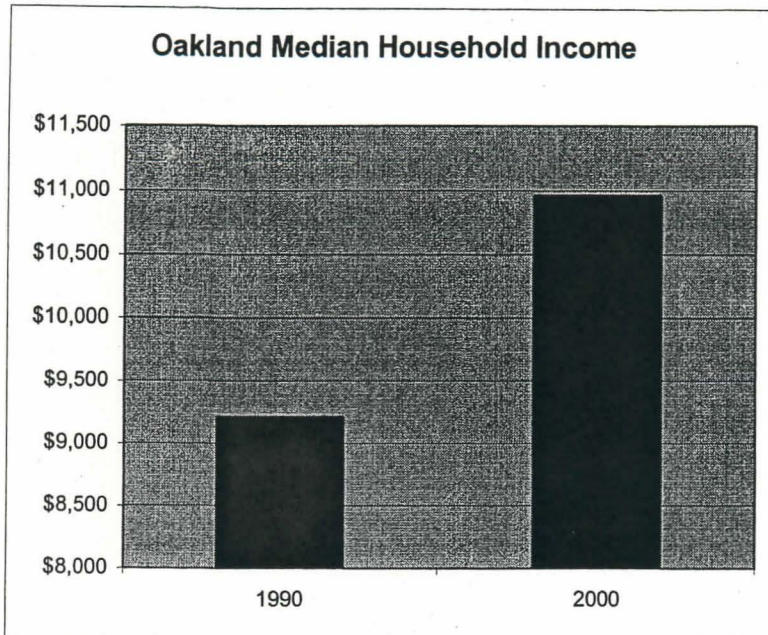


Chart 2.



Household Income

Universe: Households

Source: 1990 Census Summary Tape File 4 (Table PB65)

Source: 2000 Census Summary File 3 (Table P52, P151B, P151D, P151H, P151I)

Chart 3.

