



Moving To Work FY2006 Annual Report

CHANGE.
CHICAGO HOUSING AUTHORITY



MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF COMMISSIONERS

While this year's annual report chronicles the activities of the Chicago Housing Authority during the 2006 fiscal year, it only tells part of the story. It accurately details the CHA's progress toward reaching its objectives as set forth in the Plan for Transformation with statistics on newly constructed buildings and rehabilitated units. It details compliance with operating procedures, and it quantifies occupancy and collections experience. What the report doesn't capture, however, is the spirit and enthusiasm dedicated to the process of implementing the Plan by a variety of stakeholders who collectively represent the fabric of the Chicago community.

The City government itself continues to enthusiastically support the Plan. The Departments of Planning, Streets and Sanitation, Economic Development, Housing and other City agencies remain steadfast in their commitment to facilitate completion of the transformation. The staffs of these agencies are responsive, thoughtful, and coordinated in their efforts to assist in the redevelopment of CHA properties and the transformation of its residents.

Chicago's business community also continues to contribute to the success of the Plan by investing in the neighborhoods that are being revitalized. They are helping to establish an economic infrastructure in these communities by opening businesses that provide jobs, goods, and services that are desperately needed by public housing residents.

Many of Chicago's most effective not-for-profit organizations, charitable foundations, and social service agencies also continue to support the CHA's efforts by helping to finance, organize, and implement a comprehensive social service system that meets residents wherever they may be on the road to self-sufficiency, and provides guidance and support they may need. Every resident has access to self-improvement programs, job training, and life-skills development programs to help them reach their goals.

The CHA is Chicago's largest landlord. As such, the Plan for Transformation will profoundly affect the beauty and vitality of the entire region as CHA properties and residents are integrated into the City's social and physical landscape and begin to seamlessly contribute to the growth and development of the community. From every corner of Chicago, under the leadership of Mayor Daley, the CHA continues to receive profound support. The stakeholders have worked together to reach this point in the Plan for Transformation and will ultimately succeed as result of this historic collaboration.

Sincerely,

Martin Nesbitt, Chairperson
Chicago Housing Authority Board of Commissioners



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

After six years of exemplary stewardship of the Chicago Housing Authority, Terry Peterson resigned his post as Chief Executive Officer in October 2006 to pursue other endeavors. This Annual Report would be incomplete if it did not first recognize the outstanding leadership Mr. Peterson provided for the past six years, and express the gratitude we all feel for his service to the CHA and for his great impact on the city as a whole. I accepted the position of acting CEO, and it is my pleasure to detail the accomplishments of the CHA for FY2006.

As many surely know, FY2006 was the seventh year of the CHA's historic Plan for Transformation. The Plan for Transformation outlines our strategy and goal to completely transform and revitalize 25,000 units of public housing throughout Chicago. As you will read in this FY2006 Annual Report, we made many important accomplishments towards that goal during the year.

As to physical production, this year the CHA completed 1,103 units to bring the total number of completed units to 15,292, or 61 percent of the units under the Plan. We completed seven mixed-income real estate transaction closings, for a total of 46 since the Plan began. At this point, our seniors developments are 93 percent rehabilitated, and our scattered site properties are 100 percent rehabilitated.

The success of the Plan is not measured only in unit count, but also through the personal and economic success of CHA residents. Under the Plan, in FY2006 we created several significant opportunities for residents to advance socially and economically. Through workforce development programs run by our City, non-profit and other partners, salaries of residents who work increased by 50 percent since the beginning of the Plan, from approximately \$10,000 to more than \$15,000 today. And due to job training and placement programs run by partners, more than 3,000 residents have found employment since 2003. These numbers tell an important story: when housing conditions improve, and opportunities for personal growth are offered, residents can achieve personal success.

While our successes this year are heartening, our work is clearly not yet done and our challenges remain formidable. Funding from HUD for public housing authorities nationwide is only 76 percent of the amount they believe we need to maintain the properties we have. Other public housing authorities have endured severe staff layoffs and other cuts that we have luckily been able to avoid. In addition, the per-unit cost of development continues to rise precipitously at the same time that funding for the federal redevelopment program, HOPE VI, is being cut severely.

While these federal policies make our redevelopment plans all the harder, we are lucky to have the support of the entire city. For-profit employers, foundations, non-profits, and of course the unparalleled leadership of Mayor Richard M. Daley have all collaborated and contributed to our success in FY2006. We look forward to another year of excellence in 2007.

Sincerely,

Sharon Gist Gilliam, Chairperson
Chicago Housing Authority Board of Commissioners



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Introduction

The CHA's Plan for Transformation (Plan), Moving to Work Demonstration Agreement (MTW Agreement), and its amendments allow the CHA to create and implement innovative strategies for the revitalization of Chicago public housing and provide its residents with the means to become economically self-sufficient. The MTW Agreement and its amendments offer the CHA the most flexible approach to public housing administration. The resulting budget flexibility and regulatory relief has become even more important recently since fewer federal resources are available to support public housing.

In particular, the CHA's MTW Agreement and amendments: allow block granting of operating, capital, and Housing Choice Voucher (HCV) funding; establish streamlined funding formulas for clarity and consistency; and reduce the CHA's reporting burden to allow more focus on programmatic efficiency and business improvements. With regards to waivers under the MTW Agreement and its amendments, the most essential to the CHA to carry out the Plan are the ten-year funding commitment, the ability to issue long-term debt, the approximately \$80 million in demolition funds, the additional funds from the conversion of HCV for relocation costs and mobility counseling, and the ability to use capital funds for replacement reserve in mixed-finance transactions and payment of debt service. The CHA's noteworthy accomplishments possible through the MTW Agreement, its amendments, and the Plan for Transformation include:

- Investment of over \$20 million annually toward social service programming, which aids residents in becoming economically and socially self-sufficient.
- Every dollar the CHA has invested in social services since the beginning of the Plan has triggered support from other public and private sources. Of \$274,732,144, a total of \$156,456,153, or 56%, was leveraged from public sources at the federal, state, county, and city levels; private foundations; and community partners.
- Using the combination of regulatory flexibility and funding fungibility through its block grant designation, to date, the CHA has redeveloped or rehabilitated over 15,000 public housing units under the Plan.



The CHA and the Honorable Richard M. Daley enjoy a fruitful relationship while working together to revitalize public housing in Chicago.

- Every dollar the CHA invests in construction of mixed-income units generates four more. Of \$1,322,109,790 related investments, almost 82% has come from private and public sources.
- More than 6,000 CHA families have relocated from dilapidated traditional public housing high-rises to newly revitalized homes, including mixed-income communities where subsidized housing is indistinguishable from the adjacent market-rate homes.
- The CHA has entered into significant collaborations with over 160 local and national partners. These partnerships have strengthened the CHA's ability to meet the unique educational, employment, and social service needs of its residents.

Since the Plan began, the CHA has realized many of the goals for transforming the lives and homes of public housing residents and HCV Program participants in Chicago. Over the course of the first seven years of the Plan, tremendous progress has been made, yet a number of obstacles and challenges have presented themselves. In FY2006, the CHA concluded that the rehabilitation and redevelopment work to provide quality affordable housing under the Plan would require continued efforts beyond FY2009. A number of factors led to this decision, including: rising costs of construction and labor; reduced federal funding; the increasing complexities of coordinating community development with public and private partners; legal obstacles to overcome; and a commitment to higher quality and enhanced design of public housing units in mixed-income communities. The CHA submitted its FY2007 Moving To Work Annual Plan to HUD on November 2, 2006, indicating that the revitalization efforts would extend to FY2015.

HIGHLIGHTS OF THE FY2006 ANNUAL REPORT

Chapter 1: Renewal of Chicago's Public Housing

- Completed 1,103 revitalized public housing units for a Plan-to-date total of 15,292 units, 61.2% of the 25,000 unit goal.
- Closed seven real estate transactions for a Plan-to-date total of 46 closings.
- Delivered 304 redeveloped/rehabilitated as mixed-income units.
- Completed 792 units at traditional family public housing developments.
- Completed the redevelopment of the first mixed-income community under the Plan: the historic Hilliard Towers Apartments, which is comprised of 305 public housing units for CHA families and seniors.
- Finished the rehabilitation of all public housing units at Lowden Homes and Trumbull Park Homes.

Chapter 2: Enhancing Affordable Housing Opportunities

- Provided 35,369 households with Housing Choice Vouchers for use in the private market.
- Won two Awards of Merit from the National Association of Housing and Redevelopment Officials (NAHRO), bringing the total number of NAHRO awards won by the HCV Program Administrator to 26.
- Fifty-seven (57) families purchased a home through the Choose to Own Home Ownership Program, bringing the total to 195 since the program's inception.
- Launched a new quarterly newspaper, "Going Places," for HCV Program participants.

Chapter 3: Supporting Residents Through Relocation

- Held eight Relocation Fairs, which were attended by over 100 people, at numerous locations throughout the city.
- Conducted home visits of 2,937 CHA households to determine how best to meet the needs of residents who relocated.
- Closed three public housing developments to pave the way for redevelopment: Frances Cabrini Extension North, Robert Taylor Homes, and Stateway Gardens.
- Assisted 326 families with their moves to permanent homes.

Chapter 4: Achieving Economic Self-Sufficiency

- Served CHA children over 800,000 meals at breakfast and lunch through the Summer Food Program.
- Provided job training classes to 1,833 residents to further support their goals to become economically self-sufficient.
- Held four service fairs for CHA residents, showcasing the resources available from Service Connectors, utility assistance programs, the Chicago Park District, and other agencies and programs that can assist residents as they move toward economic self-sufficiency.
- Completed 1,169 job placements in full- and part-time jobs.
- Launched Opportunity Chicago and expanded the Bridges to Careers Program.

Chapter 5: Promoting Economic Opportunties

- Hosted a booth at the Black Women Exposition and participated in the monthly Latino Breakfast Club to promote opportunities for women and minorities seeking contracts with the CHA.
- Hosted pre-award and pre-construction conferences to promote the MBE/DBE/WBE participation in CHA contracts.
- Completed 354 job placements, of the 1,169 job placements, through the Section 3 Program.

Chapter 6: Operation of Chicago's Public Housing

- Continued to rigorously audit the performance of property management companies throughout FY2006.
- Implemented the FY2005 Residential Lease Agreement at resident re-certifications starting March 1, 2006.
- Implemented a new procedure for monitoring wait list activities to ensure that applicants are screened and housed in accordance to applicable policies and procedures.

Chapter 7: Advancing the Vision for CHAnge

- Began consolidation of all administrative offices to a new headquarters at 60 East Van Buren Street in Chicago.
- Implemented the finance and procurement modules of the Enterprise Resource Planning system.
- Leveraged \$1.2 million in new resources from governmental agencies, not-for-profit organizations, and private corporations.
- Increased Latino community awareness of affordable housing opportunities.



2006 APEX Award for Publication Excellence

The Chicago Housing Authority received the 2006 APEX Award for Publication Excellence for its FY2006 Moving to Work Annual Plan-Plan for Transformation Year 7. FY2006 marked the third consecutive year the CHA has received such an honor. The APEX Awards are distributed after a national competition for writers, editors, publications staff, and not-for-profit communicators is held. Recipients of the APEX awards are judged on their graphic design, editorial content, and the overall effectiveness of the document submitted.

Chapter 1: Renewal of Chicago's Public Housing



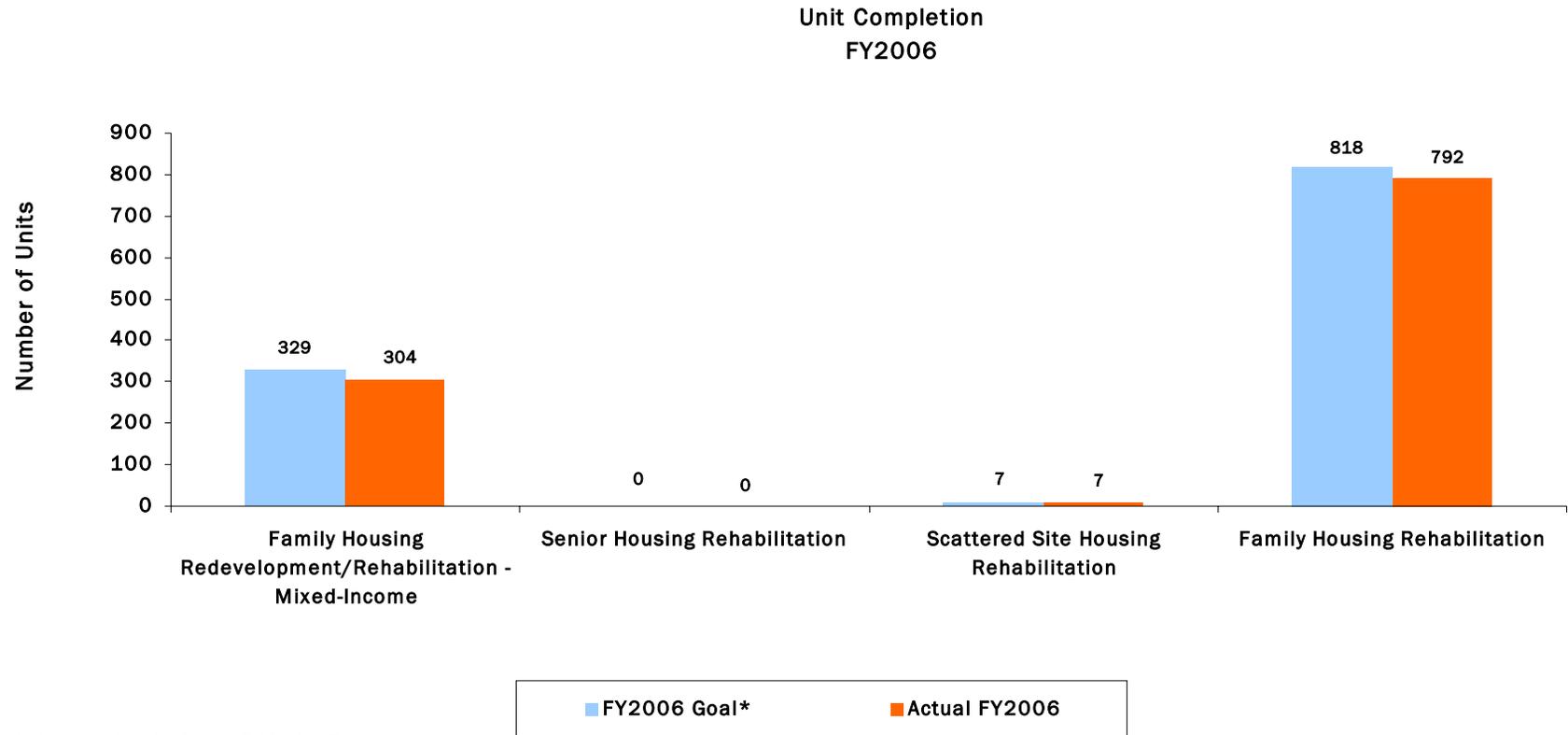
New mixed-income communities offer residents a myriad of revitalized housing choices, including: town house style apartments; condominiums; and two-, three-, and six-flat buildings.

The Chicago Housing Authority (CHA) finished the seventh year of the Plan for Transformation (Plan) with a total of 1,103 redeveloped or rehabilitated public housing units completed. The CHA's efforts to accurately forecast unit delivery and overcome obstacles have improved as the Plan has progressed. In FY2006, 96% of the projected units, as indicated in the FY2007 Moving To Work Annual Plan, were delivered. By the end of FY2006, the CHA completed more than 61%, 15,292 units, of the 25,000 rehabilitated and revitalized public housing units that will be returned under the Plan. In FY2006, the CHA successfully:

- Delivered 304 public housing units at six redevelopment sites;
- Completed the redevelopment of the historic Hilliard Towers Apartments;
- Closed seven real estate transactions;
- Broke ground at seven mixed-income redevelopment sites: Jackson Square at West End, Keystone Place, Hansberry Square, Park Boulevard, Parkside of Old Town, Fountainview, and Westhaven Park Phase IIB;
- Completed the rehabilitation of all public housing units at Lowden Homes and Trumbull Park Homes;
- Rehabilitated 792 units at traditional family public housing developments: Altgeld Gardens and Phillip Murray Homes, Bridgeport Homes, Lowden Homes, Trumbull Park Homes, Washington Park Low-Rises, and Wentworth Gardens; and
- Concluded the rehabilitation of scattered site housing committed to under the Plan.

The Plan continues to have a positive impact on surrounding communities as is evident by the growing number of private property developments, neighborhood improvements, and community organizations' interest and involvement in the CHA's revitalization efforts.

The chart below reflects the CHA's progress in accomplishing its unit delivery goals for FY2006. More details on unit delivery and construction activity are found on the following pages in this chapter.



*As indicated in the FY2007 Moving To Work Annual Plan

The CHA completed 96% of the projected units to be delivered as indicated in the FY2007 Moving To Work Annual Plan.

Unit Completion Plan to Date										
Category	Development Name	Actual Units Delivered FY2000 & Before	Actual Units Delivered FY2001	Actual Units Delivered FY2002	Actual Units Delivered FY2003	Actual Units Delivered FY2004	Actual Units Delivered FY2005	FY2006 Unit Delivery Goal*	Actual Units Delivered FY2006	Actual Total Units Delivered through FY2006
Family Housing Redevelopment/Rehabilitation - Mixed-Income										
	Family Housing Redevelopment - Mixed-Income									
1	ABLA Homes	329	-	-	-	-	117	8	8	454
1	Frances Cabrini Extension North	44	32	53	57	20	70	0	0	276
5B	Frances Cabrini Extension South/Wm. Green Homes/1230 N. Burling	-	-	-	-	-	0	0	0	0
1	Governor Henry Horner Homes	553	-	-	8	79	0	34	34	674
1	Lakefront Replacement Housing	90	16	-	15	62	16	15	15	214
4	Lathrop Homes	-	-	-	-	-	0	0	0	0
4	Lawndale Complex	-	-	-	-	-	0	0	0	0
4	LeClaire Courts Extension	-	-	-	-	-	0	0	0	0
5B	Rockwell Gardens	-	-	-	-	16	4	57	32	52
5B	Stateway Gardens	-	-	-	-	-	27	0	0	27
1 & 5B	Robert Taylor Homes	29	27	-	-	-	54	0	0	110
1	Madden Park/Ida B. Wells Homes and Extension/Clarence Darrow Homes	-	-	-	-	11	52	63	63	126
Family Housing Rehabilitation - Mixed-Income										
1	Hilliard Towers Apartments	-	-	-	94	59	0	152	152	305
1 & 5B	Washington Park Homes	-	-	-	-	-	6	0	0	6
-	Fountainview	-	-	-	-	-	0	0	0	0
TOTAL: Family Housing Redevelopment/Rehabilitation - Mixed-Income		1,045	75	53	174	247	346	329	304	2,244
Senior Housing Rehabilitation										
2	Phases I - IV	-	1,026	3,489	2,911	1,166	206	0	0	8,798
2	Phase V: Larrabee	-	-	-	-	-	-	0	-	-
2	Phase VI: Flannery, Britton/Budd	-	-	-	-	-	-	0	-	-
2	Phase VII: Pomeroy, Kenmore	-	-	-	-	-	-	0	-	-
TOTAL: Senior Housing Rehabilitation		0	1,026	3,489	2,911	1,166	206	0	0	8,798
Scattered Site Housing Rehabilitation										
3	Scattered Sites North Central, Northeast, Southeast, Southwest, and West	-	688	1,063	654	77	36	7	7	2,525
4	Cabrini-Lincoln	-	18	-	-	-	-	0	-	18
TOTAL: Scattered Site Housing Rehabilitation		0	706	1,063	654	77	36	7	7	2,543
Family Housing Rehabilitation										
5A	Altgeld Gardens/Phillip Murray Homes	-	-	-	-	-	101	286	286	387
4	Bridgeport Homes	-	-	-	15	10	0	35	35	60
5A	Dearborn Homes	-	-	-	-	-	0	0	0	0
4	Frances Cabrini Rowhouses	-	-	-	-	-	0	0	0	0
5A	Harold Ickes Homes	-	-	-	-	-	0	0	0	0
4	Lake Parc Place	-	-	-	21	279	0	0	0	300
4	Lawndale Gardens	-	-	-	-	-	0	0	0	0
4	Lowden Homes	-	-	-	5	49	39	34	34	127
5A	Trumbull Park Homes	-	-	-	-	27	162	245	245	434
4	Washington Park Low-Rises	-	-	-	-	45	32	90	65	142
4	Wentworth Gardens	-	-	-	-	-	130	128	127	257
TOTAL: Family Housing Rehabilitation		0	0	0	41	410	464	818	792	1,707
GRAND TOTALS										
TOTAL NUMBER OF PUBLIC HOUSING UNITS		1,045	1,807	4,805	3,780	1,900	1,062	1,184	1,103	N/A
CUMULATIVE TOTAL NUMBER OF PUBLIC HOUSING UNITS		1,045	2,882	7,457	11,237	13,137	14,189	15,343	16,282	N/A
PERCENTAGE OF 25,000		4.2%	11.4%	29.8%	44.9%	52.5%	58.8%	61.4%	61.2%	N/A

*As indicated in the FY2007 Moving To Work Annual Plan

Corresponding IL Numbers by Development are located in Appendix E: IL Number Translation Table.

In FY2006, the CHA had under construction 92% of the units projected in the FY2007 Moving To Work Annual Plan. Actual units under construction include all units where construction activity occurred during FY2006 and where unit delivery either occurred in FY2006 or will occur after FY2006.

FY2006 Public Housing Unit Construction Schedule			
Category	Development Name	FY2006 Units Under Construction Goal*	Actual Units Under Construction FY2006**
Family Housing Redevelopment/Rehabilitation - Mixed-Income			
	Family Housing Rehabilitation - Mixed-Income		
1	ABLA Homes	136	8
1	Frances Cabrini Extension North	119	84
5B	Frances Cabrini Extension South/Wm. Green Homes/1230 N. Burling	0	0
1	Governor Henry Horner Homes	104	104
1	Lakefront Replacement Housing	30	17
4	Lathrop Homes	0	0
4	Lawndale Complex	0	0
4	LeClaire Courts Extension	0	0
5B	Rockwell Gardens	57	57
5B	Stateway Gardens	100	100
1 & 5B	Robert Taylor Homes	83	83
1	Madden Park/Ilda B. Wells Homes and Extension/Clarence Darrow Homes	63	63
Family Housing Rehabilitation - Mixed-Income			
1	Hilliard Towers Apartments	152	152
1 & 5B	Washington Park Homes	8	46
-	Fountainview	14	14
TOTAL: Family Housing Redevelopment/Rehabilitation - Mixed-Income		866	728
Senior Housing Rehabilitation			
2	Phases I - IV	0	0
2	Phase V: Larrabee	0	0
2	Phase VI: Flannery, Britton/Budd	0	0
2	Phase VII: Pomeroy, Kenmore	0	0
TOTAL: Senior Housing Rehabilitation		0	0
Scattered Site Housing Rehabilitation			
3	Scattered Sites North Central, Northeast, Southeast, Southwest, and West	7	7
4	Cabrini-Lincoln	0	0
TOTAL: Scattered Site Housing Rehabilitation		7	7
Family Housing Rehabilitation			
5A	Altgeld Gardens/Phillip Murray Homes	286	286
4	Bridgeport Homes	35	35
5A	Dearborn Homes	0	0
4	Frances Cabrini Rowhouses	0	0
5A	Harold Ickes Homes	0	0
4	Lake Parc Place	0	0
4	Lawndale Gardens	0	0
4	Lowden Homes	34	34
5A	Trumbull Park Homes	245	245
4	Washington Park Low-Rises	108	77
4	Wentworth Gardens	185	214
TOTAL: Family Housing Rehabilitation		893	891
GRAND TOTALS			
TOTAL NUMBER OF PUBLIC HOUSING UNITS		1,766	1,626

*As indicated in the FY2007 Moving To Work Annual Plan

**Actual units under construction includes all units where construction activity occurred during FY2006 and where unit delivery either occurred in FY2006 or will occur after FY2006.

Corresponding IL Numbers by Development are located in Appendix E: IL Number Translation Table.

FAMILY HOUSING REDEVELOPMENT/REHABILITATION AS MIXED-INCOME COMMUNITIES

The creation of mixed-income communities through redevelopment or rehabilitation of existing CHA property is an important component to deconcentrating poverty as ascribed by the Plan. The CHA achieved great results toward fulfilling its promise to provide new public housing units in mixed-income communities during FY2006 by completing the construction of 304 units in six mixed-income communities, or 92% of the planned mixed-income unit goal. At year end, the 25 units not delivered in FY2006 were complete; however, they had not passed the additional physical inspection, review, and approval process that must be conducted before the CHA counts the units as delivered under the Plan. Additionally, the CHA closed seven real estate transactions, which allowed construction to commence at these seven sites in FY2006.

The redevelopment process used to create new mixed-income communities is tailored to meet the needs of each community. The CHA and the developers are cognizant of the community needs, and redevelopment timelines are created with these needs in mind. The CHA has learned from past experience how to manage the interdependent redevelopment steps as timelines and needs overlap within each project. An overview of the redevelopment process is described below.

Creation of a Working Group

A working group is comprised of resident leadership, the master developer, CHA staff, community partners, the Habitat Company, the Gautreaux Plaintiffs' Counsel, and the City of Chicago. Because they are vital to the community's revitalization success, working groups meet to ensure that the redevelopment process proceeds as planned. During FY2006, the CHA maintained working groups at: ABLA Homes, Frances Cabrini Extension North, Hilliard Towers Apartments, Governor Henry Horner Homes, Lakefront Replacement Housing, Lathrop Homes, LeClaire Courts Extension, Madden Park/Ida B. Wells Homes and Extension/Clarence Darrow Homes, Robert Taylor Homes, Rockwell Gardens, and Stateway Gardens.

