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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
-vs-	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY, et al.,	)	
	)	Hon. Marvin E. Aspen
Defendants .	)	

JOINT MOTION OF THE PLAINTIFFS AND THE CHA TO APPROVE THE RENOVATION OF THE HORNER "SUPERBLOCK"

The plaintiffs and the Chicago Housing Authority jointly move that this Court enter the attached Order, permitting CHA to renovate the Horner "superblock" by converting the 201 "very low income" and "low income" public housing units presently on the site to a mixed-income rental community, consisting of 73 public housing units, 69 affordable units, 58 market rate units and one unit for a management office, which would be integrated into the surrounding mixed-income community approved by prior orders of this Court. In support of this motion, the parties state as follows:

The History of Development at Horner

1. In 1995, CHA's Henry Horner public housing development consisted of 1779 dilapidated public housing units occupied by 933 families, virtually all of whom were "very low-income", meaning their income was less than 50% of the median Chicago area income.

2. The families living at the Horner development had sued the CHA and HUD in ***Henry Horner Mothers Guild, et al. v The Chicago Housing Authority, et al, 91 C 3316***, complaining about conditions at the development. The case was handled by Judge Zagel. The parties entered

into a consent decree in the ***Henry Horner Mothers Guild*** case in March of 1995, that was ultimately approved April 4, 1995 and then amended September 1, 1995. This Court, on March 9, 1995 entered an order approving four specific paragraphs of the Horner consent decree, designating "that portion of the City of Chicago that lies between Damen Avenue on the East, Western Avenue on the West, Lake Street on the North, and the Eisenhower Expressway on the South" as the Horner Revitalization Area ("HRA"), and authorizing the development of public housing units in the HRA. On August 14, 1995, the Court entered a further Order authorizing the development of 466 replacement public housing units in the HRA, provided certain conditions were met.[1] The August 14, 1995 order embodied agreements, to which the CHA, HUD, the Gautreaux plaintiffs and the Horner plaintiffs (who are, of course, all also members of the Gautreaux plaintiff class) are signatories. With the entry of these orders, CHA set about to undertake a complete redevelopment of the Horner development, on a scale never undertaken by any housing authority in America.

3. At the outset, the ***Henry Horner Mothers Guild*** decree and this Court's orders called for the demolition or rehabilitation of the existing buildings. They were to be replaced by new or rehabilitated units that would be divided between "very-low income" public housing units (for families earning 0-50% of the median income) and "low-income" public housing units (for families earning 50-80% of the median income), but all units would be public housing units.[2] In

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[1] This Court entered further orders on April 15, 1996 (expanding the geographic boundaries of the HRA) and on October 22, 1998 (further expanding the geographic boundaries of the HRA).

[2] The 2011 Chicago area median income, used by HUD and CHA, as well as the figures for 50% and 80% of median, are set forth on Exhibit A hereto. 50% of median for a family of four is $37,400 annually. 80% of median for a family of four is $59,850 annually.

addition, Housing Choice Vouchers (formerly called Section 8 certificates) that give a resident a subsidy equal to the public housing subsidy in a private apartment, and scattered-site public housing units both within and outside the Horner area (with the same subsidy structure) would be made available to public housing families that wanted them. Many doubted that CHA could complete a project of this scope; that the funding would be available for the plan; and that the necessary programmatic changes would be made to permit private management of the site, the introduction of income limits on certain units and the other changes necessary to make the Amended Consent Decree work. Importantly, while the plan included a mix of incomes within the limits allowed for public housing, due to HUD restrictions then in place, the Decree did not originally contemplate any market rate housing on the site.

4. The original vision for the project changed dramatically with the February 1, 2000 order modifying the ***Henry Horner Mothers Guild*** decree and this Court's December 12, 2002 order establishing Phase II of the project, in which the parties undertook to complete the development as a true mixed-income community, with both rental and for sale market, affordable and public housing units.

5. The project has been a triumph, on account of the hard work of not only the CHA, but the ***Henry Horner Mothers Guild*** plaintiffs, the ***Gautreaux*** plaintiffs, HUD, Brinshore-Michaels (the private developer of the Phase II property), CHA's former Receiver (The Habitat Co.), the private managers, elected officials, neighborhood groups and others. It has taken years, but Phase I was completed and Phase II is nearly complete. Specifically:

> **Phase I** involved the construction of 461 new units and the rehabilitation of 91 units in and around Horner. All of these units are public housing units, with one-half devoted to "very low-income" public housing families and one-half

devoted to "low-income" public housing families. In addition, during Phase I at least 225 of the original Horner families opted to take Section 8 certificates (now called Housing Choice Vouchers) in order to live in private apartments (either near or far from Horner) or to move to one of CHA's more than 3,000 scattered site units outside the Horner area.

Phase II involved mixed income units. As of this date, 237 of the 271 public housing units have been built and occupied, 93 of the 121 affordable rental units and 78 of the 88 market rental units have been finished and rented. The balance of these rental units will be built in the final subphases of Horner construction which the developer is now trying to close. In terms of for sale units, 19 of the planned 44 affordable units have been sold and 139 of the planned 271 market units have been sold. Thus, with only two subphases of development left in Phase II, 547 of the 782 total units have been finished and are occupied. The principal delay relates to the nationwide struggle of the for sale housing industry caused by the recent recession. See Exh. B, p. 4 hereto (Habitat's report to this Court on Horner Phase II).[3]

6. Far more than apartments have been built. In place of the looming, prison-like and dangerous high-rises set apart from the rest of the community, a new community has been built. Two and three-flats, with some condo buildings, sit on streets, with a landscape that looks like any other Chicago neighborhood, except it is newer. New playgrounds and a community center have been built. Schools have been refurbished. Off the old Horner site, but in the Horner area, CHA's infill housing has sparked a housing boom, so once empty west side blocks are now filled with new and rehabilitated housing. Madison Street now has new commercial development, including retail stores, a bank, and restaurants. Families of different income levels now live side by side. Both job readiness and family support programs have been at work with the public housing families for years.

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[3] Exhibit B indicates that only 258 units of public housing will be built in Phase II at Horner, but this is the number of units to be built back on site in Phase II at Horner. The balance of the 271 units are included in subphase 2D and will be offsite.

The Significance of Introducing Market Housing at the Site to Make it a True Mixed-Income Community

7. The difference between Phase I and Phase II is, however, stark. When the Horner project began, no one dreamed that market rate families would rent and buy next to public housing in the Horner neighborhood. Horner was the troubled place that Alex Kotlowitz painted in his best-seller There Are No Children Here. It was a place of gangs, drugs and violence. On February 1, 2000, however, the parties entered an agreed order that dramatically modified the original Horner Amended Consent Decree. They determined to embark on a much broader and ambitious plan in Phase II. Unlike Phase I, Phase II (which would complete the redevelopment) involved a private developer and the introduction of market rate units for sale and for rent. Market rate units were to make up 45 % of the 795 units to be built. 21 % of the units would be "affordable units" primarily for working families making below 60% of median. 34 % of the units would be for public housing families. Driven by Brinshore-Michaels, the developer, this new mixed-income community was christened with the name Villages of West Haven. As noted above, the introduction of true mixed-income development, with a substantial market component, has been a success. Indeed, the success of the mixed-income model at Horner mirrored the results CHA has seen (as part of its Plan for Transformation) at its eight other mixed-income sites around the city, where market rate units have proved viable as well.[4]

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[4] These other sites are at the old Cabrini, ABLA, Lakefront, Madden Park-Ida B. Wells, Robert Taylor, Rockwell Gardens, Stateway Gardens, and Ogden North projects. A complete report on all of the mixed income sites is provided quarterly to this Court. It is prepared by The Habitat Company, who formerly served as the CHA's Receiver for new development and since this Court's order of May 20, 2010 vacating the receivership, now serves as Gautreaux development manager. The most recent report, showing among other things, the mix of market, affordable and public housing at the various sites, is attached hereto as Exhibit B.

8. The mixed-income units brought a whole new dimension to the community, in terms of economic, social and racial integration. More importantly, we now know that mixed-income communities produce far better social and economic outcomes for public housing families as well as for the neighborhoods in which they live. See, e.g. Boston, "A Cost-Benefit Analysis of Mixed-Income Revitalization", Atlanta, Ga., Georgia Institute of Technology, School of Economics (2007), http://www.econ.gatech.edu/people/faculty/Boston.htm (finding that the mixed-income redevelopment of Atlanta's 650 unit East Lake Meadows project provided a $57 million net gain in social welfare, after conservatively monetizing the net benefit of lower crime, the added value of higher employment, and the added value of improvements in the quality of living----public housing families in mixed-income developments were followed for a seven to ten year period after 1995); Boston, "Environment Matters: The Effect of Mixed-Income Revitalization on the Socio-Economic Status of Public Housing Residents: A Case Study of Atlanta", Atlanta, Ga., Georgia Institute of Technology, School of Economics (2005), http://www.econ.gatech.edu/people/faculty/Boston.htm (finding, among many other things, that when a quality of life index was constructed measuring important family and neighborhood characteristics, like employment, household income, welfare dependency, school attendance, etc., public housing families in traditional housing projects scored .34 but in mixed-income developments scored .55, and further finding that public housing families who moved to mixed-income communities were 2.1 times more likely to be employed in the long-run); Popkin, et al., "The CHA's Plan for Transformation: How Have Residents Fared?", Urban Institute (August, 2010) ("the findings from the 2009 eight-year follow-up are truly stunning; there is no question that, regardless of where they live, CHA relocatees' quality of life has improved dramatically", at

p.5) (Exh. C hereto); and U.S. Dept. of Housing and Urban Development, "Choice Neighborhoods: History and Hope" http://www.huduser.org/portal/print/node/3050 (discussing HUD's Choice Neighborhoods Program which is aimed at expanding the HOPE VI strategy of encouraging private-public partnerships to create mixed-income housing in "strategic locations"; and the various studies that have demonstrated that mixed-income housing is effective in deconcentrating poverty and improving life for residents).[5]

The Landscape of Horner

9. Because the Horner development began with an all-public housing Phase I, the development, taken as a whole, is now oddly configured. The Phase I onsite development is located on what is called "the superblock", bounded by Lake Street on the north, Damen Avenue on the east, the alley north of Washington Street on the south, and Leavitt Street on the west. The

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[5] Many other studies have found that public housing families do better once they and their housing subsidy move from 100% public housing complexes. e.g. Rubinowitz and Rosenbaum, Crossing the Class and Color Lines: From Public Housing to White Suburbia,, Chicago: The University of Chicago Press (2000) (studying the outcomes of families in the ***Gautreaux*** suburban voucher program); Johnson, Ladd and Ludwig, "The Benefits and Costs of Residential Mobility Programmes for the Poor", Housing Studies 17(1): 125-38 (2001); Turbov, et al., "HOPE VI and Mixed-Finance Redevelopments: A Catalyst for Neighborhood Renewal", The Brookings Institution (September, 2005) (discussing four HOPE VI projects and showing that they had a dramatic effect in improving neighborhoods, including increasing median income and reducing unemployment); and Zielenbach and Voith, "HOPE VI and Neighborhood Economic Development: The Importance of Local Market Dynamics" Cityscape: A Journal of Policy Development and Research, Vol. 12, No. 1 (2010) (also discussing the positive effect HOPE VI developments have had on economic conditions in their surrounding neighborhoods). Research on the mixed-income experience in Chicago is underway. In addition to the article by Dr. Popkin cited in the text, a number of papers were recently collected by the MacArthur Foundation in "The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?", Vale and Graves, Dept. of Urban Studies and Planning, Massachusetts Institute of Technology (June 8, 2010). Interestingly, Dr. Boston of Georgia Tech, in a preliminary draft report has found that public housing residents in Chicago mixed-income developments have increased employment and income, lower anxiety, better health and felt safer.

"superblock" consists only of public housing units. The Phase II mixed-income development extends to the east and west of the "superblock" and the CHA infill housing to the south of the "superblock". The infill housing is built on various lots in the neighborhood so it is also mixed in income. In effect, we now have an island of public housing in the midst of an otherwise mixed-income community, which is inconsistent with the economically integrated community envisioned. This is demonstrated by the maps which are attached hereto as Exhibit D, showing the location of the "superblock".

10. The isolation of the "superblock" is further exacerbated by the fact that the originally intended 50/50 split between "very low income" public housing families (at 0-50% of median) and "low income" public housing families (at 50-80% of median) has not been preserved. Even prior to the recent recession, many of those families who entered Horner as 50-80% families have lost their jobs or suffered a cut back in their hours and have fallen into the 0-50% group. Obviously, CHA does not evict families when this occurs. In 2002, CHA and the ***Henry Horner Mothers Guild*** plaintiffs, joined by the ***Gautreaux*** plaintiffs, agreed that because of this imbalance, no further units in the Phase I "superblock" would be leased to 0-50% "very low income" families. Despite this action, presently there are 136 "very low income" 0-50% families living on "the superblock" and only 21 "low income" 50-80% families. On the plus side, 26 families now make more than 80% of the median income and live on the "superblock" though they are no longer eligible for public housing. (The balance of the units are vacant.) As such, those living on the island that is the "superblock" are disproportionately poor.

11. The "superblock" is isolated in another way as well. The first units built at Horner were the "superblock" units. Some were completed in 1996. The final units came on line in

April, 1999. As a result, some of these units are fifteen years old and, as a group, they have experienced more wear and tear than any other units at Horner. Thus, the "superblock" is in worse condition than the balance of the Horner development.

The CHA's Proposal for the "Superblock"

12. **Economic Integration.** In order to eliminate the island of public housing on the "superblock" that now exists in the center of the Horner development, the CHA proposes to have Brinshore-Michaels, the private developer who has built Horner Phase II, revitalize each of the 201 units on the superblock and convert these units to 58 market rental units, 69 affordable rental units for working families (making up to 60% of the area median income), and 73 public housing units. The bedroom-size distribution of these units is set forth on Exhibit E hereto. One unit, as now, will remain a management office.

13. **Revitalization of "Superblock" Units.** The revitalization of these units will be substantial and will be the same in scope and quality for public housing and affordable units, as well as market units. The units will be far better than what currently exists on the site, and will bring into high-quality condition those units which have deteriorated since construction in 1996. Kitchens and baths will be rehabbed and upgraded and dishwashers, water to the refrigerator and washer/dryers will be provided (where possible). New high efficiency HVAC systems will be installed and new energy efficient windows, doors and storm doors will replace existing windows and doors. New interior flooring materials will be used. Due to an identified need, some public housing units will be reconfigured to provide for larger units for public housing families. Porches and stairs will be rebuilt and new roofs will be installed. The total cost of this revitalization project is projected to be $25,425,872. Funding will come from non-competitive Illinois Housing

Development Authority bonds and 4% low income housing tax credits, as well as low-income tax credits that will be syndicated, donation tax credits, a Federal Home Loan Bank Affordable Housing grant, and a CHA capital loan. A statement of the sources and uses of funds is Exhibit E hereto. A closing can occur with construction to begin immediately nine months after this Court approves the plan. CHA's developer expects the first revitalized units to come on line 12 months after closing and completion of construction within 16 months of the closing, with full occupancy eighteen months after closing.

14. **Replacement of Public Housing Units on the "Superblock".** One of the 201 units on the "superblock" has always been used as a management office, with the consent of the plaintiffs in the ***Henry Horner Mothers Guild*** case. The ***Henry Horner Mothers Guild*** consent decree and this Court's prior orders required the remaining 200 units to be split evenly between "very low income" (0-50%) families and "low income" (50-80%) families. These 200 public housing units are part of the 25,000 new or rehabilitated public housing units CHA is completing under its citywide Plan for Transformation.[6] Under the CHA renovation proposal, 73 newly revitalized public housing units will remain on the "superblock". In addition, CHA's developer, Brinshore-Michaels, will purchase 50 units from the private market in the neighborhood surrounding Horner (specifically defined as Halsted Street on the east, the Eisenhower expressway on the south, Chicago Avenue on the north, and California Avenue (north of Madison) and the viaduct between Rockwell and Washtenaw (south of Madison) on the west).

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[6] As of the beginning of its 2011 fiscal year, CHA had completed 17,979 of the 25,000 units called for in the Plan for Transformation, which is 71.9% of the total. By the end of fiscal 2011, CHA expects to have completed 21,310 units. Amended FY 2011 Moving to Work Annual Report, published by CHA.

Within this area, new units will only be acquired in the existing Horner Revitalizing Areas or in ***Gautreaux*** General Areas, as defined by the 2010 census, unless authorized by further order of this Court. In addition, Brinshore-Michaels will purchase another 50 units from the private market outside the surrounding Horner neighborhood, in the areas near the Legends South development (by the former Robert Taylor Homes) and the Park Douglas development (by the former Ogden North project) where Brinshore is currently building units.[7] These 100 units will be public housing units. The developer will also build another 27 public housing units as part of a mixed-income development Brinshore-Michaels will undertake in the future. Thus, all 200 public housing units will be replaced, though only 123 will be in the Horner neighborhood. It is important to remember that, in addition to the public housing units, 69 newly revitalized affordable units will remain on the "superblock" for families making below 60% of area median income. As such, they are closely analogous to the 50-80% units presently on the "superblock", though they are not public housing units. Some of the 50-80% families currently living on the "superblock" may qualify for these units should they choose to stay on the "superblock". The net effect of the renovation proposal is to replace 200 public housing units at Horner with 269 units for poor and entry-level working families----with 192 of those units in the Horner neighborhood.

15. **Temporary Relocation.** The rehabilitation of the "superblock" will require all existing tenants to temporarily relocate, as rehabilitation can be done most quickly and efficiently without the existing tenants in residence. Residents will be entitled to a Housing Choice Voucher so that they can live, with their public housing subsidy, in a private apartment while

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[7] The parties understand that a new revitalizing order must be entered to permit the acquisition of these units, but they have agreed that such an order will be presented to the Court at a later date.

rehabilitation takes place or, in the alternative, depending on bedroom size, they may move to one of the 26 currently vacant units in other sections of Horner, one of the 100 new units Brinshore will be purchasing at or away from Horner, to recently renovated apartments at CHA's Dearborn Homes, Lawndale Gardens, Washington, Trumbull Park or Altgeld Gardens' developments or to a CHA scattered-site home. CHA will pay the cost of moving the residents, as well as all other costs incident to moving, such as utility connection fees, and will otherwise facilitate the residents' relocation. Relocation will not begin until Brinshore has lined up its financing.