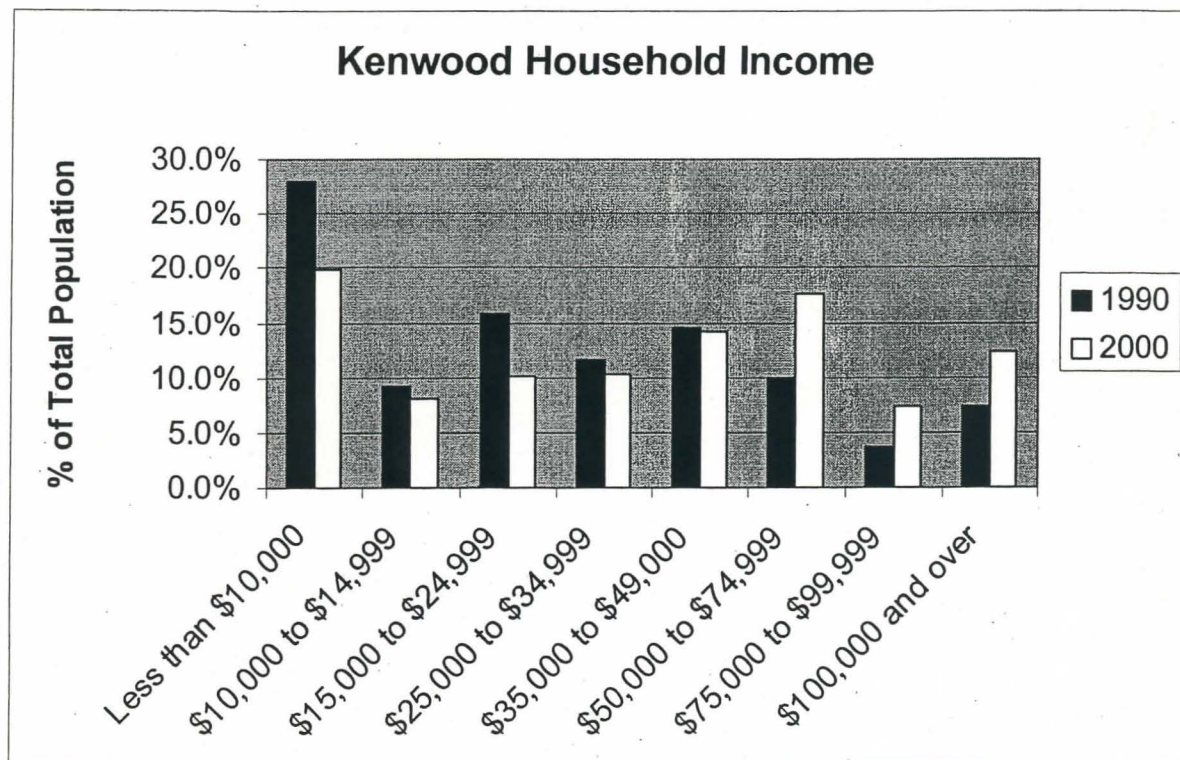


Chart 4.