Identification and Selection of a Master Developer and Creation of a Master Developer Agreement

Master developers are selected through a competitive procurement process. The CHA issues national Requests for Qualifications/Proposals (RFQ/P), and the CHA and the working group work together to recommend the selection of the master developer. Once selection of a master developer is complete, the CHA enters into a Master Developer Agreement (MDA) with the selected developer. The MDA includes: a

description of the project; the master developer's responsibilities; the CHA's responsibilities; and a timeline for unit construction and delivery. The CHA Board of Commissioners (Board), the Habitat Company, and HUD must approve each MDA before it is finalized.

Creation of the Redevelopment Plans for the Mixed-Income Community

The master developer contracts with a master architect and/or an urban planner to create a redevelopment plan for the new mixed-income community. The working group participates by reviewing proposals from the master architect and/or urban planner and providing feedback as well as suggesting improvements to the redevelopment plan. The final redevelopment plan reflects the building and land uses proposed for the site. It depicts how the chosen mix of residential buildings, common areas, parking lots, commercial space, and green space will blend into the surrounding community. The redevelopment plan also includes the total number of public housing, affordable, and market-rate units to be developed, and phases of construction.

Submitting the Rental Term Sheet and Mixed-Finance Proposal

A Rental Term Sheet and Mixed-Finance Proposal for each phase of redevelopment must be submitted to HUD for approval. These documents describe: the overall unit count; building types; funding sources; names of major partners; non-residential and/or mixed uses; and any other significant features for each phase (e.g., a land exchange, commercial facilities, scattered site acquisition, and development).

Securing Supplemental Financing

In order for mixed-income communities to be fully financed and built, the master developer must secure funds in addition to those provided by HUD. As a result, the master developer and the CHA collaborate to secure the necessary additional funding from various external sources. Supplemental financing comes from both private and public resources and may include: federal and state Low-Income Housing Tax Credits; private mortgages; tax-exempt bonds; HOPE VI grants; and Tax Increment Financing (TIF).

The complicated nature of each mixed-income community's financial structure, combined with the considerable effort needed to build a new mixed-income community, requires that the CHA and master developer implement the redevelopment plan in phases. By doing so, the CHA and master developer increase their combined ability to secure financing for each phase of a project, rather than attempting to finance the entire redevelopment effort at once.

Drafting a Tenant Selection Plan and Lease

For each mixed-income community, the master developer and working group must establish the admissions criteria and occupancy policies for those interested in renting public housing, affordable, and market-rate units. The master developer, with input from the working group, drafts the site-specific admissions criteria contained in the Tenant Selection Plan (TSP) and the occupancy policies contained in each respective lease. The CHA created the Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (MTSP), to serve as a guide for working groups as they create new site-specific TSPs, Master developers and working groups used the MTSP to create TSPs in FY2006.

Once the working group has finalized the draft documents for a mixed-income community, the CHA releases them to the public to review and comment during a 30-day public comment period. The table below lists the mixed-income community TSPs and leases for which the CHA held a public comment period in FY2006.

Mixed-Income Sites' Tenant Selection Plans and Leases FY2006	
Mixed-Income Community	Original CHA Site
Fountainview	Scattered Site West
Keystone Place	Washington Park
River Village Pointe	Frances Cabrini Extension North
Parkside of Old Town	Frances Cabrini Extension North
Westhaven Phase IIB	Governor Henry Horner Homes

Building Closure and Demolition

Before construction may begin on the site of a former CHA public housing development, the land must be cleared of existing structures. Consequently, the existing CHA-owned and occupied buildings must be vacated and demolished. Once a building has been identified for closure, the CHA works with current residents to educate them about their temporary and permanent housing options in accordance with the CHA Leaseholder and Housing Choice Relocation Rights Contract (Relocation Rights Contract). All lease-holding residents are notified of

a building closure and successfully relocated before a building can close.¹ For more details on relocation and building closure activity that occurred during the year, see Chapter 3: Supporting Residents through Relocation.

Infrastructure

Mixed-income community redevelopment plans require: updated utility infrastructure; revised street grids; new alleys; new or upgraded public facilities; landscaping; and green space. The CHA and the master developer collaborate with various City of Chicago Departments, sister agencies, and utility companies to develop specific plans for installing new or updating existing systems at each site. Site-specific plans are necessary because the required infrastructure improvements vary by development. Improvements can include upgrades to sewer and water lines, as well as amenities like new public parks, public schools, and police and fire stations.



CDOT workers lay concrete for a service road here at one of CHA's housing developments.

Closing the Real Estate Transaction

Closing the real estate transaction is an important step in the redevelopment process. Once the real estate transaction is closed, the CHA will move forward with construction on a property. To successfully close a real estate transaction, the CHA must have secured financing for the redevelopment phase, all financial papers and planning documents in order, and all legal documents approved by HUD.

The CHA closed seven real estate transactions in FY2006 and prepared to close as many as nine real estate transactions in FY2007. Since the beginning of the Plan of Transformation, the CHA has closed a total of 46 real estate transactions. With each real estate transaction closing, the CHA improves its economic viability and its ability to secure financing for future phases of development.

¹ Residents have the option of choosing to relocate to another public housing unit, the private market using a Housing Choice Voucher, or to a non-subsidized unit pursuant to the Relocation Rights Contract.

**Mixed-Income Community Real Estate Transaction Closings
FY2006**

Mixed-Income Community	Original CHA Site	Month Real Estate Transaction Closed
Fountainview	Scattered Site West	July
Hansberry Square	Robert Taylor Homes	April
Jackson Square at West End For-Sale	Rockwell Gardens	June
Keystone Place	Washington Park	June
The Larrabee	Frances Cabrini Extension North	November
Parkside of Old Town Condo Phase 1	Frances Cabrini Extension North	October
Westhaven Phase IIB Rental	Governor Henry Horner Homes	October

Construction

In FY2006, the CHA broke ground at seven mixed-income redevelopment sites: Hansberry Square; Fountainview; Parkside of Old Town, Jackson Square at West End, Keystone Place, Park Boulevard, and Westhaven Park Phase IIB. The construction process typically takes 18 to 24 months from the date of the real estate transaction closing until the first unit is transferred to the CHA. During the year, 728 units were under construction at 11 mixed-income redevelopment sites. Construction of mixed-income units on the actual site of a former CHA public housing development is known as on-site construction, whereas development on parcels in the vicinity of CHA land is called off-site construction.

Preparing for Leasing

Prior to unit completion, the CHA begins working with residents, preparing them to relocate to the new units. Once a unit is completed, the CHA receives a Certificate of Occupancy from the City of Chicago, and conducts an additional physical inspection, review and approval of the unit. When done, the CHA begins to move public housing families into the new units.



Residents receive assistance from the CHA to prepare them prior to leasing their new redeveloped and rehabilitated home.

FY2006 redevelopment and unit delivery activity for the properties listed below is contained on the following pages:

Grace Abbott Homes/Robert H. Brooks Homes and Extension/Loomis

Courts/Jane Addams Homes (ABLA)

Frances Cabrini Extension North

Governor Henry Horner Homes

Hilliard Towers Apartments

Lakefront Replacement Housing

Madden Park Homes/Ida B. Wells Homes and Extension/Clarence

Darrow Homes

Robert Taylor Homes

Rockwell Gardens

Stateway Gardens

Washington Park Homes

Fountainview

GRACE ABBOTT HOMES/ROBERT H. BROOKS HOMES AND EXTENSION/LOOMIS COURTS/JANE ADDAMS HOMES (ABLA)

Street Boundaries: Cabrini/Blue Island/16th/Ashland

CHA families have been living in Roosevelt Square, one of the mixed-income communities that will replace ABLA, since FY2005. Roosevelt Square construction is currently planned for six phases that may be further divided into for-sale and rental phases. The first phase of construction continued in FY2006 with the completion of all rental units and near-completion of the home ownership and retail development. Redevelopment progress at Roosevelt Square garnered national attention from the media and housing groups and was one of the developments on the 2006 City of Chicago's Cavalcade of Homes tour. The 2006 City of Chicago's Cavalcade of Homes was a free one-day tour of affordable and market-rate homes for sale through 36 developments in 24 neighborhoods across the city.



Roosevelt Square

Roosevelt Square Phase 1

The CHA completed construction of the final eight and leased all 125 of the public housing rental units at Roosevelt Square Phase 1 in FY2006. Phase 1 included rental, for-sale, and retail development. Financing for this phase of redevelopment came from HOPE VI funds, low-income housing tax credit equity, and a combination of public and private loans and mortgages. Commercial development in the community included a clinic, a bank branch, and various restaurants. The developer achieved 99% completion of the for-sale phase, which includes 233 affordable and market-rate units. Construction has been completed and ownership transferred to buyers in the private market on 206 of the Phase 1 homes, including 132 of the market-rate and all 74 of the affordable units.

Roosevelt Square Phase 2

Phase 2 consists of 185 rental units, which includes 128 public housing units and 247 for-sale units. In FY2006, the CHA closed all of the remaining non-revitalized Jane Addams Homes buildings in preparation for Phase 2 development. The developer received building permit approval from the Chicago Department of Construction and Permits and evaluated proposals from potential contractors. The developer

announced the non-dwelling plans for this phase, which will include a number of neighborhood amenities, including: a playground, plaza, and green space.

The Community Development Commission approved \$15.1 million in Tax Increment Finance (TIF) subsidies for the affordable for-sale units planned for Phase 2. Phase 2 will deliver 68 affordable for-sale units, seven of which will be marketed at very affordable prices for CHA families moving into home ownership.

A rendering of Roosevelt Square



FRANCES CABRINI EXTENSION NORTH

Street Boundaries: Clybourn/Larabee/Division/Oak

The CHA plans to replace Frances Cabrini Extension North with 700 on- and off-site public housing units. Through the redevelopment efforts of the CHA, new units became available at The Larrabee in FY2006, while more new units will become available at Parkside of Old Town and River Village Pointe in FY2007. These units, added to the 260 units previously delivered at Frances Cabrini Extension North, are the new homes for many CHA families.



Parkside of Old Town

The CHA submitted the Mixed-Finance and For-Sale Proposal for Parkside of Old Town Phase I to HUD, and the first on-site phase at Frances Cabrini Extension North was closed on October 13, 2006. Additionally, a comprehensive site investigation report, remedial objectives report, and remedial action plan to achieve site remediation objectives was submitted and approved. New streets to support the development were created by the Chicago Department of Transportation (CDOT). The TSP and lease for Parkside of Old Town were approved by the CHA Board in June 2006.

The CHA broke ground on the Parkside of Old Town Phase I For-Sale, the first new housing development built on-site at Frances Cabrini Extension North, on December 7, 2006. The development team plans to create 200 new jobs with this project, and Cabrini-Green residents will be given first consideration for these jobs. Parkside of Old Town eventually will provide 226 town houses and apartments for CHA families on 19 acres of land.

The Larrabee

The CHA, the Habitat Company, and the developer for The Larrabee worked on a purchase agreement and real estate transaction closing documents necessary for the acquisition of units at The Larrabee in FY2006. The CHA acquired the public housing units in November 2006. The Larrabee is a 72-unit residential mid-rise building comprised of one- and two-bedroom condominiums.

River Village Pointe

River Village Pointe will provide off-site replacement housing for Frances Cabrini Extension North and is located across the street from The Larrabee. The CHA issued a draft TSP and lease for River Village Pointe and held a public comment hearing in October 2006 for residents to express their views and ideas about the draft lease and tenant selection plan. Construction is underway at the mid-rise building, and the CHA will acquire 12 public housing units in the seven-story condominium building upon its completion in FY2007.



GOVERNOR HENRY HORNER HOMES

Street Boundaries: Lake/Washington/Hermitage/Oakley

Westhaven Park is the new name for the redevelopment of the Governor Henry Horner Homes, located on the west side of Chicago. Redevelopment at Westhaven Park is divided into five phases. In FY2006, the CHA continued to work on Westhaven Park and delivered an additional 34 public housing units for residents, for a total of 121 Phase II units delivered to date.



The site previously known as Governor Henry Horner Homes has been transformed into a vibrant, new mixed-income community on Chicago's west side.

Westhaven Park Phase IIa2

Construction was completed on the mid-rise condominium building at Westhaven Park in FY2006. The building is comprised of 79 for-sale units and 34 public housing units. Property amenities include a fitness room, community room, on-site management, and at least one off-street parking space per unit. Building units have balconies and in-unit washers and dryers. The unit delivery at the mid-rise building marked the completion of Phase IIa2.

Westhaven Park Phase IIB

In FY2006, the development team finalized closing documents for HUD approval, obtained zoning approval from the Chicago City Council, and closed the real estate transaction for Phase IIB rental. The CHA broke ground on this phase of redevelopment in November 2006. Phase IIB will consist of 211 total units, 70 of which will be public housing units. The public housing units will be comprised of one-, two-, three-, and four-bedroom units in two- and three-story rowhouses and walk-up buildings. The development will include a one-story building for an on-site management and leasing office.

The City of Chicago played an integral role in the development of Phase IIB in FY2006. The CHA negotiated a land swap with the Chicago Park District that will entitle the CHA to another near-acre of land for public housing units and the management office. Under the agreement, the Park District is expected to receive approximately two acres of land to be developed for a community park. Additionally, the Chicago Departments of Water Management and Transportation supported the redevelopment through the creation of new water and sewer lines and the creation of Maypole Street and its supporting alleyways.



Hilliard Towers Apartments

HILLIARD TOWERS APARTMENTS

Street Boundaries: Cullerton/Cermak/State/Clark

The completion of Hilliard Towers Apartments in FY2006 is an important milestone in the Plan for Transformation given that it is the first mixed-income community completed since the Plan's inception in FY2000. Hilliard Towers Apartments is the culmination of the rehabilitation and historic preservation of the Raymond M. Hilliard Center. The developer worked diligently to preserve architect Bertrand Goldberg's unique design and the successful completion of both Phases 1 and 2 has brought about a renewed sense of community to the neighborhood.

Senior and family housing were included in both phases of Hilliard Tower Apartments redevelopment. Phase 1 construction and leasing were completed back in FY2004, while construction on both buildings in Phase 2 of Hilliard Towers Apartments was completed in October 2006. The Certificates of Occupancy for the Phase 2 senior building at 30 West Cermak were issued on March 30, 2006, and by year end, all of the senior units were leased in the 176-unit building. The Certificates of Occupancy for the Phase 2 family building were issued in November 2006, and re-occupancy of the 152-unit building will conclude in FY2007. Phase 2 provides 94 senior public housing units and 82 affordable senior units, as well as 58 public housing family units and 93 affordable family rental units.

The redevelopment of Hilliard Towers Apartments required an extensive financing and construction process. The CHA registered the property with the National Register of Historic Places, which afforded the CHA opportunities to receive public financing and tax credits. The extra aid the CHA received greatly supplemented the multiple millions of dollars in funding needed for the groundbreaking project.



Hilliard Towers Apartments has long been admired for its architectural excellence. The design of this building allows light to reflect brilliantly throughout each apartment.

LAKEFRONT REPLACEMENT HOUSING

Street Boundaries: Various

Currently, 441 public housing units are planned for CHA's Lakefront Replacement Housing. Thus far under the Plan, the CHA has completed 214 units of the goal. In FY2006, construction continued at Jazz on the Boulevard, while planning efforts took place at Lake Park Crescent.

Jazz on the Boulevard

Street Boundaries: 41st/43rd/Drexel/Cottage Grove

Jazz on the Boulevard is a mixed-income community comprised of 137 public housing, affordable, and market-rate units in town houses and mid-rise buildings. Thirty (30) of those units are set aside for public housing. The redeveloped units will offer residents bay windows and private balconies in addition to in-unit laundry hook-ups. To date, 28 of the public housing units have been delivered to CHA residents, and the final two units will be delivered in FY2007.



Jazz on the Boulevard



A billboard advertises Lake Park Crescent development.

Lake Park Crescent

Street Boundaries: 40th/42nd/Oakenwald/Lake Park

The Lake Park Crescent mixed-income community consists of public housing, affordable, and market-rate rental and for-sale units in town houses, mid-rises, and high-rise condominiums. Lake Park Crescent Phase I rental is complete. The CHA and the developer negotiated an agreement and prepared to close Phase 1A for-sale units. Construction is expected to begin in early 2007. Thirteen (13) of the 68 home ownership units will be purchased by the CHA for residents to occupy.

The CHA began planning activities for Lake Park Crescent Phase II in FY2006. A developer was chosen, and the CHA began negotiations to close on this phase of development. The

Lake Park Crescent Collaborative continued to offer opportunities for residents to participate in artistic programs and meet other members of the community. Comprised of the CHA, the Field Museum's Center for Cultural Understanding and Change, the Abraham Lincoln Centre, and the developer, the goal of the Lake Park Crescent Collaborative is to encourage community integration and family stabilization amongst residents.

MADDEN PARK HOMES/IDA B. WELLS HOMES AND EXTENSION/CLARENCE DARROW HOMES

Street Boundaries: 35th/Pershing/Martin Luther King Drive/Ellis

Madden Park Homes, Ida B. Wells Homes and Extension, and Clarence Darrow Homes, collectively, have been renamed Oakwood Shores. The new mixed-income development is comprised of public housing, affordable, and market-rate rental units, as well as for-sale units, some of which are set aside specifically for public housing residents to purchase. To augment the amenities of Oakwood Shores, the CHA is collaborating with Chicago DPD, Chicago Public Schools (CPS), the Chicago Park District, and local city officials to create a park adjacent to the University of Chicago Donoghue Charter School for the mixed-income community.

In FY2006, the Chicago DPD Landmarks division conducted a condition assessment of the building at 3600 South Vincennes Avenue, which is part of the Ida B. Wells Homes area, in an effort to establish a scope of work and costs to stabilize the building. The CHA will work together with DPD to determine next steps for the property.

Oakwood Shores Phase 1B

The CHA completed Oakwood Shores Phase 1B, and all 162 rental units were transferred for occupancy in FY2006. Of those units, 63 were public housing units for CHA families. New streets and sidewalks, detailed landscaping, and the installation of new water services enhanced the infrastructure and revitalization of the Oakwood Shores Phase 1B area.

The Arches at Oakwood Shores

The Arches at Oakwood Shores is the name given to the for-sale component of Oakwood Shores. Construction of The Arches at Oakwood Shores 130-unit Phase 1A was 35% complete in FY2006, and by year-end 26 families had closed on their new homes. Construction of The Arches at Oakwood Shores will continue in FY2007.





A billboard advertises Legends South, the mixed-income community replacing Robert Taylor Homes.

ROBERT TAYLOR HOMES

Street Boundaries: 39th/54th/State/Federal

The CHA closed the last building at the former Robert Taylor Homes in FY2006, paving the way for future redevelopment. One of the new mixed-income communities that will replace Robert Taylor Homes is known as Legends South, and it will stretch for two miles on the south side of the city. In FY2006, the CHA broke ground on Hansberry Square, another mixed-income community that will provide replacement housing for Robert Taylor Homes families.

The community surrounding the former Robert Taylor Homes remained involved in the CHA's redevelopment efforts. The Grand Boulevard Federation, a group comprised of community residents and representatives from community-based social service agencies, is a regular member of the working group and provides updates for its members on the current status of the Plan, with special focus on the former Robert Taylor Homes.

Hansberry Square

As the first of three separate mixed-income development phases conducted on-site, Hansberry Square will deliver 83 public housing units along with a mix of market-rate and affordable units. The site design for Hansberry Square includes two- and three-flats, duplexes, town houses, and a six-flat courtyard building. Public housing units will be dispersed throughout these building types.

The CHA broke ground on Hansberry Square in May 2006, and construction continued throughout the year on this phase of redevelopment located at 40th and State Streets. At year end, construction on Hansberry Square is over 50% complete. City of Chicago departments completed infrastructure work, which included new water and sewer mains. The City of Chicago will erect new street lights, and private utility companies are constructing the infrastructure needed for gas, electric, telephone, and cable services for residents.

ROCKWELL GARDENS

Street Boundaries: Madison/Van Buren/Western/Rockwell

The new name for the on-site Rockwell Gardens redevelopment is West End. The West End mixed-income community is being constructed on the site of the former Rockwell Gardens public housing complex, and it will be comprised of two-, three-, and six-flats as well as eight-unit buildings. West End redevelopment is being done in phases that will culminate in 855 units, of which 264 will be public housing units for CHA families.

Jackson Square at West End

The CHA broke ground and completed construction on the second phase of Rockwell Gardens redevelopment, Jackson Square at West End, in FY2006. The first eight buildings in the rental development were constructed, and the CHA received 32 of the 57 planned public housing units in this phase. Although construction had concluded on the remaining 25 units by year end, the additional physical inspection, review, and approval process that must be completed before the CHA counts the units as delivered had not been done. This additional step allows the CHA to ensure that outstanding punchlist items in the units have been finished.



Jackson Square at West End

Additionally, the developer closed the transaction for the Jackson Square at West End for-sale. As part of this redevelopment, CDOT constructed new alleys and streets with enhanced lighting and traffic circles. The Chicago Department of Water Management performed additional infrastructure work and installed new sewer lines.

STATEWAY GARDENS

Street Boundaries: 35th/39th/State/Federal

The redevelopment of the former Stateway Gardens will provide 439 public housing units on- and off-site for CHA families. The first off-site mixed-income phase, The Pershing, was completed in FY2005, thereby allowing the CHA to concentrate in FY2006 on the redevelopment efforts for Park Boulevard, the first on-site phase.



Park Boulevard

Park Boulevard

Park Boulevard Phase IB redevelopment will be conducted in three sub-phases culminating in 100 total public housing units delivered for CHA families upon its completion. In January 2006, the CHA broke ground on Park Boulevard, the first mixed-income development along the State Street Corridor, and conducted work on the site's infrastructure and building construction. Additionally, CDOT began work on street and alley construction to support the new development.

Due to the extensive amount of redevelopment required to complete Park

Boulevard, a mix of public and private funds are needed to cover the multi-million dollar cost of constructing the affordable, market-rate, and public housing units that will be delivered on-site. As the CHA has worked on the financing for this project, it has been mindful of the needs of residents during the construction period. During the year, the CHA collaborated with property management and resident leadership to sponsor workshops for Stateway Gardens residents who are relocating off-site during construction of Park Boulevard.



With the redevelopment of the former Stateway Gardens into the new Park Boulevard, the CHA is proud to be part of strategic plan to revitalize the Bronzeville community.

WASHINGTON PARK HOMES

Street Boundaries: Various

In FY2006, the CHA announced the redevelopment plans for Washington Park Homes. The CHA's plans include the redevelopment and rehabilitation of 363 public housing, 374 affordable, and 377 market-rate units. During the year, work continued at St. Edmund's Meadows and Keystone Place.

St. Edmund's Meadows

Street Boundaries: 57th/62nd/Michigan/Wabash

Once finished, St. Edmund's Meadows will provide 14 rehabilitated three- and four-bedroom rental units to CHA families who chose Washington Park Homes as their permanent housing choice. Construction continued at St. Edmund's Meadows in FY2006, and the remaining eight public housing units will be delivered in FY2007.



St. Edmund's Meadows



Keystone Place

Keystone Place

Street Boundaries: 63rd/66th/Ingleside/Greenwood

The CHA broke ground on Keystone Place, and construction continued throughout FY2006 on the redevelopment of 38 public housing units at the site. Construction has begun at all of the buildings that comprise Keystone Place, and 100% of the excavation work has been completed at all sites. Overall, the construction was over 60% complete by year end. The CHA collaborated with Heartland Alliance, Metroplex Management Company, and Brinshore Development to host a Housing Opportunity Program Fair on-site in August 2006.

Washington Park High-Rises and Randolph Towers

Street boundaries: Various

The CHA closed Randolph Towers in FY2006 to prepare for the redevelopment that will take place on that land. The CHA met with public officials, resident leadership, and the Chicago DPD to discuss the redevelopment plans for the locations of the new mixed-income communities that will replace the former Washington Park High-Rises and Randolph Towers.

FOUNTAINVIEW

Street Boundaries: Douglas/Independence/13th/Ridgeway

The CHA closed the real estate transaction and began redevelopment work at Fountainview in FY2006. Initial construction work included: structural system reinforcement, parapet and wall construction, tuck-pointing, and roof replacement. The CHA exchanged scattered site units for 14 completed public housing units, which are under construction and scheduled for delivery in FY2007.

ADDITIONAL PROPERTIES TO BE REDEVELOPED

The CHA announced the redevelopment and unit delivery schedules for the following properties in FY2006: Lathrop Homes, Lawndale Complex, LeClaire Courts Extension, William Green Homes/1230 N. Burling, and Frances Cabrini Extension South.

Lathrop Homes

Street Boundaries: Clybourn/Damen/River North

In FY2006, the CHA announced plans to provide up to 1,200 units, including 400 public housing units, at the redeveloped Lathrop Homes. As such, the CHA and the Lathrop Homes Working Group met to develop a Request for Qualifications for the mixed-income redevelopment.

The City of Chicago has partnered with the CHA, the Lathrop Homes Local Advisory Council (LAC), and others on the Diversey Floating Wetland Project. The project's goals are to support wildlife in the Chicago River and reduce pollution. The floating islands that the City will install will enhance the appearance of the river and improve the ecosystem. To support this initiative, the CHA and Lathrop LAC plan to provide educational opportunities relating to the project for the community.

Lawndale Complex

Street Boundaries: Roosevelt/Ogden/Talman/Fairfield

The redevelopment of Lawndale Complex will bring back 100 public housing units for CHA families on the land of two former CHA housing properties: Lawndale Complex and Ogden Courts. The Chicago DPD and the Habitat Company joined the CHA on a tour of both the Lawndale Complex and Ogden Courts area. DPD worked with the CHA to evaluate the TIF resources that may be available for the redevelopment effort.