16. **Permanent Relocation of Public Housing Families.** Currently, 183 of the 201 "superblock" units are occupied by families. 73 of these families are original Horner families who lived at the development when the ***Henry Horner Mothers Guild*** decree was entered in 1995. They are each listed on Exhibit D of that decree as part of the 933 Horner families who were the original, intended beneficiaries of the Horner redevelopment project. Those families will all be entitled to return to the new, refurbished "superblock". Some of these families are underhoused as their families have grown bigger and they need larger apartments. CHA hopes to accommodate more of these families in larger units. There are 84 other public housing families that live on the "superblock" but who did not live at Horner when the ***Henry Horner Mothers Guild*** decree was entered. They moved to Horner from other public housing developments as new units were built at Horner and those new units exceeded the number of existing Horner families, or they came into the development as 50-80% families. Of these 84, 21 are working families making 50-80% of the median income. To the extent that they can qualify for the newly revitalized affordable units, they can remain on site as well. The remaining families in this group

of 84 will be offered their choice of: 1) Housing Choice Vouchers, which provide them with the same subsidy they currently enjoy in private housing anywhere in the city; 2) one of the public housing units that Brinshore-Michaels is buying in or outside of the Horner area; 3) an apartment at CHA's Dearborn Homes, Lawndale Gardens, Washington Park, Trumbull Park or Altgeld Gardens developments (depending on bedroom size); or 4) a scattered site unit (depending on bedroom size).

17. **The Horner Families Whose Income Has Made Them Ineligible for Public Housing.** Twenty-six families on the "superblock" currently make more than 80% of the median income. They are not entitled to continue to live in public housing, which is meant for those of limited means. CHA has not yet taken steps to remove them from public housing, but will have to do so. Under this plan, these families can stay at Horner as tenants in the market rate rental units, albeit without their current subsidy----to which they are no longer entitled in any case (except for transitional support). If they would rather leave Horner, that of course, would remain their choice. This revitalization plan therefore solves another important problem for CHA, in a manner that can benefit these families.

Further Steps to Ensure A Viable Mixed-Income Community at Horner

18. Prior to presenting this Motion, the ***Gautreaux*** plaintiffs, the CHA, Brinshore-Michaels and the Habitat Co., as development manager, met for an extended period in order to identify concrete steps, in addition to the "superblock" proposal set forth above, that would work to ensure a continued, viable mixed-income community at the old Horner site. The parties recognized the particular challenges the current economic downturn and the collapse of the for-sale, market sector present for the Horner development. They further recognized that renovation

of housing alone cannot ensure the success of this ambitious effort. As such, these parties have concluded the terms of a Letter Agreement between the CHA, the ***Gautreaux*** plaintiffs and Brinshore-Michaels that is Exhibit F hereto. The agreement addresses property management at the site, social services, security, issues pertaining to the planned for-sale units, the future role of the Horner Working Group, economic development, and neighborhood schools. Recognizing that under paragraph 16 of the ***Henry Horner Mothers Guild*** decree, the CHA is required to consult with the Horner Residents Committee ("HRC") on some of the matters in the Letter Agreement, the Agreement expresses the parties' intent to invite the HRC's consultant to join in the discussions required by the Agreement. The Letter Agreement also expressly provides that nothing therein modifies or limits the CHA's duty of consultation under paragraph 16 of the ***Henry Horner Mothers Guild*** decree. As such, this letter agreement poses no conflict with paragraph 16 of the decree, but is an important component to the success of the entire Horner mixed-income community. The Horner Residents Committee ("HRC") has not agreed with the provisions in the letter agreement or to participate in the meetings contemplated, as it opposes the "superblock" renovation plan. If the Court grants this motion, the remaining parties are hopeful that the HRC will join in the discussions mandated by the Letter Agreement.

Conclusion

19. The parties agree that CHA's plan for the renovation of the Horner "superblock", together with the agreements set forth in the Letter Agreement that is attached as Exhibit F hereto, will provide important relief to the ***Gautreaux*** class by enhancing housing opportunities which are likely to lead to increased economic and hopefully racial integration of public housing at the Horner site. As such, the parties urge the Court to enter the attached Order.

20. The CHA's plan for the renovation of the Horner "superblock" has been discussed with and is fully supported by the ***Gautreaux*** plaintiffs, the Habitat Co. (which serves as development manager), Brinshore-Michaels (the Horner developer), and the City of Chicago. HUD does not object to the motion. Only the ***Henry Horner Mothers Guild*** plaintiffs object. As such, a substantially similar motion to this one has been presented to Judge Zagel in the ***Henry Horner Mothers Guild*** case.

____
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THE HABITAT COMPANY

MEMORANDUM

TO: **Senior U.S. District Judge Marvin E. Aspen**

FROM: **The Habitat Company LLC**

DATE: **October 20, 2011**

SUBJECT: **CHA SCATTERED SITE AND REPLACEMENT HOUSING PROGRAMS**
Quarterly Report: Third Quarter, 2011

We are pleased to submit the Quarterly Report for the Third Quarter of 2011 for the Chicago Housing Authority ("CHA") Scattered Site and Replacement Housing Programs.

Summary of Units and Financial Status

As of September 30, 2011, we had completed and transferred a total of 4,205 public housing units to CHA (see Table 1a of the Appendix). 71 public housing units have been completed and transferred through the first three quarters of 2011. 151 public housing units were under construction, and 2,108 public housing units were in planning phases (see Table 1b of the Appendix).

Regarding the Property Investment Initiative, under which we work with CHA to acquire and, if necessary, rehabilitate foreclosed and vacant property to add to CHA's portfolio, we have acquired 16 properties containing 22 units, and we have transferred 11 units to CHA. Another 5 properties with 6 units are under contract.

At its September 2011 meeting, the CHA Board of Commissioners approved the Lathrop Homes master development agreement with Lathrop Community Partners ("LCP"). LCP is a development consortium comprised of Related Midwest, Magellan Development Group, Bickerdike Development Corporation, and Heartland Housing Group. LCP was selected as the result of a Request for Qualifications process that called for mixed income housing to be built at the site on Chicago's North Side. CHA Board approval represents an important milestone that allows LCP to commence an intensive neighborhood planning process that will determine the redevelopment parameters for the new community.

All of the scattered site and demonstration programs have been final audited. A total of $187,150,613 has been budgeted and expended (see Tables 3a and 3b of the Appendix). In the replacement housing programs, a total of $608,658,069 has been budgeted and $365,109,715 has been expended (see Table 3c of the Appendix).

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FY 2011 Income Limits Documentation System

FY 2011 Income Limits Summary

Chicago-Joliet-Naperville, IL HUD Metro FMR Area										
FY 2011 Income Limit Area	**Median Income**	**FY 2011 Income Limit Category**	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
Chicago-Joliet-Naperville, IL HUD Metro FMR Area	$74,800	**Very Low (50%) Income Limits**	$26,200	$29,950	$33,700	***$37,400***	$40,400	$43,400	$46,400	$49,400
		Extremely Low (30%) Income Limits	$15,750	$18,000	$20,250	***$22,450***	$24,250	$26,050	$27,850	$29,650
		Low (80%) Income Limits	$41,900	$47,900	$53,900	***$59,850***	$64,650	$69,450	$74,250	$79,050

The **Chicago-Joliet-Naperville, IL HUD Metro FMR Area** contains the following areas: Cook County, IL ; DuPage County, IL ; Kane County, IL ; Lake County, IL ; McHenry County, IL ; and Will County, IL .

For details on the calculation steps for each of the various parameters, please click the "Median Income" column heading or the Income Limits row labels ("Very Low-Income (50%) Limits", "Extremely Low-Income (30%) Limits", and "Low-Income (80%) Limits").

Income Limit areas are based on FY 2011 Fair Market Rent (FMR) areas. For a detailed account of how this area is derived please see our associated FY 2011 Fair Market Rent documentation system.

Other HUD Metro FMR Areas in the Same MSA

Select another FY 2011 HMFA Income Limit area that is a part of the **Chicago-Joliet-Naperville, IL-IN-WI MSA**

DeKalb County, IL HUD Metro FMR Area

Select HMFA Income Limits Area

Data file last updated Thu., Jul 14, 2011.

Press below to select a different state

Select a new state

or

ABLA Replacement Housing ("Roosevelt Square")

Developer Related Midwest

[redacted]

Phase 1	Completed	125	56	0	181	74	159	233	414
Phase 2	Completed	120	55	2	177	0	0	0	177
Phase 2A	Planning Phase	30	0	90	120	0	0	0	120
Phase 2 For Sale	Planning Phase	0	0	0	0	57	136	193	193
Remaining Phases	Planning Phase	480	186	0	666	243	630	873	1,539

[redacted]

Phase 2a Related Midwest continues to work with the City and the Alderman to gain zoning and financing approval for Phase 2a and for the TIF extension. Construction continues on the new Precinct No. 12 police station on Blue Island Avenue between 13th and 15th Streets. It is scheduled to be completed in Spring 2012.

Cabrini Replacement Housing

Developer Holsten Development Company

[redacted]

Completed Projects	**Completed**	**288**	**51**	**67**	**406**	**43**	**1,178**	**1,221**	**1,627**
Parkside 1 Rental	**Completed**	**35**	**48**	**28**	**111**	**0**	**0**	**0**	**111**
Parkside 1 Condo	**Completed**	**72**	**0**	**0**	**72**	**14**	**193**	**207**	**279**
Parkside 2A Rental	**Under Construction**	**39**	**53**	**20**	**112**	**0**	**0**	**0**	**112**
Parkside 2B Rental	**Planning Phase**	**33**	**26**	**32**	**91**	**0**	**0**	**0**	**91**
Remaining Parkside	**Planning Phase**	**36**	**5**	**18**	**59**	**15**	**66**	**81**	**140**
Sites Undetermined	**Planning Phase**	**197**	**0**	**0**	**197**	**628**	**0**	**628**	**825**

[redacted]

Parkside Of Old Town

Phase 2A Rental -- Holsten closed on the financing for Phase 2A Rental on June 30, 2010. The first units are scheduled to be completed in November 2011.

Phase 2B Rental -- Holsten submitted an application for low income housing tax credits to the City of Chicago Department of Housing and Economic Development in June 2011. The Department is expected to announce in October 2011 which projects will be awarded tax credits.

Clybourn and Division

The City of Chicago issued a Request For Proposals for the Clybourn and Division site. The site is less than one acre, and 30% of the units will be public housing. Two responses were received. A decision has not yet been announced because the City is in negotiations with the selected developer.

Horner Replacement Housing ("Westhaven Park")

Developer Brinshore Development LLC and Michaels Development Company ("Brinshore-Michaels")

[redacted]

Westhaven Park 2a1	Completed	87	31	37	155	0	0	0	155
Westhaven Park 2a2	Completed	34	0	0	34	19	120	139	173
Westhaven Park 2b	Completed	70	30	27	127	0	0	0	127
Westhaven Park 2c	Completed	46	32	14	92	0	0	0	92
Westhaven Park 2d	Planning Phase	21	28	10	59	0	0	0	59
Westhaven Park 2 For Sale	Planning Phase	0	0	0	0	25	151	176	176

[redacted]

Phase 2d Rental Planning is ongoing for Phase 2d. Brinshore-Michaels submitted an application for low income housing tax credits to the City of Chicago Department of Housing and Economic Development in June 2011. The Department is expected to announce in October 2011 which projects will be awarded tax credits.

Lakefront Properties Replacement Housing

Developer Draper and Kramer (Phase 1) and The Davis Group (Phase 2)

[redacted]									
Completed Projects	Completed	126	0	0	126	14	80	94	220
Jazz on the Boulevard	Completed	30	9	0	39	34	64	98	137
Keystone Place	Completed	38	24	7	69	0	0	0	69
Lake Park Crescent 1	Completed	60	52	36	148	0	0	0	148
Lake Park Crescent 1A	Completed	13	0	0	13	20	35	55	68
Lake Park Crescent 2A	Planning Phase	47	51	34	132	8	43	51	183
Lake Park Crescent 2B	Planning Phase	0	0	0	0	23	63	86	86
[redacted]									

Lake Park Crescent Phase 2A -- The developer is The Davis Group. The closing on the financing for Phase 2A is now expected to occur in early 2012.

Madden Park - Ida B. Wells Replacement Housing ("Oakwood Shores")

Developers The Community Builders ("TCB"), Granite Development Company, Ujima, Inc., and MB Real Estate Company (for sale only)

Phase 1A	Completed	63	52	48	163	0	0	0	163
Phase 1B	Completed	63	52	47	162	0	0	0	162
Phase 1 For Sale	Completed	0	0	0	0	18	42	60	60
Phase 1 For Sale	Planning Phase	0	0	0	0	9	55	64	64
Phase 2A	Completed	81	61	57	199	0	0	0	199
Phase 2B	Completed	29	26	20	75	0	0	0	75
Phase 2C	Planning Phase	19	17	12	48	0	0	0	48
Phase 2D	Planning Phase	22	22	22	66	0	0	0	66
Phase 2 For Sale	Planning Phase	0	0	0	0	78	181	259	259

Phase 2C Phase 2C will be a mixed use building. Health-related entities will occupy the commercial space. The City of Chicago Department of Housing and Economic Development allocated low income housing tax credits to the residential portion. The commercial space has received leasing commitments and the financing is being finalized. It is possible that the closing on the financing for Phase 2C could occur in the 4th Quarter of 2011.

Phase 2D The developers were awarded low income housing tax credits by the Illinois Housing Development Authority on June 30, 2011. They anticipate closing on the financing in the 2nd or 3rd Quarter of 2012.

Robert Taylor Replacement Housing ("Legends South")

Developer Brinshore Development LLC and Michaels Development Company ("Brinshore-Michaels")

[redacted]									
Hearts United	Completed	56	104	63	223	0	0	0	223
Phase C1 Rental	Completed	54	44	12	110	0	0	0	110
Phase C2 Rental	Completed	52	43	22	117	0	0	0	117
Phase A1 Rental	Completed	83	68	30	181	0	0	0	181
Phase A2 Rental	Completed	60	50	28	138	0	0	0	138
Phase C3 Rental	Planning Phase	29	23	15	67	0	0	0	67
For Sale	Planning Phase	0	0	0	0	12	71	83	83
[redacted]									

Phase A2 Rental The closing on the financing for Phase A2 Rental occurred on July 30, 2009. The first units were completed in August 2010, and the final units were completed in January 2011.

Phase C3 Phase C3 is an off-site phase. Brinshore-Michaels submitted an application for low income housing tax credits to the City of Chicago Department of Housing and Economic Development in June 2011. The Department is expected to announce in October 2011 which projects will be awarded tax credits.

Rockwell Gardens Replacement Housing ("West End")

Developers East Lake Management & Development Corp. ("East Lake")
Brinshore Development LLC and Michaels Development Company ("Brinshore-Michaels")

One S. Leavitt	Completed	2	0	0	2	0	32	32	34
Archer Courts	Completed	4	0	0	4	0	39	39	43
Phase 1A	Completed	14	18	10	42	0	0	0	42
Phase 1B	Completed	57	35	0	92	0	31	31	123
Phase 2	Completed	50	24	11	85	0	0	0	85
Phase 2	Under Construction	15	9	3	27	0	0	0	27
Remaining Phases	Planning Phase	118	104	26	248	60	169	229	477
Maplewood Courts	Planning Phase	25	30	21	76	0	0	0	76

Phase 2 The developer is East Lake. East Lake closed on the financing for Phase 2 Rental on August 26, 2010. The first units were completed in March 2011 and the final units are scheduled to be completed in October 2011. Phase 2 has several green design features, including a geothermal heating and cooling system.

Maplewood Courts The developers are Brinshore-Michaels. The project is part of the Rockwell redevelopment area, adjacent to West End Phase 2. It will consist of only one phase. Brinshore-Michaels submitted an application for low income housing tax credits to the City of Chicago Department of Housing and Economic Development in June 2011. The Department is expected to announce in October 2011 which projects will be awarded tax credits.

Stateway Gardens Replacement Housing ("Park Boulevard")

Developer Stateway Associates -- a partnership of JLM Investment, Walsh Development Company, The Davis Group, and Mesa Development

[redacted]

The Pershing	Completed	27	53	0	80	0	0	0	80
Phase 1B	Completed	54	0	0	54	27	78	105	159
Phase 2A	Under Construction	46	53	29	128	0	0	0	128
Phase 2B	Planning Phase	37	38	38	113	0	0	0	113
Phase 2C	Planning Phase	58	86	18	162	0	0	0	162
Phase 2D	Planning Phase	0	0	0	0	20	79	99	99
Remaining Phases	Planning Phase	217	121	5	343	92	140	232	575

[redacted]

Phase 2A The developers closed on the financing for Phase 2A on June 30, 2011. Construction began immediately. The first units are scheduled to be completed in April 2012.

Phase 2B Planning continues for Phase 2B. An application for low income housing tax credits was submitted to the City of Chicago Department of Housing and Economic Development in June 2011. The Department is expected to announce in October 2011 which projects will be awarded tax credits. The developers are working to close Phase 2B in 2012, which would enable CHA to meet the HOPE VI grant expenditure deadline.

<u>**Ogden North Replacement Housing ("Park Douglas")**</u>

Developer Brinshore Development LLC and Michaels Development Company ("Brinshore-Michaels")

[redacted]

Phase 1	Completed	9	6	4	19	0	0	0	19
Phase 1	Under Construction	51	43	24	118	0	0	0	118
Phase 2	Planning Phase	20	0	0	20	10	42	52	72
Phase 3	Planning Phase	20	0	0	20	10	40	50	70

[redacted]

Phase 1 The project consists of 300 total units, including 100 CHA units. It is located in the North Lawndale community, and is being constructed on land owned by CHA, the City of Chicago, Mt. Sinai Hospital, and Brinshore-Michaels.