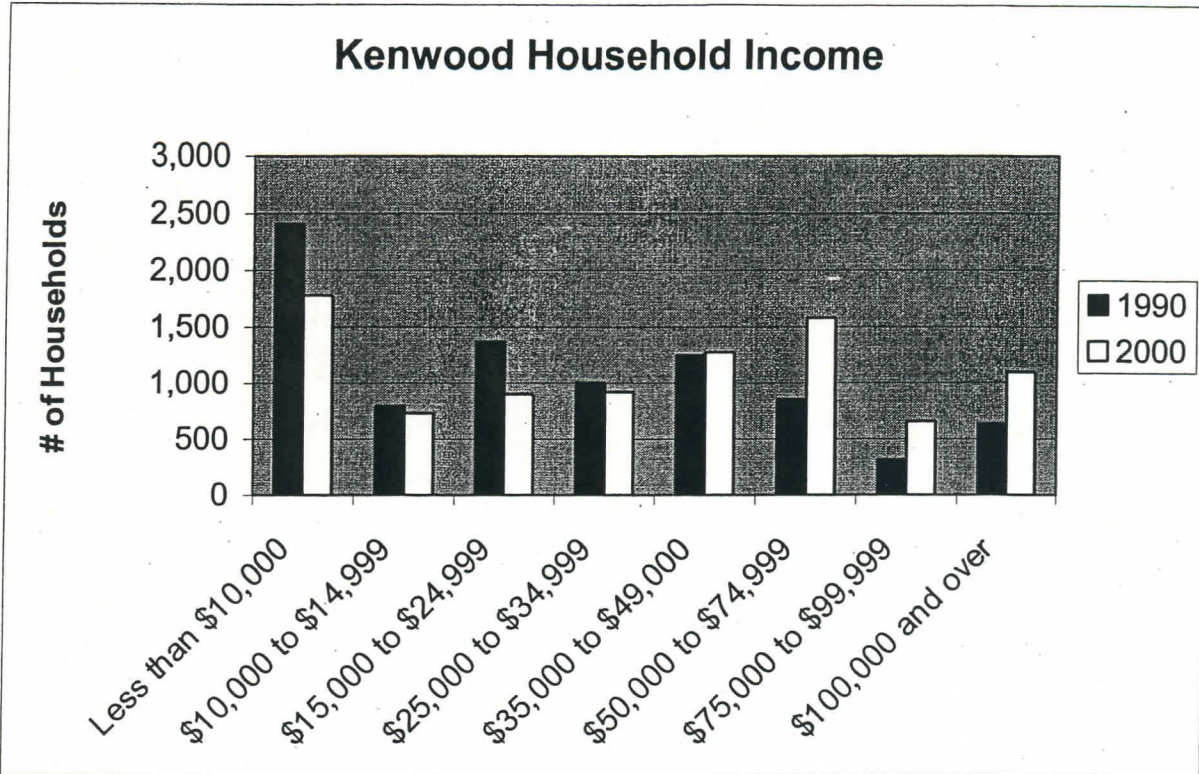


Chart 5.