LeClaire Courts Extension

Street Boundaries: 42nd/Laramie/44th/Cicero

In FY2006, the CHA announced plans to provide 300 public housing units as the replacement housing for LeClaire Courts Extension. In addition to the unit delivery plans, the CHA Board approved an extended contract with Jane Addams Hull House Association to provide programmatic services for LeClaire residents regarding good housekeeping, computer technology, and youth mentorship.

William Green Homes/1230 North Burling

Street Boundaries: Larrabee/Halsted/Clybourn/Division

During FY2006, the CHA was in the planning stages of developing a unit mix and density plan for William Green Homes, as well as plans for the demolition of the remaining buildings at the property. The CHA also worked with community leaders and residents on the demolition and construction plans to ensure that stakeholders had input into the successful redevelopment of these sites into vibrant mixed-income communities.

Frances Cabrini Extension South

Street Boundaries: Orleans/Hudson/Wendell/Chicago

The CHA met with community leaders during FY2006 to plan for and negotiate the redevelopment of Frances Cabrini Extension South. Planning and redevelopment efforts will continue in the upcoming year.

SENIOR, SCATTERED SITE, AND FAMILY HOUSING REHABILITATION



Trumbull Park Homes, July 1951

In FY2006, the CHA made great strides toward expanding and improving the housing options for its residents at senior designated properties, scattered sites, and traditional family public housing developments. The CHA met its FY2006 rehabilitation goals for senior and scattered sites units and completed nearly 97% of the planned family unit rehabilitation. To rehabilitate the remaining 3.2% of family units projected for FY2006, the CHA has decided to open a new competitive bid for proposals from general contractors. While the CHA has delivered 93% of the total rehabilitated senior units and continued to plan for future senior revitalization, FY2006 efforts focused on senior supportive services, achieving 100% completion of the scattered site units committed to under the Plan, and further progress toward the family housing rehabilitation goal.

The process to rehabilitate senior, scattered site, and family properties is different than the process to redevelop mixed-income communities. The CHA's rehabilitation process requires careful planning to manage the mix of available public and private funding, the current occupancy rate of the existing buildings, and the need to minimize the impact on residents. The rehabilitation process followed in FY2007 is outlined below and on the following pages.



Through its efforts under the Plan, the CHA was able to restore the original charm of Trumbull Park Homes.

Working Group

Family rehabilitation sites have working groups whose goals are to help the CHA successfully revitalize each property and meet the specific needs of the particular community. The working groups consist of members that represent parties interested in each respective property's rehabilitation, including: public housing residents, CHA staff, architects, urban planners, and community members.

Financial Structuring

CHA capital funds and bond refund proceeds are the primary sources of funding for the rehabilitation program. The CHA allocates funds for rehabilitation through the capital budget. Each financial transaction for the rehabilitation program must be approved by the CHA Board. Due to the considerable amount of renovation being done, multiple financial transactions are often needed for each rehabilitation site; therefore, the process to ensure that the appropriate resources are in place for each site's rehabilitation activities can be lengthy.



This kitchen at Lowden Homes gets modernized by adding soft lighting. A window at the end of a gallery kitchen makes the room feel larger and adds a sense of warmth.

Rehabilitation Plan

The working group for each family rehabilitation site creates a rehabilitation plan, which takes into account current building conditions and future needs. The CHA and the working group consult with each other to ensure that the final site design is distinctive and fulfills the site's requirements. The rehabilitation plan details substantial renovations to building and structural systems, as well as aesthetic enhancements to the unit interiors, building exteriors, and common areas.

Construction

The majority of the housing stock chosen for rehabilitation by the CHA has endured decades of wear and tear. To ensure quality housing and craftsmanship are provided in the new unit, the rehabilitation of each property requires extensive system improvements and exterior work, such as: tuck-pointing, façade restoration, roofing, plumbing, and window replacement. Additionally, during revitalization the CHA must ensure compliance with federal, state, and local laws and regulations for accessibility and adaptability of units for people with disabilities. To meet this requirement, in some instances, the CHA has merged two units into one during rehabilitation. This conversion may ultimately reduce the total number of units at a site when rehabilitation is complete.



Lowden Homes residents will enjoy this new playground.

Relocation and Leasing

In an effort to minimize the need for off-site relocation at the rehabilitation properties, the CHA concentrates construction activity in pockets of vacant units. Whenever possible, the CHA moves families directly to their newly rehabilitated units after construction is complete, eliminating the need for the CHA to move families into temporary housing. Rehabilitated units are occupied in accordance to the priorities outlined in the Relocation Rights Contract and the FY2005 Admissions and Continued Occupancy Policy.

SENIOR HOUSING REHABILITATION

The CHA has completed rehabilitation on a total of 8,798 senior designated housing units since the beginning of the Plan for Transformation. With 93% of the rehabilitation complete, the CHA focused efforts in FY2006 on a number of senior supportive services to assist residents with the transition to their new homes. For more information on senior supportive services, see Chapter 4: Achieving Economic and Social Self-Sufficiency. The supportive services provided to seniors helped establish a foundation for the continued rehabilitation efforts planned for FY2007, when the CHA plans to deliver an additional 196 senior units.

Rehabilitated senior housing units have received upgrades such as: new doors; individually-controlled air conditioning; window treatments; new bathroom sinks, toilets, and walk-in showers; and new kitchen appliances. Building exterior renovations included new roofs, new windows, as well as façade repairs. Senior buildings also received new boilers, heating systems, and security systems to further provide for senior residents' comfort and peace of mind.

The CHA's rehabilitation efforts seek to support seniors who wish to live independently in communities where they can partake in social activities and enjoy programs specifically designed for their unique needs. As such, the CHA has also expended a significant effort to enhance common areas, gardens, and open public space surrounding CHA senior designated properties.



Many senior residents enjoy panoramic views of the city skyline like this view from the William Jones Apartments senior building.



CHA seniors, residents, and volunteers all work together to create a beautiful, tranquil environment for this CHA property.

In FY2006, the CHA worked on a unique funding structure for the rehabilitation of the Britton Budd Apartments, which is included in Phase VI of the senior housing rehabilitation. Funding for the project will come from a combination of public housing subsidies, Low-Income Housing Tax Credits, and project-based voucher subsidies. The Britton Budd Apartments were previously single room occupancy style apartments with shared bathrooms and kitchens. These apartments will require significant rehabilitation work to bring them up to modern standards.

In addition to the rehabilitated senior designated housing units under the Plan, the CHA has provided 188 senior designated housing units in the revitalized Hilliard Towers Apartments, where seniors enjoy amenities such as a fitness room, rose garden, community room, and outdoor patio in the historic buildings designed by architect Bertrand Goldberg.

SCATTERED SITE HOUSING REHABILITATION

CHA scattered site units are distributed throughout the city and organized into five regional areas: North Central, Northeast, Southeast, Southwest, and West. Scattered site units are commonly rowhouses or three-flats within a multitude of Chicago neighborhoods. In FY2006, the CHA completed rehabilitation on the final seven units of scattered site housing, bringing the total number of completed units to the 2,543 affirmed in the Plan.

Often the condition of scattered site units before rehabilitation varied and required the creation of site-specific rehabilitation plans. Scattered site rehabilitation included improvements to structural, mechanical, and building systems. The

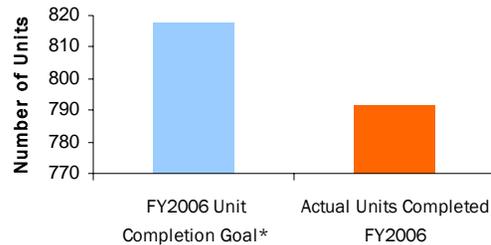
Scattered Site Rehabilitation FY2006



*As indicated in the FY2007 Moving To Work Annual Plan.

buildings are indistinguishable from their market-rate neighbors, allowing the revitalization work done on these properties to enhance the community as a whole.

Family Housing Rehabilitation FY2006



*As indicated in the FY2007 Moving To Work Annual Plan.

Throughout FY2006, scattered site units needing improvements received new doors, windows, kitchen cabinetry, flooring, lighting systems, and bathroom fixtures. The CHA improved scattered site exteriors and infrastructure systems by conducting work on plumbing, restoring building façades, upgrading electrical systems, and improving site landscaping. The street improvements completed by the Chicago Department of Transportation included new sidewalks and lighting.

FAMILY HOUSING REHABILITATION

In FY2006, the CHA rehabilitated a total of 792 units at traditional family public housing developments, meeting nearly 97% of the FY2006 goal for unit completion at family properties. To rehabilitate the remaining 3.2% of family units projected for FY2006, the CHA has decided to open a new competitive bid for proposals from general contractors. Rehabilitation occurred at Altgeld Gardens and Phillip Murray Homes, Bridgeport Homes, Lowden Homes, Trumbull Park Homes, Washington Park Low-Rises, and Wentworth Gardens. With the delivery of these units, the CHA has completed 33% of the family housing rehabilitation goal under the Plan. Rehabilitation work included renovation and improvements to individual units, building exteriors, and common areas. Additionally, work was done to ensure that units and common areas are accessible and/or adaptable to people with disabilities. The City of Chicago, its sister agencies, and local utility companies supported the CHA’s rehabilitation efforts through improvements to streets, sidewalks, public transportation services, and utility infrastructure improvements.



This new playground at Algeld Gardens and Phillip Murray Homes is just one example of the CHA’s commitment to providing first class amenities to CHA residents.

The following pages contain information on revitalization activity that occurred in FY2006 at:

Altgeld Gardens and Phillip Murray Homes

Bridgeport Homes

Dearborn Homes

Harold Ickes Homes

Lawndale Gardens

Lowden Homes

Trumbull Park Homes

Washington Park Low-Rises

Wentworth Gardens

Altgeld Gardens and Phillip Murray Homes

Street Boundaries: St. Lawrence/130th/Doty/133rd

The CHA revitalized 286 public housing units at Altgeld Gardens and Phillip Murray Homes in FY2006. Renovated units received: new central air conditioning and heating systems; new windows; new kitchen appliances, cabinets, and countertops; and new doors. The City of Chicago Department of Water Management (DWM) conducted work to provide new water supplies to the development. Additionally, telecommunication updates were installed on the property to modernize and improve services for residents.

The CHA worked with a number of landscape architects to revitalize common areas and green space at numerous family developments, including Altgeld Gardens.

Altgeld Gardens is situated on approximately 155 acres of land on the south side of Chicago. As a result of the landscaping renovations, Altgeld Gardens' residents now enjoy a courtyard with benches surrounded by freshly planted trees, shrubberies, and flower gardens.



Bridgeport Homes

Street Boundaries: Litanica/31st/Halsted/32nd

The CHA completed the revitalization of 35 units at Bridgeport Homes in FY2006, bringing the total number of rehabilitated units to 60. Units received upgraded kitchen cabinets and new appliances, bathroom fixtures, interior doors, closet doors, and air conditioning. Additionally, a soil remediation project, to ensure that the land was safe for residential use, was completed in FY2006. Bridgeport Homes also was chosen as a site for landscape beautification work, which will be done in five phases and completed by FY2008. The landscaping beautification will include: a new park area with picnic tables, paved walkways lined with flowers, and new fencing.

Dearborn Homes

Street Boundaries: 30th/Federal/27th/State

The CHA plans to rehabilitate Dearborn Homes as a traditional public housing development. The CHA worked with the Dearborn Homes Working Group on the site design in FY2006 to prepare for construction, which is scheduled to begin in FY2007. Dearborn Homes, along with Harold Ickes Homes, is part of the City of Chicago's State Street Corridor project.

Harold Ickes Homes

Street Boundaries: Cermak/State/25th/Federal

The CHA will rehabilitate Harold Ickes Homes as a traditional public housing development and as part of the State Street Corridor project. In FY2006, a working group was formed, and the CHA worked on the site design to prepare for construction set to begin in FY2007.

Lawndale Gardens

Street Boundaries: California/26th/Washtenaw/25th

In FY2006, the CHA worked to secure additional financing for the rehabilitation of Lawndale Gardens. Additionally, the CHA evaluated the unit delivery plans for Lawndale Gardens and revised the unit delivery project schedule to merge units to create more accessible units and offer more housing to individuals with disabilities. The total number of public housing units scheduled for rehabilitation at Lawndale Gardens is 123, and work is scheduled to begin in FY2007.



Lowden Homes

Lowden Homes

Street Boundaries: Eggleston/95th/Wentworth/95th Pl.

The CHA achieved two important family rehabilitation milestones in FY2006, one of which was the completion of the rehabilitation of Lowden Homes. The CHA delivered the remaining 34 units planned for the two-story brick bungalows and ranch houses, which comprise the development. Rehabilitation work included renovations to building exteriors and interiors, as well as site utilities and improvements. The CHA upgraded units by installing new kitchens, bathrooms, flooring, interior and exterior doors, as well as new windows. New sidewalks and parking lots were created also for Lowden Homes residents while

improvements were made to the recreation area. Landscaping was upgraded in three phases, the final of which was completed in August 2006. The landscaping project included new sod, trees, and shrubberies, as well as new play lots and trash enclosures.

Lowden Homes served as a successful pilot for the CHA's Sensible Homes Initiative. This initiative demonstrates how technology can be used to improve housing conditions, protect residents, and improve residents' quality of life. For example, effective temperature sensors and combined smoke/carbon monoxide detectors can protect residents by revealing potential hazards in the rehabilitated units. Quality of life improved as the Sensible Homes units were made energy-efficient through new gas hot water heaters, exterior insulated doors, and attic insulation.



Lowden Homes rehabilitation work took place throughout FY2006 and culminated in the completion of the remaining 34 units for CHA families.



Trumbull Park Homes

Trumbull Park Homes

Street Boundaries: Oglesby/106th/Bensley/104th

The second rehabilitation milestone achieved in FY2006 was the completion of the revitalization of Trumbull Park Homes. During the year, the CHA rehabilitated 245 units at the Trumbull Park Homes, bringing the 434 unit project to completion. Residents living in these revitalized units enjoy improvements such as: new kitchen and bathroom sinks and cabinets; new interior lighting; new entry doors; and new windows. Additionally, the CHA made upgrades to the plumbing, heating, and electrical systems. The first of three phases of landscaping rehabilitation has been completed at Trumbull Park Homes, which included an improved common patio area, new sidewalks, and new exterior lighting.

Washington Park Low-Rises

Street Boundaries: Various

The Washington Park Low-Rises are located in the Washington Park and Grand Boulevard neighborhoods in Chicago. In FY2006, the CHA delivered 65 units, bringing the total unit delivery to-date for Washington Park Low-Rises to 142. Rehabilitated units received new doors, kitchens, bathrooms, interior lighting, and closets. Additional improvements to the building exteriors included façade restoration and tuck-pointing. To rehabilitate the remaining units projected yet not completed FY2006, the CHA has decided to open a new competitive bid for proposals from general contractors.



Washington Park Low-Rises

Wentworth Gardens

Street Boundaries: Pershing/Princeton/37th/Wentworth

With the first phase of Wentworth Gardens' rehabilitation completed in FY2005, the CHA began working on the second phase of construction. The CHA rehabilitated 127 units at Wentworth Gardens in FY2006. Rehabilitation work focused on renovations to building exteriors, utilities, building interiors, and making more units accessible for individuals with disabilities. Additionally, new mechanical and electrical systems were installed in buildings, and building façades were restored with new windows, new exterior doors, and tuck-pointing. To reduce site density and allow for improved common area amenities, the CHA demolished buildings at the site and replaced them with large green spaces, a recreation area, and parking lots.



Wentworth Gardens

CHAPTER 2: ENHANCING AFFORDABLE HOUSING OPPORTUNITIES



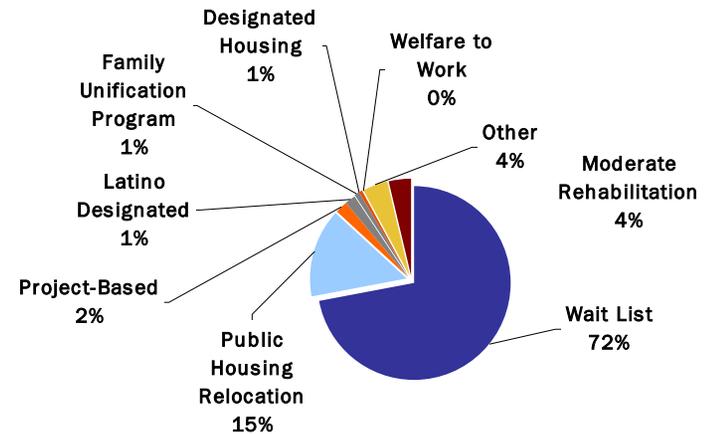
Once an individual is deemed eligible for a voucher by HCV Program Administrator staff, he or she can proceed to search for a suitable family home in any of the 77 Chicago neighborhoods.

The Housing Choice Voucher (HCV) Program provided 35,369 low-income families and individuals the opportunity to live in quality, affordable housing in the private housing market during FY2006. HCV Program participants paid up to 30% of their adjusted gross annual income for rent with the remaining rent amount subsidized by a Housing Assistance Payment (HAP) made by the HCV Program Administrator directly to the property owner. This subsidy allowed participating families and individuals to live in homes and neighborhoods that they might not have been able to afford otherwise. In FY2006, CHAC, Inc. continued to serve as the third-party HCV Administrator for the CHA's award-winning HCV Program.

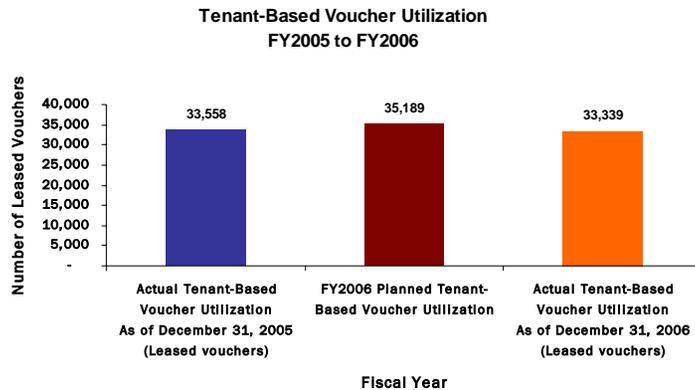
Both tenant-based and project-based vouchers were offered by the CHA in FY2006. Tenant-based vouchers are portable and issued to HCV Program participants to rent units in the private market; project-based vouchers remain with the unit and are issued directly to the property owner. Unlike tenant-based vouchers, project-based vouchers cannot be transferred with residents when they move to a different building.

In addition to receiving rental subsidies, HCV Program participants were provided economic and self-sufficiency assistance through a variety of supportive counseling, specialized programs, and educational sessions. Meanwhile, landlords and property owners had access to training sessions and workshops geared to enhance their property management skills.

Voucher Utilization
Breakdown by Voucher Type as of December 31, 2006



HOUSING CHOICE VOUCHER PROGRAM



On December 31, 2005, the total number of leased tenant-based vouchers was 33,558; by December 31, 2006 it was 33,339. The total number of leased tenant-based vouchers declined by 219 vouchers because HCV Program participants decided to move out of Chicago and use their vouchers elsewhere. If a family moves out of Chicago, the tenant-based voucher is utilized by the public housing authority in their respective municipality and not the CHA. Additionally, given the ongoing relocation of families from the public housing program to the HCV Program, the HCV Program Administrator limited the number of tenant-based vouchers leased to new families from the wait list. The CHA

anticipates that all vouchers allocated by HUD during the Plan to assist with relocation activities will be leased to individuals on the HCV wait list after the Plan for Transformation has been completed.

Voucher Leasing Activity

Families and individuals who obtained a new HCV in FY2006 were either selected from the HCV or Latinos United wait list or were families relocating from public housing under the Plan for Transformation. Families are interviewed by HCV Program Administrator staff to determine if they are eligible for the HCV Program. Families and individuals deemed eligible are issued a voucher and can proceed to search for a single-family home, an apartment, or a condominium available for rent in any Chicago neighborhood. At this point, families work directly with the landlord or property owners, who screen the rental applicants according to their own criteria,

which must be in accordance with fair housing laws, including Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, as well as numerous Executive Orders, state anti-discrimination laws, and City of Chicago anti-discrimination



ordinances. Once the applicant passes the rental screening, the unit must pass an initial Housing Quality Standards (HQS) inspection, as well as pass each annual inspection thereafter. The HQS inspections are designed to ensure that the unit meets HUD's 13 health and safety performance standards, which include among others: sanitary conditions; adequate space and security for the family; sound structure and materials; and pollution-free interior air quality.

Once the unit passes the HQS inspection, the HCV Program Administrator reviews the rent requested by the owner to ensure that the HCV Program participant will not pay an excessively high rent. To determine whether the rent is reasonable, the HCV Program Administrator compares it to a sample of market rents for other units in the neighborhood that are comparable in size, amenities, age, quality, and other measurable factors. Quality control reviews were performed monthly in FY2006 to confirm rent reasonableness, and, when needed, the HCV Program Administrator corrected errors. After the rent has been determined to be reasonable, the family or individual signs a lease for the unit and can move in to their new home. The HCV Program Administrator enters into a HAP contract with the landlord or property owner and commits to make monthly HAPs on behalf of the family or individual resident.

Due to the over 9,000 families and individuals on the HCV Program wait list, the wait list was closed to new applicants in FY2006. Leasing activity conducted in FY2006 is presented in the following table.

Voucher Leasing Activity FY2006	
Applicants invited from other programs ¹	1,247
Applicants invited from the wait list	2
Initial interviews scheduled <i>(includes initial and rescheduled interviews)</i>	1,609
Initial interviews conducted	1,150
Number of applicants determined eligible <i>(includes applicants who were interviewed in FY2005)</i>	1,163
Vouchers issued <i>(includes vouchers reissued to participants who did not find a unit in FY2005)</i>	1,097
Requests for inspections received	1,413
New HAP contracts executed	922

¹This includes applicants from the public housing relocation program, special admissions, and moderate conversion.

HCV Program FY2006 Management Benchmarks and Performance

Throughout the year, the CHA held the HCV Program Administrator accountable for meeting the performance management benchmarks set for the HCV Program in the FY2006 Moving to Work Annual Plan. The HCV Program FY2006 Management Benchmarks were created based on HUD's Section Eight Management Assessment Program (SEMAP) benchmarks. FY2006 was another successful year for the CHA HCV Program, as demonstrated by the performance reflected in the table below, as well as by the eighth consecutive high-performer rating based upon SEMAP standards.

HCV Program Management Benchmarks		
Category	FY2006 Benchmark	FY2006 Performance
Lease-Up	98% of all HCV and Moderate Rehabilitation units that are allocated for more than one year will be leased in accordance with the approved leasing schedule.	98% of the units that were allocated for more than one year were leased in accordance with the approved leasing schedule.
Selection from the Wait List	The HCV Program Administrator is currently focused on supporting existing program participants, relocating families, and emergency moves. Should any applicants be selected from the wait list, at least 98% will be selected in accordance with prescribed policies.	100% of the families selected from the wait list in FY2006 were selected in accordance with the prescribed policies.
Payment Standards	Payment standards are used to confirm that rents paid by HCV Program participants are equivalent to the rents for non-subsidized units in Chicago neighborhoods. HUD publishes the Fair Market Rent (FMR), which is the average monthly rent for a unit type based on location and size (number of bedrooms). HUD requires payment standards to be set between 90% and 110% of the FMR, and the CHA will continue to abide by these regulations in FY2006.	The HCV Program Administrator maintained payment standards that were between 90% and 110% of the FMR in FY2006.
Rent Reasonableness	95% of program participants' rents will be based on current rents for comparable unsubsidized units. A rent reasonableness review will be conducted on 100% of new units, as well as on units with requests for rent increases. Quality control reviews will be conducted monthly by an independent consultant, with a goal to maintain an error rate of 5% or less.	In FY2006, 100% of program participants' rents were based on current rents for comparable unsubsidized units. 100% of new units and all units with requests for rent increases received rent reasonableness reviews. Quality control reviews were conducted monthly by an independent consultant, and the error rate for FY2006 was 7.5%.
Determination of Adjusted Income	Before calculating their contribution to rent, all families receiving vouchers will have their income adjusted to allow for deductions, such as dependents, child care costs, and disability assistance. At least 90% of income verifications will be completed properly at the time of admission and annual re-examination.	91% of the income verifications were properly completed in FY2006.
Correct Tenant Rent Calculations	Out of all files reviewed, at least 98% of participants will have their rent contribution calculated accurately in accordance with their income.	100% of participants' files reviewed had their rent contribution calculated accurately in accordance with their income.
Utility Allowance Schedule	Utility rate data is reviewed annually to determine if an adjustment is needed for program participants' utility allowance. If there is a change of ten percent or more in the utility rate, as a result of the review, the utility allowance will be adjusted.	The CHA reviewed the utility rate data in the fourth quarter of FY2006 and found that there was a change of ten percent or more in the utility rate. The utility allowance was adjusted accordingly.
Annual Re-Examinations	Re-examinations are conducted with voucher holders to review their eligibility for continued program participation. At least 97% of participant re-examinations will be completed annually. Re-examinations for elderly and disabled tenants are conducted biennially.	In FY2006, the HCV Program Administrator began conducting re-examinations every two years for all voucher holders. 100% of participant re-examinations due in FY2006 were completed.