Brinshore-Michaels closed on the financing for Phase 1 on September 8, 2010. The first units were completed in September 2011, and the final units are scheduled to be completed in January 2012.

cc: **Counsel of Record in Gautreaux**
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Kari Saba
Dominique Blom
Donna Keck
Abbey Ogunbola
Courtney Minor
Jan Elson
Steven Meiss
Elmore Richardson
Eleny Ladias

Appendix

TABLE 1a
Summary of Units Completed & Transferred
and Units In Development
as of September 30, 2011

Units Completed & Transferred

[redacted]															
1989	7														7
1990	127														127
1991	107														107
1992	214														214
1993	340														340
1994	147														147
1995	203														203
1996	308	15				4		4							331
1997	97	65				131		41							334
1998	20	100	4		16	150		23							313
1999	11	31	10		0	114		14							180
2000	21	0	4		2	62		12		29					130
2001		Completed	Completed		27	Completed		12		4					43
2002					84			0		23					107
2003					57		8	15		0					80
2004					20		79	62	11	0		16			188
2005				117	66		0	16	52	54		4	27		336
2006				8	4		34	15	63	0		32	0		156
2007				0	22		12	40	0	0	83	25	22		204
2008				120	35		58	13	31	33	0	0	24		314
2009				0	62		11	0	50	19	0	0	8		150
2010	6			0	0		35	0	29	0	53	0	0		123
2011	5										7	50		9	71
[redacted]															

TOTAL UNITS COMPLETED & TRANSFERRED		**4,205**

<u>**TABLE 1b**</u>

Summary of Units Completed & Transferred
and Units In Development
as of September 30, 2011

Units Under Construction

[redacted]											
As of Sept 30, 2011	0	39	0	0	0	0	0	15	46	51	151

Units in Other Development Phases

[redacted]											
Planning Phase	893	266	21	174	41	89	154	118	312	40	2,108

TOTAL UNITS IN DEVELOPMENT		**2,259**

GRAND TOTAL ALL UNITS		**6,464**

TABLE 2a

Program Activity and Status

as of September 30, 2011

Scattered Site, Demonstration, Lawndale — 1,831 CHA Units			
Program No.	**AREA**	**# of Units**	**Status**
115-143,147-160,161,175,176	Scattered Site	1,602	Completed/Transferred
145,146,162,164,166-173	Demonstration	211	Completed/Transferred
IL06-P802-178	Lawndale	18	Completed/Transferred
		1,831	**TOTAL UNITS**

ABLA ("Roosevelt Square") — 1,138 Total CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I596	Phase 1	125	Completed/Transferred
IL06-URD-002-I298	Phase 2	120	Completed/Transferred
	Phase 2A	30	Planning Phase
	Phase 3	140	Planning Phase
	Phase 4	110	Planning Phase
	Phase 5	120	Planning Phase
	Phase 6	110	Planning Phase
	Off Site	383	Planning Phase
	TOTALS	**245**	**Completed/Transferred**
		0	**Under Construction**
		893	**Planning Phase**
		1,138	**TOTAL UNITS**

Cabrini — 700 CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I294	Domain Lofts	16	Completed/Transferred
IL06-P002-182	Mohawk North	16	Completed/Transferred
IL06-P002-182	Mohawk Partners	5	Completed/Transferred
IL06-P002-192	North Town Village	79	Completed/Transferred
IL06-P002-182	Old Town Square	16	Completed/Transferred
IL06-URD-002-I294	Old Town Village East	28	Completed/Transferred
IL06-URD-002-I294	Old Town Village West	38	Completed/Transferred
IL06-URD-002-I294	Orchard Park	13	Completed/Transferred
IL06-P002-182	Renaissance North	18	Completed/Transferred
IL06-URD-002-I294	River Village North	25	Completed/Transferred
IL06-URD-002-I294	River Village South	18	Completed/Transferred
IL06-URD-002-I294	River Village Pointe	12	Completed/Transferred
IL06-URD-002-I294	The Larrabee	4	Completed/Transferred
IL06-URD-002-I294	Parkside of Old Town Rental	35	Completed/Transferred
IL06-URD-002-I294	Parkside of Old Town Condo	72	Completed/Transferred
IL06-URD-002-I294	Parkside of Old Town 2A	39	Under Construction
IL06-URD-002-I294	Remaining Parkside	87	Planning Phase
	Sites To Be Determined	179	Planning Phase
	TOTALS	**395**	**Completed/Transferred**
		39	**Under Construction**
		266	**Planning Phase**
		700	**TOTAL UNITS**

TABLE 2b

Program Activity and Status
as of September 30, 2011

Horner I — 461 CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-P802-188	Scattered	30	Completed/Transferred
	East of Western		
IL06-P802-191	Scattered	51	Completed/Transferred
	East of Western		
IL06-P802-195	Scattered	45	Completed/Transferred
	East of Western		
IL06-P802-196	Scattered	33	Completed/Transferred
	East & West of Western		
IL06-P802-197	West of Western	45	Completed/Transferred
IL06-P802-198	Superblock B1	56	Completed/Transferred
IL06-P802-199	Superblock B2	39	Completed/Transferred
IL06-P802-200	Superblock A	30	Completed/Transferred
IL06-P802-201	West of Western	52	Completed/Transferred
IL06-P802-202	Superblock A	43	Completed/Transferred
IL06-P802-203	Superblock B3	32	Completed/Transferred
IL06-P802-204	Rehabilitation	5	Completed/Transferred
	TOTALS	**461**	**Completed/Transferred**
		461	**TOTAL UNITS**

Horner 2 ("Westhaven Park") — 258 CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-P802-696	Westhaven Park Phase 2a1	87	Completed/Transferred
IL06-P802-228	Westhaven Park Phase 2a2	34	Completed/Transferred
IL06-P802-229	Westhaven Park Phase 2b	70	Completed/Transferred
	Westhaven Park Phase 2c	46	Completed/Transferred
	Westhaven Park Phase 2d	21	Planning Phase
	TOTALS	**237**	**Completed/Transferred**
		0	**Under Construction**
		21	**Planning Phase**
		258	**TOTAL UNITS**

TABLE 2c

Program Activity and Status
as of September 30, 2011

[redacted]

IL06-P002-180	North Kenwood/Oakland		
	Scattered	2	Completed/Transferred
	Hutchinson's Row	20	Completed/Transferred
		22	SUBTOTAL
IL06-P002-184	North Kenwood/Oakland	33	Completed/Transferred
	Scattered	33	SUBTOTAL
IL06-P002-206	North Kenwood/Oakland	21	Completed/Transferred
	Scattered	21	SUBTOTAL
IL06-P002-208	North Kenwood/Oakland	12	Completed/Transferred
	Scattered (Shakespeare)	12	SUBTOTAL
IL06-P002-194	West Ridge/Rogers Park	38	Completed/Transferred
	Scattered	38	SUBTOTAL
IL06-P802-193	North Kenwood/Oakland	60	Completed/Transferred
IL06-P802-235	Lake Park Crescent	13	Completed/Transferred
IL06-P802-237		47	Planning Phase
		120	SUBTOTAL
IL06-P002-211	North Kenwood/Oakland	30	Completed/Transferred
	Jazz on the Boulevard	30	SUBTOTAL
IL06-P002-207	Keystone Place	38	Completed/Transferred
	(Woodlawn)	38	SUBTOTAL
IL06-P002-209	North Kenwood/Oakland	3	Planning Phase
	Scattered	3	SUBTOTAL
	Outside N. Kenwood/Oakland	124	Planning Phase
	Scattered	124	SUBTOTAL

[redacted]

TABLE 2d

Program Activity and Status
as of September 30, 2011

Madden Park / Ida B. Wells ("Oakwood Shores") — 273 HOPE VI CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I200	Phase 1A	63	Completed/Transferred
	Phase 1B	63	Completed/Transferred
	Phase 2A	81	Completed/Transferred
	Phase 2B	29	Completed/Transferred
	Phase 2C	19	Planning Phase
	Phase 2D	22	Planning Phase
	TOTALS	**236**	**Completed/Transferred**
		0	**Under Construction**
		41	**Planning Phase**
		277	**TOTAL UNITS**

Robert Taylor ("Legends South") 1996 HOPE VI Grant – 251 Total CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I496	Hearts United 1	29	Completed/Transferred
	Hearts United 2	27	Completed/Transferred
	Phase C1	54	Completed/Transferred
	Phase C2	52	Completed/Transferred
	Phase C3	29	Planning Phase
	Phase C4	60	Planning Phase
	TOTALS	**162**	**Completed/Transferred**
		0	**Under Construction**
		89	**Planning Phase**
		251	**TOTAL UNITS**

Robert Taylor ("Legends South") 2001 HOPE VI Grant – 297 CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I301	Phase A1	83	Completed/Transferred
	Phase A2	60	Completed/Transferred
	Phase A3	154	Planning Phase
	TOTALS	**143**	**Completed/Transferred**
		0	**Under Construction**
		154	**Planning Phase**
		297	**TOTAL UNITS**

TABLE 2e

Program Activity and Status

as of September 30, 2011

Rockwell Gardens ("West End") – 260 Total CHA Units			
Program No.	**Name**	**# of Units**	**Status**
IL06-URD-002-I401	One S. Leavitt	2	Completed/Transferred
	Archer Courts	4	Completed/Transferred
	West End Phase 1A	14	Completed/Transferred
	West End Phase 1B	57	Completed/Transferred
	West End Phase 2	50	Completed/Transferred
	West End Phase 2	15	Under Construction
	West End Phase 3	93	Planning Phase
	Maplewood Courts	25	Planning Phase
	TOTALS	**127**	**Completed/Transferred**
		15	**Under Construction**
		118	**Planning Phase**
		260	**TOTAL UNITS**

Stateway Gardens ("Park Boulevard") -- 439 Total CHA Units			
Program No.	**Name**	**# of Units**	**Status**
	The Pershing (Phase 1A)	27	Completed/Transferred
	Phase 1B	54	Completed/Transferred
	Phase 2A	46	Under Construction
	Phase 2B	37	Planning Phase
	Phase 2C	58	Planning Phase
	Remaining Phases	217	Planning Phase
	TOTALS	**81**	**Completed/Transferred**
		46	**Under Construction**
		312	**Planning Phase**
		439	**TOTAL UNITS**

Ogden North ("Park Douglas") -- 100 Total CHA Units			
Program No.	**Name**	**# of Units**	**Status**
	Phase 1	9	Completed/Transferred
	Phase 1	51	Under Construction
	Phase 2	20	Planning Phase
	Phase 3	20	Planning Phase
	TOTALS	**9**	**Completed/Transferred**
		51	**Under Construction**
		40	**Planning Phase**
		100	**TOTAL UNITS**

TABLE 3a
Financial Summary by Program
as of September 30, 2011

115	$8,885,442	$8,885,442	*
116	7,448,320	7,448,320	*
117(a)	(28,113)	(28,113)	*
118	8,978,987	8,978,987	*
119	2,485,483	2,485,483	*
120	6,956,047	6,956,047	*
121	2,265,118	2,265,118	*
122	4,731,809	4,731,809	*
123	7,441,791	7,441,791	*
124	8,135,811	8,135,811	*
125	2,039,484	2,039,484	*
126 TK	2,062,780	2,062,780	*
127	2,386,667	2,386,667	*
128 TK	2,982,418	2,982,418	*
129 TK	2,271,403	2,271,403	*
130 TK	2,843,690	2,843,690	*
131 TK	2,556,421	2,556,421	*
132	2,533,420	2,533,420	*
133	2,075,167	2,075,167	*
134	2,055,051	2,055,051	*
135 TK	2,636,875	2,636,875	*
136	2,336,466	2,336,466	*
137 TK	2,715,178	2,715,178	*
138 TK	2,568,613	2,568,613	*
139 TK	2,452,559	2,452,559	*
140	2,493,589	2,493,589	*
141 TK	2,666,667	2,666,667	*
142 TK	2,375,087	2,375,087	*
143 TK	3,151,383	3,151,383	*
147 TK	2,646,881	2,646,881	*
149 TK	2,642,708	2,642,708	*
150 TK	2,517,645	2,517,645	*
151 TK	2,703,906	2,703,906	*
152 TK	2,960,227	2,960,227	*
153	2,555,275	2,555,275	*
154 TK	3,981,667	3,981,667	*
155 TK	2,533,941	2,533,941	*
156 TK	2,612,865	2,612,865	*
157 TK	2,658,317	2,658,317	*
158 TK	2,658,317	2,658,317	*
159 TK	2,627,636	2,627,636	*
160 TK	2,870,258	2,870,258	*
161 TK	5,038,300	5,038,300	*
175 TK	4,421,432	4,421,432	*
176 TK	3,589,890	3,589,890	*

* Program has been final audited.

TABLE 3b

Financial Summary by Program
as of September 30, 2011

[redacted]

145	$3,335,349	$3,335,349	*
146	2,255,740	2,255,740	*
162	3,492,954	3,492,954	*
164	4,415,051	4,415,051	*
165	2,362,637	2,362,637	*
166	3,537,059	3,537,059	*
167	2,072,732	2,072,732	*
168	1,743,552	1,743,552	*
169	2,576,540	2,576,540	*
170	2,023,245	2,023,245	*
171	0	0	
172	1,635,073	1,635,073	*
173	4,177,803	4,177,803	*

[redacted]

*** Program has been final audited.**

TABLE 3c
Financial Summary by Program
as of September 30, 2011

Horner I			
188	$6,314,229	$6,314,229	*
191	6,180,602	6,180,602	*
195	4,838,966	4,838,966	*
196	3,934,338	3,934,338	*
197	6,330,838	6,330,838	*
198	5,672,634	5,672,634	*
199	4,236,305	4,236,305	*
200	2,839,515	2,839,515	*
201	5,067,816	5,067,816	*
202	5,363,349	5,363,349	*
203	4,296,014	4,296,014	*
204	906,653	908,947	*
213	1,217,932	1,220,798	*
Subtotal	$57,198,191	$57,204,351	
Lawndale			
178	2,936,600	2,936,601	*
Subtotal	$2,936,600	$2,936,601	
Gautreaux Set Aside			
190	$3,431,377	$3,405,671	*
227	$219,129	$220,007	*
228	$2,298,129	$2,196,729	
229	$9,701,871	$9,360,438	
Subtotal	$15,650,506	$15,182,845	
Washington Park Lakefront			
180	$4,294,542	$3,800,299	
184	4,040,536	4,040,536	*
193	10,193,838	10,192,839	*
235	2,152,980	2,119,617	*
237	5,334,242	2,106,688	
194	5,882,353	5,882,353	*
205	0	0	
206	2,509,553	2,509,553	*
207	6,638,930	6,638,930	*
208	1,151,694	1,152,607	*
209	646,230	88,785	
210	0	0	
211	4,465,714	4,465,714	
177	0	0	
Subtotal	$47,310,612	$42,997,921	
Cabrini			
182	$8,190,669	$8,190,669	*
192	8,343,276	8,342,275	*
236	5,490,950	5,050,134	
HOPE VI	40,000,000	36,526,233	
Subtotal	62,024,895	58,109,311	
Lathrop			
305	45,558,600	1,024,557	
Cabrini Green Homes			
306	63,895,220	242,682	
45th Cottage			
307	7,055,865	172,836	
Ogden North			
308	11,304,665	1,085,890	
Maplewood Courts			
309	7,363,555	126,745	
LeClaire Courts			
310	72,904,079	135,659	
Ickes			
312	48,394,840	114,071	
PII			
220	$15,637,780	$6,460,082	
Stateway			
223	$59,751,903	$13,204,613	
ABLA 1			
HOPE VI	$20,668,250	20,668,250	*
ABLA 2			
HOPE VI	$28,273,000	24,399,761	
Subtotal	$48,941,250	$45,068,011	
Horner 2			
230	$8,890,439	$8,374,263	
HOPE VI	$18,039,000	18,038,246	*
Subtotal	$18,039,000	$18,038,246	
Taylor B			
HOPE VI	$19,092,948	18,923,212	
Subtotal	$19,092,948	$18,923,212	
Madden/Wells			
HOPE VI	$33,000,000	29,547,680	
Subtotal	$33,000,000	$29,547,680	
Rockwell			
HOPE VI	$33,500,000	$28,740,932	
Subtotal	$33,500,000	$28,740,932	
Taylor A			
HOPE VI	$33,250,000	$26,932,178	
Subtotal	$33,250,000	$26,932,178	

* Program has been final audited.

Program on Neighborhoods and Youth Development

Overview, August 2010

CHA Families and the Plan for Transformation

The CHA's Plan for Transformation

How Have Residents Fared?

Susan J. Popkin, Diane K. Levy, Larry Buron, Megan Gallagher, and David J. Price

This series presents findings from the *Chicago Panel Study,* a follow up to the Urban Institute's five-site *HOPE VI Panel Study,* the only national study of outcomes for families affected by HOPE VI revitalization (Popkin et al. 2002). The HOPE VI Panel Study tracked resident outcomes across a broad range of domains from 2001 to 2005. The Chicago Panel Study is continuing to track the 198 sample households from the Chicago Housing Authority's (CHA) Madden/Wells Homes.

The CHA's Plan for Transformation, launched in October 1999, was an ambitious effort to transform the agency's distressed public housing developments, replacing most with mixed-income communities and comprehensively rehabilitating the remaining properties. The ultimate goal of the Plan for Transformation was to demonstrate that it was possible to convert distressed public housing into healthy communities that would provide residents with opportunities for a better life.[2]

The challenges the CHA faced in attempting to transform its public housing were immense. The agency was one of the largest housing authorities in the country and had an extraordinary number of distressed units—its plans called for demolishing or rehabilitating 25,000 units in all. The CHA's troubles were the result of decades of neglect, poor management, and overwhelming crime and violence. Further, CHA's residents were especially disadvantaged: because of the terrible conditions in CHA's family developments, many tenants who had better options had left long ago, leaving behind a population dominated by extremely vulnerable families (Popkin et al. 2000). And, like most housing authorities, when the CHA began implementing its

HOPE VI stands for Housing Opportunities for People Everywhere. Created by Congress in 1992, the HOPE VI program was designed to address not only the bricks-and-mortar problems in severely distressed public housing developments, but the social and economic needs of the residents and the health of surrounding neighborhoods. The program was reauthorized in 2009 as part of the Choice Neighborhoods Initiative Act. Between 1993 and 2008, 247 distressed public housing developments located in 130 communities in 34 states, the District of Columbia, and Puerto Rico have received HOPE VI grants to effect redevelopment. Chicago is the largest recipient of HOPE VI funds.