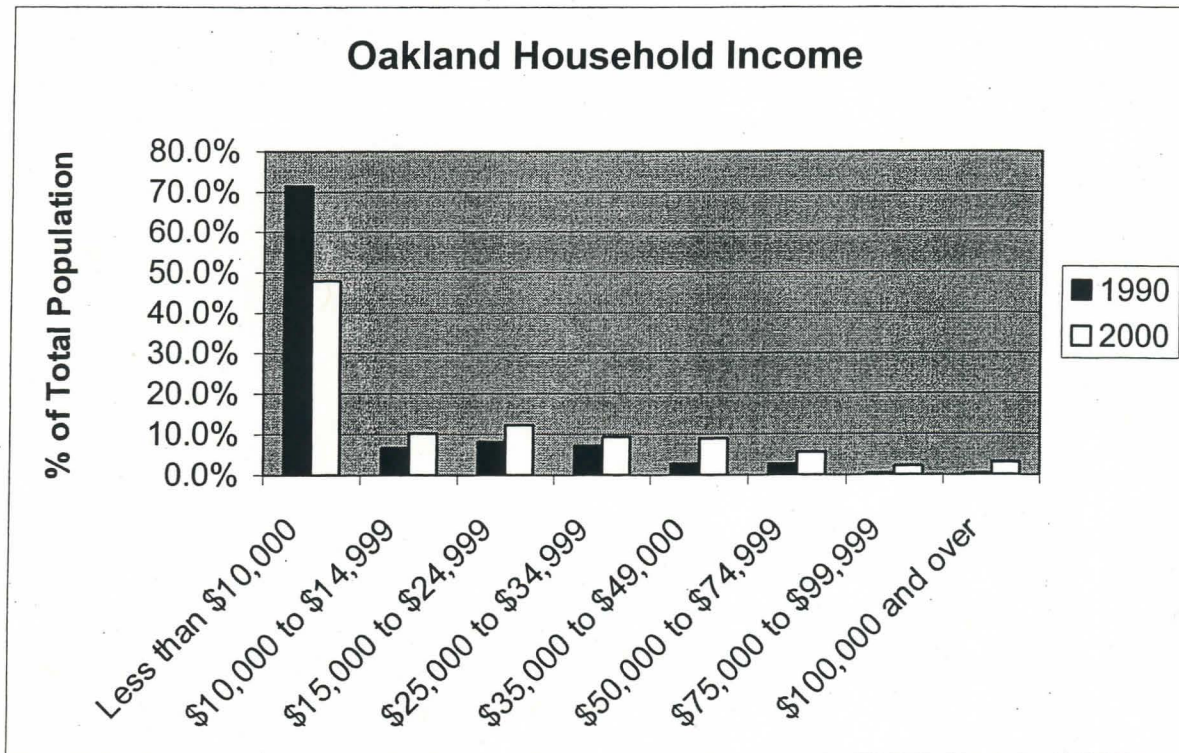
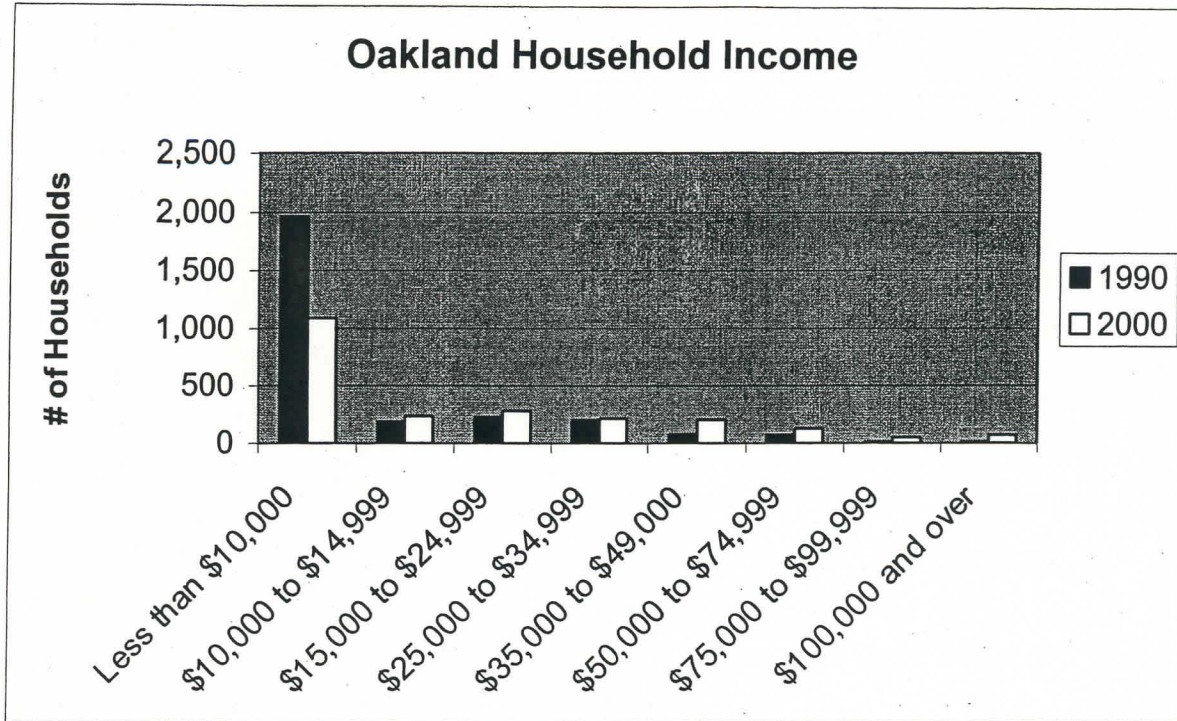