HCV Program Management Benchmarks (continued)

Category	FY2006 Benchmark	FY2006 Performance
Pre-Contract HQS Inspections	The CHA inspects private market units in the HCV Program using HQS established by HUD. At least 99% of newly leased units will pass a HQS inspection on or before the beginning of a lease or HAP contract date.	100% of newly leased units passed an HQS inspection on or before the beginning of a lease or HAP contract date in FY2006.
Annual HQS Inspections	At least 97% of all units under HAP contracts will be inspected annually.	98% of the units under contract were inspected on time.
HQS Enforcement	100% of units cited for HQS life-threatening deficiencies will either be corrected within 24 hours, have the HAP stopped within 24 hours, or send notification of intent to terminate the HAP contract no later than the first of the following month. This achieves HUD's high-performance benchmark of conducting a response within 24 hours.	The HCV Program Administrator responded to 94% of all HQS life-threatening deficiencies within 24 hours. These deficiencies were either corrected within 24 hours, the HAP was abated within 24 hours, or notice of intent to terminate the HAP contract was sent. During the fourth quarter, a new staff person was made responsible for handling emergency HQS inspections and failed to place an abatement on time to stop the HAP on one account. The error has since been corrected and the staff person appropriately trained.
	At least 96% of units cited for non-life threatening HQS deficiencies will be corrected within 30 days. Those cited for HQS deficiencies, but not corrected within the timeframe, will have HAPs discontinued or notifications of intent to terminate the HAP contract sent no later than the first of the following month.	91% of units cited for non life-threatening HQS deficiencies were corrected within 30 days. For those not corrected within 30 days, the HAP was discontinued or notifications of intent to terminate the HAP contract were sent no later than the first of the following month. The HQS enforcement of non life-threatening deficiencies goal was not met due to an increased amount of data entry required to manage HQS enforcement and an inefficient re-inspection scheduling process. Therefore, the HCV Program Administrator completely redesigned its procedures for tracking non life-threatening HQS deficiencies and scheduling re-inspections to ensure that non life-threatening HQS deficiencies are corrected within 30 days.
HQS Quality Control Inspections	At least ten quality control inspections of participant units will be conducted per HQS Quality Control Inspector per quarter. The pass rate for HQS quality control inspections is at least 85%.*	For FY2006, there were 1,121 quality control inspections conducted, which is more than ten inspections per HQS Quality Control Inspector per quarter. The pass rate in FY2006 was 86.6%.

* The FY2006 benchmark for HQS quality control inspections pass rate was incorrectly stated as 95% in the FY2006 Annual Plan.

MANAGEMENT INITIATIVES

The CHA and the HCV Program Administrator implemented policies and strategies to carry out new management initiatives in FY2006. With the goal of improving the HCV Program, changes were made to the Housing Choice Voucher, Project-Based Voucher, and Moderate Rehabilitation Programs Administrative Plan, and a new Marginal Unit Policy was created during the year. Additionally, the CHA and the HCV Program Administrator entered into collaborations with several groups to increase safety and security for participants and their families.



To ensure that neighborhood conditions and property are both in accordance with the revised Administrative Plan, an inspector and a HCV Program participant conduct a site inspection.

Housing Choice Voucher, Project-Based Voucher, and Moderate Rehabilitation Programs Administrative Plan (Administrative Plan)

In FY2006, the CHA revised the Administrative Plan, which outlines the policies and procedures followed in the administration of the HCV Program. The CHA published the proposed changes to the Administrative Plan for public comment in November 2006. Once the comments were reviewed and the Administrative Plan finalized, the CHA Board of Commissioners (Board) approved the final Administrative Plan, and it was implemented in December 2006.

The changes made to the Administrative Plan included revising the Site and Neighborhood Policy, implemented in November 2005, to ensure that HCV Program participants lived in quality housing located in areas that are safe and have neighborhood amenities to meet family needs. Such amenities include: schools, parks, retail establishments, jobs, and security. The revised Site and Neighborhood Policy states that units will fail an inspection and be denied admission to the HCV Program if they are located on a block that has visible or documented drug activity in the immediate vicinity (on the same block or on the opposite side of the street of the block on which the subject building is located); or more than three abandoned buildings, vacant lots, or a combination thereof within the immediate vicinity. The additional site and neighborhood conditions for inspections included in the revised Administrative Plan are:

- Specification that the site and neighborhood standards only apply to tenant-based voucher units;
- Distinction between a well-maintained lot and a poorly-maintained lot, wherein the latter constitutes a danger to the health, safety, and general well-being of the HCV Program participants; and

- Clarification that a lot or abandoned building will not fail an inspection if active construction is taking place.



Each unit in the Housing Choice Voucher Program must pass an initial Housing Quality Standards (HQS) inspection to ensure that voucher holders are moving into units that meet the 13 performance standards established by HUD.

Marginal Unit Policy

Units that are subsidized by the HCV Program must meet HUD's HQS health and safety guidelines not only at the time of inspection, but also throughout the tenancy of the HCV Program participant. Unfortunately, some units quickly fall out of compliance with HQS after the annual inspection has taken place. Therefore, to check on units that could potentially fall out of compliance less than 90 days from the date of the annual HQS inspection, the CHA and the HCV Program Administrator implemented the Marginal Unit Policy in April 2006.

For pre-contract HQS inspections, if a unit meets the basic HQS but has not been updated or rehabilitated recently, it must also pass a Marginal Unit Test. If the unit does not pass this additional test, it will be barred from the program and cannot be considered for a future pre-contract HQS inspection until it has received upgrades or

been partially rehabilitated. A unit already in the HCV Program is classified as marginal under the new policy when it: 1) has more than six violations during a complaint or interim inspection; 2) has more than 11 violations during an annual inspection; 3) or is cited for "above de minimus" deteriorated paint violations for two or more consecutive years during annual inspections. Owners of units classified as marginal have 30 days to repair the unit, or in the case of emergency violations, they have 24 hours. If the unit fails the inspection again after the 24-hour or 30-day timeframe, the resident will be issued moving papers, the HAP contract will be cancelled, and the unit will be barred from the voucher program until it has received upgrades or been partially rehabilitated. However, if the owner completes the necessary repairs and the unit passes the re-inspection, a Six-Month Marginal Unit Follow-Up Inspection is scheduled to ensure that the owner is maintaining the unit in accordance with HQS. If at the time of the six-month inspection the unit fails to meet HQS and the Marginal Unit Test, the HAP contract will be cancelled, and the unit will be barred from the program until it has received upgrades or been partially rehabilitated.

During the year, a complete copy of the new Marginal Unit Policy was available for participants, landlords, and owners in the Resource Room and on the HCV Program Administrator's website. A special workshop about the implementation of the policy was provided for owners and landlords to help them understand the policy.

Safety and Security

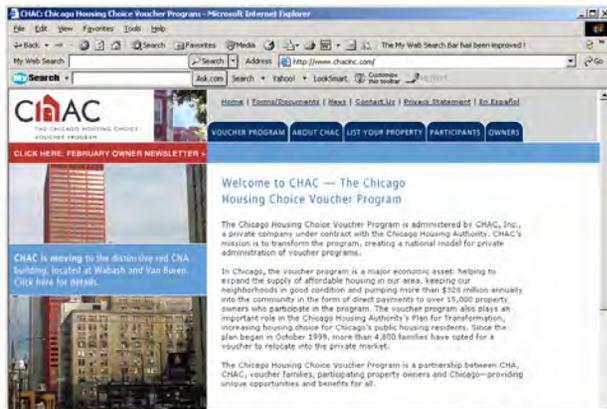
In FY2006, the CHA and the HCV Program Administrator began discussions with the Chicago Police Department (CPD), community stakeholders (e.g. community organizations, block clubs, and Aldermen), and the City of Chicago about collaborations to improve the lives of HCV Program participants and the communities in which they live. One example of these collaborations was a meeting held between the HCV Program Administrator and CPD to create a partnership strategy among CPD, property owners, and landlords to end illegal activity. The new strategy targets problem properties and holds landlords and owners responsible for taking action against HCV participants who engage in illegal activity.

RESOURCES FOR HCV PROGRAM PARTICIPANTS

During FY2006, the CHA and the HCV Program Administrator ensured that HCV Program participants had access to information about the HCV Program through a variety of sources. Satellite offices, the Resource Room, the HCV Program Administrator's website, and the quarterly newspaper helped HCV Program participants stay informed about the Program. Lastly, weekly tours afforded families and individuals the opportunity to learn about neighborhoods in Chicago.

Satellite and Latino Site Offices

The three Satellite Offices, located on the west, southwest, and southeast sides of Chicago, were opened in FY2003 to allow the thousands of families in the HCV Program to receive information or seek assistance closer to their homes. For example, during FY2006, HCV Program participants had their re-examination interviews conducted or met with staff about special programs at the satellite offices. The satellite office located at 1550 West 88th Street served as a full client services office, conducting re-examinations, processing transfers, and executing terminations. In addition, HCV Program Administrator staff conducted informational sessions and training workshops, as well as landlord outreach at the satellite offices. HCV Program participants also could seek assistance at one of the three Latino Site Offices funded by the CHA and operated by the not-for-profit organization, Spanish Coalition for Housing.



HCV participants and the public can obtain information about the HCV Program 24 hours a day, 7 days a week by accessing CHAC's website at www.chacinc.com.

HCV Program Website

During FY2006, the HCV Program Administrator's website, www.chacinc.com, continued to be a tool for HCV Program participants, applicants, landlords, and property owners. The website includes an abundance of information about special HCV programs and counseling for participants, changes in program-related policies, as well as workshops and training sessions. The website was updated regularly to provide participants and owners with current information and the ability to download brochures, forms, policies, and publications throughout the year. Additionally, families and individuals used the website's "Find a Place to Live" tool to look for available rental units. In FY2006, the CHA improved the property listing function of the website by moving the property listing data to a better software program.

"Going Places"

"Going Places" is a new quarterly newspaper for HCV Program participants. It was launched in April 2006 with the purpose of increasing participants' knowledge of the HCV Program and to provide useful information on a number of topics. These topics included: details about services available at the satellite offices; ways to save money on groceries and legal services; and tips on how to protect children from lead poisoning.

The Resource Room

The Resource Room is a library of information about the HCV Program. It was open to HCV Program participants, property owners, landlords, and the public-at-large in the lobby of the main offices of the HCV Program Administrator during office hours. In FY2006, the following resources continued to be available at the Resource Room:

- Computers with internet access;
- Local newspapers to look at advertisements for available rental units;



"Going Places" is the quarterly newspaper launched in FY2006 to keep HCV participants apprised of all of the resources available to them as well as helpful tips for them to reach their self-sufficiency goals.

- Schedules of upcoming training sessions and workshops;
- Copies of HCV Program policies, procedures, and publications;
- Training videos;
- Information about the various programs available to HCV Program participants; and
- Brochures and pamphlets about educational institutions and local schools, social services, job training, personal finance, and services for peoples with disabilities.



The HCV Program offers participants many tools to achieve economic and social self-sufficiency. One such opportunity, the Choose to Own Home Ownership Program, has given 195 qualified families the chance to become home owners.



Explore Chicago Tours

Twenty-seven (27) Explore Chicago Tours were held in FY2006 to give families and individuals the opportunity to learn about several Chicago neighborhoods over the course of a few hours. The tours were led by current HCV Program participants living in the neighborhood being toured. Tour attendees, comprised of both existing and potential residents, learned about the neighborhood’s history and its amenities, such as: schools, parks, retail establishments, public transportation, and entertainment venues. By touring different neighborhoods, families who are looking for a place to live can decide which areas are right for them and focus their housing searches on just those neighborhoods.

HCV PROGRAMS AND COUNSELING FOR PARTICIPANTS

As outlined below, HCV Program participants had access to several programs and counseling opportunities throughout FY2006. These programs and services were intended to assist families reach economic and social self-sufficiency, a key goal of the Plan. The Housing Opportunity Program, the Family Self-Sufficiency Program, the Choose to Own Home Ownership Program, and the Modification Fund successfully accomplished this goal in FY2006.



Housing Opportunity Program counselors advise families on their moves to Opportunity Areas. The counseling is just one of the supportive services provided by the HCV Program Administrator.

Housing Opportunity Program

The purpose of the Housing Opportunity Program is to help families living in a high-poverty neighborhood explore their diverse housing options and increase moves to Opportunity Areas (a census tract where less than 23.49% of the families live below the poverty level) in Chicago. By helping families move to low-poverty neighborhoods, the CHA further endeavors to deconcentrate poverty. The HCV Program Administrator held Housing Opportunity Program information sessions throughout FY2006 to brief families and individuals about the benefits of the program and the services and resources available to them if they decided to participate. Such services in FY2006 included: guidance from a Housing Opportunity Program Counselor, free credit checks, resident education workshops, escorted visits and transportation to view units, and weekly neighborhood tours.

Additionally, families who successfully relocated from neighborhoods with a high-poverty rate to one with a low-poverty rate were eligible for a zero-interest loan to be used to pay for a security deposit.

Housing Opportunity Program Activity FY2006		
Grouping	FY2006 Goal	FY2006 Actual
Number of families briefed on the Housing Opportunity Program	6,000	11,172
Number of families enrolled in the Housing Opportunity Program	2,000	866
Percentage of families who moved to a low-poverty area.	26%	35%

Enhanced Housing Opportunity Program

The Enhanced Housing Opportunity Program (EHOP) is very similar to the Housing Opportunity Program, except that it was created exclusively for public housing relocatees who move into the private market with a HCV. EHOP encourages families who have relocated from public housing to move to economically and racially diverse neighborhoods. Since its inception in June 2005, 17 families have moved to racially and economically diverse neighborhoods while over 100 families have moved to low-poverty or economically diverse neighborhoods.

Family Self-Sufficiency Program (FSS Program)

The FSS Program is designed to assist HCV Program participants achieve a greater level of financial independence. Increasing the financial independence of HCV Program participants is another way in which the CHA works to deconcentrate poverty. FSS Program participants created five-year action plans that outlined the activities and services needed to achieve the educational, career, or financial goals they set for themselves. Throughout the five years, counselors coach and advise FSS Program participants as well as monitor their progress. However, if after two years a family is not making progress toward their goals, they will be terminated from the program. This allows other families who are ready and committed to the FSS Program goals and guidelines to participate and benefit fully from the successful program.

Given that the purpose of the FSS Program is to increase financial independence, many successful participants experienced an increase in their income in FY2006, which in turn caused their monthly rent contributions to increase. To encourage FSS Program participants to continue to seek increased income, the program requires the HCV Program Administrator to deposit an amount equivalent to the increase in rent into an interest-bearing escrow account. The participant receives the money, plus interest, from the escrow account upon graduation from the FSS Program. Over 390 FSS Program graduates have shared more than \$3.7 million in savings since the program's inception. As of December 31, 2006, there were 1,481 FSS program participants, 50% of whom had an escrow balance and 29% of whom were relocating public housing families.

In FY2006, 55 FSS participants graduated from the program. The April 2006 graduating class was one of the largest ever, and the graduates accomplished a great number of goals, including tripling their average family income from approximately \$9,600 annually to more than \$30,000 during the period of their participation in the program. Seven of the graduates purchased homes; two started their own businesses; and five of the families achieved the greatest success possible under the program: increasing their income high enough that they no longer need rental assistance. In July and October 2006, an additional 25 FSS Program participants graduated from the program. Aside from placement in jobs as certified nursing assistants, legal assistants, and customer service representatives, members of the graduating class received computer training and improved their financial literacy.



CHA CEO Sharon Gist Gilliam proudly celebrates the achievements of the FY2006 graduates of the Family Self-Sufficiency Program.

Bridging the Gap

In FY2006, CHAC collaborated with the Chicago Alternative Policing Strategy (CAPS) and other community-based organizations to present the award-winning “Bridging the Gap” forums. The forums foster constructive relationships that will be economically beneficial between communities, property owners, and program participants. The forums highlight neighborhood programs and resources available to both building owners and HCV Program participants in the communities. CHAC was honored in FY2006 with an award of merit from the National Association of Housing and Redevelopment Officials (NAHRO) for hosting the forums.

Sixty (60) people attended a Bridging the Gap forum held in April in the Chatham/Greater Grand Crossing neighborhood. The featured speaker, Michael T. Ivers, President of Good City and a CHA Commissioner, encouraged current neighborhood residents to welcome the new CHA residents to the community and help them become a part of their new neighborhoods. CAPS is utilizing the list of attendees from this event to engage residents and owners in Block Club and Community Policing training.

Eighty-five (85) people attended a Bridging the Gap forum in August in the Englewood/W. Englewood Neighborhood. Subsequent to this Bridging the Gap event, city agencies formed the Englewood/West Englewood Task Force for the purpose of providing improved public service delivery in these communities. Members of the Task Force are: CAPS, 311, CDOT, CDH, the Chicago Park District, and Chicago Public Schools. Outreach is on-going to organize block clubs and involve residents in CAPS' training programs.

Employment Support

FSS Program participants received a monthly newsletter with a schedule of events and invitations to employment fairs in FY2006. The CHA offered career counseling and employment services in two ways: Job Club meetings and the Family Self-Sufficiency Career Fair. Twenty-three (23) Job Club meetings, which are job readiness workshops, were held during FY2006 on topics such as: resume basics, how to evaluate a job offer, and how to adjust to a new job. The FSS Career Fair was held on August 11, 2006 with over 110 participants in attendance. Twenty-one (21) employers in the fields of accounting, banking, retail, delivery services, and private security were present, as were five training/education program representatives to discuss employment and vocational training opportunities.

Choose to Own Home Ownership Program

The Choose to Own Home Ownership Program is another way in which the CHA strives to increase housing options for low-income families in Chicago. Since its inception, the Choose to Own Home Ownership Program has given 195 qualified families the opportunity to become home owners. Fifty-seven percent of these new home owners moved from a high-poverty neighborhood to a low-poverty neighborhood. In FY2006, 57 families purchased a new single-family home, town house, condominium, or cooperative by meeting the requirements of the Choose to Own Home Ownership Program, which include completing homebuyer education sessions and pre-qualifying for a mortgage. Families who purchased a new home in FY2006 had to be in compliance with the rules of the HCV Program, a first-time home buyer or have not owned a home in the past three years, and earn at least \$10,300 annually from employment or business. After the family identified the home of their choice, the home had to pass a HQS inspection as well as a traditional home inspection before the family obtained mortgage

financing and closed on the property. After the closing, families were required to attend post-purchase counseling, which included the principles of budgeting, property maintenance, community involvement, and foreclosure prevention, as well as establish emergency repair and maintenance accounts. These accounts help families tackle problems that may arise with their new home in the future.



Choose to Own Home Ownership post-purchase counseling helps participants maintain the equity they have built in their homes by providing advice for budgeting, property maintenance, and foreclosure prevention.

FY2006 Choose to Own Home Ownership Program Activity		
Grouping	FY2006 Goal	FY2006 Actual
Total number families purchasing a home	50	57

Design at Home, a not-for-profit organization dedicated to supporting public housing families who purchase a home, collaborated with the CHA to assist Choose to Own Home Ownership Program participants in FY2006. Five students from Harrington College of Design received academic credit for helping decorate a room chosen by the Choose to Own Home Ownership Program participant. Students proposed two room design ideas, and the new home owners chose the one that best suited their needs. This collaboration gives the students the opportunity to gain practical experience in their field of study while the home owners benefit from the interior design enhancements to their homes.

Modification Fund

The Modification Fund provided HCV Program participants with disabilities with money to make modifications to their unit to add or enhance the accessibility features. In FY2006, 74 people applied for a grant from the Modification Fund. Seventy (70) people, or 95% of those who requested grants, were approved, and 53 modifications were completed during the year. The grants were for an amount up to \$5,000 and were used to make any type of unit alteration that would enable the person to live independently, including bathroom and sink modifications, doorway widening, ramps or intercoms, all at no cost to the unit resident or landlord.



HCV Program participants with disabilities can apply for grants from the Modification Fund to make adjustments to their units to add or enhance accessibility features such as entrance ramps for wheelchair use.

PROPERTY MANAGER AND OWNER OUTREACH

In FY2006, the CHA and the HCV Program Administrator maintained communication with property managers and owners of properties with HCV units to ensure that property managers and owners provided quality housing to HCV Program participants and their families. In addition to a monthly newsletter, property manager and owner outreach was conducted through the Landlord Outreach Specialists, the Owner Resource Council, and training opportunities.

“Owner News”

Throughout FY2006, landlords and owners continued to receive the monthly newsletter titled, “Owner News.” The newsletter was redesigned in FY2006 and provided information on upcoming trainings and workshops, new HCV Program policies, tax savings opportunities, and guidelines for being a good property manager. Starting in August 2006, “Owner News” became available exclusively online through the HCV Program Administrator’s website.

Landlord Outreach Specialists

Landlord Outreach Specialists worked in FY2006 to recruit landlords and property managers with units in low-poverty areas and to encourage participation in the HCV Program, thereby increasing the housing opportunities available to families and individuals. To inform landlords about the HCV Program, Landlord Outreach Specialists reached out to rental offices in low-poverty neighborhoods, held walk-in hours for landlord orientation sessions at the Satellite Offices, and mailed information packets to interested property owners. In FY2006, Landlord Outreach Specialists added 42 new owners and 187 new units in low-poverty areas to the HCV Program. Their hard work paid off as evidenced by the fact that approximately 40% of the units listed each month were located in low-poverty areas.

Owner Resource Council

Seven new members joined the Owner Resource Council in September 2006 and received orientation on their roles and the mission of the Council, which is to provide input on HCV Program policies, procedures, and practices. The Owner Resource Council, consisting of existing HCV Program landlords, property managers, and owners, met eight times throughout FY2006. During the year, the Council gave feedback and input on the new Marginal Unit Policy, the check stubs generated by the new housing management software, the HCV Program

Administrator's publications, and made suggestions as to how the HCV Program Administrator could improve customer service.



Landlord and owner training sessions provided by the CHA and HCV Program Administrator in FY2006 covered topics such as HCV program rules, landlord/tenant laws, and HUD regulations.

Landlord and Owner Training

In an effort to improve service to HCV Program participants, the CHA and the HCV Program Administrator staff offered landlords and property owners with access to training on topics relating to HCV Program rules, HUD regulations, rent determination, landlord/resident law, effective interpersonal communication, and strategies for preventing evictions. New workshops in FY2006 included: energy conservation; the Marginal Unit Policy; and, through a collaboration with the Leadership Council for Metropolitan Open Communities, several fair housing seminars. Additionally, the City of Chicago Department of Buildings offered a streamlined version of their landlord

training program tailored for HCV landlords and property owners. The Department of Buildings focused on familiarizing HCV landlords and property owners with city programs, services, and building codes. Monthly workshops and informative seminars, as well as their dates and times, were advertised in the “Owner News” newsletter, on the HCV Program Administrator’s website, and through an owner information hotline.

Learning the details about the HCV Program can be overwhelming for new landlords and owners. With that in mind, a new, short but comprehensive HCV Program orientation for new owners to the program was launched in November 2006 to help make a smooth transition into the program. The training course covers lease enforcement, owners’ rights and responsibilities, resident obligations, and the HAP abatement or termination processes.

PROJECT-BASED VOUCHER PROGRAM

The CHA provides low-income families in Chicago with additional opportunities to access affordable housing through the Project-Based Voucher (PBV) Program. PBVs are attached to the unit, and property owners must lease the unit to families and individuals that meet the eligibility requirements of the HCV Program. By providing vouchers to developers and property owners in lieu of individual families, the CHA is increasing the number of units available to low-income families in the Chicagoland area. As of December 31, 2006, 92% of the 2,087 allocated PBVs were leased.

Project-Based Voucher Utilization as of December 31, 2006		
Type	Leased	Allocated
Moderate Rehabilitation	1,235	1,314
Project-Based Certificates	681	773

Project-Based Voucher Issuance for Development

The CHA awarded project-based vouchers to developers for the rehabilitation or development of new affordable housing with the CHA Board approval. In FY2006, the CHA continued to participate in two special purpose project-based voucher programs: the Chicago Supportive Housing Initiative and the Regional Housing Initiative.

Chicago Supportive Housing Initiative

The CHA, the Chicago Department of Housing, the Chicago Department of Human Services, the Chicago Department of Planning and Development, and the Mayor's Office of Workforce Development have collaborated for several years to maintain the availability of existing Single Room Occupancy (SRO) units in Chicago. They also have worked to facilitate the creation of affordable permanent housing with on-site social services to address issues that can affect lease-compliance in traditional low-income or public housing programs. This collaboration is known as the Chicago Supportive Housing Initiative, and the CHA participates by providing PBVs to help subsidize SRO units and affordable housing properties. One such SRO is Near North Apartments, located near the Frances Cabrini and William Green Homes public housing developments. Construction on this 96-room energy-efficient facility continued in FY2006 and is expected to be completed in the first quarter of FY2007. The CHA has committed 46 PBVs to Near North Apartments, and community members impacted by the Plan for Transformation will be provided a preference for the units.

In addition to the PBVs committed to Near North Apartments, the CHA has committed 77 PBVs to 600 South Wabash Avenue and 50 PBVs to St. Leo's Residence for Veterans. The building located at 600 South Wabash Avenue is an eight-story building with 169 SRO units for low-wage workers in need of supportive services. St. Leo's Residence for Veterans is a 141-unit apartment building located on the south side of Chicago built to house formerly homeless veterans in need of transitional housing.

Regional Housing Initiative

The Regional Housing Initiative (RHI) was established in FY2002 to provide financial incentives to developers and owners of rental housing in order to address the rental housing shortage and preserve existing quality, affordable, mixed-income rental housing located near jobs and access to public transportation. The partners that make up RHI include four housing authorities (the CHA, Cook County Housing Authority, Lake County Housing Authority, and McHenry County Housing Authority), the Metropolitan Planning Council, and the Illinois Housing Development Authority (IHDA). RHI is a great resource for developers and property owners because it provides them with a stream of funding and increases their chances for obtaining Low-Income Housing Tax Credits from IHDA. Under the rolling applications process, developers and property owners were able to submit applications to RHI at any time during FY2006 and not just when RHI distributed requests for proposals.