The Chicago Panel Study research was supported with a grant from the John D. and Catherine T. MacArthur Foundation. Information on crime rates was used by permission from Professor Wesley Skogan of Northwestern University.

EXHIBIT

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revitalization plans, the agency had little experience in providing case management or relocation counseling and struggled with developing adequate services. The agency negotiated a Relocation Rights Contract with its resident leadership in 2000 that formally spelled out the CHA's obligations to leaseholders during the transformation, including the services to be offered to residents while they waited for permanent housing. By the time the CHA moved into the later phases of relocation in Madden/Wells, the agency's relocation and supportive service system had evolved to become unusually comprehensive, and included both relocation counseling and case management (Popkin 2010).

In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation. The changes that the plan has wrought over the past decade have been dramatic and have changed the city's landscape. Most striking is the absence of the massive high-rises that dominated some of the city's poorest neighborhoods for half a century. These developments have been replaced with new mixed-income communities that represent the best current thinking on how to create affordable housing without creating pockets of concentrated poverty. But while the physical impact of the CHA's transformation is evident, the impact on the families that had lived in CHA's distressed developments—and endured its worst days—has been less visible (Popkin 2010).

"After 10 years, the story for CHA families is far more positive than we would have predicted in 2001."

The purpose of the Chicago Panel Study is to track the circumstances of CHA residents to assess how they are faring as the Plan for Transformation progresses. Overall, as this series of briefs documents, we find that, after 10 years, the story for CHA families is far more positive than many observers—including ourselves—would have predicted at the outset.[3] Regardless of where they have moved, most families in our study are living in considerably better circumstances. However, the study also highlights the serious challenges that remain, most significantly, residents' extremely poor health and persistently low rates of employment. Further, despite their improved quality of life, most CHA families continue to live in poor, predominantly African-American communities that offer limited access to economic and educational opportunity.

Chicago Panel Study

The Chicago Panel Study tracks the living conditions and well-being of residents from Chicago's Madden/Wells homes. Built between 1941 and 1970, Madden/Wells was one of the CHA's largest public housing complexes, made up of 3,000 public housing units in four developments: the Ida B. Wells Homes, a low-rise development first opened in 1941 to house black war workers; the Wells Extensions; Madden Homes; and the high-rise Darrow Homes (Bowly 1978). The complex was located on the near south side of the city, close to Lake Michigan on the east and to the sites of the former Robert Taylor and Stateway Gardens Homes on the west.

The U.S. Department of Housing and Urban Development (HUD) awarded the CHA a $35 million HOPE VI grant in 2000 to convert the Madden/Wells site into a mixed-income community. The CHA used a staged relocation process for the development, closing sections as new units came on line; in 2005, 40 percent of the Chicago Panel Study sample were still living in the partially demolished site. Over the next several years, rapidly deteriorating conditions led the agency to accelerate the relocation process and close the development in August 2008. All of the public housing on the site is now demolished and a new mixed-income community called Oakwood Shores is gradually rising in its place.

For the HOPE VI Panel Study baseline in summer 2001, we surveyed a random sample of 198 Madden/Wells heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We followed up the sample in 2003 (24 months after the baseline), surveying 174 heads of household (88 percent response rate) and interviewing six adults and six children. At the second follow-up in 2005 (48 months after the baseline), we surveyed 165 heads of household (83 percent response rate) and interviewed eight adults and seven children. For the Chicago Panel Study, we conducted a third follow up in 2009, completing surveys with 136 Madden/Wells heads of household (69 percent response rate) and interviews with nine adults and nine children. The largest source of attrition between 2005 and 2009 was mortality; we were able to locate, if not survey, nearly all sample members.[4]

2005: A Glass Half Empty?

At the final round of the HOPE VI Panel Study in 2005, we concluded that in Chicago, as in the other four sites, the redevelopment effort had had some important successes—most residents living in the private market with vouchers were living in better housing in safer neighborhoods. Relatively few had returned to live in the new mixed-income housing development, but those who had were faring well. However, there were reasons for concern: residents' health was extremely poor, mortality rates were worryingly high, and many former residents living in the private market were experiencing material hardship, particularly difficulty in paying their utilities. Further, 40 percent of the respondents were still living on-site in Madden/Wells and enduring rapidly deteriorating conditions as building systems failed and drug dealers and gangs moved into the vacant units. Many of those left behind were among the most vulnerable families—those with serious physical and mental health issues and complex family problems. The children in these households appeared to be struggling, with parents' reports indicating rising rates of delinquency and risky behavior, especially for girls (Popkin 2010).

Four Years Later, an Improved Quality of Life for Most Families

By 2009, all of the original respondents had been out of Madden/Wells for at least a year, and some had been out for as long as eight years. The majority of former residents were using vouchers to rent a unit in the private market (54 percent), nearly a third were living in public housing (29 percent), and the rest were no longer receiving housing assistance (17 percent). More than half the residents that relocated to public housing (18 percent of all respondents) were living in one of the CHA's new mixed-income developments, mostly in Oakwood Shores. Less than 1 percent had become homeless.

The biggest and most striking change since 2005 is that *residents' circumstances have improved, regardless of the type of housing assistance they have.* In 2005, we found that residents who were living in the private market were faring far better than those who were still living in public housing. But in 2009, those differences have disappeared, and nearly all Madden/Wells respondents—even those who have moved to one of CHA's remaining traditional public housing developments—report living in better quality housing in safer neighborhoods.

"Residents' circumstances have improved across the board."

- More than three-quarters of Madden/Wells respondents now say that their housing is in excellent or good condition and, in sharp contrast to 2005, no public housing residents rate their housing as "poor."[5] Nearly all (84 percent) rate their housing as better than where they lived in Madden/Wells. The proportion reporting two or more serious housing-quality problems has declined from nearly 80 percent in 2001 to 19 percent in 2009. Stunningly, those who relocated to a traditional public housing development report almost no problems with their units, while residents who are renting in the private sector with a voucher report the most problems overall, though the level is still substantially lower than when they lived in Madden/Wells.
- Madden/Wells families live in considerably lower-crime neighborhoods where they no longer constantly fear for their own and their children's safety. Respondents' perceptions of violence

and disorder in their neighborhoods have decreased significantly across every measure we tracked. For example, in 2001, more than 70 percent of the respondents rated each of four indicators of social disorder (drug trafficking, sales, loitering, and gangs) a big problem; in 2009, fewer than 25 percent viewed these issues as a major problem in their community. Likewise, the proportion of respondents who rated three indicators of violence (shootings and violence, attacks, and sexual assault) as a big problem decreased by more than half. Finally, complaints of big problems with physical disorder (trash and graffiti) in 2009 were 40 percentage points lower than they were in 2001. Official crime statistics support respondents' perceptions; on average, they now live in communities where the crime rate is half the level reported in Madden/Wells in 2001.

> *"Significant challenges remain: CHA residents' shockingly poor health and persistently low employment."*

- In 2005, we raised serious concerns about the youth whose families were still living in Madden/Wells. But in 2009, we find a more hopeful picture overall, especially for young adults (ages 18 to 22), many of whom appear to have aged out of many of the problems their parents reported in 2005. In general, young women appear to be faring better than young men, and, surprisingly, there are no longer any differences between those whose families are living in traditional public housing and those whose families are in the private market. However, our data also indicate that a worrying proportion of these young people have faced the prospect of parenting: 8 percent of school-age youth and 28 percent of young adults have gotten pregnant or gotten someone else pregnant.
- Finally, although their quality of life has improved substantially, and just over 25 percent now live in low-poverty communities where the poverty rate is less than 15 percent, most Madden/Wells families still live in neighborhoods that are poor and predominantly African-American.

Significant Challenges Remain

The 2009 Chicago Panel Study shows that CHA families' well-being has improved in important ways—they now live in substantially higher-quality housing and in dramatically safer neighborhoods than the Madden/Wells development. At the same time, the study also highlights the significant challenges that remain—particularly CHA residents' shockingly poor health and persistently low levels of employment—problems that will require more intensive, focused interventions.

- Since 2005, respondents' health has continued to deteriorate rapidly; the levels of reported health problems in 2009 are stunning and the mortality rate is shockingly high. At each wave of the Panel Study, we asked respondents to rate their health on a five-point scale from "excellent" to "poor." In 2009, Madden/Wells respondents' ratings of their overall health were significantly worse than the already-bad ratings of previous years. In 2009, *more than half* (51 percent) of respondents identified their health as "fair" or "poor," up from 37 percent in 2001 and four times as high as the rate for the general population. More than half suffer from two or more serious chronic conditions (e.g., diabetes, hypertension, obesity), and respondents report severe difficulty in carrying out activities of daily living (e.g., walking up a flight of stairs) at rates well above national averages. They also suffer high rates of serious mental health problems, with 17 percent reporting poor overall mental health and 8 percent reporting major depression. The one bright spot in all of this bad news is that respondents in 2009 reported a reduction in anxiety issues after relocation—possibly because of improved safety: 17 percent reported having anxiety episodes in the 2009 follow-up, a significant decrease from the 2001 baseline, when 28 percent reported experiencing anxiety.
- The CHA has increased efforts to promote self-sufficiency for its residents

through its FamilyWorks case management services and Opportunity Chicago, whose goal is to connect CHA residents to the labor force.[6] In its boldest move, the agency introduced a work requirement for all residents of its traditional public housing properties in January 2009. Our findings in 2009 indicate that employment rates for Madden/Wells respondents remain persistently low, although these rates reflect considerable cycling in and out of the labor market. Not surprisingly, poor health remains the biggest barrier to employment. However, although employment rates have not increased, there has been some increase in household income. Finally, we find that the work requirement may have begun influencing residents' behavior, as respondents report having enrolled in job training or work readiness classes.

- Madden/Wells respondents continue to report experiencing considerable economic hardship, particularly difficulty in paying utilities and worrying about running out of food. As in 2005, it appears that respondents might be making trade-offs, choosing to pay their rent on time to remain lease compliant and delaying utility payments.
- Finally, although no former residents currently live in a community where the poverty rate approaches that of Madden/Wells (72 percent), more than half live in a census tract with a poverty rate greater than 25 percent, and virtually none live in racially diverse communities. While certainly an improvement over distressed public housing, these racially and economically segregated neighborhoods still offer little opportunity for residents to improve their economic circumstances.

Implications for Policy and Practice

After the four-year HOPE VI Panel Study follow-up of 2005, we questioned whether CHA's Plan for Transformation would have a mixed legacy for residents, with former residents who had received vouchers or succeeded in moving into mixed-income housing far better off, and those left behind in traditional public housing still living in unacceptably poor conditions (Popkin 2010). In light of those earlier findings, the findings from the 2009 eight-year follow-up are truly stunning; there is no question that, regardless of where they live, CHA relocatees' quality of life has improved dramatically. The CHA's transformation efforts have achieved the goal of making sure that CHA families no longer have to endure deplorable housing conditions and constant fear from living with overwhelming levels of violent crime and disorder. The fact that significant challenges remain does not undermine the magnitude of this achievement.

However, to build on these accomplishments and make sure these gains are not lost, the CHA will need to continue its aggressive focus on improving management and resident services.

- The CHA must recognize that these gains, however impressive, are fragile. To sustain these improvements, the CHA must remain vigilant about monitoring the private companies that now manage its mixed-income and traditional public housing developments. Further, the CHA must continue to work with the Chicago Police Department to ensure that CHA properties remain safe and decent places for its residents to live. Finally, the housing authority should continue funding its comprehensive resident service programs to ensure that troubled residents receive the support they need to reduce the chance that they could create serious problems that threaten overall conditions in their developments or put them at risk of losing their housing.
- The CHA should ensure that its supportive services and relocation programs include a focus on youth. In particular, services should help children and youth transition to new neighborhoods and schools. In addition to helping youth adjust to their new

communities, this strategy will help support management and reduce problems with crime and disorder.

- The CHA should also make an aggressive effort to address the health crisis among its families. The agency should explore partnerships with the Department of Public Health and local health care providers, as well as other options, such as public health interventions, that train residents to be community health workers. The CHA should also work to promote healthy living and physical activity, acknowledging that residents will not be physically active unless they feel safe being outside in their community. Therefore, one critical thing the CHA can do is to sustain the safety improvements that have so improved the overall quality of life for residents of its public housing and mixed-income developments. The agency should also look for resources or partnerships to create recreation centers in or near its developments or potentially to provide "scholarships" for gym membership for CHA residents.
- The CHA should continue its efforts to connect residents to the workforce. Although we did not see a significant shift, our results make clear that even CHA residents who work often find it difficult to stay employed. Particularly during these tough economic times, these residents need support and incentives to continue to keep trying to achieve regular employment. The CHA should also consider alternative definitions of self-sufficiency for residents whose health or personal challenges make achieving regular employment unlikely.
- Finally, while conditions for CHA families have improved substantially as a result of relocation, the reality is that they continue to live in moderately poor, moderately high-crime, racially segregated neighborhoods that offer few real opportunities for themselves or their children. The CHA needs to continue exploring strategies that encourage families to move into low-poverty opportunity areas and continue reducing the barriers that prevent its residents from accessing the opportunities and services that these communities provide.

Notes

1. For a full description of the HOPE VI Panel Study research and final results, see Popkin, Levy, and Buron (2009). For more detail, see the baseline report (Popkin et al. 2002) and the previous two series of Urban Institute policy briefs (http://www.urban.org/projects/hopevi/index.cfm and http://www.urban.org/toolkit/policybriefs/subjectbriefs.cfm?documenttypeid=122).
2. Chicago Housing Authority, "The Plan for Transformation," http://www.thecha.org/pages/housing_choice_voucher_program/pages/the_plan_for_transformation/22.php.
3. See, for example, Bennett et al. (2006); Venkatesh et al. (2004); and Popkin and Cunningham (2005).
4. We used weights for all statistical analyses to account for differences in baseline characteristics among those who remained in the sample and those who had dropped out for reasons other than mortality. Of the 37 nonrespondents who are not deceased, 10 were contacted but not surveyed for reasons ranging from incapacitation to broken appointments. Among the other 27 people, 13 could not be found, 6 were receiving housing assistance according to CHA records, 4 had moved out of state, 1 was incarcerated, 1 refused to answer the door, and 2 were listed in CHA data as having an illness.
5. All reported differences in means and proportions are significant at the p < .10 level unless otherwise noted.
6. Opportunity Chicago, http://www.opportunitychicago.org/

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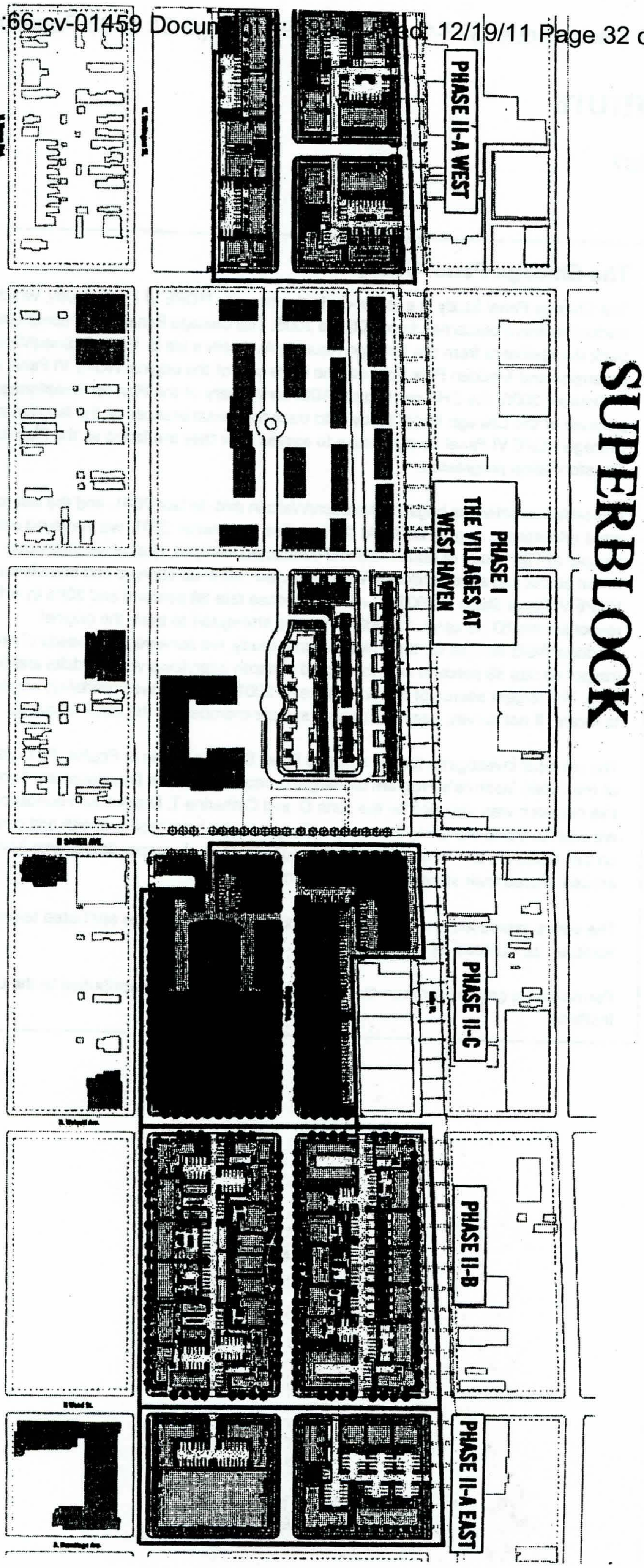
The Chicago Panel Study

The Chicago Panel Study is a follow-up to the five-site HOPE VI Panel Study, which tracked resident outcomes from 2001 to 2005. The Chicago Panel Study continues to track the residents from the Chicago Housing Authority's Ida B. Wells Homes/Wells Extension and Madden Park Homes who were part of the original HOPE VI Panel sample. In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation; the purpose of the Chicago Panel Study is to track the circumstances of the families in the Chicago HOPE VI Panel Study sample to assess how they are faring as the Plan for Transformation progresses.

Revitalization activities began in Madden/Wells in mid- to late 2001, and the last residents were relocated in August 2008. At the baseline in summer 2001, we surveyed a random sample of 198 heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We conducted follow-up surveys and interviews for the HOPE VI Panel Study in 2003 (n = 174, response rate 88 percent) and 2005 (n = 165, response rate 83 percent). In 2009, when we attempted to track the original Madden/Wells sample for the Chicago Panel Study, we surveyed 136 heads of household (response rate 69 percent) and conducted in-depth interviews with 9 adults and 9 children. The largest source of attrition between 2001 and 2009 was mortality; we were able to locate, if not survey, nearly all original sample members in the 2009 follow-up.