Chart 6.



Poverty Status of Families

Universe: Families

Source: 1990 Census Summary Tape File 4 (Table PB102)

Source: 2000 Census Summary File 3 (Table P90, PCT76B, PCT76D, PCT76H, PCT76I)

Chart 7.

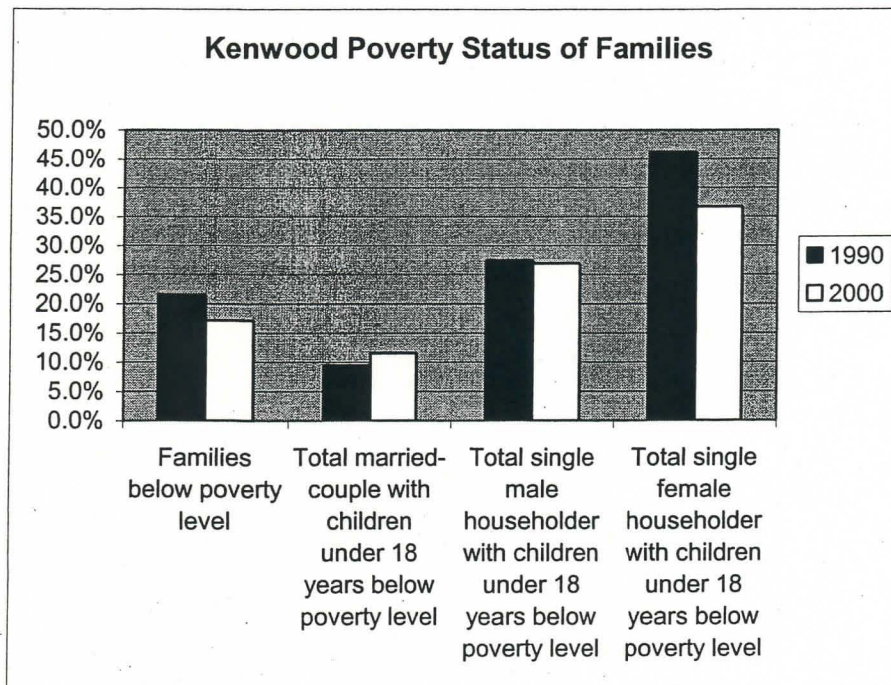
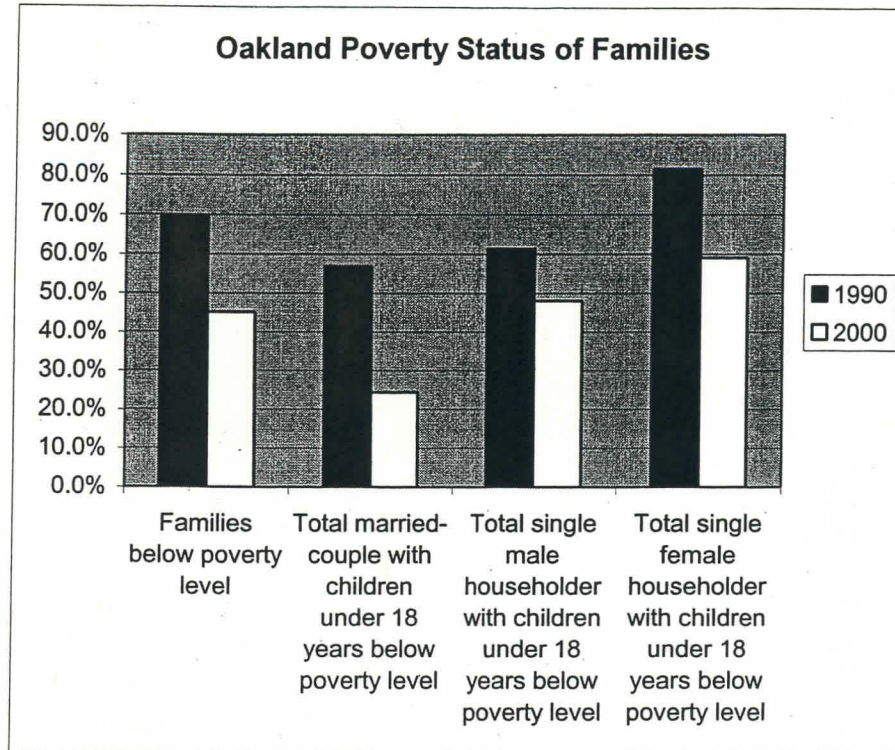