In FY2006, the RHI partnership issued five PBVs to Casa Kirk Apartments. Located in the South Chicago neighborhood of the city, Casa Kirk Apartments provides 29 affordable rental apartments in five six-flat apartment buildings. Casa Kirk Apartments provides affordable housing for larger families since it has two-, three- and four-bedroom apartments, and it features a laundry room, playground, and parking lot.

CHAPTER 3: SUPPORTING RESIDENTS THROUGH RELOCATION



CHA residents can use the internet to conduct research on their new neighborhoods, homes, and local public services available to them.

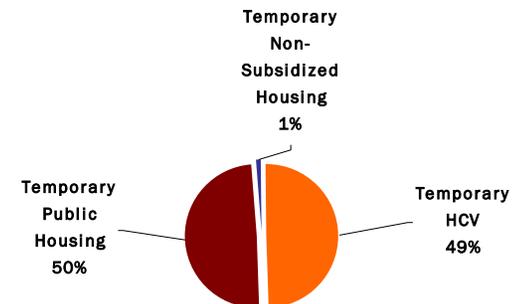
In an effort to meet the Plan's goal of rebuilding or rehabilitating 25,000 units of public housing, CHA leaseholders and their families are asked to relocate to a temporary or newly revitalized permanent home during the construction process. The CHA and its partners continue to guide residents through the relocation process by providing assistance and services to them in order to minimize the amount of disruptions residents and their families experience during the transition period. To achieve this objective, both the CHA and residents must continue to uphold their obligations laid out in the CHA Leaseholder Housing Choice and Relocation Rights Contract

(Relocation Rights Contract), which allows lease-compliant CHA families in occupancy on October 1, 1999 the right to return to redeveloped/rehabilitated CHA units, while families whose occupancy began after October 1, 1999 have a preference for a revitalized CHA unit. Families with return preferences will be housed after families with a right to return have been housed.

MAINTAINING COMMUNICATION DURING THE RELOCATION PROCESS

CHA residents learn how to make informed choices and successfully maneuver through the relocation process from a multitude of sources. Initially, CHA residents learn about relocation through various trainings. It is during these trainings that residents are familiarized with their rights and responsibilities throughout the relocation process. In FY2006, communication about resident's housing preferences was available through Housing Choice Surveys, meanwhile public housing families and individuals learned about the relocation process through relocation fairs, Housing Offer

Housing Choice Survey:
Temporary Choices as of
December 31, 2006*



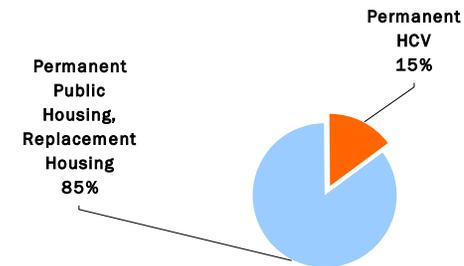
*Based upon information entered into the Relocation Management Tracking System as of December 31, 2006.

Process/Replacement Housing Information Sessions, and home visits.

Housing Choice Surveys

Housing Choice Surveys are used by the CHA to collect information on where residents would like to move temporarily while their current home is being renovated or demolished as well as live permanently after their new housing is ready. Residents have the choice of selecting temporary or permanent Housing Choice Vouchers (HCV), public housing, or non-subsidized housing. As of the end of FY2006, the CHA has surveyed 11,385 households to learn their location preferences. To date, the CHA has received responses from 10,799 or 95% of the surveys distributed.

**Housing Choice Survey:
Permanent Choices as of
December 31, 2006***



*Based upon information entered into the Relocation Management Tracking System as of December 31, 2006.



The CHA held eight relocation fairs in FY2006 to give residents the opportunity to learn more about the relocation process, voice their concerns about their moves, and get answers to their questions about their rights during the relocation process.

Relocation Fairs

The CHA invites public housing residents to relocation fairs to keep them informed about the relocation process and available supportive services. The CHA conducted eight relocation fairs in FY2006 where residents learned about the move-in and move-out process, temporary or permanent subsidized housing options in both the public and private markets, tips on how to maintain one's lease compliancy, and services available for making a transition into a new community a smooth and successful one. The relocation fairs also served as a forum for CHA residents to voice their concerns and get their questions regarding move timelines and their rights during the relocation process answered.

Housing Offer Process (HOP) / Replacement Housing Information Sessions

The Housing Offer Process was implemented so that the CHA can manage the move-in process in accordance with the Relocation Rights Contract. In September 2006, CHA

residents who had a HOP offer number as well as those who were waiting to get an offer number were invited to attend a HOP Information Fair. The fair was held at Harold Washington College and provided CHA residents information about the many mixed-income communities and rehabilitated units that are available to them.

Home Visits

The CHA maintains communication with residents who are preparing to relocate, as well as residents who have already relocated. Resident outreach activities are conducted annually to ensure that CHA residents have transitioned successfully into their new homes. In FY2006, the CHA visited 2,937 households and asked how the CHA could better meet their needs. During each home visit, families were given a neighborhood resource guide, a calendar of events, a Jewel/Osco gift certificate, and information regarding summer camps and utility assistance.

MOVE ACTIVITY

In FY2006, the CHA continued to allow lease-compliant families in occupancy on October 1, 1999 the right to return to redeveloped/rehabilitated CHA units. Additionally, the CHA made sure residents received information and services necessary to successfully complete the relocation process. To ensure residents moved out of old public housing units and into either their temporary or permanent home, they were offered assistance from the CHA during each step of the relocation process.

Building Closure

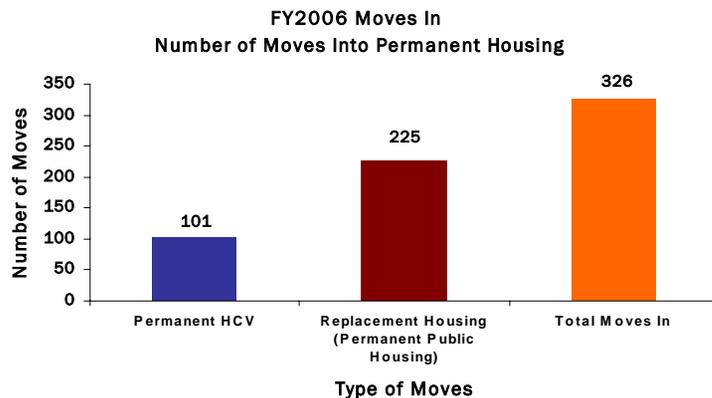
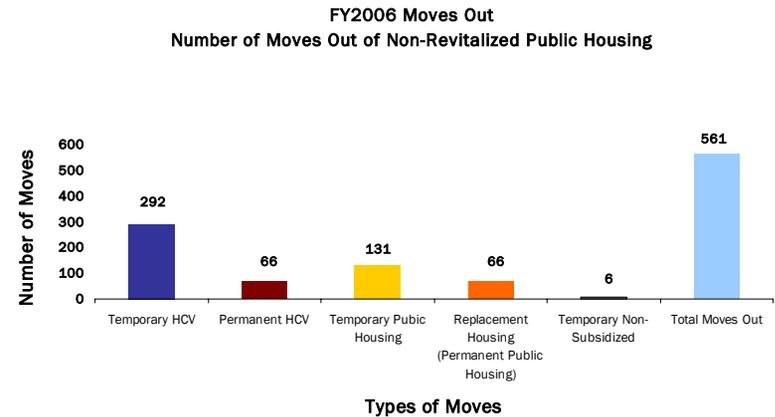
To redevelop and rehabilitate its housing stock, the CHA needs to close public housing buildings for demolition, modernization, and reconstruction. FY2006, stands as a monumental year for the CHA in this respect. In FY2006, the CHA closed three of the nation’s largest public housing developments, Frances Cabrini

FY2006 Building Closures Mixed-Income Redevelopment/Rehabilitation Properties	
Development/Address	Total Number of Units Closed
Frances Cabrini Extension North	
1015 N. Larrabee Street & 1017 N. Larrabee Street	230
Grace Abbott Homes	
1440 W. 13th Street	135
Jane Addams Homes	
901 S. Ada Street	8
845 S. Ada Street	8
860 S. Lytle Street	8
916 S. Lytle Street	8
1250 W. Taylor Street	10
1300 W. Taylor Street	10
Robert Taylor Homes	
5135 S. Federal Street	157
Ida B. Wells Extension	
540 E. 36th Street	65
William Green Homes	
534 W. Division Street	144
624 W. Division Street	134
TOTAL UNITS	917

Extension North, Stateway Gardens, and Robert Taylor Homes, clearing the way for new mixed-income communities. In total, the CHA closed 13 buildings at six developments during FY2006, evidencing significant progress toward the redevelopment and rehabilitation goals under the Plan. The CHA consulted with the Local Advisory Council and Central Advisory Council prior to each building closure.

Moves Out

In FY2006, the CHA completed 561 moves out of non-revitalized public housing. During the process, the CHA remained in contact with its residents, assisting them make a smooth transition into their new temporary or permanent home. The CHA mailed to residents a General Notice informing them when their building was set to be closed 180 and 120 days from the building’s scheduled closure date. During FY2006, CHA residents given the opportunity to move out of their old dilapidated public housing units were reminded of their numerous options for relocating. These options included: temporary public housing, permanent public housing (also known as replacement housing), temporary and permanent homes in the private market through the use of Housing Choice Vouchers, and non-subsidized housing.

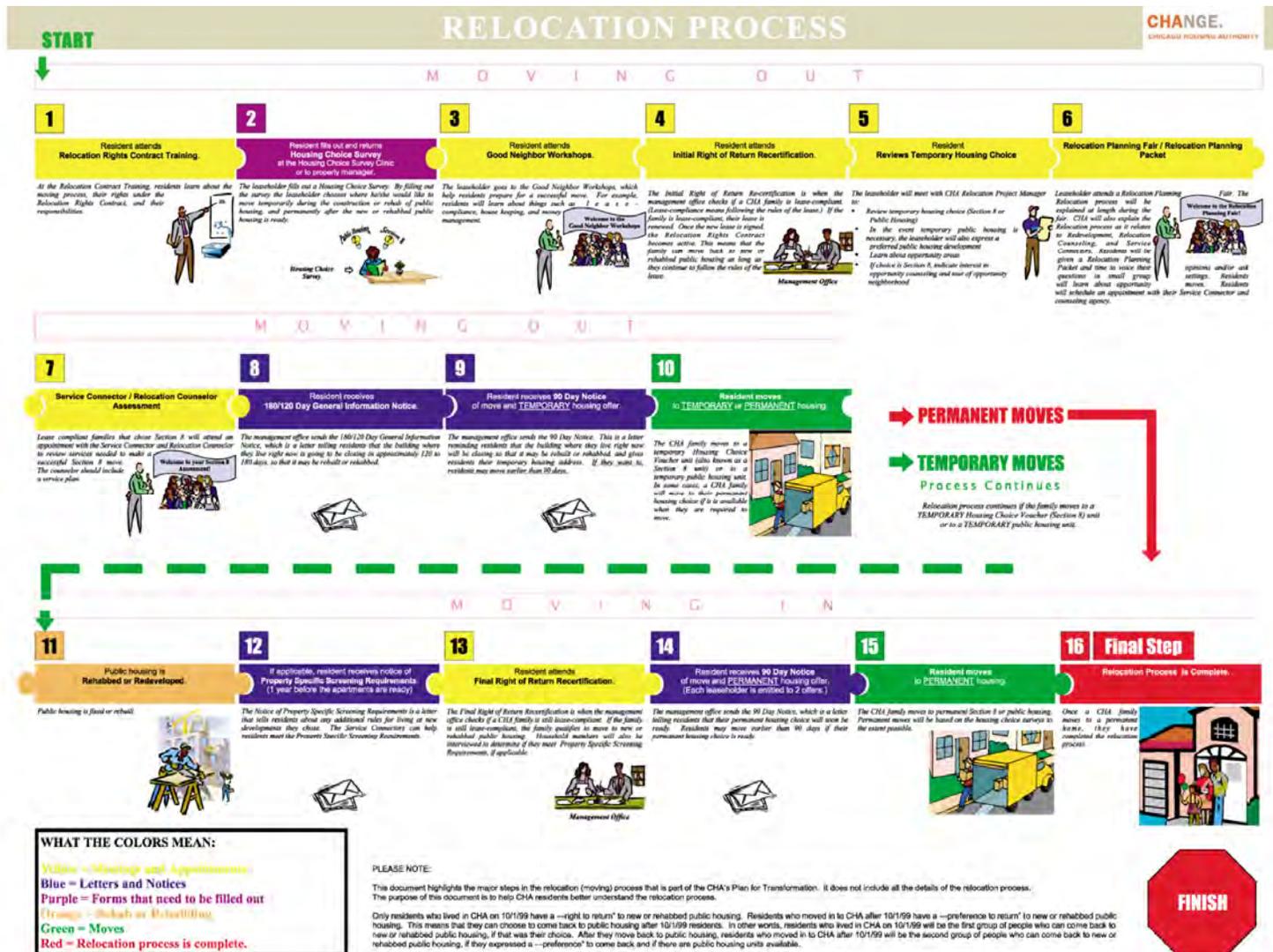


Moves In

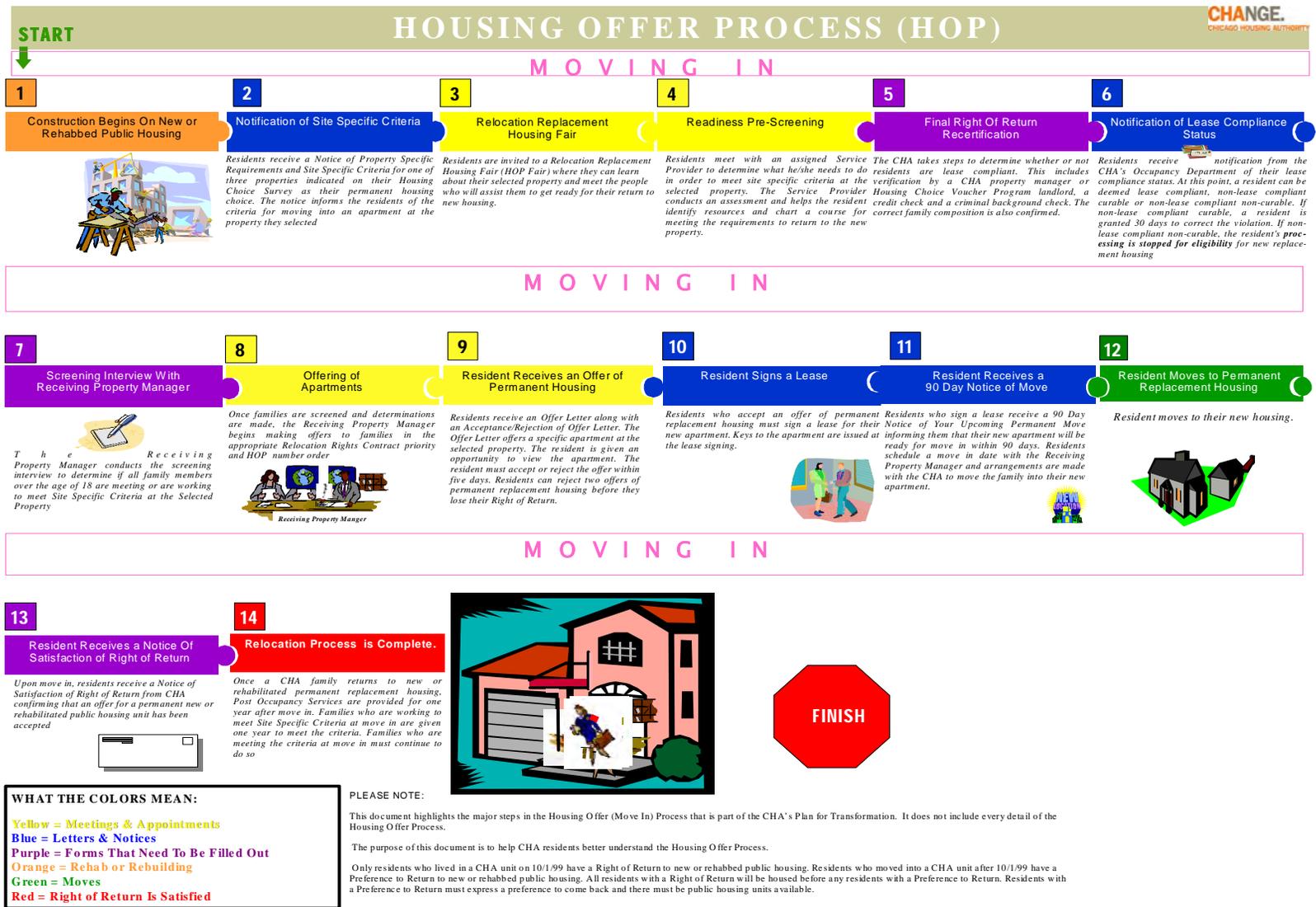
Once CHA residents have exercised their right of return under the Relocation Rights Contract and have relocated permanently, the CHA issues a final Right of Return Satisfaction Notice, bringing closure to the resident’s relocation process. Throughout this process in FY2006, supportive services were provided to CHA residents, assisting them in the transition into their new communities. (See Chapter 4: Achieving Economic and Social Self-Sufficiency for more information on supportive services). In total, 326 families moved into permanent homes in FY2006: 101 families used a HCV

to relocate to the private market, and 225 families relocated to replacement public housing.

A step-by-step outline of the CHA relocation process carried out during the Plan for Transformation is described below.



The following flowchart outlines the steps taken by or on behalf of a CHA resident during the Housing Offer Process.



WORKING WITH RESIDENTS TO REMAIN LEASE COMPLIANT

During the relocation process CHA residents are responsible for becoming and remaining lease compliant in order to maintain their right of return under the Relocation Rights Contract. The CHA works to provide the necessary services and resources that will enable residents to meet site specific admission criteria and/or maintain their lease compliancy for the duration of the relocation process. During FY2006, the CHA continued to match lease-compliant residents with their new temporary or permanent home, based upon their designated housing preferences, which are managed through CHA Systems@Work. CHA residents that are already in their new temporary or permanent homes are required to complete an annual re-certification process. The re-certification process enables the CHA and property managers to monitor each resident's adherence to the lease and ensures residents are successfully remaining lease compliant.



The CHA endeavors to assist residents remain lease compliant by offering a number of counseling and post-occupancy services.

TRACKING & MEASURING RESIDENT RELOCATION ACTIVITIES: CHA SYSTEMS@WORK

In FY2006, the CHA continued to utilize CHA Systems@Work, which is a multi-faceted web-enabled software application, to manage the rights and obligations of the residents and the CHA. The software system comprising CHA Systems@Work includes four modules: the Relocation Management Tracking System Module; the Housing Offer Process Module; the Bedroom Sizing Module; and TheRightMovesNet.net. Through CHA Systems@Work, the CHA has been able to collect, store, and evaluate relocation information in an effective manner.

Relocation Management Tracking System Module

The CHA's Relocation Management Tracking System (RMTS) is an electronic, automated system that in FY2006 allowed the CHA to: manage resident housing choice selection information; monitor accurate and timely resident notification distribution; lease units; track other relocation-related data; and create standardized reports.

Housing Offer Process Module

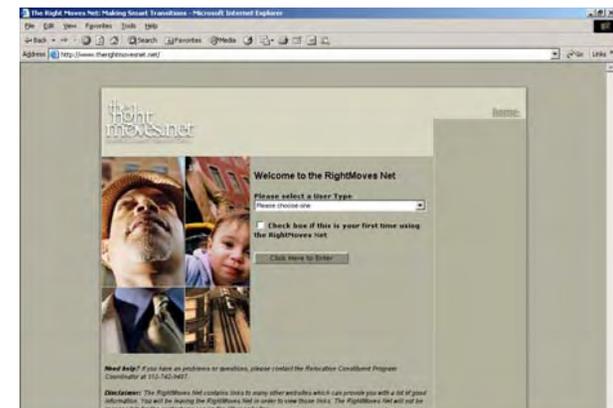
During FY2006, as new units became available, the CHA matched residents to units according to guidelines outlined in the Relocation Rights Contract. To facilitate this goal, the Housing Offer Process Module electronic management system was employed as a tool to effectively manage and expedite the move-in process for individuals and families. The module was used by the CHA to ensure that residents were screened and offered housing in the order established by the Housing Offer Process priority numbers. In addition, the system afforded Relocation Team members the ability to share information among teams and meet critical deadlines.

Bedroom Sizing Module

The Bedroom Sizing Module helped the CHA enforce the public housing occupancy guidelines set forth in the FY2005 Admissions and Continued Occupancy Policy. This module accurately calculated the appropriate size and number of bedrooms needed by families who relocated during FY2006.

TheRightMovesNet.Net

TheRightMovesNet.Net Module is a web-based information system designed to help residents make informed relocation choices. The module utilizes Geographic Information Systems (GIS), flash media, and three-dimensional animation as visual tools to assist residents in the relocation process. Residents received hands-on guidance through modules on affordable housing, relocation planning, public and human services, transportation, and education. Residents are able to access TheRightMovesNet.Net at any computer with an internet connection.



TheRightMovesNet.Net provides relocating residents with information on schools, public transportation, and neighborhood amenities as they relocate to their new permanent or temporary homes.

CHAPTER 4: ACHIEVING ECONOMIC AND SOCIAL SELF-SUFFICIENCY



In addition to the numerous economic and social self-sufficiency activities the CHA held a variety of holiday events and parties in FY2006.

The main objectives of the Plan include not only transforming communities, but also transforming the lives of the residents who live in them. The CHA is dedicated to meeting this objective, and during FY2006, the CHA continued to demonstrate the success of its efforts through the delivery of programs and services to CHA residents. The CHA maintains its strong ties to the community through its continued partnerships with organizations at the federal and state level, City of Chicago Departments, and sister agencies. These partnerships along with private stakeholder collaborations allow the CHA to extend its service arm into the community and connect

CHA residents to the provisions and services they may need to achieve economic and social self-sufficiency.

THE CHA'S SERVICE PROVISION NETWORK

The CHA strives to provide residents with a network of service providers that can assist them succeed at becoming self-sufficient. The Service Connector System and Resident Service Coordinators matched residents seeking to take advantage of service provisions offered by the CHA with a social service agency or provider based on their service needs. Moreover, relocating residents received assistance from Move-In Service Providers and/or Transitional Housing and Supportive Service Counselors.

Service Connector System

The Service Connector System is an integral aspect of the Plan for Transformation, and it is administered for the CHA by the Chicago Department of Human Services (CDHS). Through the Service Connector System, residents were able to access support services to help them maintain their lease compliancy, increase their household income, and expand their housing options. Services were delivered using a two-prong approach, focusing on families and neighborhood-based services, and were available for CHA residents at any stage in the relocation process throughout FY2006. Services were offered through Service Connectors, which are agencies assigned to connect CHA

residents and their families with employment, counseling, job training, health care and other resources they may need to make the transition to self-sufficiency. The CHA made residents aware of the assistance offered by the Service Connector System through frequent Service Fairs in FY2006, four of which were offered by the CHA Office of Community Development and Support. Residents were able to learn about Service Connectors, utility assistance programs, day and overnight camps, employment and training opportunities, and a host of other social services agencies at each Service Fair.

Resident Service Coordinators

The CHA, in conjunction with the Chicago Department of Aging and property management companies, provided 46 Resident Service Coordinators (RSC) to inform and connect CHA senior residents with programs and services. RSC play a variety of roles by helping CHA senior residents understand and maintain lease compliance, as well as serve to inform and encourage CHA seniors to take part in self-sufficiency seminars and coordinating social activities. The self-sufficiency seminars and workshops in FY2006 covered: identity theft, elder abuse, consumer fraud, and English as a Second Language. In FY2006, 13,932 resident assessments were conducted by RSC throughout the 59 senior designated properties.

FY2006 Resident Service Coordinator Program Activity	
Number of inquiries for information and assistance	34,848
Number of times residents were provided direct service	69,183
Number of well-being checks conducted	66,834
Number of case management referrals	27,694
Number of senior residents referred for public benefits	15,842
Number of social enrichment activities	3,792

Social Activities

RSC initiated activities to keep CHA senior residents active and involved in their community. Multiple social enrichment activities took place during FY2006 including: a cultural excursion to the Mexican Fine Arts Museum; botanical awareness activities at the Garfield Park Conservatory; outings to the Lincoln Park Zoo and Navy Pier; and the 22nd Annual CHA Senior Holiday Gala. The Gala was attended by 2,000 senior citizens who gathered to enjoy an afternoon of food, dancing, and holiday cheer.

Benefits Screenings

Information gathered in the screenings allows RSC to direct seniors to necessary services so they may enjoy a self-sufficient lifestyle. Residents living in senior designated buildings are able to take part in annual benefit screenings. Referrals included, but were not limited to:

- Public Benefits (i.e. food stamps and social security benefits);
- Metro mobility assistance (i.e. transportation to doctors appointments and grocery stores);
- Housekeeping services; and
- Pre-prepared home delivered meals (i.e. Meals on Wheels).

Additionally, RSC, in coordination with the Red Tape Cutter Program, made 15,842 public benefit program referrals to residents living in CHA senior designated housing in FY2006.

Health and Wellness

The CHA continues to promote the health and well being of senior residents through educational seminars, in addition to proactive well-being checks. During extreme hot and cold temperatures, CHA field staff, checked on senior residents up to three times per week to ensure their safety. Throughout FY2006, the CHA, in partnership with the Chicago Department of Health, conducted on-site flu clinics and offered onsite workshops at many senior designated buildings on topics regarding blood pressure and diabetes management. The CHA also worked with Catholic Charities to provide onsite food demonstrations by student dieticians regarding healthy meal preparation.