The principal investigator for the Chicago Panel Study is Susan J. Popkin, Ph.D., director of the Urban Institute's Program on Neighborhoods and Youth Development. Funding for this research was provided by the John D. and Catherine T. MacArthur Foundation. Finally, we wish to thank the CHA, the many colleagues who have assisted with and commented on this research, and most of all, the Chicago Panel Study respondents, who have so generously shared their stories with us for so many years.


SUPERBLOCK
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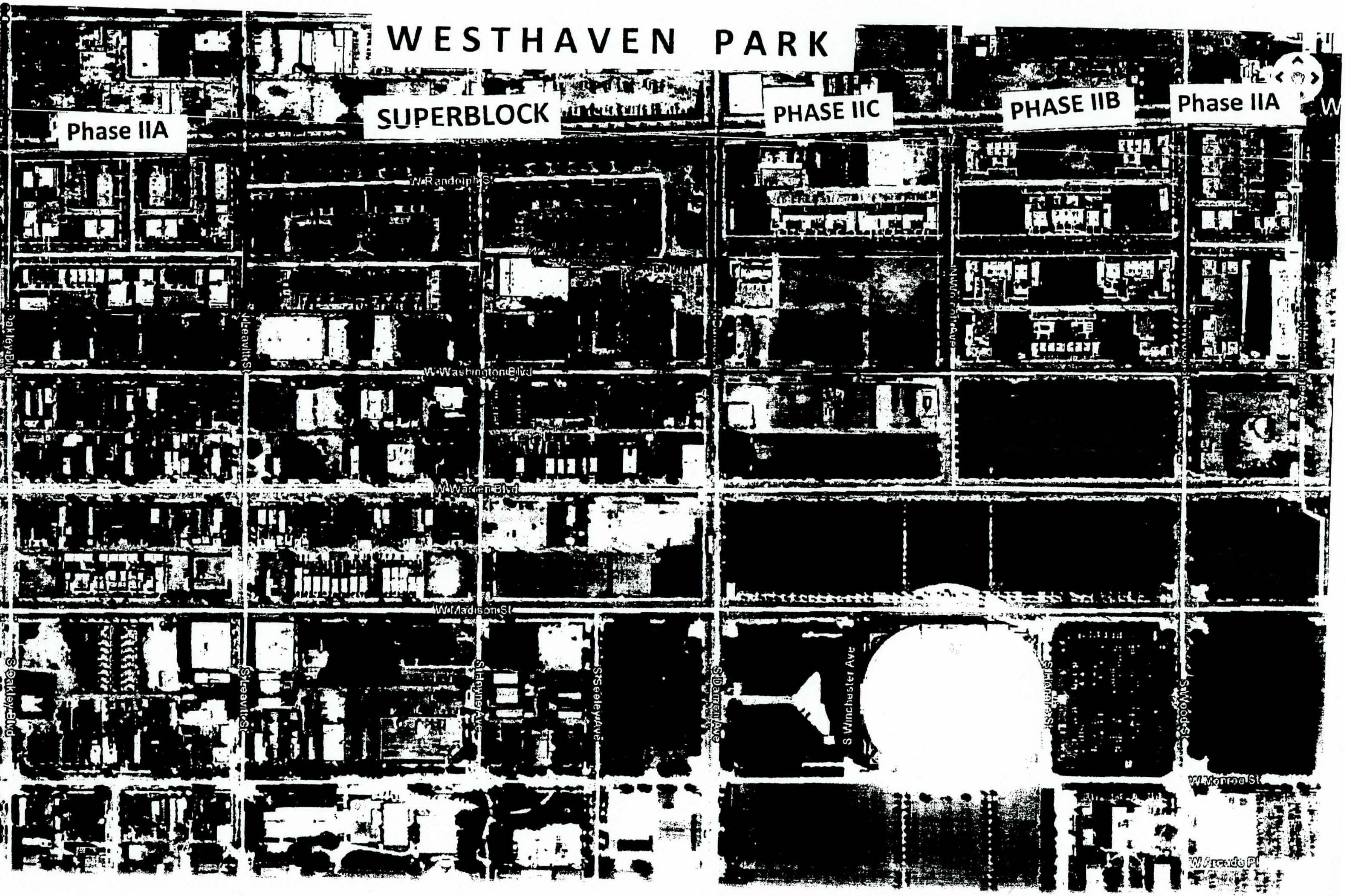
WESTHAVEN PARK
Phase IIA
SUPERBLOCK
PHASE IIC
PHASE IIB
Phase IIA
W Randolph St
W Washington Blvd
W Warren Blvd
W Madison St
N Wolcott Ave
S Oakley Blvd
S Leavitt St
S Hoyne Ave
S Seeley Ave
S Damen Ave
S Winchester Ave
S Honore St
S Wood St
W Monroe St
W Arcade Pl

VILLAGES OF WEST HAVEN REDEVELOPMENT

General Description:

The CHA donates the land and the improvements of the Villages of West Haven (through a ground lease) first to a nonprofit (to qualify for Donation Tax Credits) and then to an affiliate of Brinshore-Michaels to facilitate the redevelopment the property. All 200 units are rehabbed and refinanced in a single phase and operated as a mixed income tax credit rental deal for a fifteen year compliance period. The number of public housing units will equal the number of Exhibit D (former Horner) residents (73); the balance of the site will be tax credit affordable and market rate rental. All Exhibit D residents will be able to return to the site, in a unit appropriate to their family size, which will be disbursed across the site. All current residents who are not Exhibit D will be relocated to either the private market with housing choice vouchers or to another public housing unit in a different location. All "lost" public housing units will be replaced either through purchase of units in the Horner area, purchase of units outside of the Horner area, or newly constructed in a mixed income development.

Benefits:

- Provides means to achieve a mixed income environment that mirrors the surrounding Westhaven Park
- Long term affordability maintained through ground lease and tax credit compliance restrictions
- Allows for all of the Exhibit D (former Horner) residents to remain on site, thus accommodating all residents who made final housing selections under the consent decree
- All of the units will get fully rehabbed and improved to market standards
- All lost public housing units are replaced in other locations in mixed income environments
- Reserves will be established for long term maintenance and capital improvements

Unit Mix:

During the tax credit compliance period (i.e. initial 15 years) the rental units will be distributed as follows: 73 PH units (37%); 69 affordable units (35%); and 58 unrestricted market units (29%). The units under ACC will remain public housing units for a minimum of 40 years.

Bedroom Size	No. Units	Public Housing	Affordable	Market
1 BR	30	14	9	7
2 BR	54	20	16	18
3 BR	98	30	35	33
4 BR	10	7	3	0
5 BR	7	2	5	0
6 BR	1	0	1	0
Total	**200**	**73**	**69**	**58**

Relocation:

Prior to construction, the CHA will be responsible for relocating all families off site, issuing 180-day notices to vacate. The advantages of relocating all residents off site include maximizing the speed and safety of the rehabilitation and allowing for even distribution of the public housing units across the site after rehabilitation. While the relocation off site for the Exhibit D residents will be temporary, the relocation for the balance of the residents will be permanent. After the completion of construction, the 73 Exhibit D public housing families will be invited to return to the site. The CHA will ensure that all families are adequately housed in appropriate sized units, and that the units are distributed evenly across the site, therefore, families may not return to the units they currently occupy. The CHA will permanently relocate all other current families; approximately 106 who were not originally Horner residents. The permanent relocation locations for these residents will include a variety of options, including:

- Vacant Horner units (e.g. Annex or scattered site)
- Vacant Westhaven Park units

- Private market purchases of new public housing units, either in the Horner area, or in other locations
- New Brinshore-Michaels projects (WHP IID; Park Douglas; City Gardens; Legends South; a new mixed income development built specifically to replace some of the lost public housing units at the Villages of West Haven)
- Private Market units using Housing Choice Vouchers
- Other: other CHA Transformation sites; other CHA non-Transformation developments; and Project Based Voucher properties

Replacement of Public Housing Units:
One of the consequences of redeveloping the Villages of West Haven is that there will be reduction of the number of public housing units on site. Of the originally built 201 units, one has always been used as a management office, so there will be a reduction in public housing units from 200 to 73, a loss of 127. We understand that none of the current redevelopment activities in which Brinshore-Michaels is currently engaged, including Park Douglas, City Gardens, or Westhaven Park IID may count toward the replacement of public housing units lost at Villages of West Haven. The public housing units in each of these projects are specifically targeted to replace units lost in other developments. Brinshore-Michaels therefore proposes to replace the 127 public housing units lost at the Villages of West Haven by using three approaches.

- First, Brinshore-Michaels will acquire approximately 50 units from private market purchases from within the Horner Area defined as Halsted on the East, California on the West, Congress on the South and Grand on the North. The purchases will be a combination of single family homes, townhomes and condominiums, with a variety of bedroom sizes of approximately 30% 1 bedroom, 30% 2 bedroom, 30% 3 bedroom and 10% 4 bedroom.
- Second, Brinshore-Michaels will acquire approximately 50 units from private market purchases from outside the Horner Area, in proximity to other Brinshore-Michaels Transformation sites, including the area around Legends South and Park Douglas. By acquiring sites in these locations we will be strengthening the communities surrounding these sites, as well as providing excellent units in mixed income buildings and settings. We will strive to achieve the same bedroom mix as described above.
- Third, Brinshore-Michaels will propose a new mixed income development, potentially under Housing for Chicagoans Everywhere program, specifically to provide replacement units for the Villages of West Haven. This development would have approximately one-third public housing units. We would look to build a development with approximately 81 units, so that 27 would be public housing units. The location has not yet been determined.

It is anticipated that the purchasing program would be completed over a two year period, while the new construction would take approximately five years to complete.

Rehabilitation Scope and Costs:
We have estimated that the rehabilitation of the units will cost approximately $93,000 per unit. This will provide adequate funds for new kitchens and baths, reconfiguration of a small number of units, new roofs, and HVAC where necessary, some structural work where required, and additional landscaping. We will also seek LEED-ND certification for the community and reconfigure some of the streets to improve connectivity of the site to the surrounding community.

Uses Statement

Uses	Total Uses	Per Unit
Hard Cost	18,600,000	93,000
Soft Cost	3,356,558	16,783
Developer Fee	1,976,090	9,880
Reserves	1,493,223	7,466
Total Uses	25,425,872	127,129

Financing:

The redevelopment costs of $25,425,872 will be financed by a combination of sources:

- **Tax Exempt Bond Proceeds.** Brinshore-Michaels will apply to IHDA or the City of Chicago for noncompetitive tax exempt bonds and 4% low income housing tax credits, or the CHA may issue the bonds themselves. Based on our operating projections, we will be able to raise $4MM in permanent debt.
- **Low Income Housing Tax Credit Equity.** The tax exempt bonds will automatically generate Low Income Housing Tax Credits, which will be syndicated and raise almost $6MM in equity at $.88.
- **Donation Tax Credit Equity.** The CHA will ground lease the land and buildings to a nonprofit that will in turn transfer the lease to an affiliate of Brinshore-Michaels. We will apply to IHDA and/or the City of Chicago for an allocation of Donation Tax Credits. We believe that the value of this donation will be approximately $4MM. The credits generated and sold to an investor would generate approximately $1.6MM, assuming a pay-in rate of $.80.
- **CHA Loan.** Brinshore-Michaels will borrow $13.1MM in capital funds from the CHA. This amount is well below the Total Development Costs limits imposed by HUD on the 73 public housing units in the development.
- **Federal Home Loan Bank AHP Grant.** Brinshore-Michaels will apply for an Affordable Housing Program grant from the Federal Home Loan Bank of Chicago. We believe that the project will qualify for a grant of $750,000.

Sources Statement

Sources	Total Sources	Per Unit
LIHTC Equity	5,956,415	29,782
Donation Tax Credit Equity	1,600,000	8,000
Private Loan - First Mortgage	4,000,000	20,000
CHA Loan	13,119,357	65,597
AHP Grant	750,000	3,750
Managing Member Equity	100	0
Total Sources	**25,425,872**	**127,129**

Timing:

Beginning in May 2011, Brinshore-Michaels can apply for financing with a targeted closing by November of 2011. This will provide ample time for the CHA to complete the relocation of all current residents off site. The construction would take 16 months, with completion of construction in March of 2013 and full occupancy by May of 2013.

DEVELOPMENT SCHEDULE

Brinshore-Michaels intends on rehabilitating the entire site in one 4% tax credit phase.

Milestone Activity	Completion Date
PLANNING AND DESIGN	
Prepare Development Plan	March 2011
Plan Approval by Working Group	April 2011
Architectural – Schematic	May 2011
Preliminary Design Approval by CHA, Habitat, City Agencies and Community Stakeholders	June 2011
Architectural – Design Development	July 2011
Final Design Approval by CHA, Habitat, City Agencies and Community Stakeholders	July 2011
Architectural – Construction 50%	July 2011
Architectural – Submit Permit Drawings	August 2011
Final Building Permits	October 2011
Construction Bids	October 2011
FINANCING	
IHDA Financing (Tax Credits/Tax Exempt Bond): 4% Application Commitment	 May 2011 July 2011
First Mortgage Application/Commitment	July 2011
Equity Investor Selection	August 2011
Prepare and Submit Rental Term Sheet to HUD	August 2011
CLOSING	
Draft Equity L.P. Agreement Circulated	September 2011
Draft Loan Documents Circulated	September 2011
Draft CHA Documents Circulated (R & O, Management, Loan, etc.)	September 2011
Preparation and Submittal of Mixed-Finance Evidentiary Documents to HUD	October 2011
Preparation and Submittal of ACC Amendment and Exhibits to HUD	October 2011
HUD Review and Approval of Mixed-Finance Documents	November 2011
Closing	November 2011
Construction Begins	November 2011
Construction Complete	March 2013
Marketing Begins	January 2013
Leasing Begins	March 2013
Occupancy Complete	May 2013

BMH-I LLC
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Proposed Unit Distribution

1BR	30
2BR	54
3BR	98
4BR	10
5BR	7
6BR	1
Total Units	**200**

1BR	14	9	7	30
2BR	20	16	18	54
3BR	30	35	33	98
4BR	7	3	0	10
5BR	2	5	0	7
6BR	0	1	0	1
Total Units	**73**	**69**	**58**	**200**
%	37%	35%	29%	100%

[redacted]

LIHTC RENTS

2010 Median Income	75100	75100	75100

Household size	Maximum Income (40% of 2010 AMI)	Maximum Income (50% of 2010 AMI)	Maximum Income (60% of 2010 AMI)
1	21028	26285	31542
2	24032	30040	36048
3	27036	33795	40554
4	30040	37550	45060
5	32443	40554	48665
6	34846	43558	52270
7	37250	46562	55874
8	39653	49566	59479

Unit size	Maximum rent	Maximum rent	Maximum rent
1	563	704	845
2	676	845	1014
3	781	976	1172
4	871	1089	1307
5	961	1202	1442

Income Mix - Affordable Units - 60%	Number of Units	Gross Rents	Utility Allowance	Net Rents	Totals Per Month
one bedroom	9	705	105	600	5400
two bedroom	16	878	128	750	12000
three bedroom	35	1075	150	925	32375
four bedroom	3	1235	185	1050	3150
five bedroom	5	1333	208	1125	5625
six bedroom	1	1458	208	1250	1250
	69				59800

Income Mix - Market Rate Units	Number of Units	Gross Rents	Utility Allowance	Net Rents	Totals Per Month
one bedroom	7		0	700	4900
two bedroom	18		0	850	15300
three bedroom	33		0	1025	33825
four bedroom	0		0	1200	0
five bedroom	0		0	1300	0
	58				54025

Income Mix - Public Housing Units	% of median income per R&O	Number of units	% of median income	Tenant rent	Utility Allowance	Net Rent	Total tenant rent	Subsidy	Total subsidy	Totals per Month
1 bedroom	0%	14	0	105	105	0	0	375.00	5250	5250
2 bedroom	0%	20	0	128	128	0	0	375.00	7500	7500
3 bedroom	0%	30	0	150	150	0	0	375.00	11250	11250
4 bedroom	0%	7	0	185	185	0	0	375.00	2625	2625
5 bedroom	0%	2	0	208	208	0	0	375.00	750	750
6 bedroom	0%	0	0	208	208	0	0	375.00	0	0
		73					0		27375	27375

Total Units 200

Monthly income	141200		328500
Yearly Income	1694400		

Overall Mix		Units	PH	Aff	Mkt
	1 bedroom	30	14	9	7
	2 bedroom	54	20	16	18
	3 bedroom	98	30	35	33
	4 bedroom	10	7	3	0
	5 bedroom	7	2	5	0
	6 bedroom	1	0	1	0
		200	73	69	58
			37%	35%	29%

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Construction Period Pro Forma

Development Costs

		Project Totals	Per Unit Totals
Acquisition (to CHA)		-	-
Construction Costs (Residential Hard Costs)		15,000,000	75,000
Construction General Requirements	6.00%	900,000	4,500
Construction Profit & Overhead	8.00%	1,200,000	6,000
Construction Contingency	10.00%	1,500,000	7,500
Bond/Insurance	2.00%	372,000	1,860
Architectural Planning & Design Services (Includes Landscape Planning, Civil)	3.00%	569,160	2,846
Architectural Supervision	0.75%	142,290	711
Building Permit Review and Fees		60,000	300
Reproduction Expense		20,000	100
Survey		12,100	61
Construction Period Inspections		27,000	135
Security During Construction		45,000	225
Insurance During Construction (Builders Risk)		61,000	305
Insurance During Construction (Gen Liability)		500	3
F, F & E (Furniture for Rental Office & Model Unit)		-	-
Developer Legal (Construction)		100,000	500
Developer Legal (Partnership)		20,000	100
Capitalized Bond Interest (During Construction)	16 mos.	1,032,357	5,162
Market Study		10,000	50
Appraisal		10,000	50
Real Estate Tax/Insurance Escrow			-
Accounting, Cost Certifications		20,000	100
Closing Legal		-	-
Title/Recording/Closing/Bring Down Fees		30,000	150
Financing Application Fees		1,100	6
T/E Bond Issuance Fees (Waived by CHA)		-	-
T/E Bond Trustee Fees			-
T/E Bond Placement			-
Bank Fees (Letter of Credit, Rate Cap, Third Party Reports, Inspections)	2.00%	253,741	1,269
Permanent Loan Fees (Third Party Reports, Commitment)	0.50%	58,435	292
Relocation Expenses			-
Construction Bridge Loan Fees	1.00%		-
Lender Legal		50,000	250
CHA Legal		107,000	535
Marketing		79,000	395
Rent-up Fee (Leasing Fee Paid to Management Company as Units are Occupied)		$63,500	318
Developer Fee	9.00%	494,023	2,470
Debt Service Reserve (1 month held by lender)		26,612	133
Lease Up Reserve (3 months debt service)		0	-
Affordability Reserve		-	-
Working Capital (3 Months Operational Expenses for non-ACC units)		210,296	1,051
Operating Reserve (6 Months Operational Expenses for non-ACC units)		-	-
Total Development Costs		22,475,114	112,376