Chart 8.



Poverty Status of Individuals

Universe: Population for whom poverty status is determined

Source: 1990 Census Summary Tape File 4 (Table PB100)

Source: 2000 Census Summary File 3 (Table P887, PCT75B, PCT75D, PCT75H, PCT75I)

Chart 9.

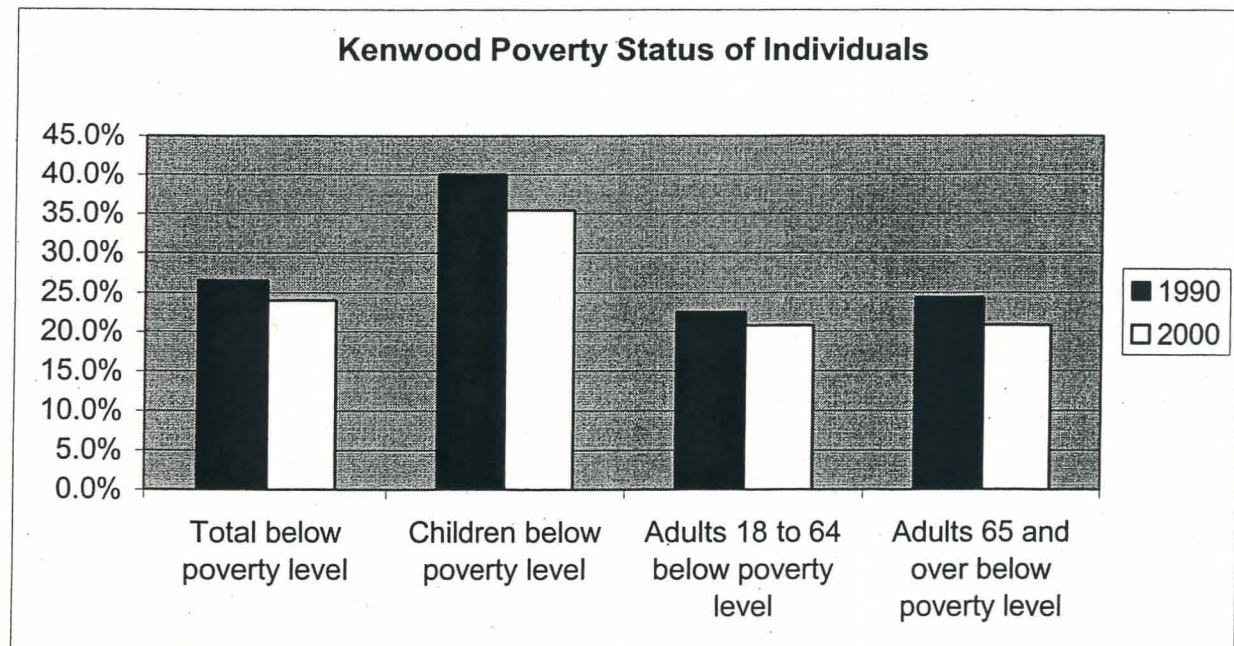
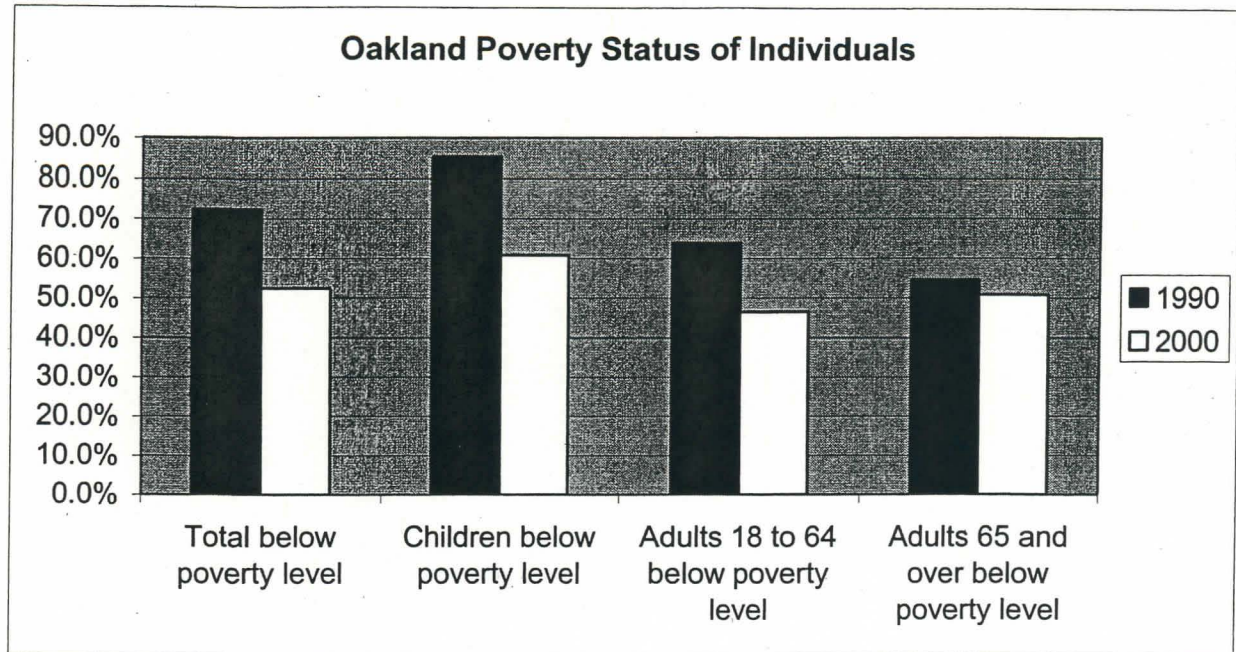


Chart 10.