Resident Service Coordination Case Management System

The Resident Service Coordination Case Management System (RSCM), which piloted during FY2005, was expanded in FY2006 from three to 15 senior designated buildings. The RSCM allows the CHA to quickly deliver and monitor in-home services to constrained CHA senior residents. To date, more than 1,500 senior residents have been assessed, with 800 current active clients spread among the 15 on-site case management offices at CHA senior designated buildings.

Move-In Service Providers

Through the relocation process, eligible CHA residents are afforded the opportunity to relocate to a new mixed-income community. In FY2006, Move-In Service Providers were available to assist CHA resident's transition into their new environment by offering information and support on:

- Site specific lease requirements;
- Navigating through the relocation process; and
- Involvement and local events in the residents' new community.

Transitional Housing and Supportive Services Counselors

During FY2006, the CHA continued to provide a variety of housing options for residents relocating under the Plan. Transitional Housing and Supportive Services Counselors were available to assist both residents moving out of public housing due to building closures, as well as residents choosing to move into non-subsidized housing throughout Chicago. Counselors worked with CHA residents transitioning into their new community, by helping them prepare for and resolve any unique challenges CHA residents encounter in their new home.

EMPLOYMENT AND JOB TRAINING

In FY2006, the CHA continued to serve as a vital link in connecting residents to employment opportunities. The CHA was able to strengthen its employment and job training program through its continued collaborations with the Mayor's Office on Workforce Development, City Colleges of Chicago, and the Partnership for New Communities. Through the delivery of quality employment, education, and training services that were responsive to and met the requirements of CHA job seekers, residents trained in skills capable of meeting the emerging labor market needs of the Chicago, now and in the future.

Neighborhood Technology Resource Center

The Neighborhood Technology Resource Center (NTRC) offers local citizens the opportunity to develop or expand their technology proficiency thereby increasing their marketability in the workplace. Currently, there are three NTRCs scattered through the Chicagoland area. In FY2005, a NTRC was placed in the Charles A. Hayes Family Investment Center (FIC), allowing CHA residents, HCV Program participants, and low-income Chicagoans to take advantage of this ideally placed technology hub.

During FY2006, residents continued to use the computer technology labs at the FIC for specialty training including: Internet and Computer Core Certification; Microsoft Office Specialist Certification; A+ Certification; Network+ Certification; and Microsoft Certified Desktop Support Technician Certification. In total, 1,163 residents completed intake assessments; 667 residents enrolled in certification or proficiency training classes; and 54 residents from the three combined NTRCs were either placed at new jobs or received pay increase based on their newly acquired certification, training or skills.

Resident Employment

One of the underlying methods used by the CHA in helping its residents attain and retain economic self-sufficiency is through the implementation of several employment and job training programs. During FY2006, the CHA continued to work with Service Connectors who provided CHA residents referrals to job training programs. These programs allowed 2,355 CHA residents to be referred to job training classes and culminated with 1,833 CHA residents completing job training programs. CHA residents were even offered the opportunity to participate in the Metropolitan Pier and Exposition Authority, Hospitality Academy. Twenty-six (26) CHA residents attended an eight-week course followed by an 18-week internship for certification in the hospitality field. Through these employment programs, services were provided to both youth and adult CHA residents who were able to develop and sharpen their job readiness skills.



Youth Employment

The CHA partnered with After School Matters, a youth employment training program, to further expand CHA youth workforce development opportunities. During FY2006, two employment training programs were made available to CHA youth through After School Matters: the Pre-Apprenticeship Program and KidStart. In the Pre-Apprenticeship program, 412 CHA youth between 14 and 15 were trained in the arts, sports, technology, and communication. The youth received monetary stipends for their efforts.

Mayor Daley's KidStart Summer Job Program gave Chicago youth ages 14 to 21 opportunities to learn about the world of work, as well as acquire mentors and marketable skills that will benefit each one in the future. The program offers summer job placements in a variety of employment fields, ranging from nutrition, customer service, journalism, sports, and education to name a few.

Opportunity Chicago

In February 2006, the Honorable Mayor Richard M. Daley in collaboration with the CHA launched Opportunity Chicago, a career-focused job preparation and placement program that assesses the needs of CHA residents, provides training to enhance a wide array of skills, and prepares them for long-term employment. Opportunity Chicago serves as the workforce development umbrella that brings together a broad range of social service agencies, workforce training entities, and literacy programs to create individualized employment preparation programs for participating CHA residents. Benefits of the program extend to both residents and potential employers. Employers who hire CHA residents through the Opportunity Chicago program are provided with federal tax credits ranging in value from \$2,500 to \$8,500 per eligible employee hired.

Bridges to Careers

Since its foundation, the Bridges to Careers Program, through a partnership between the CHA and City Colleges of Chicago, has connected CHA residents with free educational advancement training and new or first time career opportunities. During FY2006, the Bridges to Careers Program was expanded to allow more technical training in the: healthcare, banking, construction, transportation, and cosmetology industries. CHA residents were able to attend any one of the semi-monthly orientation sessions. Each orientation session provided residents with general information on available courses, literacy training, and job placement services for all who had already completed technical training. In FY2006, 262 residents enrolled in the Bridges to Careers Program and by year end, 83% of enrolled residents had successfully completed technical training.

CHA SUPPORTIVE SERVICES

Family Feud

The CHA held its 3rd Annual Commissioner Earnest Gates Family Feud Competition in November 2006. CHA residents were able to test their knowledge of CHA facts pertinent to the Plan for Transformation and win valuable prizes. Twelve (12) teams competed to show who knew the most about CHA's Plan for Transformation. The 2006 Family Feud winners were: 1st place Wentworth Gardens; 2nd place ABLA; and 3rd place the Bronzeville Bombers. Congratulations to the winners.



The team from ABLA won 2nd place in the 3rd Annual Commissioner Earnest Gates Family Feud Competition. They were congratulated by Darnetta Tyus, Managing Director for the CHA Board.

Chicago Park District

Through an intergovernmental agreement with the Chicago Park District, CHA residents had access to a variety of Park District services for minimal or no fees. This allowed CHA families to participate in recreational programs that they otherwise may not have been able to afford. During FY2006, the CHA was able to offer reduced fee tickets for CHA youth to attend Spring Break activities at several area parks. Another major collaboration between the CHA and the Chicago Park District is the annual summer day camp program. During FY2006 2,943 youth between the ages of six and 12 were able to participate in this program, allowing each to take part in activities with other members of their community.

Overnight Summer Camp

During the summer, overnight camping programs were offered again to CHA youth by Chicago Youth Centers and Girl Scouts of Chicago. Each program lasted in length from one to two weeks and served youth between the ages of eight and 15. In total, 93 CHA



The CHA, through collaborations with the Chicago Youth Centers and Girl Scouts of Chicago offered week-long camp sessions to CHA youth throughout the summer months.

youth attended the Chicago Youth Center's Camp Rosenthal for a week-long session, where campers enjoyed outdoor nature hikes, as well as sport and water activities.

Out-of-School Time

In FY2006, the CHA continued its planning effort to collaborate with local colleges and universities, including Roosevelt University and Loyola University to develop a city-wide comprehensive plan to increase activities for CHA youth. Specifically, the CHA assisted Loyola University in applying for funding to allow for out-of-school time programming geared toward CHA youth residing at the Madden Park Homes and Ida B. Wells Homes and Extension. Additionally, through the CHA's continued partnership with Roosevelt University the Siemens/Roosevelt University After School Matters summer youth program was able to be implemented during the third quarter of FY2006. Finally, additional out-of-school time opportunities were expanded from public housing residents to youth of HCV Program participants through the Englewood-West Englewood/South Shore initiative.

Summer Food Program

The CHA continues to administer its Summer Food Program. Through the program the CHA is able to provide daily breakfasts and lunches, free of charge, to CHA residents ages 18 and younger and CHA residents who are over 18 and enrolled in a state-approved educational program for the mentally or physically disabled. In FY2006, the CHA provided 809,081 meals to CHA residents.

Clothing and Vegetable Giveaways

During the first quarter of FY2006, CHA residents and Local Advisory Council members participated in the Glass Slipper Project. Glass Slipper volunteers and sponsors helped the young ladies find and cover the cost of their dream prom dress. The CHA also conducted its 22nd annual vegetable and turkey giveaways. In sponsorship with Windows of Opportunity, Inc., the National Conference for Community and Justice of Greater Illinois, and Jewel Osco Food Stores, 1,000 CHA residents and 500 HCV Program participants received a turkey, food basket, or \$25 dollar Jewel Osco gift certificate. Additionally, during FY2006, over 12 vegetable giveaways were conducted at seven



Sharon Gist Gilliam, Chief Executive Officer of the CHA, along with Derrick Hill, Press Secretary for the CHA, assist in distributing food baskets to over 1,500 CHA residents and HCV Program participants.

locations throughout Chicago, and 2,440 CHA residents received fresh seasonal produce.

Winter Utility Assistance

In an effort to offset the augmented utility bills that many CHA residents face during the winter, the CHA provided increased amounts of utility assistance to its residents in FY2006. Many CHA residents also applied for and received unaffiliated utility allowances through the Community Economic Development Association Energy Assistance Program, which provides a one time bill payment. In addition, CHA residents received assistance from the Low Income Home Energy Assistance Program offered through the U.S. Department of Health and Human Services, Administration for Children and Families. Further, the City of Chicago Heat Receiver Program provided Chicago residents who do not have heat and hot water the opportunity to have these services restored during winter months when they are most needed.

During FY2006, the CHA continued its collaborative efforts with the City Colleges of Chicago in providing debt-reduction incentives for Project Restart participants. Project Restart enables participants, some of which are CHA residents, the opportunity to reduce their debt balances arising out of high utility bills and/or unstable employment, which could ultimately affect their lease compliance. To receive the debt-reduction incentive, residents had to enroll in and maintain their participation in the Project Restart Program, which requires participants to complete a sequence of training courses and maintain 30-hours per week of employment in a qualified job program. Participants received utility assistance for their participation for the duration of the program.



Over 2,000 Chicago seniors were in attendance at the 22nd Annual CHA Holiday Gala held at the Chicago Hyatt Regency Hotel.

Holiday Celebrations

The CHA continued to create festive programming to keep residents and the community in the holiday spirit in FY2006. Three major holiday initiatives benefiting CHA residents took place in the last quarter of the year. In October, CHA youth were greeted with Halloween treats throughout CHA family developments and several scattered site properties. In November, 1,000 food baskets were distributed to residents, 500 HCV participants, and over 150 residents attended Thanksgiving services at Chicago Temple. During December, an additional 600 food baskets were delivered along with 11,086 toys to CHA individuals and families. A Christmas party

attended by 500 CHA youth was held at the South Shore Cultural Center. Finally in FY2006, the CHA was fortunate to have an added holiday initiative jointly sponsored by Target Corporation and Chicago Bears player Lance Briggs, wherein 50 CHA youth were selected to participate in a Christmas shopping spree. The holiday initiatives would not have been possible without the continued support of CHA sponsors, including Windows of Opportunity, Inc., Midway Movers, the Chicago Bears, the Chicago Bulls, and the Chicago Park District, to name a few.

EXPANDING ACCESS TO THE COMMUNITY

Chicago Public Schools

Chicago Public Schools (CPS), in collaboration with the CHA Department of Relocation and Supportive Services, continued to identify schools attended by a high percentage of CHA students who were relocated through the Plan. The relocated students are tracked to ensure that they are enrolling in and being connected with the necessary programs and services to make a smooth transition to a new school. For instance, during FY2006, CPS partnered with the Chicago Transit Authority (CTA) to offer transportation assistance in the form of free CTA passes to relocated CHA students who wished to attend their original schools.

Continuum of Care for Homeless Services

The CHA Department of Relocation and Supportive Services, in conjunction with the Chicago Department of Human Services (CDHS), continued its shared work for the City's Plan to End Homelessness and the CHA's Plan for Transformation. Through the CHA's Service Provision Network, CDHS provided housing and counseling assistance to CHA families facing eviction.

Roosevelt University

During FY2006, the CHA and Roosevelt University furthered its partnership by awarding Shaquetta Moore, a CHA Wentworth Gardens resident and second year student at Roosevelt University, a scholarship reserved for a Wentworth Gardens resident in their second year of school who has demonstrated academic excellence. Additionally, Roosevelt University continued to raise funds in FY2006 toward the Hallie Amey Scholarship Fund, which is being developed to award an annual full tuition scholarship for a resident of Wentworth Gardens to attend Roosevelt University. The scholarship is named after long-time Wentworth Gardens' resident, Hallie Amey, who has dedicated her life toward giving back to her community and served as a champion of positive change.

Leadership Greater Chicago

In FY2005, Leadership Greater Chicago (LGC) initiated the Leadership Network (Network), which served to help CHA residents make a successful transition to their new communities during the Plan. During FY2006, LGC continued to offer CHA residents workshops and activities designed to expand their job skills. The Network gave CHA residents access to professionals from a variety of occupations who provided training, coaching, mentoring, and assisted them in their job searches. The Network continues to forge connections between people who would otherwise not meet, and provides employment opportunities for CHA residents. It also provides opportunities to train staff who assist CHA residents meet their relocation goals. For example, in FY2006, LGC launched a policy initiative, convening employers and work force development professionals in a dialogue about how workplace practices contribute to success in recruiting or retaining low-skilled employees. The goal was to determine how both businesses and employees could benefit by creating environments – including work schedules – that foster loyalty and productivity, as well as reduce recruitment and turnover costs.

The Mayoral Policy Caucus on Prisoner Re-Entry

The Mayoral Policy Caucus on Prisoner Re-Entry (Policy Caucus) brought together government and business community stakeholders to develop a report on transitional housing and supportive service options available for released offenders assimilating back into the Chicago community. During the first quarter of FY2006, the Policy Caucus released its findings and issued its final report. Although the final report was published during FY2006, the CHA continues to meet with and participate in the Policy Caucus Working Group, as well as provide curriculum to City departments on outreach strategies for the re-entry population.

Social Support Initiatives for Substance Abuse

The CHA uses a substance abuse support initiative as another avenue to remove potential barriers residents may have in trying to get a home or employment. FY2006 served as the first full year for Caritas, the substance abuse partnership program between the CHA Resident Services Division and the City of Chicago Department of Public Health. Caritas offered services to CHA residents in need of substance abuse treatment at little or no cost. Residents received free alcohol and substance abuse assessments, as well as referrals to any one of the 70 Chicagoland treatment programs designed to meet residents' needs. During FY2006, 281 CHA residents were referred, 236 assessed, and 176 residents were admitted to treatment programs.

Chapter 5: Promoting Economic Opportunities



Each year the CHA offers its residents a host of trainings and skill building opportunities to enhance their job readiness and acumen.

In FY2006, the CHA continued to administer economic self-sufficiency programs focusing on minorities, women, and disadvantaged business enterprises, as well as low- and very-low income residents, and residents who own businesses. The CHA has devised and implemented policies, training programs, and training sessions for residents that will allow them access to the wide variety of economic opportunities that are created in the Plan. CHA residents who take advantage of the skill-building opportunities are often taking the first steps toward living an economically self-sufficient lifestyle.

Minority, Women, and Disadvantaged Business Enterprises (M/W/DBE)

Rebuilding the public housing infrastructure of a large city requires the participation of a substantial number of stakeholders. The CHA has taken the opportunity to revitalize public housing by incorporating the talents of businesses owned by minorities, women, and disadvantaged individuals. Utilizing an outreach program and a proactive response to policy enforcement, the CHA is actively using the services of these entrepreneurs to help implement the Plan for Transformation.

During FY2006, the CHA continued to make available numerous opportunities for women to do business with the CHA. For example, the CHA hosted booths at the Black Woman's Expo and the Women's Business Development Center Expo. These venues provided the CHA with the ability to promote the various opportunities the CHA has to offer to businesswomen in Chicago. The Black Woman's Expo is an annual event sponsored by a local radio station and presents events targeted to black women. The Women's Business Development Center Expo provides help to women in the Chicagoland area who are launching new businesses.

The CHA also marketed business opportunities to the Latino community in FY2006. The CHA participated in the monthly meeting of the Latino Breakfast Club and hosted a booth at the Hispanic Business Development Expo in September 2006. As with the Black Women's Expo, the CHA used this opportunity to promote business opportunities to the participants. The Latino Breakfast Club meets monthly and allows members of the Latino community to network and build business relationships, as well as foster positive community relationships across neighborhoods. The Hispanic Business Development Expo is designed so that corporations in Chicago can reach a large number of prominent Hispanic companies in the area.

In an effort to ensure that all firms awarded CHA contracts abided by the M/W/DBE requirements established by HUD, the contracted firms were notified at both pre-award and pre-construction meetings of M/W/DBE requirements. Firms that were negligent in following the M/W/DBE guidelines were notified via mail or telephone that their funds would be withheld until evidence of compliance was submitted. In the event a firm had its funding withheld, the firm needed to document that the problem was corrected before funding was restored. The CHA hired an independent compliance firm to assist in the monitoring of CHA contracts.

Total Awards and M/W/DBE Commitment January 1 - December 31, 2006								
Contract Type	Contract Amount	Awards (\$)	Participation Requirement (Percent)	Participation Requirement (Dollars)	Committed (Percent)	Committed (Dollar)	Variance (Percent)	Variance (Dollar)
Construction	Under \$25,000	\$0	0%	\$0	0%	\$0	0%	\$0
Construction	\$25,000-\$200,000	\$187,971	25%	\$46,993	30%	\$55,653	5%	\$8,660
Construction	\$200,001-\$500,000	\$281,169	30%	\$84,351	30%	\$84,351	0%	\$0
Construction	\$500,001-\$1,000,000	\$608,000	35%	\$212,800	82%	\$6,123,422	47%	\$284,712
Construction	Over \$1,000,000	\$13,976,381	40%	\$5,590,552	0%	\$0	0%	\$35,358
Service Supply and Delivery	Over \$25,000	\$34,085,594	20%	\$6,817,119	20%	\$4,615,474	0%	\$1,111,207
Total Awards		\$49,139,115		\$12,751,815		\$10,878,900		\$1,439,937

SECTION 3

The Housing and Urban Development Act of 1968 contains a provision requiring that any organization that receives HUD financing must assist in developing local economies, improve local economic stability, and increase resident self-sufficiency. As a result, the CHA

established its Section 3 Program to provide job training, employment, and contract opportunities for low- or very-low income residents. Public housing residents whose income falls below HUD's income limits may qualify as a Section 3 resident or a Section 3 business entity.

One of the CHA's responsibilities under the Section 3 Program is to create and maintain a Section 3 Compliance Fund. The fund is comprised of money contributed by outside firms who are CHA vendors, and it is administered by an independent firm on behalf of the CHA. Proceeds from the fund afford the CHA the opportunity to allocate resources toward providing CHA residents' part-time employment, job training, and coverage of day care or transportation costs. Residents who are lease compliant and income eligible can contact the CHA to participant in the Section 3 Program.



CHA residents interested in learning more about the Section 3 Program may speak with a CHA Human Resources staff member for more information.

In FY2006, the CHA was very active in promoting the Section 3 Program. The CHA used pre-bid conferences to inform residents of business opportunities available under the Section 3 Program. Additionally, the CHA advertised the program through solicitations for upcoming projects. Also, the CHA reached out to current contractors, developers, and private property managers to tout the Section 3 Program.

Communication & Economic Opportunities

In FY2006, the public was able to utilize the CHA website, www.thecha.org, as a source of information on how to do business with the CHA. Through the website, the CHA was able to advertise a directory for its Section 3 Program. The directory serves as a resource for companies doing business with the CHA to find candidates for potential Section 3 employees. The directory provides employers with a list of names and addresses of people who are qualified to perform various job functions.

The CHA also used its website to communicate with vendors regarding procurement and CHA contracting. The CHA receives the majority of its funding from the federal government. As such, the CHA is obligated to abide by regulations regarding everything from how the CHA

purchases items and issues contracts for services with vendors to hiring practices. The website provides a direct link to the applicable federal regulations guiding CHA procurement activities.

CHAPTER 6: OPERATION OF CHICAGO'S PUBLIC HOUSING



The CHA along with the City of Chicago are cognizant that green space is vital to community development. This new green space and walkways at Altgeld Gardens creates a calming, tranquil environment that is mentally enriching. Such improvements demonstrate CHA's commitment to bringing back quality housing through the Plan for Transformation.

Through the Plan for Transformation (Plan), the CHA has been able to focus its resources on the rehabilitation and redevelopment of its properties and redirect daily management duties to third-party property management companies. This asset management reassignment better enables the CHA to fulfill its long-term commitment of revitalizing 25,000 units of public housing. Each participant involved in the operations of Chicago's public housing plays an important role in carrying out the goals of the Plan. The collaborative efforts between CHA staff, property management companies, residents, and other partners ensured that the CHA's assets operated at benchmark standards in FY2006.

MANAGEMENT OF ASSETS

The CHA maintains four separate housing portfolios. Included in the CHA inventory are properties in the family housing redevelopment/rehabilitation as mixed-income portfolio, senior housing rehabilitation portfolio, scattered site housing rehabilitation portfolio, and family housing rehabilitation portfolio. The CHA implemented an organizational change in the Asset Management Department in FY2006 that will have a positive impact on the management of CHA's properties.

In FY2006, the Asset Management Department underwent a reorganization in which the Quality Control Unit was placed within the Asset Management Department. While an asset manager oversees one of the CHA's four different portfolios and maintains contact with the property management company, a Quality Control Specialist has also been assigned to each portfolio. The Quality Control Specialist is responsible for auditing the buildings and resident files, remaining cognizant of any emergency issues, and implementing follow-up actions on a monthly basis for each portfolio.

FY2006 Property Management Benchmarks and Performance

The CHA implemented a new housing management software system in FY2005, and FY2006 was the first full year of its utilization by property management staff. During FY2006, the CHA learned that not all property management firms were fully using the system. Some property management firms only partially integrated the new housing management software into their daily operating activities; therefore, the CHA's benchmark performance illustrated in the table below was negatively impacted. Moving forward the CHA will concentrate on stabilizing the housing management software and also instituting remedial training courses for property management firms. These two steps will lead greatly enhanced performance on benchmarks in FY2007.

The FY2006 Property Management Benchmarks and the CHA's FY2006 Performance are outlined in the table below:

FY2006 Property Management Benchmarks		
Category	Benchmark	FY2006 Performance
Emergency Work Orders	Complete 100% of emergency work orders within 24 hours.	Ninety-nine percent (99%) of emergency orders were completed within 24 hours at both family and senior properties. In FY2007, the CHA will continue to work with property management to ensure timely and accurate reporting of completed emergency work orders. The CHA expects to meet the benchmark in FY2007.
Non-Emergency Work Orders	Complete non-emergency work orders at each family site and senior site within 25 days.	Non-emergency work orders were open for an average of four days at senior sites and 12 days at family sites. The CHA will continue to work with property management companies to ensure that there is no lapse between the completed work order and data input into the housing management software. The CHA expects to meet the benchmark in FY2007.
Outstanding Non-Emergency Work Orders	Limit the number of outstanding non-emergency work orders to less than two percent of the total number of non-emergency work orders by the end of FY2006. However, due to pending rehabilitation or demolition, some work orders may be deferred for modernization.	Three percent (3%) of non-emergency work orders were outstanding on December 31, 2006. The CHA will work with property management companies to ensure accurate reporting, and the CHA expects to meet the benchmark in FY2007.
Outstanding Re-certifications	100% of the required recertifications will be completed in FY2006.	Four percent (4%) of re-certifications were outstanding at family sites and one percent (1%) were outstanding at senior sites as of December 31, 2006. These percentages reflect that some CHA portfolios were not utilizing the housing management software effectively. The CHA will stabilize the housing management software and re-train property management companies. The CHA expects to meet the benchmark in FY2007.
Rent Collections	At least 98% of the rent billed in FY2006 will be collected or referred for legal review.	Ninety-eight percent (98%) of rent billed was collected for senior sites and 93% of rent billed was collected for family sites as of December 31, 2006. The CHA expects to meet the benchmark in FY2007. Lastly, the CHA will monitor rent collection, and under-performing companies will risk default and removal.

FY2006 Property Management Benchmarks		
Category	Benchmark	FY2006 Performance
Income Verification	Reduce income verification errors by 80% from FY2005 levels. Ten percent (10%) of the files at each site will be reviewed, and in instances where deficiencies are noted, an action plan will be instituted to bring the site into full compliance.	Although income verification errors increased by 1% from FY2005 levels, 86% of the files reviewed as of December 31, 2006 to determine if property management companies had verified a resident's income in accordance with HUD requirements were correct. The CHA will require property management companies to attend remedial training on the input of data and the creation of income verification reports.
Rent Calculation	Reduce rent calculation errors by 80% from FY2005 levels. Ten percent (10%) of the files at each site will be reviewed, and in instances where deficiencies are noted, an action plan will be instituted to bring the site into full compliance.	Rent calculation errors increased by 1% from FY2005 levels. Of the files reviewed as of December 31, 2006, it was determined that 86% of rent calculations had been done correctly, and 14% of the files had errors. In FY2007, the CHA will work with property management companies to ensure accuracy in rent calculation to reduce errors.
Unit Inspections	Inspect 100% of units annually.	As of December 31, 2006, 82% of occupied units at family sites and 96% of occupied units at senior sites were inspected. Some property management companies did not input unit inspections in the housing management software in a timely manner during FY2006. The CHA will monitor property management companies in FY2007 to increase timely data input.
Building System Inspection	Inspect 100% of building systems annually.	As of December 31, 2006, 100% of building systems at senior sites and 57% of building systems at family sites had been inspected. Some property management companies were not utilizing the housing management software to capture system inspection performance. The CHA will train property management staff on how to accurately track building system inspections utilizing the housing management software in FY2007. Property management companies will be required to demonstrate proficiency, and under-performing companies will risk default and removal.
Vacant Unit Turnaround Time	The CHA will begin to track the unit turnaround time for vacant units in FY2006 for units in rehabilitated or redeveloped buildings. Once a building becomes vacant, the property management company will promptly place the unit back into the available housing stock for leasing within 20 days.	The CHA will begin tracking unit turnaround for units that have already been rehabilitated and redeveloped in FY2007.