Construction Financing Overview

	Construction Financing	Financing Per Unit
Investor Equity	1,489,104	7,446
Managing Member Equity	100	1
Donation Tax Credit Equity	1,600,000	8,000
CHA Loan	6,948,851	34,744
AHP Grant	750,000	3,750
Deferred Developer Fee	-	-
Construction Loan - Private Lender	11,687,059	58,435
Total Sources	22,475,114	112,376

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Development Costs		Project Totals	Per Unit Totals	Residential Basis	Ineligible Costs	Land & Building Basis	Costs Financed By TEx Bonds	Eligible Tx Credit Costs
Acquisition (to CHA)		-	-	-	-	-		-
Construction Costs (Residential Hard Costs)		15,000,000	75,000	15,000,000	-	15,000,000		15,000,000
Construction General Requirements	6.00%	900,000	4,500	900,000	-	900,000	-	900,000
Construction Profit & Overhead	8.00%	1,200,000	6,000	1,200,000	-	1,200,000	-	1,200,000
Construction Contingency	10.00%	1,500,000	7,500		-	1,500,000	-	1,500,000
Bond/Insurance	2%	372,000	1,860	372,000		372,000		372,000
Architectural Planning & Design Services (includes Landscape Planning, Civil)		569,160	2,846	569,160	-	569,160	-	569,160
Architectural Supervision		142,290	711	142,290	-	142,290	-	142,290
Building Permit Review and Fees		60,000	300	60,000		60,000		60,000
Reproduction Expense		20,000	100	20,000		20,000		20,000
Survey		12,100	61	12,100	-	12,100	-	12,100
Construction Period Inspections		27,000	135	27,000		27,000	-	27,000
Security During Construction		45,000	225	45,000	-	45,000	-	45,000
Insurance During Construction (Builders Risk)		61,000	305	61,000	-	61,000	-	61,000
Insurance During Construction (Gen Liability)		500	3	500	-	500	-	500
F, F & E (Furniture for Rental Office & Model Unit)		-	-	-	-	-	-	-
Developer Legal (Construction)		100,000	500	100,000		100,000	-	100,000
Developer Legal (Partnership)		20,000	100	20,000		20,000	-	20,000
Capitalized Bond Interest (During Construction)		1,032,357	5,162	516,178	516,178	516,178	-	516,178
Market Study		10,000	50	10,000	-	10,000	-	10,000
Appraisal		10,000	50	10,000	-	10,000	-	10,000
Real Estate Tax/Insurance Escrow		148,875	744		148,875	-	-	-
Accounting, Cost Certifications		20,000	100	10,000	10,000	10,000	-	10,000
Closing Legal		-	-	-	-	-		-
Title/Recording/Closing/Bring Down Fees		30,000	150	22,500	7,500	30,000	-	30,000
Financing Application Fees		1,100	6	1,100	-	1,100	-	1,100
T/E Bond Issuance Fees (Waived by CHA)		-	-	-	-	-		-
T/E Bond Trustee Fees		-	-	-	-	-		-
T/E Bond Placement		63,500	318	63,500	12,700	50,800		50,800
Bank Fees (Letter of Credit, Rate Cap,Third Party Reports, Inspections)		253,741	1,269	253,741	50,748	202,993		202,993
Permanent Loan Fees (Third Party Reports, Commitment)	0.50%	58,435	292		58,435	-		-
Relocation Expenses		-	-	-	-	-	-	-
Construction Bridge Loan Fees	1.00%	-	-	-	-	-	-	-
Lender Legal		50,000	250	25,000	25,000	25,000		
CHA Legal		107,000	535	53,500	53,500	53,500		
Marketing		79,000	395	-	79,000	-	-	-
Rent-up Fee (Leasing Fee Paid to Management Company as Units are Occupied)		63,500	318	-	63,500	-	-	-
Developer Fee	9.00%	1,976,090	9,880	1,976,090	-	1,976,090	-	1,976,090
Debt Service Reserve (1 month held by lender)	0	26,612	133	0	0	0	0	0
Lease Up Reserve (3 months debt service)			-					
Affordability Reserve		657,000	3,285	-	657,000	-	-	-
Working Capital (3 Months Operational Expenses for non-ACC units)		210,296	1,051	-	210,296	-	-	-
Operating Reserve (6 Months Operational Expenses for non-ACC units)		599,315	2,997	-	599,315	-	-	-
	0							
Total Development Costs		25,425,872	127,129	21,470,660	2,492,048	22,914,712	-	22,836,212
						(Less: Cost of Market Units)		7,151,943

Qualified Basis	15,684,269
Bonus Boost	1.3
Boosted Basis	20,389,550
30% PV	0.0332
Annual Credit	676,933
10 year credit	6,769,330
Limited Partner	0.9999
	6,768,654
LIHTC Price	0.88
Equity Raise	5,956,415

Permanent Financing Overview	Permanent Financing	Financing Per Unit	Residential Basis	Ineligible Costs	Land & Building Basis	Costs Financed By TEx Bonds	Eligible Tx Credit Costs
Investor Equity	5,956,415	29,782					
Managing Member Equity	100	1					
CHA Loan	13,119,357	65,597					
AHP Grant	750,000	3,750					
Donation Tax Credit Equity	1,600,000	8,000					
Deferred Fee		-					
Private Loan - First Mortgage	4,000,000	20,000					
Total Sources	25,425,872	127,129	21,470,660	2,492,048	22,914,712	-	22,836,212

[redacted]

Assumptions:				
Rent Incr	3%		Reserves Incr	3%
Expenses Incr	4%		Vacancy Rate	7%
RE Tax Incr	5%		PH Vacancy Rate	2%

	Base Year	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven
Gross Apartment Rent	1,694,400	1,745,232	1,797,589	1,851,517	1,907,062	1,964,274	2,023,202
CHA Tenant Rent	141,912	146,169	150,554	155,071	159,723	164,515	169,450
Vacancy	(128,542)	(132,398)	(136,370)	(140,461)	(144,675)	(149,015)	(153,486)
CHA Supplement for Breakeven	2,232	6,477	11,017	15,867	21,043	26,562	32,442
Net Apartment Rent	1,710,002	1,765,480	1,822,790	1,881,994	1,943,153	2,006,336	2,071,608
Total Income	1,710,002	1,765,480	1,822,790	1,881,994	1,943,153	2,006,336	2,071,608
Advertising	10,400	10,816	11,249	11,699	12,167	12,653	13,159
Renting Expenses	7,700	8,008	8,328	8,661	9,008	9,368	9,743
Office Salaries	112,500	117,000	121,680	126,547	131,609	136,873	142,348
Office Supplies	7,500	7,800	8,112	8,436	8,774	9,125	9,490
Office Equipment	6,500	6,760	7,030	7,312	7,604	7,908	8,225
Management Fee	108,000	112,320	116,813	121,485	126,345	131,399	136,654
Manager Salary	65,000	67,600	70,304	73,116	76,041	79,082	82,246
Evictions	50,000	52,000	54,080	56,243	58,493	60,833	63,266
Audit	18,000	18,720	19,469	20,248	21,057	21,900	22,776
Tax Credit Monitoring Fee	4,000	4,160	4,326	4,499	4,679	4,867	5,061
Telephone / Postage	29,650	30,836	32,069	33,352	34,686	36,074	37,517
Bad Debts	58,000	60,320	62,733	65,242	67,852	70,566	73,389
Social Service Coordinator	24,500	25,480	26,499	27,559	28,662	29,808	31,000
Training and Travel	6,250	6,500	6,760	7,030	7,312	7,604	7,908
Misc. Administrative	8,800	9,152	9,518	9,899	10,295	10,707	11,135
Total Administrative	516,800	537,472	558,971	581,330	604,583	628,766	653,917
Uniform Expense	500	520	541	562	585	608	633
Janitor Payroll	150,000	156,000	162,240	168,730	175,479	182,498	189,798
Janitor Supplies	7,250	7,540	7,842	8,155	8,481	8,821	9,174
Electricity	37,000	38,480	40,019	41,620	43,285	45,016	46,817
Water	30,800	32,032	33,313	34,646	36,032	37,473	38,972
Sewer	27,000	28,080	29,203	30,371	31,586	32,850	34,164
Gas	6,700	6,968	7,247	7,537	7,838	8,152	8,478
Exterminating	9,350	9,724	10,113	10,517	10,938	11,376	11,831
Trash Removal	28,000	29,120	30,285	31,496	32,756	34,066	35,429
Misc. Operating	750	780	811	844	877	912	949
Total Operating	297,350	309,244	321,614	334,478	347,857	361,772	376,243
Protection / Security	0	0	0	0	0	0	0
Grounds	24,000	24,960	25,958	26,997	28,077	29,200	30,368
Snow Removal	70,000	72,800	75,712	78,740	81,890	85,166	88,572
Repairs - All	54,450	56,628	58,893	61,249	63,699	66,247	68,897
Painting and Decorating	33,300	34,632	36,017	37,458	38,956	40,515	42,135
Misc. Maintenance	1,500	1,560	1,622	1,687	1,755	1,825	1,898
Total Maintenance	183,250	190,580	198,203	206,131	214,377	222,952	231,870
Real Estate Taxes	114,300	120,015	126,016	132,317	138,932	145,879	153,173
Property Insurance	84,200	87,568	91,071	94,714	98,502	102,442	106,540
Payroll Taxes	33,500	34,840	36,234	37,683	39,190	40,758	42,388
Health Insurance	18,800	19,556	20,442	21,260	22,110	22,995	23,915
Worker's Comp. Insurance	9,300	9,672	10,059	10,461	10,880	11,315	11,767
Taxes Other	1,400	1,456	1,514	1,575	1,638	1,703	1,771
Total Taxes and Insurance	261,600	273,207	285,336	298,009	311,253	325,092	339,554
Debt Service (First Mortgage)	319,345	319,345	319,345	319,345	319,345	319,345	319,345
Debt Service		0	0	0	0	0	0
Reserve for Replacement	60,000	61,800	63,654	65,564	67,531	69,556	71,643
Total Provisions and D/S	379,345	381,145	382,999	384,909	386,876	388,902	390,988
Total Expenses	1,638,345	1,691,646	1,747,122	1,804,857	1,864,946	1,927,483	1,992,572
Net Income (Loss)	71,657	73,832	75,668	77,136	78,208	78,852	79,037
Operating Reserve Draw	0	0	0	0	0	0	0
Cash Flow	71,657	73,832	75,668	77,136	78,208	78,852	79,037
	0	0	0	0	0	0	0
Per Units Cost Total Expenses Less Debt Service	6,595	6,862	7,139	7,428	7,728	8,041	8,366
Debt Service Coverage	1.22	1.23	1.24	1.24	1.24	1.25	1.25

	Year Eight	Year Nine	Year Ten	Year Eleven	Year Twelve	Year Thirteen	Year Fourteen	Year Fifteen
Gross Apartment Rent	2,083,898	2,146,415	2,210,808	2,277,132	2,345,446	2,415,809	2,488,284	2,562,932
CHA Tenant Rent	174,534	179,770	185,163	190,718	196,439	202,333	208,403	214,655
Vacancy	(158,080)	(162,833)	(167,718)	(172,749)	(177,932)	(183,270)	(188,768)	(194,431)
CHA Supplement for Breakeven	38,702	46,361	52,440	59,980	67,943	76,414	85,398	94,914
Net Apartment Rent	2,139,044	2,208,713	2,280,693	2,355,080	2,431,896	2,511,286	2,593,314	2,678,070
Total Income	2,139,044	2,208,713	2,280,693	2,355,080	2,431,896	2,511,286	2,593,314	2,678,070
Advertising	13,686	14,233	14,802	15,395	16,010	16,651	17,317	18,009
Renting Expenses	10,133	10,538	10,960	11,398	11,854	12,328	12,821	13,334
Office Salaries	148,042	153,964	160,123	166,527	173,189	180,116	187,321	194,814
Office Supplies	9,869	10,264	10,675	11,102	11,546	12,008	12,488	12,988
Office Equipment	8,554	8,896	9,252	9,622	10,006	10,407	10,823	11,256
Management Fee	142,121	147,806	153,718	159,866	166,261	172,911	179,828	187,021
Manager Salary	85,530	88,957	92,515	96,216	100,065	104,067	108,230	112,559
Evictions	65,797	68,428	71,166	74,012	76,973	80,052	83,254	86,584
Audit	23,687	24,634	25,620	26,644	27,710	28,819	29,971	31,170
Tax Credit Monitoring Fee	5,264	5,474	5,693	5,921	6,158	6,404	6,660	6,927
Telephone / Postage	39,017	40,578	42,201	43,889	45,646	47,471	49,369	51,344
Bad Debts	76,324	79,377	82,552	85,854	89,288	92,860	96,574	100,437
Social Service Coordinator	32,240	33,530	34,871	36,266	37,717	39,225	40,794	42,426
Training and Travel	8,226	8,554	8,896	9,252	9,622	10,006	10,407	10,823
Misc. Administrative	11,580	12,043	12,525	13,026	13,547	14,089	14,653	15,239
Total Administrative	680,074	707,276	735,568	764,990	795,590	827,413	860,510	894,930
Uniform Expense	658	684	712	740	770	801	833	866
Janitor Payroll	197,380	205,285	213,497	222,037	230,918	240,155	249,761	259,751
Janitor Supplies	9,541	9,922	10,319	10,732	11,161	11,607	12,072	12,555
Electricity	48,689	50,637	52,663	54,769	56,960	59,238	61,608	64,072
Water	40,531	42,152	43,838	45,592	47,415	49,312	51,284	53,336
Sewer	35,530	36,951	38,429	39,967	41,565	43,228	44,957	46,755
Gas	8,817	9,169	9,536	9,918	10,314	10,727	11,156	11,602
Exterminating	12,304	12,796	13,308	13,840	14,394	14,970	15,568	16,191
Trash Removal	36,846	38,320	39,853	41,447	43,105	44,829	46,622	48,487
Misc. Operating	987	1,026	1,067	1,110	1,155	1,201	1,249	1,299
Total Operating	391,292	406,944	423,222	440,151	457,757	476,067	495,110	514,914
Protection / Security	0	0	0	0	0	0	0	0
Grounds	31,582	32,846	34,159	35,526	36,947	38,425	39,962	41,560
Snow Removal	92,115	95,800	99,632	103,617	107,762	112,072	116,555	121,217
Repairs - All	71,652	74,519	77,499	80,599	83,823	87,176	90,663	94,290
Painting and Decorating	43,821	45,573	47,396	49,292	51,264	53,314	55,447	57,665
Misc. Maintenance	1,974	2,053	2,135	2,220	2,309	2,402	2,498	2,598
Total Maintenance	241,144	250,790	260,822	271,255	282,106	293,390	305,125	317,330
Real Estate Taxes	160,832	168,873	177,317	186,183	195,492	205,266	215,530	226,306
Property Insurance	110,801	115,234	119,843	124,637	129,622	134,807	140,199	145,807
Payroll Taxes	44,084	45,847	47,681	49,588	51,572	53,635	55,780	58,011
Health Insurance	24,871	25,866	26,901	27,977	29,096	30,260	31,470	32,729
Worker's Comp. Insurance	12,238	12,728	13,237	13,766	14,317	14,890	15,485	16,105
Taxes Other	1,842	1,916	1,993	2,072	2,155	2,241	2,331	2,424
Total Taxes and Insurance	354,666	370,463	386,971	404,223	422,253	441,086	460,795	481,362
Debt Service (First Mortgage)	319,345	319,345	319,345	319,345	319,345	319,345	319,345	319,345
Debt Service	0	0	0	0	0	0	0	0
Reserve for Replacement	73,792	76,006	78,286	80,635	83,054	85,546	88,112	90,755
Total Provisions and D/S	393,138	395,351	397,632	399,980	402,399	404,891	407,457	410,101
Total Expenses	2,060,316	2,130,826	2,204,213	2,280,598	2,360,104	2,442,859	2,528,997	2,618,657
Net Income (Loss)	78,728	77,888	76,479	74,482	71,792	68,427	64,317	59,413
Operating Reserve Draw	0	0	0	0	0	0	0	0
Cash Flow	78,728	77,888	76,479	74,482	71,792	68,427	64,317	59,413
	0	0	0	0	0	0	0	0
Per Units Cost Total Expenses Less Debt Service	8,705	9,057	9,424	9,808	10,204	10,618	11,048	11,497
Debt Service Coverage	1.25	1.24	1.24	1.23	1.22	1.21	1.20	1.19

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Assumptions: Rent Incr 3% | Expenses Incr 4% | RE Tax Incr 5% | Reserves Incr 3% | Vacancy Rate 7% | Number of Units 73 | Avg. Tenant Rent $ 162.00