CERTIFICATE OF SERVICE

I, ROBERT D. WHITFIELD, hereby certify that I caused a copy of the attached Notice of Filing, and a copy of the CENTRAL ADVISORY COUNCIL'S REPLY TO STATEMENT AND RESPONSES TO CENTRAL ADVISORY COUNCIL'S MOTION TO AMEND THE JUNE 3, 1996 REVITALIZING ORDER, in DOROTHY GAUTREAUX, ET AL. V. CHICAGO HOUSING AUTHORITY, ET AL., CASE NO. 66 C 1459, to be served on the parties listed below, and in the Notice of Motion, by United States Mail, proper postage affixed, or by Telex, on Tuesday, June 7, 2005, before 5:00pm.



Robert D. Whitfield

Alexander Polikoff
Julie Brown
Business and Prof. People
for the Public Interest
25 E. Washington Street
Chicago, Il 60603

Edward Feldman
Miller, Shakman
and Hamilton
180 North LaSalle
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Gail Nieman
General Counsel
Chicago Hsg Auth.
200 W. Adams
Suite 2100
Chicago, Il 60606

Thomas E. Johnson
Johnson, Jones, Snelling,
Gilbert and Davis
36 South Wabash Avenue
Suite 1310
Chicago, Il 60603

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

Bible
Alex
Julie
Adam
Case
Kelli
Hoy

RECEIVED

JUN - 7 2005

Case No. 66 C 1459-OBINS
CLERK, U.S. DISTRICT COURT

DOROTHY GAUTREAUX, et al.,)
)
Plaintiffs,)
)
v.)
)
CHICAGO HOUSING AUTHORITY, et al.,)
)
Defendants.)

Honorable Marvin E. Aspen

NOTICE OF MOTION

TO: Alexander Polikoff Edward Feldman Gail Nieman
Julie Brown Miller, Shakman General Counsel
Business and Prof. People and Hamilton Chicago Hsg Auth.
for the Public Interest 180 North LaSalle 200 W. Adams
25 E. Washington Street Suite 3600 Suite 2100
Chicago, IL 60603 Chicago, IL 60601 Chicago, IL 60606

Thomas E. Johnson
Johnson, Jones, Snelling,
Gilbert and Davis
36 South Wabash Avenue
Suite 1310
Chicago, IL 60603

PLEASE TAKE NOTICE that on THURSDAY, June 9, 2005, I will
appear before the Honorable Judge Marvin E. Aspen at 10:30a.m. or as
soon thereafter as can be heard, and present a Motion for leave to
File Central Advisory Council's (CAC) Reply Brief, Instanter, a copy
of which is attached, and hereby served upon you.

Dated this 7th day of June, 2005.

Respectfully Submitted
By: Robert D. Whitfield
Robert D. Whitfield

Robert D. Whitfield
10 South LaSalle Street
Suite 1301
Chicago, Illinois 60603
(312) 917-8888

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

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY, et al.,

Defendants.

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Case No. 166 C 1459

Honorable Marvin E. Aspen

RECEIVED

JUN - 7 2005

MICHAEL W DOBBINS
CLERK U.S. DISTRICT COURT

CENTRAL ADVISORY COUNCIL'S MOTION FOR LEAVE
TO FILE ITS REPLY TO STATEMENT AND RESPONSES
TO AMEND JUNE 3, 1996 REVITALIZING ORDER

NOW COMES the CENTRAL ADVISORY COUNCIL (CAC), by its attorney, ROBERT D. WHITFIELD, and files this Motion to File Its Reply to Statement and Responses to the CAC's Motion to Amend June 3, 1996 Order, Instanter, for the following reasons.

1. The Central Advisory Council is seeking leave to file its reply, instanter, one day after the time granted by the Court, due to Counsel's receipt of new medical evidence in a case set for administrative hearing on June 22, 2005; and the review and preparation of additional submissions.

2. The delay in filing was not due to neglect, and could not have been avoided with due dilligence.

WHEREFORE, the CAC respectfully requests the Court for leave to file its reply to the statement and responses to the CAC's Motion to Amend the June 3, 1996 Revitalizing Order, instantter, one day late, for the reasons set forth above.

Respectfully Submitted

By: Robert D. Whitfield
Robert D. Whitfield

Robert D. Whitfield
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Suite 1301
Chicago, Illinois 60603
(312) 917-8888