Quality Control

During FY2006, the Quality Control Specialists continued to audit the performance of the property management companies. Quality Control Specialists were assigned to each property portfolio. They conducted monthly audits of the physical conditions, audited resident files, managed emergency issues, and coordinated follow-up reports to ensure that each issue was resolved in a timely manner.

Quality Control Specialists conducted both common area and building inspections to ensure the safety of CHA residents. In FY2006, common area inspections were done to measure the performance levels for safety standards such as: operable lighting; clean corridors; unobstructed trash chutes; working smoke detectors; and securing vacant units. To ensure that occupied units were not in violation of health and safety codes, a small number of occupied units were randomly selected for inspection. These units were inspected for hazards such as broken electrical covers, peeling paint, hazardous walkways, and broken windows. Building inspections also were conducted

through an examination of the entire building structure, which included: mechanical; electrical; plumbing; and HVAC systems; elevators; roof; sidewalks; building façades; and safety equipment.

Lastly, Quality Control Specialists conducted close-out audits and reviews for all building inspections. The audits and reviews were implemented to ensure that property managers corrected all deficiencies and provided a written preventative action plan. The preventative action plan outlines the steps property managers will take to ensure that a building comes into compliance with the guidelines established by the CHA. Additionally, a summary report was created based upon all findings from Quality Control's audit and forwarded to the asset managers and property managers.

Policy and Procedure Training

The CHA continued to provide training opportunities for its employees and property management companies in FY2006, assisting them in maintaining a current understanding of pertinent practices and procedures for their applicable job duties. Employees from the CHA and property management companies attended multiple trainings in FY2006 to enhance their knowledge and understanding of public and affordable housing management, to increase the possibility that they become subject matter experts in the field. Trainings conducted or attended during FY2006 included:

- FY2005 Admissions and Continued Occupancy Policy, FY2005 Residential Lease Agreement, and FY2005 Pet Policy and Pet Ownership Procedure;
- Proper Procurement Procedures;
- Housing Offer Process;
- Move-In, Move-Out, and Transfer Processes;
- Tax Credit Certification;
- Public Housing Management Certification Program;
- Fire and Safety Training and Certification; and



This new fire alarm system at Hilliard Towers Apartments is an example of how the CHA strives to ensure the safety and security of its residents by installing modern security systems.

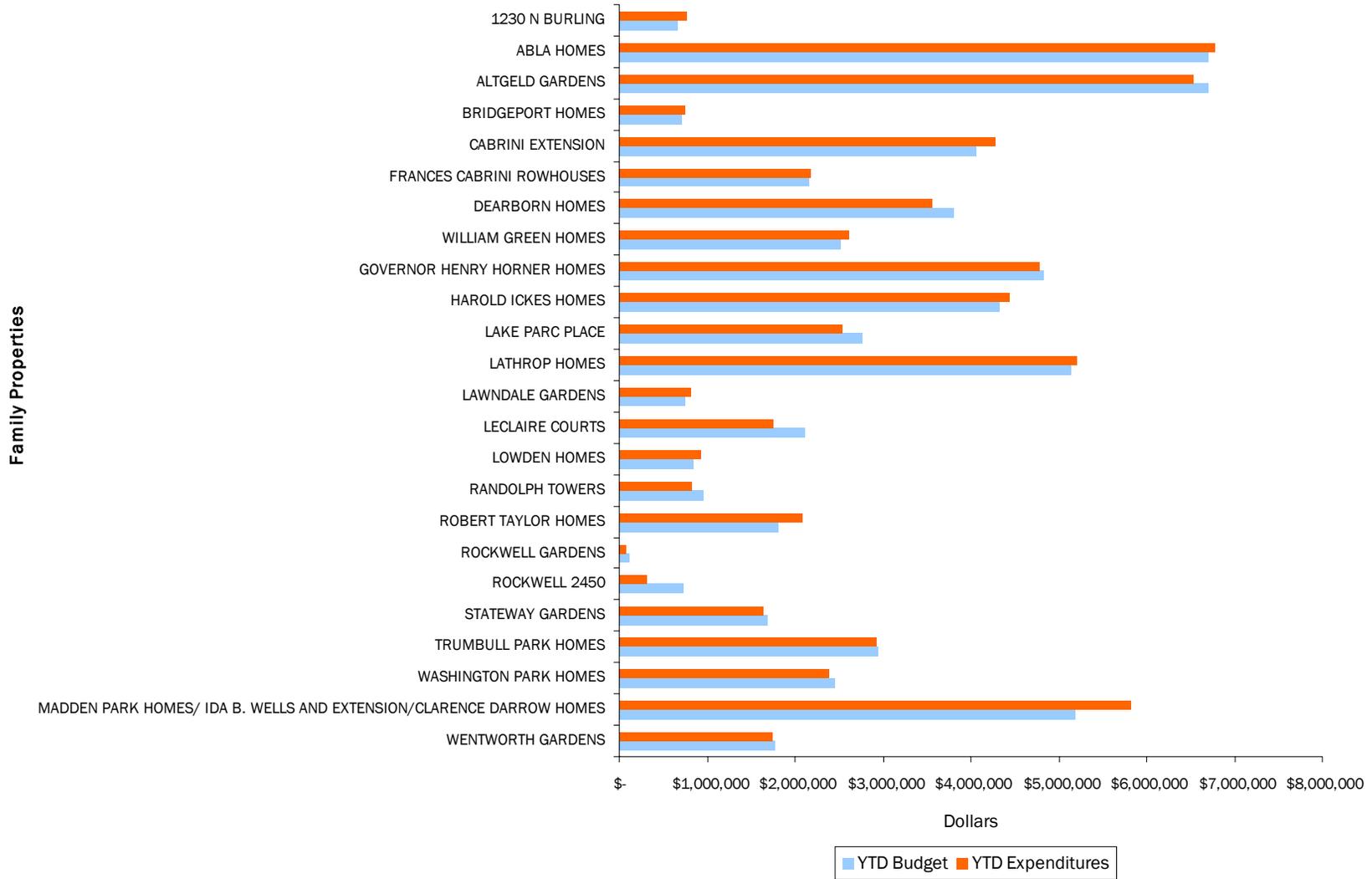
- Navigating and using the new housing management software.

Property Budgets

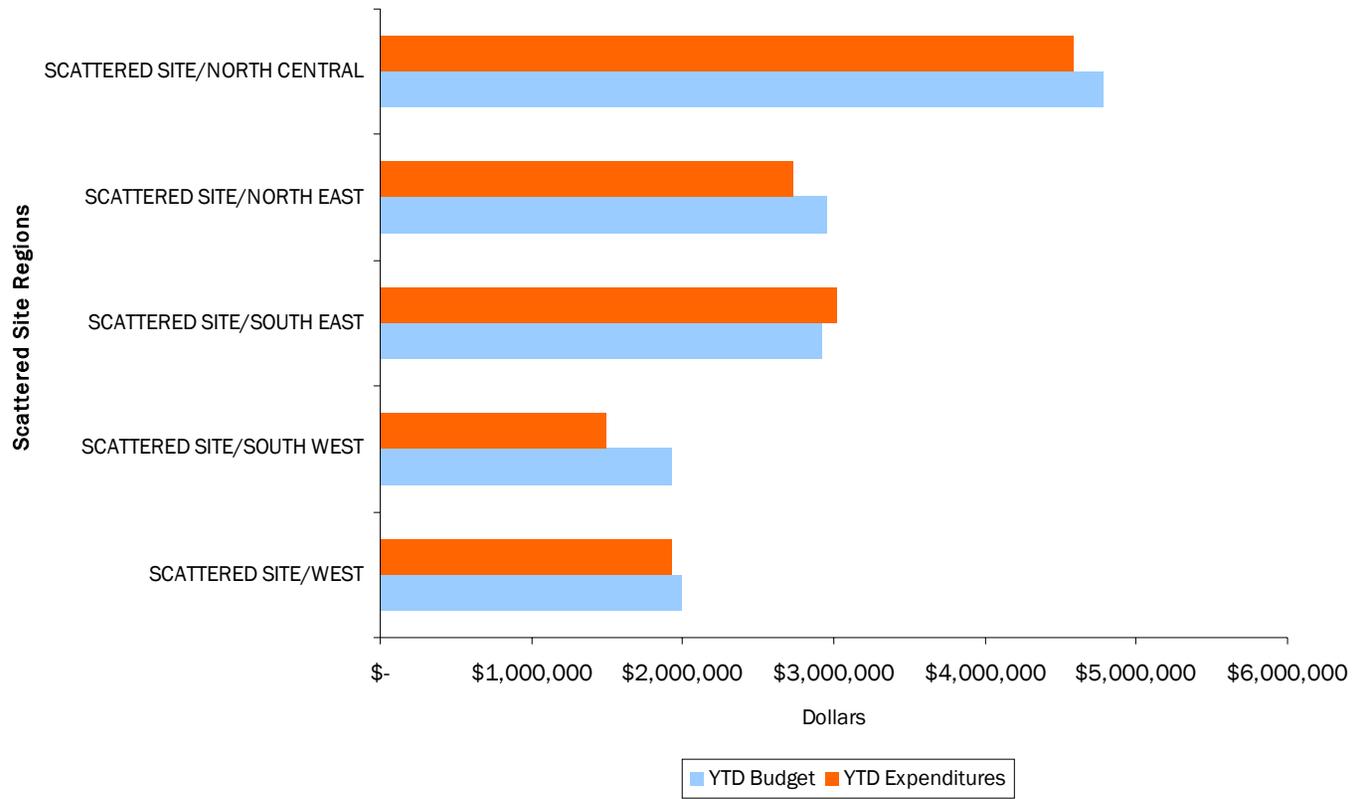
Each CHA property has different needs; therefore, the CHA has separate budgets to account for each property's needs. After taking into consideration all of the unique characteristics of a site, a property budget is created by the property management company and CHA staff. Property budgets fluctuate each year based on a number of factors, which include, but are not limited to, building closure, building size, and building condition. The variance in FY2006 actual versus budgeted expenditures is primarily attributable to the property management companies having to spend funds to cover extraordinary costs due to unforeseen events. Increased expenditures included costs due to the recent surge in the costs for building materials and skilled labor. Also, the recent hike in the price of basic utilities can be attributed to the variances that have occurred in FY2006 property budgets.



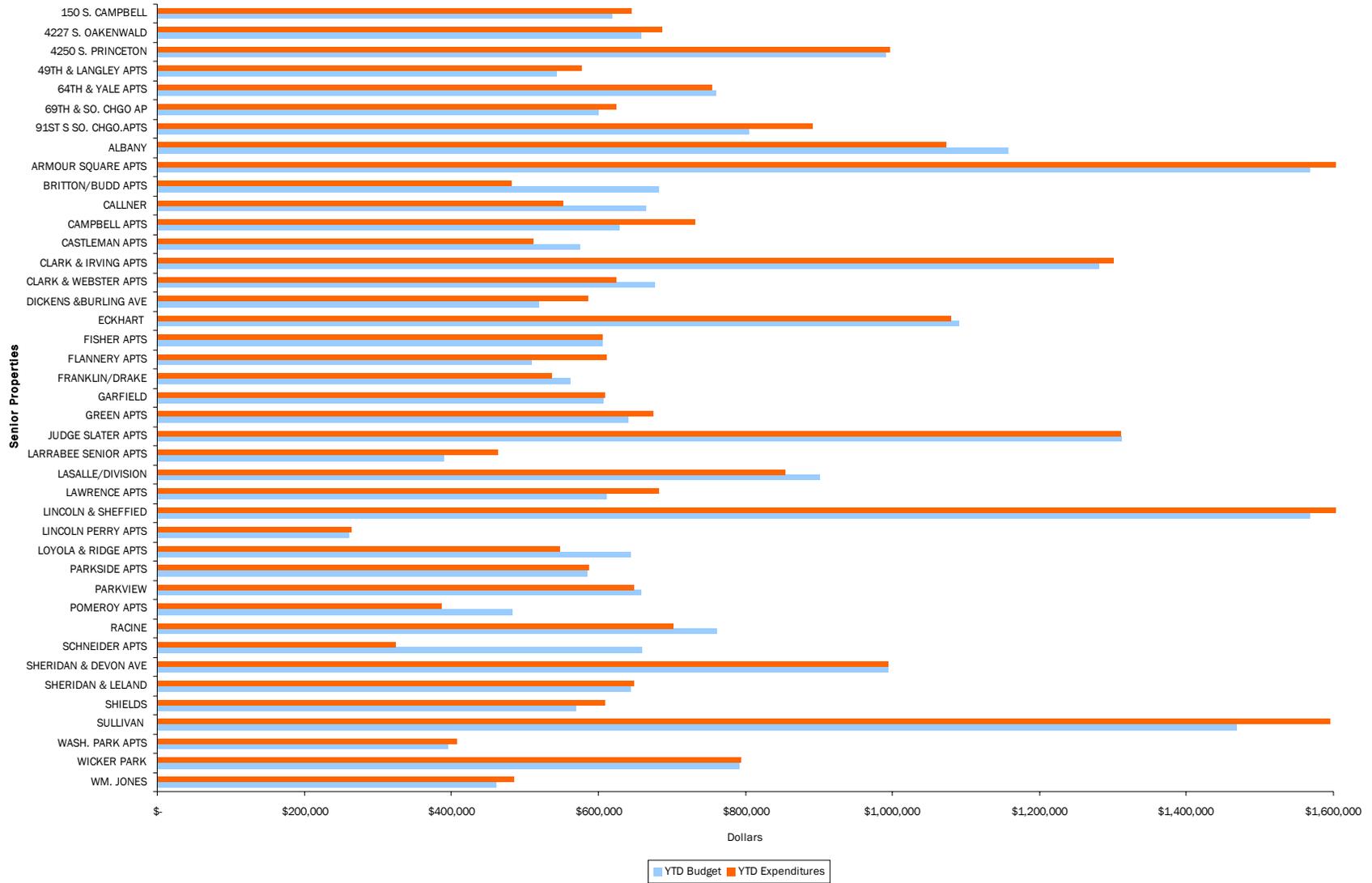
**Family Properties' Budgets
Budget vs. Actual Expenditures
as of December 31, 2006**



**Scattered Site Properties' Budgets
Budget vs. Actual Expenditures
as of December 31, 2006**



**Senior Properties' Budgets
Budget vs. Actual Expenditures
as of December 31, 2006**



COMMUNICATION AND RESIDENT OUTREACH



In FY2006, the CHA continued to inform national and international audiences about the Plan for Transformation as demonstrated through an interview of William Little, Managing Director of Development, conducted by the British Broadcasting Corporation (BBC).

In an effort to diversify its communication strategy, in FY2006, the CHA used a multitude of communications vehicles and produced the following:

- “We are CHAing” brochures;
- Informative flyers with residents’ monthly rent statements;
- A quarterly e-newsletter;
- Brochures regarding the HCV Program;
- A new issue of the CHA newsletter, CHAT; and
- A plethora of press releases about CHA activities, events, and milestone achievements.

In addition to print communication, the CHA used radio and property tours as part of its communications strategy. In April 2006, the CHA launched a new weekly AM radio talk show, "Chicago Housing Authority Talk (CHAT)." During the year, some of the topics

discussed on CHAT included the HCV Program, Relocation and Supportive Services, the Site and Neighborhood policy, and the job fair at Dawson Technical Institute. Finally, the CHA continued to conduct tours for external stakeholders interested in seeing the progress of the Plan for Transformation. Tours of new mixed-income communities were held for a delegation from South Africa, Unisys, and various universities.

Web Site Enhancement: www.thecha.org

The CHA website, www.thecha.org, serves as a knowledge hub by providing information on the CHA Board of Commissioner (Board) Meetings; upcoming public comment hearings; press releases, and other newsworthy activities. In FY2006, the CHA website was updated to include the FY2005 Annual Report, the FY2007 Annual Plan - Plan for Transformation Year 8 (including its Spanish translation), and the new e-Procurement process. The CHA also added a flash movie, along with updated photos of several mixed-income communities, to further illustrate the changes being made to Chicago’s public housing stock and the viable new communities being developed.

“A Better Place”

In FY2006, the CHA taped ten episodes of the CHA award-winning cable show, “A Better Place.” The cable show aired daily on Chicago public access television. “A Better Place” featured a wide array of stories, from human interest to capital development. Listed below are topics that aired during FY2006:

- Single mother of three on the road to self-sufficiency;
- Completion of the new day care center at Fosco Park;
- Jobs for Youths Program;
- The Chicago Department of Aging’s Golden Diners program, which is operational at several senior-designated buildings;
- Fire safety tips; and
- CHA’s three HCV Satellite Offices.



CHA residents and the public-at-large can learn about significant issues surrounding housing and the road to self-sufficiency through the CHA’s award winning cable television show “A Better Place.”

Interactive Voice Response

In the fourth quarter of FY2006, the CHA launched its new automated telecommunication system with Interactive Voice Response. The automated telecommunication system enabled CHA residents, HCV Program participants, and potential applicants to quickly obtain answers to commonly asked questions 24 hours per day, seven days per week. The Interactive Voice Response telephone number is (312) 742-8500. HCV Program participants can access information by calling (312) 986-9400.

LEASING REDEVELOPED AND REHABILITATED UNITS

Wait Lists

Given the ongoing revitalization and relocation required by the Plan for Transformation, the CHA did not accept new applications for the community-wide wait list. During FY2006, the CHA only accepted applications for the senior site-based wait lists. To ensure that only families with a head of household of 62 years or older were lessees in senior designated housing (as required by the CHA’s FY2005 Senior Designated Housing Plan), the new housing management software system ranked senior applicants (age 62 or older) with a higher

preference than other applicants. Chicagoans may however apply to the wait list for senior designated housing when they reach 60 years of age to apply.

In April 2006, the CHA implemented several new interdepartmental procedures for monitoring wait list activities to ensure that applicants continued to be screened and housed in accordance with the admissions continued occupancy policies.

Leasing at Mixed-Income Communities and Rehabilitated Family Housing

Under the Plan for Transformation, redeveloped or rehabilitated family public housing units are leased to CHA families in accordance with the priorities set forth in the CHA Leaseholder Housing Choice and Relocation Rights Contract. Rehabilitated scattered site units are leased in accordance to the Gautreaux Court Orders (Court Orders). The Court Orders require the CHA to lease the units to a mix of CHA transfers, families from the community-wide wait list, and families from community-area wait lists.

The CHA strives to keep residents informed of all their housing options as they maneuver through the relocation process. In September 2006, the CHA held a Housing Opportunity Program Fair at Harold Washington College. At the fair, the CHA provided information on 14 mixed-income communities and three rehabilitated family properties. Moreover, 30-minute workshops were available for residents to learn about topics such as making the right housing choice and securing utilities.



CHA residents were able to learn key strategies for a successful transition in to their new home by attending any one of the numerous Housing Opportunity Fairs held throughout FY2006.

The CHA also took opportunities in FY2006 to tell the public-at-large about the affordable and market-rate housing available in CHA's mixed-income communities. In October 2006, the City of Chicago showcased the mixed-income communities in its Cavalcade of Homes. The Cavalcade of Homes was a free, one-day series of tours of hundreds of for-sale houses, town houses, and condominiums at 36 developments in 24 neighborhoods across the city. Additionally, the CHA participated in the following activities to increase the community's awareness of affordable housing opportunities in CHA mixed-income communities:

- Near Northwest Neighborhood Network and the Humboldt Park Empowerment Partnership *3rd Annual Not Your Average Housing Fair*;
- Chicago Department of Housing (CDOH) and Spanish Coalition for Housing's "*Camino a su Casa*" *Housing Fair*;
- CDOH *Chicago Rents Right Housing Expo*; and
- University of Illinois at Chicago *Housing and Service Fair*.

Leasing at Senior Designated Properties

The CHA has rehabilitated 93% of its senior designated properties and moved more than 8,000 senior residents, who were relocated due to the revitalization of their property, into new homes. Since these senior residents have already been housed, in FY2006 property managers leased available units to eligible applicants from the site-based wait list for the property in accordance with the FY2005 Senior Designated Housing Plan (FY2005 SDHP). The FY2005 SDHP requires that the CHA only lease units in senior designated properties to elderly families. An elderly family is one in which the head of household, co-head of household, or spouse is age 62 and older.

Property managers received assistance from the CHA in leasing vacant units through the CHA's marketing campaign designed to attract applicants to its senior designated properties. The CHA, along with the CDOH and the Spanish Coalition for Housing, organized five housing fairs where information and applications for senior housing opportunities were distributed. One bilingual open house led to 11 seniors obtaining housing at one of the CHA's many senior buildings, Albany Apartments.

FY2005 Senior Designated Housing Plan Update

In FY2005, HUD approved the CHA's FY2005 Senior Designated Housing Plan; during FY2006, the CHA continued its implementation. The FY2005 SDHP allowed elderly families to live in any one of the CHA's many senior designated buildings. To ensure the FY2005 SDHP policies and procedures were employed the needs of the affected elderly and near-elderly residents continued to be met; the CHA hired a SDHP Project Coordinator in FY2006. The SDHP Coordinator, in conjunction with the CHA's Occupancy Department, staffed a hotline, (312) 742-9253, allowing current and prospective residents to call in and seek quick answers to frequently asked questions regarding the FY2005 SDHP.

ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

CHA admissions and continued occupancy policies set forth the rights and responsibilities of residents who live in public housing units in traditional public housing properties. CHA residents are expected to comply with admissions and continued occupancy policies that are regularly reviewed by the CHA for compliance with federal, state, and local regulations and industry standards.

Traditional Public Housing: Admissions and Continued Occupancy Policies

The admissions and continued occupancy policies in effect during FY2006 for traditional public housing developments are the FY2005 Admissions and Continued Occupancy Policy (FY2005 ACOP), the FY2005 Residential Lease Agreement (FY2005 Lease), and the FY2005 Pet Policy and Pet Ownership Procedure (FY2005 Pet Policy). These three documents set forth policies related to, among other topics, admissions criteria, rent and utilities, transfers, unit occupancy guidelines, and annual re-certifications.

In FY2006, the CHA did not change the FY2005 ACOP, FY2005 Lease, or FY2005 Pet Policy and focused on stabilizing implementation. The FY2005 ACOP; FY2005 Pet Policy; and FY2005 Lease were approved by the CHA Board of Commissioners in September 2005. The FY2005 Lease was implemented March 1, 2006 as residents signed new leases at their annual re-certification. A summary of new policies contained in the FY2005 Lease was sent to all CHA residents in January 2006 advising them for the second time about the implementation of the new lease.

Mixed-Income Housing: Leases and Tenant Selection Plans and Leases

Families and individuals who rent in mixed-income communities, regardless of whether they occupy a market-rate, affordable, or public housing unit, are subject to the lease and Tenant Selection Plan (TSP) for that mixed-income community. CHA residents and the public-at-large are given the opportunity to comment on proposed policies before they are submitted for CHA Board approval. In FY2006, the CHA held five public comment periods and hearings for leases and TSPs. Relocating families that indicated a desire to return to public housing as their permanent housing choice were mailed and/or hand-delivered draft policies and public comment hearing announcements for sites they selected on their Housing Choice Surveys. See Chapter 1: Transforming Chicago's Public Housing, for a list of the mixed-income leases and TSPs that were out for public comment in FY2006.

RESIDENT SAFETY AND SECURITY

The CHA is committed to providing safe quality housing to public housing residents, and in FY2006, the CHA continued to do so through a number of activities and initiatives. As part of a pilot program, the CHA installed surveillance cameras on building exteriors and common area interiors at several properties. These cameras permitted the CHA to forward recorded alleged illicit activity to the Chicago Police Department (CPD) if needed. Residents, property managers, and CHA staff all collaborated to increase security at CHA properties throughout FY2006.

Resident Outreach Services (ROS)

Resident Outreach Services is a resident volunteer group that was created in 1991 to increase safety in family developments and senior designated housing. During FY2006, ROS recruited 29 residents from family developments and senior designated housing to be volunteers in the program. ROS volunteers performed over 7,700 building safety checks, held monthly public safety meetings, and participated in monthly Chicago Alternative Policing Strategy (CAPS) meetings. In addition to services related to safety and security, ROS volunteers walked children to school, hand-delivered notices, and conducted well-being checks on residents during inclement weather.

Private Security Services

The CHA requires property management companies to provide additional security at senior designated properties for at least one eight-hour shift per day. In FY2006, private security guards were stationed at the entrance of each senior designated building. The guards were responsible for verifying guest identification, monitoring arrivals and departures, and ensuring that guests banned by the CHA from the building did not enter.

Emergency Services

The Emergency Services Hotline; (312) 745-4700, is an important component to safety and security at public housing developments. During FY2006, the CHA Emergency Services Department tracked and responded to more than 20,000 calls. These calls were tracked by the events manager database, which captures the following information: caller's name; address; phone number; and type of call (emergency vs. non-emergency). Additionally, the events manager database monitors video cameras and emergency alarms. The

information stored in the events manager database allowed the CHA to monitor call activity and to determine if a resident's concerns were resolved.

Visitors Policy

In order to keep CHA families safe and to prevent damage to CHA property, the CHA holds each resident responsible for the conduct of their visitors. Visitors banned for anti-social behavior, including one-strike offenses, are restricted from entering CHA properties for a period of up to three years, unless modified by a court order makes the ban longer.