	Base Year	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight	Year Nine	Year Ten	Year Eleven	Year Twelve	Year Thirteen	Year Fourteen	Year Fifteen
Gross Apartment Rent	328,500	338,355	348,506	358,961	369,730	380,822	392,246	404,014	416,134	428,618	441,477	454,721	468,362	482,413	496,886
Tenant Rent	141,912	146,169	150,554	155,071	159,723	164,515	169,450	174,534	179,770	185,163	190,718	196,439	202,333	208,403	214,655
Vacancy @ 7%	(32,929)	(33,917)	(34,934)	(35,982)	(37,062)	(38,174)	(39,319)	(40,498)	(41,713)	(42,965)	(44,254)	(45,581)	(46,949)	(48,357)	(49,808)
CHA Supplement for BEO	2,232	6,477	11,017	15,867	21,043	26,562	32,442	38,702	45,361	52,440	59,960	67,943	76,414	85,396	94,914
Net Apartment Rent	439,715	457,085	475,143	493,917	513,434	533,725	554,820	576,751	599,552	623,256	647,901	673,522	700,160	727,855	756,647
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	439,715	457,085	475,143	493,917	513,434	533,725	554,820	576,751	599,552	623,256	647,901	673,522	700,160	727,855	756,647
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	3,796	3,948	4,106	4,270	4,441	4,618	4,803	4,995	5,195	5,403	5,619	5,844	6,078	6,321	6,573
Renting Expenses	2,811	2,923	3,040	3,161	3,288	3,419	3,556	3,698	3,846	4,000	4,160	4,327	4,500	4,680	4,867
Office Salaries	41,063	42,705	44,413	46,190	48,037	49,959	51,957	54,035	56,197	58,445	60,783	63,214	65,742	68,372	71,107
Office Supplies	2,738	2,847	2,961	3,079	3,202	3,331	3,464	3,602	3,746	3,896	4,052	4,214	4,383	4,558	4,740
Office Equipment	2,373	2,467	2,566	2,669	2,775	2,887	3,002	3,122	3,247	3,377	3,512	3,652	3,798	3,950	4,108
Management Fee	39,420	40,997	42,637	44,342	46,116	47,960	49,879	51,874	53,949	56,107	58,351	60,685	63,113	65,637	68,263
Manager Salary	23,725	24,674	25,661	26,687	27,755	28,865	30,020	31,220	32,469	33,768	35,119	36,524	37,984	39,504	41,084
Evictions	18,250	18,980	19,739	20,529	21,350	22,204	23,092	24,016	24,976	25,976	27,014	28,095	29,219	30,388	31,603
Audit	6,570	6,833	7,106	7,390	7,686	7,993	8,313	8,646	8,991	9,351	9,725	10,114	10,519	10,940	11,377
Bookkeeping Fees	1,460	1,518	1,579	1,642	1,708	1,776	1,847	1,921	1,998	2,078	2,161	2,248	2,338	2,431	2,528
Telephone / Answering Service	10,822	11,255	11,705	12,174	12,661	13,167	13,694	14,241	14,811	15,403	16,020	16,660	17,327	18,020	18,741
Bad Debts	21,170	22,017	22,897	23,813	24,766	25,757	26,787	27,858	28,973	30,132	31,337	32,590	33,894	35,250	36,660
Social Service Coordinator (PT)	8,943	9,300	9,672	10,059	10,461	10,880	11,315	11,768	12,238	12,728	13,237	13,767	14,317	14,890	15,486
Training and Travel	2,281	2,373	2,467	2,566	2,669	2,775	2,887	3,002	3,122	3,247	3,377	3,512	3,652	3,798	3,950
Misc. Administrative	3,212	3,340	3,474	3,613	3,758	3,908	4,064	4,227	4,396	4,572	4,755	4,945	5,143	5,348	5,562
Total Administrative	188,632	196,177	204,024	212,185	220,673	229,500	238,680	248,227	258,156	268,482	279,221	290,390	302,006	314,086	326,650
Uniform Expense	183	190	197	205	213	222	231	240	250	260	270	281	292	304	316
Janitor Payroll	54,750	56,940	59,218	61,586	64,050	66,612	69,276	72,047	74,929	77,926	81,043	84,285	87,657	91,163	94,809
Janitor Supplies	2,646	2,752	2,862	2,977	3,096	3,220	3,348	3,482	3,622	3,766	3,917	4,074	4,237	4,406	4,582
Electricity	13,505	14,045	14,607	15,191	15,799	16,431	17,088	17,772	18,483	19,222	19,991	20,790	21,622	22,487	23,386
Water	11,242	11,692	12,159	12,646	13,152	13,678	14,225	14,794	15,386	16,001	16,641	17,307	17,999	18,719	19,468
Sewer	9,855	10,249	10,659	11,086	11,529	11,990	12,470	12,969	13,487	14,027	14,588	15,171	15,778	16,409	17,066
Gas	2,446	2,543	2,645	2,751	2,861	2,975	3,094	3,218	3,347	3,481	3,620	3,765	3,915	4,072	4,235
Exterminating	3,413	3,549	3,691	3,839	3,992	4,152	4,318	4,491	4,671	4,857	5,052	5,254	5,464	5,683	5,910
Trash Removal	10,220	10,629	11,054	11,496	11,956	12,434	12,932	13,449	13,987	14,546	15,128	15,733	16,363	17,017	17,698
Misc. Operating	274	285	296	308	320	333	346	360	375	390	405	421	438	456	474
Total Operating	108,533	112,874	117,389	122,085	126,968	132,047	137,329	142,822	148,535	154,476	160,656	167,081	173,764	180,715	187,944
Protection / Security	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grounds	8,760	9,110	9,475	9,854	10,248	10,658	11,084	11,528	11,989	12,468	12,967	13,486	14,025	14,586	15,169
Snow Removal	25,550	26,572	27,635	28,740	29,890	31,085	32,329	33,622	34,967	36,365	37,820	39,333	40,906	42,543	44,244
Repairs - All	19,874	20,669	21,496	22,356	23,250	24,180	25,147	26,153	27,199	28,287	29,419	30,595	31,819	33,092	34,416
Painting and Decorating	12,155	12,641	13,146	13,672	14,219	14,788	15,379	15,994	16,634	17,300	17,992	18,711	19,460	20,238	21,048
Misc. Maintenance	548	569	592	616	640	666	693	720	749	779	810	843	877	912	948
Total Maintenance	66,886	69,562	72,344	75,238	78,247	81,377	84,632	88,018	91,538	95,200	99,008	102,968	107,087	111,371	115,825
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance	30,733	31,962	33,241	34,570	35,953	37,391	38,887	40,443	42,060	43,743	45,492	47,312	49,205	51,173	53,220
Payroll Taxes	12,228	12,717	13,225	13,754	14,304	14,877	15,472	16,091	16,734	17,404	18,100	18,824	19,577	20,360	21,174
Health Insurance	6,899	7,174	7,461	7,760	8,070	8,393	8,729	9,078	9,441	9,819	10,211	10,620	11,046	11,487	11,946
Worker's Comp. Insurance	3,395	3,530	3,671	3,818	3,971	4,130	4,295	4,467	4,646	4,831	5,025	5,226	5,435	5,652	5,878
Taxes Other	511	531	553	575	598	622	647	672	699	727	756	787	818	851	885
Total Taxes and Insurance	53,765	55,915	58,152	60,478	62,897	65,413	68,029	70,750	73,580	76,524	79,585	82,768	86,079	89,522	93,103
Debt Service (First Mort & IHDA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for Replacement	21,900	22,557	23,234	23,931	24,649	25,388	26,150	26,934	27,742	28,575	29,432	30,315	31,224	32,161	33,126
Total Provisions and D/S	21,900	22,557	23,234	23,931	24,649	25,388	26,150	26,934	27,742	28,575	29,432	30,315	31,224	32,161	33,126
Total Expenses	439,716	457,085	475,143	493,916	513,434	533,725	554,820	576,751	599,552	623,256	647,901	673,522	700,160	727,854	756,647
Net Income (Loss drawn from Tenant Rent Reserve)	(0)	(0)	(0)	0	0	0	0	0	(0)	0	0	(0)	0	0	(0)
Per Unit Cost : Total Expenses Less Debt Service	6,024	6,261	6,509	6,768	7,033	7,311	7,600	7,901	8,213	8,538	8,875	9,226	9,591	9,971	10,365
Debt Service Coverage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Villages of Westhaven
Non-ACC Units Operating Budget

Assumptions:			
Rent Incr	3%	Reserves Incr	3%
Expenses Incr	4%	Vacancy Rate	7%
RE Tax Incr	5%		

	Base Year	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven
Gross Apartment Rent	1,365,900	1,406,877	1,449,083	1,492,556	1,537,332	1,583,452	1,630,956
Vacancy	(95,613)	(98,481)	(101,436)	(104,479)	(107,613)	(110,842)	(114,167)
Net Apartment Rent	1,270,287	1,308,396	1,347,647	1,388,077	1,429,719	1,472,611	1,516,789
Other Income	0	0	0	0	0	0	0
Total Income	1,270,287	1,308,396	1,347,647	1,388,077	1,429,719	1,472,611	1,516,789
Advertising	6,604	6,868	7,143	7,429	7,726	8,035	8,356
Renting Expenses	4,890	5,085	5,288	5,500	5,720	5,948	6,187
Office Salaries	71,438	74,295	77,267	80,357	83,572	86,915	90,391
Office Supplies	4,763	4,953	5,151	5,357	5,571	5,794	6,026
Office Equipment	4,128	4,293	4,464	4,643	4,829	5,022	5,223
Management Fee	68,580	71,323	74,176	77,143	80,229	83,438	86,776
Manager Salary	41,275	42,926	44,643	46,429	48,286	50,217	52,226
Evictions	31,750	33,020	34,341	35,714	37,143	38,629	40,174
Audit	11,430	11,887	12,363	12,857	13,371	13,906	14,463
Bookkeeping Fees	2,540	2,642	2,747	2,857	2,971	3,090	3,214
Telephone / Answering Service	18,826	19,581	20,364	21,179	22,026	22,907	23,823
Bad Debts	36,830	38,303	39,835	41,429	43,086	44,809	46,602
Social Service Coordinator (PT)	15,556	16,180	16,827	17,500	18,200	18,928	19,685
Training and Travel	3,969	4,128	4,293	4,464	4,643	4,829	5,022
Misc. Administrative	5,588	5,812	6,044	6,286	6,537	6,799	7,071
Total Administrative	328,168	341,295	354,947	369,144	383,910	399,267	415,237
Uniform Expense	318	330	343	357	371	386	402
Janitor Payroll	95,250	99,060	103,022	107,143	111,429	115,886	120,522
Janitor Supplies	4,604	4,788	4,979	5,179	5,386	5,601	5,825
Electricity	23,496	24,436	25,412	26,429	27,486	28,585	29,729
Water	19,558	20,340	21,154	22,000	22,880	23,795	24,747
Sewer	17,145	17,831	18,544	19,286	20,057	20,860	21,694
Gas	4,255	4,425	4,602	4,786	4,977	5,176	5,383
Exterminating	5,937	6,175	6,422	6,679	6,946	7,224	7,513
Trash Removal	17,780	18,491	19,231	20,000	20,800	21,632	22,497
Misc. Operating	476	495	515	536	557	579	603
Total Operating	188,817	196,370	204,225	212,394	220,889	229,725	238,914
Protection / Security	0	0	0	0	0	0	0
Grounds	15,240	15,850	16,484	17,143	17,829	18,542	19,283
Snow Removal	44,450	46,228	48,077	50,000	52,000	54,080	56,243
Repairs - All	34,576	35,959	37,397	38,893	40,449	42,067	43,749
Painting and Decorating	21,146	21,991	22,871	23,786	24,737	25,727	26,756
Misc. Maintenance	953	991	1,030	1,071	1,114	1,159	1,205
Total Maintenance	116,364	121,018	125,859	130,893	136,129	141,574	147,237
Real Estate Taxes	114,300	120,015	126,016	132,317	138,932	145,879	153,173
Property Insurance	53,467	55,606	57,830	60,143	62,549	65,051	67,653
Payroll Taxes	21,273	22,123	23,008	23,929	24,886	25,881	26,916
Health Insurance	12,002	12,482	12,981	13,500	14,040	14,602	15,186
Worker's Comp. Insurance	5,906	6,142	6,387	6,643	6,909	7,185	7,472
Taxes Other	889	925	962	1,000	1,040	1,082	1,125
Total Taxes and Insurance	207,836	217,292	227,184	237,531	248,356	259,679	271,525
Debt Service (First Mort & IHDA)	319,345	319,345	319,345	319,345	319,345	319,345	319,346
Reserve for Replacement	38,100	39,243	40,420	41,633	42,882	44,168	45,493
Total Provisions and D/S	357,445	358,588	359,765	360,978	362,227	363,514	364,839
Total Expenses	1,198,630	1,234,563	1,271,980	1,310,941	1,351,512	1,393,759	1,437,752
Net Income (Loss)	71,657	73,833	75,668	77,136	78,206	78,852	79,037
Per Unit Cost : Total Expenses Less Debt Service	6,924	7,208	7,501	7,808	8,127	8,460	8,806
Debt Service Coverage	1.22	1.23	1.24	1.24	1.24	1.25	1.25

	Year Eight	Year Nine	Year Ten	Year Eleven	Year Twelve	Year Thirteen	Year Fourteen	Year Fifteen
Gross Apartment Rent	1,679,885	1,730,281	1,782,190	1,835,655	1,890,725	1,947,447	2,005,870	2,066,046
Vacancy	(117,592)	(121,120)	(124,753)	(128,496)	(132,351)	(136,321)	(140,411)	(144,623)
Net Apartment Rent	1,562,293	1,609,162	1,657,436	1,707,160	1,758,374	1,811,126	1,865,460	1,921,423
Other Income	0	0	0	0	0	0	0	0
Total Income	1,562,293	1,609,162	1,657,436	1,707,160	1,758,374	1,811,126	1,865,460	1,921,423
Advertising	8,690	9,038	9,400	9,776	10,167	10,573	10,996	11,436
Renting Expenses	6,434	6,692	6,959	7,238	7,527	7,828	8,141	8,467
Office Salaries	94,007	97,767	101,678	105,745	109,975	114,374	118,949	123,707
Office Supplies	6,267	6,518	6,779	7,050	7,332	7,625	7,930	8,247
Office Equipment	5,432	5,649	5,875	6,110	6,354	6,608	6,873	7,147
Management Fee	90,247	93,856	97,611	101,515	105,576	109,799	114,191	118,759
Manager Salary	54,315	56,488	58,747	61,097	63,541	66,083	68,726	71,475
Evictions	41,781	43,452	45,190	46,998	48,878	50,833	52,866	54,981
Audit	15,041	15,643	16,268	16,919	17,596	18,300	19,032	19,793
Bookkeeping Fees	3,342	3,476	3,615	3,760	3,910	4,067	4,229	4,398
Telephone / Answering Service	24,776	25,767	26,798	27,870	28,984	30,144	31,350	32,604
Bad Debts	48,466	50,404	52,421	54,517	56,698	58,966	61,325	63,778
Social Service Coordinator (PT)	20,473	21,292	22,143	23,029	23,950	24,908	25,904	26,941
Training and Travel	5,223	5,432	5,649	5,875	6,110	6,354	6,608	6,873
Misc. Administrative	7,353	7,648	7,953	8,272	8,602	8,947	9,304	9,677
Total Administrative	431,847	449,121	467,085	485,769	505,200	525,408	546,424	568,281
Uniform Expense	418	435	452	470	489	508	529	550
Janitor Payroll	125,343	130,356	135,570	140,993	146,633	152,498	158,598	164,942
Janitor Supplies	6,058	6,301	6,553	6,815	7,087	7,371	7,666	7,972
Electricity	30,918	32,155	33,441	34,778	36,169	37,616	39,121	40,686
Water	25,737	26,766	27,837	28,951	30,109	31,313	32,566	33,868
Sewer	22,562	23,464	24,403	25,379	26,394	27,450	28,548	29,690
Gas	5,599	5,823	6,056	6,298	6,550	6,812	7,084	7,367
Exterminating	7,813	8,126	8,451	8,789	9,140	9,506	9,886	10,281
Trash Removal	23,397	24,333	25,306	26,319	27,371	28,466	29,605	30,789
Misc. Operating	627	652	678	705	733	762	793	825
Total Operating	248,471	258,409	268,746	279,496	290,676	302,303	314,395	326,970
Protection / Security	0	0	0	0	0	0	0	0
Grounds	20,055	20,857	21,691	22,569	23,461	24,400	25,376	26,391
Snow Removal	58,493	60,833	63,266	65,797	68,429	71,166	74,013	76,973
Repairs - All	45,499	47,319	49,212	51,181	53,228	55,357	57,571	59,874
Painting and Decorating	27,826	28,939	30,097	31,301	32,553	33,855	35,209	36,617
Misc. Maintenance	1,253	1,304	1,356	1,410	1,466	1,525	1,586	1,649
Total Maintenance	153,127	159,252	165,622	172,247	179,137	186,302	193,754	201,504
Real Estate Taxes	160,832	168,873	177,317	186,183	195,492	205,266	215,530	226,306
Property Insurance	70,359	73,173	76,100	79,144	82,310	85,602	89,026	92,588
Payroll Taxes	27,993	29,113	30,277	31,488	32,748	34,058	35,420	36,837
Health Insurance	15,793	16,425	17,082	17,765	18,476	19,215	19,983	20,783
Worker's Comp. Insurance	7,771	8,082	8,405	8,742	9,091	9,455	9,833	10,226
Taxes Other	1,170	1,217	1,265	1,316	1,369	1,423	1,480	1,539
Total Taxes and Insurance	283,918	296,883	310,447	324,638	339,486	355,020	371,273	388,279
Debt Service (First Mort & IHDA)	319,345	319,346	319,346	319,346	319,346	319,346	319,346	319,346
Reserve for Replacement	46,858	48,264	49,712	51,203	52,739	54,321	55,951	57,630
Total Provisions and D/S	366,203	367,609	369,057	370,548	372,085	373,667	375,296	376,975
Total Expenses	1,483,565	1,531,274	1,580,957	1,632,698	1,686,582	1,742,699	1,801,142	1,862,010
Net Income (Loss)	78,727	77,888	76,479	74,462	71,793	68,427	64,317	59,413
Per Unit Cost : Total Expenses Less Debt Service	9,167	9,543	9,934	10,341	10,766	11,208	11,668	12,147
Debt Service Coverage	1.25	1.24	1.24	1.23	1.22	1.21	1.20	1.19

Equal Justice Under Law
BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST

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December 13, 2011

Mr. Richard Sciortino
President
Brinshore Development L.L.C
666 Dundee Road, Suite 1102
Northbrook, IL 60062

Scott Ammarell
General Counsel
Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, IL 60605

Re: Gautreaux -- Letter of Agreement regarding West Haven Phase I Redevelopment

Dear Rich and Scott:

This Letter memorializes agreements reached among the Chicago Housing Authority (CHA), BMH-I, LLC (BMH) – the developer of West Haven Park – and counsel for the Gautreaux plaintiffs regarding measures that BMH and the CHA will undertake to support a high quality of life for residents of West Haven and to improve the prospects for fully achieving the mixed income goal for the entire West Haven Redevelopment site. These agreements have been made in anticipation of requests to Judge Aspen and Judge Zagel to authorize the redevelopment of 73 units of public housing in Phase I of West Haven and the replacement of 127 public housing units currently on the site with market rate and affordable rental units. The 127 public housing units replaced at the West Haven site will be developed elsewhere in the surrounding community or in other locations in the City of Chicago.

The agreements contained herein are the result of discussions among BMH, CHA, The Habitat Company LLC as Gautreaux Development Manager ("GDM"), and counsel for the Gautreaux plaintiffs, begun out of shared concerns about the effect of the economic downturn and the collapse of the real estate market on the continued prospects for mixed income development in West Haven. These concerns include the inability, so far, to fully develop the for-sale component of the West Haven plan. As a result West Haven is for now, and will be for at least some period into the future, a predominantly low- to moderate-income rental community, without the full mix of incomes and tenure types originally envisioned by the parties and the Gautreaux Court, as described in the Joint Motion presented to the Court and the resulting Order authorizing Phase II development that was entered by Judge Aspen on December 12, 2002. The additional circumstance that Phase I of the West Haven redevelopment is

EXHIBIT
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comprised entirely of 200 public housing units exacerbates the concerns of the signatories about both the quality of life and the potential viability of the mixed income development authorized by the Gautreaux orders and the Horner Consent Decree. The signatories believe that the agreed-upon measures, including Quarterly Meetings to discuss the ongoing health of the West Haven development and the circumstances of its residents, will help to ensure West Haven's viability as a well-working community and preserve the potential to meet the mixed income objective of the prior *Gautreaux* orders authorizing its development.

Nothing in this agreement is intended to modify, affect or eliminate CHA's obligation to consult with the Horner Residents Committee (HRC) under paragraph 16 of the Horner Amended Consent Decree.

AGREEMENTS

1. Quarterly Property Management Reports and Meetings

The undersigned agree that excellent property management will play an important role in maintaining both the quality of life for West Haven residents and the viability of the West Haven development, and preserving its mixed income potential. Once rehabilitated units in Phase I are occupied, regular reporting and meetings on property management will provide a picture of the development's health.

(a) Property Management Reports

Commencing with initial occupancy of the first rehabilitated units in Phase I, BMH will provide quarterly property management reports on all occupied phases of West Haven to be discussed at the Quarterly Meetings described in Paragraph I(b), below. These reports will consist of a narrative portion and three charts, as follows:

- The narrative portion of the report will discuss important current successes (e.g. low turnover rates, resident participation in management-initiated events, resolution of a security issue) and concerns (e.g. security problems, lease compliance issues, reasons for evictions, maintenance issues, problems with neighbors getting along, etc.).

- One chart will provide information on occupancy, move-outs, length of vacancies and numbers of evictions.

- A second chart will provide information on residents' lease compliance status, work requirement status, income and rent.

- A third chart will provide the reasons for any move-outs during the quarter.

These reports will be prepared in such a way as to protect the confidentiality of families and individuals, while still providing sufficient information to evaluate the effectiveness of property management.

Sample property management charts are attached to this letter (Attachment A).

(b) Quarterly Meetings

During the first year after initial occupancy of the first rehabilitated units, and thereafter if deemed useful by the undersigned, counsel for the Gautreaux plaintiffs, CHA, BMH, and the GDM* will meet quarterly to review and discuss the quarterly property management reports. The reports are to be a starting point for the discussion, whose purpose is to determine the ongoing health of the West Haven development and to collaboratively identify possible improvements or solutions to problems identified. The consultant to the HRC will be invited to participate in these Quarterly Meetings.

2. Social Services Commitments, Quarterly Services Reports and Meetings

The undersigned agree that social services and community programming will be crucial to help residents move toward self-sufficiency and maintain housing stability, especially while West Haven continues as a largely rental development and there is little economic activity in the area. Some level of services will always be necessary to help new families adjust and to address crisis situations. Once the first rehabilitated Phase I units are occupied, quarterly reporting and meetings on social services will enable meaningful evaluation of whether the services provided are meeting the needs of residents and contributing to the health of the development.

(a) Social Services

- BMH will staff one full-time service coordinator (SSC) position for the West Haven development. As additional units come on line in West Haven, or other BMH developments being staffed by the same service coordinator, BMH will review its staffing needs and may add additional staff positions.

- The SSC's responsibilities will include, for all West Haven residents and in addition to other responsibilities, outreach, referrals to "outside" services as needed, organizing community-building programs and events, and establishing and maintaining partnerships with others, including the CHA FamilyWorks provider, for collaboration on resident services.

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* The Habitat Company will participate in these meetings in its role as Gautreaux Development Manager so as long as that role continues.

- CHA currently has a contract with Near West Side Community Development Corporation to provide services to CHA families in West Haven as part of its FamilyWorks program. CHA will use its best efforts to continue its financial support for social services at West Haven through at least 2016.

(b) Services Reports

- CHA, in coordination with BMH, will provide quarterly services reports on all occupied phases of West Haven to be discussed at the Quarterly Meetings described in Paragraph I(b), above. These reports will cover the services provided, including such elements as:

    - the services and programming being offered and actually being used by residents;
    - outcomes achieved for the quarter;
    - significant challenges or successes for the quarter.

- These reports will be prepared in such a way as to protect the confidentiality of families and individuals, while still providing sufficient information to evaluate the effectiveness of the services being provided.

A sample quarterly services report is attached to this letter (Attachment B), however prior to the first Quarterly Meeting to discuss the reports, and within two months of initial lease-up of the first rehabilitated units, the undersigned will agree on the precise form to be used for the reports.

(c) Quarterly Meetings

- During the first year after initial occupancy of the first rehabilitated units, and thereafter if deemed useful by the undersigned, the quarterly services reports will be discussed in the meetings described above in Paragraph I(b). The reports are to be a starting point for the discussion, whose purpose is to determine the efficacy of the programs and to collaboratively identify possible improvements or solutions to problems identified.

- Within three months of occupancy of the first rehabilitated units, CHA and BMH will provide an initial report assessing whether the services provided to residents are meeting the needs of residents. The information to be used in the assessment of services shall include, but need not be limited to:

    - FamilyWorks' resident assessments and related Individual Action Plans;
    - Resident surveys and home visits;
    - BMH's resident lease compliancy information;
    - Anecdotal observations from CHA, BMH and/or other stakeholders.

3. **Security**

The undersigned recognize that to help ensure residents' quality of life and preserve the mixed income potential of West Haven there must be a commitment to monitoring and addressing security issues.

- At least three months prior to initial occupancy of the first rehabilitated units, BMH will review its West Haven security plan and make any appropriate adjustments to address the newly rehabilitated units. (This requirement is not intended to affect any consulting CHA is required to undertake with the HRC.)

- The security plan will be presented (after any required consultation) at the first Quarterly Meeting described in Paragraph I(b). Any changes subsequently made to the security plan will be reported to the Quarterly Meetings.

- BMH will be responsible for security in the mixed income areas of West Haven. CHA will work with BMH as necessary to help address security issues.

- CHA will promptly investigate and address reports of crime and other neighborhood security problems said to originate in nearby scattered site or other CHA owned public housing. These efforts will be reported at the Quarterly Meetings.

- CHA and BMH will report on security challenges and successes at their respective properties (West Haven, the Horner Annex and nearby scattered sites) at the Quarterly Meetings.

4. **West Haven For-Sale Units**

BMH planned to construct 315 for sale units in West Haven. Thus far, BMH has constructed 139 of these units. Three of these apartments have not been sold and are currently leased.

- During the first year after initial occupancy of the first rehabilitated units, and thereafter if deemed useful by the undersigned, the participants will review and discuss current sales, financing and lending conditions at their Quarterly Meetings.

- At an appropriate time, as agreed to by the participants of the Quarterly Meetings, BMH will review the current plan for development of the remaining for-sale units and recommend appropriate revisions in light of the changes in market conditions. The undersigned and the GDM (if still participating) will review and discuss BMH's development plans and any recommended changes, taking into account current conditions and the all rental nature of the Phase I site. BMH will proceed with further market rate development when agreement is reached on a development plan. The goal of the agreed upon development plan will be to achieve the mixed income objective of the West Haven redevelopment.

- BMH will maintain and secure any vacant lots owned by BMH or CHA that are intended for for-sale development, so as not to prejudice future sales.

5. Working Group Representation and Meeting Agenda

The undersigned agree that the West Haven Working Group is an important vehicle for sustaining the viability of the West Haven development and is useful not only for overseeing the development process, but also for identifying and addressing issues that arise affecting the quality of life of the residents. To be most effective, the Working Group should include key stakeholders, including at least one resident of the mixed income areas of West Haven.

- CHA agrees to convene regular monthly meetings of the West Haven Working Group. The West Haven Working Group may modify the schedule by consensus should the circumstances warrant.

- The undersigned and the GDM agree that, if at the first Working Group meeting following execution of this agreement no member of the Working Group is a resident of the mixed income areas of West Haven, they will discuss with the Working Group (including its HRC representative) and together decide upon a process to identify a resident who lives in the mixed income areas of West Haven for appointment to the Working Group. Using the agreed upon process, the Working Group will endeavor to promptly identify and recommend for appointment such a resident. The CHA will review the Working Group's recommendation and approve or disapprove such appointee promptly. Approval shall not be unreasonably withheld by CHA.

- The Quarterly Meeting participants agree to meet together to develop the schedule for Working Group discussions, including the topics referenced in this document (e.g. on schools and economic development), within 60 days of the date this agreement is signed.

6. Economic Development

The undersigned recognize the critical nature of economic development to the success and sustainability of new residential development, to the residents' quality of life, and to the attraction and retention of residents. Economic development in the vicinity of West Haven has been slow, leaving the residential development relatively isolated. While improving economic development is primarily the function of other parties, the undersigned believe that they can play a useful role. To that end:

- CHA will include economic development as an item for discussion on the West Haven Working Group agenda at least once per quarter. To facilitate such discussions, CHA and BMH will encourage the participation in the Working Group of the local Aldermen, or their designees, as well as a representative of the Department of Housing and Economic Development, and request regular updates to the Working Group on proposed developments and economic goals within the area.

- CHA will use its best efforts to facilitate regular discussions between West Haven stakeholders and the Department of Housing and Economic Development on improved employment and retail opportunities in the area proximate to the West Haven Development.

- BMH will work with the City of Chicago, the local Aldermen, local retail/commercial developers, and relevant community leaders, such as representatives of the New Communities Program, to identify and implement economic development opportunities for the West Haven community.

- BMH will attend any focus groups, forums or other gatherings that are convened about economic development in the surrounding community.

7. Quality Neighborhood Schools

The undersigned recognize that quality neighborhood schools are critical to the quality of life of the families living in West Haven, and to the long-term viability of the development. Although improving neighborhood schools will involve other parties, in particular Chicago Public Schools, the undersigned agree to work together to improve neighborhood schools, including but not limited to, the following:

- CHA will include neighborhood schools as an item for discussion on the Working Group agenda at least once per quarter.

- CHA will use its best efforts to facilitate discussions between stakeholders at West Haven, neighborhood schools and the Chicago Public Schools regarding improved educational opportunities in the area proximate to the West Haven Development.

- In order to make West Haven parents aware of the educational options that exist, CHA, working with its service providers, and BMH will provide school choice information to West Haven residents and will facilitate participation of West Haven parents in school fairs and other information sessions organized in the community or otherwise available to them. CHA and BMH will encourage parents to understand the importance of being active participants in their children's educational process and to become involved in their children's schools by becoming members of the parent/teacher association and local school council.

Conclusion

The undersigned parties, having made the above agreements, will work together to sustain a high quality of life for the residents of West Haven, preserve the potential for development of for-sale housing at the earliest possible date, and sustain the viability of the mixed income nature of the entire development.

December 13, 2011

Signed,

Julie Elena Brown

One of the Attorneys for the
Gautreaux plaintiffs
Alexander Polikoff
Julie Elena Brown
Business and Professional People for the
Public Interest
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Agreed:

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Chicago, Illinois 60605

cc: William P. Wilen, Attorney for the Horner Residents' Committee

ATTACHMENT A

West Haven

2012 Occupancy Report

Total Units:	
ACC	Total
Tax Credit	Total:
Market	Total:

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Move Outs (by unit type):												
ACC												
Tax Credit												
Market												
Vacancy (by unit type):												
ACC												
Tax Credit												
Market												
Vacancy-over 60 days (by unit type):												
ACC												
Tax Credit												
Occupancy (by unit type):												
ACC												
Tax Credit												
Market												
ACC												
Tax Credit												
Market Rate												

WEST HAVEN
RESIDENT STATUS
Date:

Total Units		
Total ACC Units		
Vacant ACC Units		
Percentage Occupied		
Work Requirement Status	[illegible]	[illegible]
Number of covered residents		
Meeting/Working		
Meeting/Education		
Meeting/Combination of Working and Education		
Total Meeting Requirements		
Exempt		
Non Lease Compliant Households	(total)	(total)
Work Requirement Non-compliant		
Lease Violation		
Rent/Legal Cases		
Utility		
Behavioral-Social		
Long Term Non Lease Compliant (more than 60 days)		
Income [illegible]	[illegible]	[illegible]
Between $0 and $10,000		
Between $10,000 and $20,000		
Between $20,000 and $30,000		
Above $30,000		
[illegible]	[illegible]	[illegible]
Below 30%		
Between 30% and 50%		
Between 50% and 60%		
Total		
[illegible]	[illegible]	[illegible]
Between $ 0 and $100		
Between $100 and $300		
Between $300 and $500		
Between $500 and $700		
Above $700		
Total		

ATTACHMENT B

CHANGE.
CHICAGO HOUSING AUTHORITY

Chicago Housing Authority
Community and Supportive Services
Quarterly Report
[Contractor]
[Date]

COMMUNITY AND SUPPORTIVE SERVICES

Activity	Date/Time/Location	Target Population (e.g. youth, seniors, parents)	# of Attendees	Description

CHANGE.
CHICAGO HOUSING AUTHORITY

Chicago Housing Authority
Community and Supportive Services
Quarterly Report
[Contractor]
[Date]

Activity	Date/Time/Location	Target Population (e.g. youth, seniors, parents)	# of Attendees	Description

Partner Agency/Organization	Type (e.g. community based organization, public or private entity)	Description of Partnership

CHANGE.
CHICAGO HOUSING AUTHORITY

(e.g. service delivery, community issues, security, parks, etc).

SERVICE PROVIDER - CONTRACT PERIOD

ACTIVITY	TARGET	Contract Goal	Contract to date (#)	Contract to date (%)
Job Preparation	Number of residents that obtained a GED			
	Number of residents passing any portion of the GED test			
	Number of residents completing a Compass and/or TABE test			
	Number of residents that increased a grade level, as measured by Compass and/or TABE assessments			
	Number of residents enrolled in and attending an Employment Skills Training (Hard Skills) Program			
	Number of residents that complete an Employment Skills Training (Hard Skills) Program			
	Number of residents completing Job Readiness Training			
	Number of residents participating in a subsidized job/internship through a Transitional Jobs Program			
	Number of residents who complete TEC Services digital literacy program			
	Number of residents enrolled in an Adult Basic Education or Literacy Program			
	Number of residents completing entrepreneurship training			
	Number of residents volunteering			
	Number of residents enrolling in college/post secondary education			
	Number of residents enrolled in an ESL course			
	Number of residents that complete an ESL course			
Job Placement	Number of employment placements			
Job Retention	Number of residents who advance their career			
	Number of residents who lose their jobs are re-employed within 30 days			
	Number of residents who received a placement will be retained in the workforce for 30 days			
	Number of residents who received a placement will be retained in the workforce for 60 days			
	Number of residents who received a placement will be retained in the workforce for 90 days			
	Number of residents who received a placement will be retained in the workforce for 180 days			
Lease Compliance Assistance	Number of residents who complete Good Neighbor Training for lease compliance			
	Number of households that satisfy requirement of Safe Harbor			
	Number of households that are non lease compliant per their PM become lease compliant			
Counseling Services	Number of residents who complete a clinical/mental health assessment			
	Number of residents who engage in individual counseling w/clinical staff			
	Number of residents who participate in group/family counseling			
SSDI/SSI Application	Number of residents appeal SSDI/SSI denial			
	Number of residents complete applications for SSDI/SSI			
Substance Abuse	Number of residents attending substance abuse services (workshops, groups)			
	Number of residents completed substance abuse treatment other than detox			
Children & Youth Activities	Number of children/youth enrolled in park district activities			
	Number of youth enrolled in Learn and Earn			
	Number of youth participating in Summer Jobs program			
	Number of youth dual enrolled in HS/College program			
	Number of children/youth enrolled in out of/after school activities & programs			
	Number of children enrolled in Headstart/Pre-K			
	Number of children placed in childcare			
Financial Support Services	Number of residents completed Financial Literacy and/or Credit Counseling			
	Number of households assisted in applying for EITC			
	Number of residents enrolled in the Family Self-Sufficiency Program			
Senior Support Services	Number of seniors or disabled adults in family housing who register for file for life			
	Number of seniors who complete a senior assessment			

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

DOROTHY GAUTREAUX, et al., Plaintiffs,	)	
-vs-	)	No. 66 C 1459
CHICAGO HOUSING AUTHORITY, et al., Defendants.	)	Hon. Marvin E. Aspen

NOTICE OF FILING AND CERTIFICATE OF SERVICE

Thomas E. Johnson, one of the attorneys for the CHA Defendants, hereby certifies that he e-filed the foregoing **JOINT MOTION OF THE PLAINTIFFS AND THE CHA TO APPROVE THE RENOVATION OF THE HORNER "SUPERBLOCK"** with the Clerk of the U.S. District Court for the Northern District of Illinois on December 19, 2011, and the same day a copy was served by e-filing on opposing counsel, addressed to:

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