One-Strike Policy

Federal law requires that all public housing authorities enact a One-Strike Policy. The CHA One-Strike Policy requires property managers to terminate the leases of residents on the grounds of drug or criminal activity engaged by the leaseholders, household members, guests, or other persons under a resident's control that threaten the health, safety, or right of peaceful enjoyment of the premises by other residents, CHA employees, agents of the CHA, or persons residing in the immediate vicinity. The CHA Operations Department, in coordination with the CPD, continued to enforce resident evictions based on criminal activity. The One-Strike Program Coordinator was able to monitor the progress of eviction cases filed in FY2006 through the use of the Clerk of the Court's website.

One-Strike Program FY2006	Total
Judgments for the CHA Pending Eviction	17
Judgments for Residents	1
Agreed Orders	46
Cases Dismissed	32
Cases Canceled	5
One-Strike Executed Evictions	26
Move-Outs	35

CHAPTER 7: ADVANCING THE VISION FOR CHANGE



With the arduous task of revitalizing public housing in Chicago, the CHA requires the help and cooperation of all its employees.

In FY2006, the CHA continued to maximize the housing options for its public housing residents and its HCV Program participants while maintaining economic viability. In an effort to maximize revenue and efficiently manage its wide array of administrative functions, the CHA began to consolidate operations into one office building in Chicago's Loop, implemented a new integrated reporting system to expedite business operations, and looked for new sources of external funding. The CHA hopes that these practices will increase its ability to offer quality housing options to CHA families and individuals while maintaining a sensible fiscal policy.

CHA ADMINISTRATIVE STAFF

In FY2006, Sharon Gist Gilliam, Chief Executive Officer of the CHA, and former CEO Terry Peterson were recognized for their commitments to public service by the Chicago Chapter of the National Forum for Black Public Administrators (NFPBA). Ms. Gilliam received a lifetime achievement award, and Mr. Peterson was inducted into the NFBPA Hall of Fame. The NFPBA was started twenty years ago by the late Chicago Mayor Harold Washington and seeks to improve the level of public service delivered to residents of Chicago by providing opportunities for African Americans who wish to pursue a career in public service.

For many years, CHA staff has worked from a multitude of Chicagoland locations. In FY2006, the CHA started the arduous task of moving into one centralized site. The move, which will conclude in March 2007, will merge the CHA Administrative Offices at 626 West Jackson Boulevard with CHA offices in six other buildings, and generate an estimated savings of \$1 million per year. The centralized site will also

allow CHA residents and HCV Program participants to conduct business related to public housing or the Housing Choice Voucher Program at one convenient downtown location. The new CHA headquarters will be located in the CNA Building, 60 East Van Buren Street.

In December 2006, the CHA held its first Employee Long-Term Service Recognition Awards ceremony. CHA employees gathered for a dinner reception at the Charles A. Hayes Family Investment Center to honor those employees who have worked for the CHA for 20 years or more. The 48 employees who were recognized had worked a combined total of 1,208 years at the CHA by the end of FY2006. Each honoree received a plaque and certificate of appreciation.

ENTERPRISE RESOURCE PLANNING

The Enterprise Resource and Planning (ERP) system enables the CHA to integrate the financial, procurement, human resources, and payroll database systems into a single cohesive database. In FY2005, the human resources and payroll modules of the ERP system went live. The finance and procurement modules went live in October 2006. The ERP system also will be integrated with the CHA's new housing management software. Thus, the CHA will have a reporting system that tracks data about residents and unit demographics as well one that provides data about CHA employees and vendors doing business with the CHA.

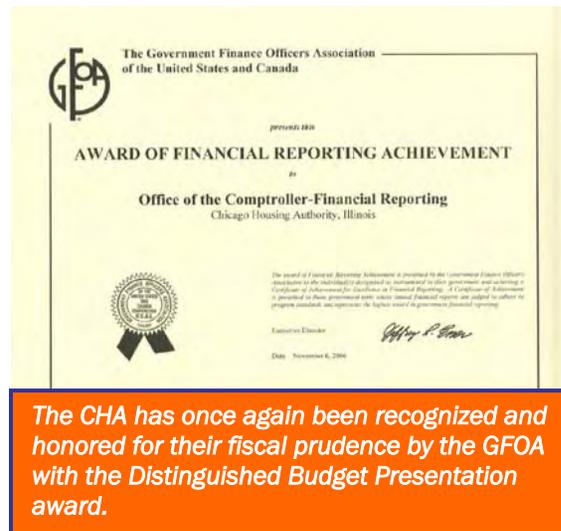
To customize the ERP system for the CHA's needs, the Department of Procurement and Contracts, Department of Human Resources, Office of Budget and Management, and Information and Technology Services collaborated on the design and implementation of the system, assisted in drafting the code, and, finally, tested the system for accuracy and efficiency. The CHA created a communication strategy to keep its employees and vendors up to date on the status of the development of ERP. The Finance Division assisted by converting data and developing fiscal policies that will allow the CHA to take full advantage of ERP.



The CHA went live with the Enterprise Resource Planning module in October 2006, providing for greater efficiency in the exchange and storage of pecuniary information across departments.

reporting software capabilities. Changes in policies that will allow for greater flow of information between accounts payable and receivable, budgets, general ledger and compliance were put into effect. ERP user training was offered to CHA staff throughout the year.

FINANCE



In what is becoming a yearly event, the CHA Office of Budget and Management was awarded the Distinguished Budget Presentation Award for the sixth consecutive year; and for the ninth consecutive year, the CHA was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) in FY2006. The CHA was recognized for excellent financial management and the pursuit of quality government financial practices. In order to preserve the excellent financial reporting reputation the CHA has earned, all CHA departments continued to work with budget analysts in FY2006 who helped them devise sound fiscal policies and set realistic financial goals for the next year. The accolades bestowed on the CHA for financial acumen serve as a testament to the Chief Executive Officer and the Board of Commissioners' commitment to improve the business practices of the CHA.

FISCAL POLICIES AND PROCEDURES

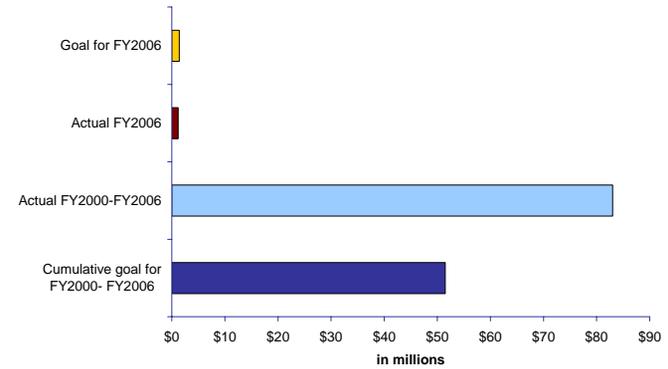
To maintain eligibility for federal funding and ensure maximum profitability, the CHA's Finance Division regularly reviews its financial policies for compliance and efficiency. In FY2006, the Finance Division instituted a yearly investment benchmark reporting system. The CHA implemented this system to have the freedom to change its investment benchmarks in response to market conditions and current investment needs.

EXTERNAL FUNDING THROUGH RESOURCE

DEVELOPMENT

To date, the total amount of funds raised through resource development for the Plan for Transformation is \$83.1 million. External funding from governmental agencies, not-for-profit organizations, and private corporations allows the CHA to fill gaps due to dwindling federal funding as well as increased construction and service provision costs. In FY2006, the CHA raised \$1.2 million in external funding, which will be used primarily for workforce development activities for residents.

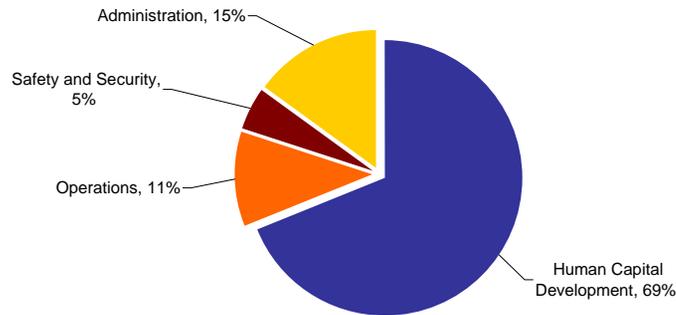
External Funding New Resources FY2000 - FY2006



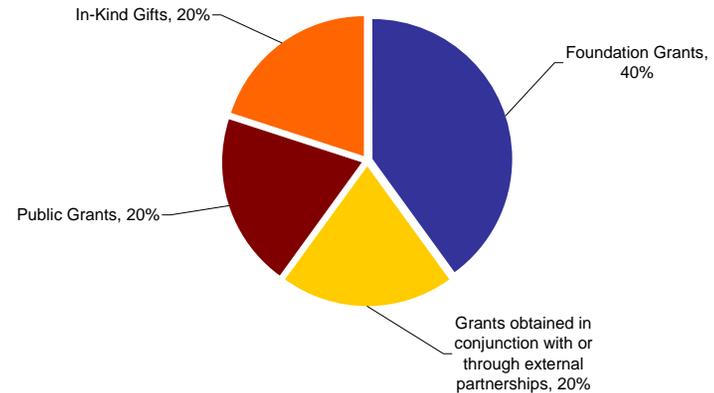
FUNDING RECEIVED

In FY2006, the CHA and its partners applied for a number of grants. The grants were used to assist the CHA with the construction of new units, as well as to help residents become economically self-sufficient and provide security for public housing families. CHA residents will benefit from the \$1 million grant awarded to the Illinois Department of Health and Family Services for Project REACH, which will provide energy assistance and education for CHA residents.

Focus Area of Funding Requests FY2006



Sources of Funding Received FY2006



GRANT MANAGEMENT

In FY2006, the Finance Division continued to monitor existing grants that have been awarded to the CHA by conducting site visits and working with CHA staff to ensure that grant guidelines are being met. Major activities for FY2006 included the reconciliation of capital grants and the implementation of a monitoring component of the Summer Food Program.

BUILDING STRATEGIC PARTNERSHIPS

Because the Plan for Transformation endeavors to change both the bricks and mortar and the lives of public housing residents, the undertaking requires input from external partners. The CHA has collaborated with more than 160 different partners in the public and private sectors to fulfill the goals of the Plan. Some of the local partnerships are listed below. For a comprehensive listing of CHA partners, please see the Collaborations page found at the end of this annual report. In FY2006, the CHA collaborated with the following organizations:



The CHA continues to collaborate with over 160 community partners, including Chicago Bear Lance Briggs, and Walgreen's Corporation in proving expanded opportunities to its residents.

- Chicago Bears - Players participated in a Halloween party with over 150 children from CHA communities;
- Chicago City Colleges - Assisted with the Opportunity Chicago and Bridges to Careers programs; and
- Jewel-Osco Food Stores - Sponsored the annual Thanksgiving turkey basket giveaway to CHA residents.

The following companies collaborated with the CHA by providing employment opportunities for residents: LaSalle Bank, Hilton Hotels, Children's Memorial Hospital, Hyatt Hotels, Dominick's, The Chicago Industrial League, Chatham Dental, and Chernin's Shoe Outlet.

Windows of Opportunity

Windows of Opportunity (Windows) is an independent, not-for-profit agency whose mission is to help public housing and HCV Program participants gain access to opportunities that will help them improve their lives. In FY2006, Windows continued to implement and oversee various programs that are beneficial to residents, such as a program funded by a former public housing resident to teach Service Connector staff to provide literacy training for CHA residents. Windows is best known for getting public housing residents and HCV Program participants closer to their educational goals by awarding numerous academic scholarships each year. In August 2006, Windows held a ceremony and awarded scholarships to 70 college students. Since its creation in 1997, the Windows Scholarship Program has distributed more than \$300,000 in financial support to recipients from 18 different Chicago public housing communities.



Windows also hosts a number of holiday initiatives each year, and in FY2006 Windows and the HCV Program Administrator, CHAC Inc., held a successful holiday drive. Together, Windows and the HCV Program Administrator raised over \$22,000 to host a party to make the holidays brighter for HCV families. Attendees enjoyed arts and craft activities, refreshments, and photos with Santa. Each family also received gift certificates for Jewel-Osco Food Stores and Target, as well as a gift for each family member.

Latino Outreach Activities

The CHA's resident population is emblematic of the ethnic mix represented throughout the City of Chicago. In an effort to ensure the unique needs of the Latino population were met, the CHA continued to utilize the services of an on-site Latino Liaison that works to bridge the cultural divide, as well as continued to fund the operation of three bilingual Latino Site Offices (located in Humboldt Park, Pilsen, and South Chicago neighborhoods). The Latino Site Offices serve the immediate needs of the bilingual resident population. During FY2006, the CHA made significant efforts to keep the spirit of the Latino Consent Decree, which expired in FY2005, alive. This was demonstrated through an increase in materials translated to Spanish, as well as the maintenance of bilingual staff members in key CHA departments. The CHA also held multiple bilingual open houses and housing fairs, which allowed Spanish-speaking residents to be introduced to and acquire

information about CHA Services Connectors, Move-In Service Providers, Transitional Housing and Supportive Service Counselors, Latino Site Offices, as well as the relocation process.

The CHA remains steadfast in its efforts to create viable partnerships with community stakeholders to further enable the CHA to provide affordable housing options to Chicago's Latino population. During FY2006, the CHA committed over 30 housing vouchers to Latino residents through collaborations with both the Hispanic Housing Development Corporation and the Bickerdike Redevelopment Corporation. Additionally, the CHA sponsored and attended the Illinois Legislative Latino Caucus Foundation (ILLCF) Scholarship Conference. Joint efforts between the CHA and ILLCF help to increase the supply of scholarships to low- and very low-income Latino residents pursuing higher education.

APPENDIX A: MOVING TO WORK (MTW) ANNUAL REPORT CROSSWALK

The CHA Moving to Work (MTW) Crosswalk below contains each reporting requirement for the annual report with the corresponding location within the document. The required reporting elements provide the U.S. Department of Housing and Urban Development and other stakeholders with detailed information on the CHA's progress in implementing the Plan for Transformation.

Category	Requirement	Location
Households Served	A. Number and characteristics of households served at the end of the year. I. Include unit size, family type, income group, housing type, race & ethnicity.	Appendix B: Public Housing Stock and Demographic Information
	B. Number and characteristics of households on wait lists.	Appendix C: Public Housing Wait List Demographic Information
	C. Changes in tenant and wait list numbers and characteristics and related narrative discussion.	Chapter 6: Operation of Chicago's Public Housing Appendix B: Public Housing Stock and Demographic Information Appendix C: Public Housing Wait List Demographic Information
Occupancy Policies	A. Changes in rent policy, if any.	Chapter 6: Operation of Chicago's Public Housing
	B. Changes in concentration of lower-income families by program.	Chapter 1: Renewal of Chicago's Public Housing Chapter 2: Enhancing Affordable Housing Opportunities Chapter 4: Achieving Economic and Social Self-Sufficiency Appendix B: Public Housing Stock and Demographic Information
	C. Narrative discussion/explanation of changes in occupancy policy.	Chapter 6: Operation of Chicago's Public Housing
Relocation	A. Report on relocation activities for previous year.	Chapter 3: Supporting Residents Through Relocation
	B. Report on building closures for previous year.	Chapter 3: Supporting Residents Through Relocation
Capital Improvements and Development	A. Actual delivery of units in previous year.	Chapter 1: Renewal of Chicago's Public Housing
	B. Actual units under construction for current year.	Chapter 1: Renewal of Chicago's Public Housing
	C. Narrative on progress of capital plan.	Chapter 1: Renewal of Chicago's Public Housing

Category	Requirement	Location
Capital Planning	A. Finance I. Identified planned vs. actual expenditures by property. II. Include narrative discussion/explanation of difference.	Appendix H: Capital Expenditures FY2006
	B. Demolition and Disposition - Report on actual demolition and disposition for previous year.	Appendix F: Structural Demolition FY2006 Appendix G: Disposition FY2006
	C. Report on home ownership activities for previous year.	Chapter 1: Renewal of Chicago's Public Housing Chapter 2: Enhancing Affordable Housing Opportunities
Management Information for PHA Units	A. Work orders: I. Emergency work orders. II. Non-emergency work-orders. III. Outstanding non-emergency work orders.	Chapter 6: Operation of Chicago's Public Housing
	B. Inspections: I. Percent of annual inspection of dwelling units. II. Percent of annual inspection of building systems.	Chapter 6: Operation of Chicago's Public Housing
	C. Income Verification and Rent Calculation: I. Increase in percent of correct income verification. II. Increase in percent of correct rent calculation. III. Percent outstanding recertifications. IV. Steps taken to reach goal.	Chapter 6: Operation of Chicago's Public Housing
	D. Other management achievements for previous year.	Chapter 6: Operation of Chicago's Public Housing
Security	A. Narrative on planned vs. actual activities and explanations of differences. Details may include: I. Report on One-Strike activities and coordination with local government on anti-crime strategies. II. Report on screening activities related to security for previous year. III. Report on lease enforcement activities related to security.	Chapter 2: Enhancing Affordable Housing Opportunities Chapter 6: Operation of Chicago's Public Housing
Senior Designated Housing Plan	Update of status of Senior Designated Housing Plan.	Chapter 6: Operation of Chicago's Public Housing

Category	Requirement	Location
Resident Programs	<p>A. Description of activities, issues, and proposed actions. Details may include:</p> <ul style="list-style-type: none"> I. Economic self-sufficiency: Report on service delivery for previous year with Chicago Department of Human Services II. Report on plans for job training, Section 3, and resident initiatives. III. Resident participation: Report on activities. 	<p>Chapter 2: Enhancing Affordable Housing Opportunities Chapter 4: Achieving Economic and Social Self-Sufficiency Chapter 5: Promoting Economic Opportunities</p>
Management Information for Leased Housing	<p>A. Leasing Information</p> <ul style="list-style-type: none"> I. Units at beginning of previous year and number of units under lease at year-end. 	Chapter 2: Enhancing Affordable Housing Opportunities
	<p>B. Actual lease-up rate at end of year related to targets.</p>	Chapter 2: Enhancing Affordable Housing Opportunities
	<p>C. Information and certification of data of Leased Housing Management, including:</p> <ul style="list-style-type: none"> I. Ensuring rent reasonableness. II. Expanding housing opportunities. III. Deconcentration of low-income families. 	Chapter 2: Enhancing Affordable Housing Opportunities
	<p>D. Discussion of differences between Plan and Report.</p>	Chapter 2: Enhancing Affordable Housing Opportunities
	<p>E. Inspection Strategy</p> <ul style="list-style-type: none"> I. Results of strategy, including: <ul style="list-style-type: none"> a. Planned vs. actual inspections completed by category: <ul style="list-style-type: none"> i. Annual HQS inspections. ii. Pre-contract HQS inspections. iii. HQS Quality Control inspections. b. HQS Enforcement report. II. Narrative/discussion of difference. III. Leasing Strategy - Report on activities conducted to expand lease of vouchers by end of Plan for Transformation. 	Chapter 2: Enhancing Affordable Housing Opportunities

Category	Requirement	Location
Sources and Amounts of Funding	A. Planned vs. actual funding amounts.	Chapter 7: Advancing the Vision for CHAnge Appendix H: Capital Expenditures FY2006 Appendix I: Financial Statements
	B. Narrative discussion/explanation of the difference.	Appendix H: Capital Expenditures FY2006 Appendix I: Financial Statements
	C. Consolidated Financial Statement.	Appendix H: Capital Expenditures FY2006 Appendix I: Financial Statements
Uses of Funds	A. Budgeted vs. actual expenditures by line item.	Appendix H: Capital Expenditures FY2006 Appendix I: Financial Statements
	B. Narrative/explanation of difference and changes from the Plan.	Appendix H: Capital Expenditures FY2006 Appendix I: Financial Statements
	C. Reserve balance at end of year and discussion of adequacy of reserves.	Appendix I: Financial Statements
Other Information Required by HUD	A. Results of latest completed 133 Audit (including program-specific OMB compliance supplement items as applicable).	Appendix J: OMB Circular A-133 Independent Audit
	B. Required certifications and other submissions from which the CHA is not exempted by the MTW agreement.	Appendix K: Moving to Work Annual Report Required Certifications
	C. Submissions required for the receipt of funds.	Appendix I: Financial Statements

APPENDIX B: PUBLIC HOUSING STOCK AND DEMOGRAPHIC INFORMATION

The Plan for Transformation is a massive undertaking that is impacting the demographics of the CHA's resident population and its housing stock. The Plan calls for the CHA to rehabilitate and redevelop a total of 25,000 public housing units for low-income individuals and at the same time demolish over 18,000 units of dilapidated housing. As the CHA makes more progress toward completing the Plan, the occupancy levels at CHA properties and the demographics of the resident population will continue to shift.

The following charts (Appendix B – D) show the public housing stock and the demographics of the CHA public housing resident population, public housing wait lists, and Housing Choice Voucher (HCV) Program as of December 31, 2006. The CHA began the process of migrating unit and resident data for both its public housing program and HCV Program from an antiquated system to a new web-enabled housing management software system in FY2005. FY2006 was the first full year of implementation of the new system; therefore, information provided in the charts may vary from previous years.

Households Served in FY2006

The CHA's public housing program is one of the largest in the United States. At year end, the CHA was serving 31,645 residents in its public housing program, which is approximately the same number served at the end of FY2005. The demographic composition of the public housing program remained relatively stable in FY2006. Changes were primarily due to natural attrition, building closure, unit delivery, and the relocation of residents between the public housing program and the HCV Program. Additionally, the CHA continued to lease vacant units at senior designated housing properties to applicants from the wait list and lease vacant units at family properties as they became ready for occupancy.

Family Housing

In FY2006, there was an increase in the total number of units in the CHA's housing stock given that units that were previously offline for revitalization were completed. Although there was an increase in the number of units and households in family housing, the number of male residents as well as residents ages zero to 20 decreased. Therefore, the average family size fell slightly from 2.87 to 2.78. The changes in the racial and ethnic make up of residents in family housing consisted primarily of a decrease in the number of White, Asian/Pacific Islander, and Hispanic residents. There was an increase in family housing residents receiving income in FY2006. The

number of employed residents increased over nine percent in FY2006, whereas the number of residents receiving Supplemental Security Income (SSI), Social Security, and Temporary Assistance for Needy Families (TANF) rose 6.58%, 11.12%, and 26.6% respectively.

Senior Designated Housing

In senior designated housing, there were small increases in the number of units, number of households, and number of both female and male residents over the course of the year. The changes in the racial and ethnic make up of senior residents were due to more Asian/Pacific Islander and Hispanic residents and less Native/Alaskan residents living in senior designated housing. Similar to family housing, the number of employed senior residents increased 3.02% in FY2006. The number of residents receiving Social Security and TANF also rose 4.92% and 11.16% respectively.

Family Housing Demographics from the Yardi Database*			
Housing Stock & Occupancy	12/31/2005	12/31/2006	%Change
Total Units	17,550	18,286	4.19%
Occupied Units	8,241	8,438	2.39%
Total Number of Residents	23,678	23,459	-0.92%
Average Family Size	2.87	2.78	-3.14%
Unit Size (All Units)	12/31/2005	12/31/2006	%Change
0 Bedroom	25	22	-12.00%
1 Bedroom	1,006	1,108	10.14%
2 Bedrooms	2,894	2,940	1.59%
3 Bedrooms	3,543	3,520	-0.65%
4 Bedrooms	715	790	10.49%
5 Bedrooms	53	53	0.00%
6 Bedrooms	2	2	0.00%
7+ Bedrooms	0	0	0.00%
Gender (All Residents)	12/31/2005	12/31/2006	%Change
Female	15,045	15,042	-0.02%
Male	8,633	8,422	-2.44%
Age (All Residents)	12/31/2005	12/31/2006	%Change
0-20	12,783	12,246	-4.20%
21-61	9,513	9,597	0.88%
62 and over	1,381	1,616	17.02%
Race & Ethnicity (All Residents)	12/31/2005	12/31/2006	%Change
White	2,541	2,428	-4.45%
Black	20,930	20,741	-0.90%
Native/Alaskan	69	68	-1.45%
Asian/Pacific Islander	126	117	-7.14%
Other/Unknown	0	0	0.00%
Hispanic**	2,367	2,191	-7.44%

* Demographics in the Yardi database may contain inconsistencies due to data conversion and data entry.

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

Senior Housing Demographics from the Yardi Database*			
Housing Stock & Occupancy	12/31/2005	12/31/2006	%Change
Total Units	9,733	9,858	1.28%
Occupied Units	7,388	7,494	1.43%
Total Number of Residents	8,076	8,186	1.36%
Average Family Size	1.09	1.09	0.00%
Unit Size (All Units)	12/31/2005	12/31/2006	%Change
0 Bedroom	645	727	12.71%
1 Bedroom	6,730	6,762	0.48%
2 Bedrooms	12	5	-58.33%
3 Bedrooms	1	0	-100.00%
4 Bedrooms	0	0	0.00%
5 Bedrooms	0	0	0.00%
6 Bedrooms	0	0	0.00%
7+ Bedrooms	0	0	0.00%
Gender (All Residents)	12/31/2005	12/31/2006	%Change
Female	4,041	4,100	1.46%
Male	4,032	4,086	1.34%
Age (All Residents)	12/31/2005	12/31/2006	%Change
0-20	4	11	175.00%
21-61	1,347	1,149	-14.70%
62 and over	6,725	7,026	4.48%
Race & Ethnicity (All Residents)	12/31/2005	12/31/2006	%Change
White	2,216	2,180	-1.62%
Black	5,077	5,116	0.77%
Native/Alaskan	105	72	-31.43%
Asian/Pacific Islander	675	795	17.78%
Other/Unknown	3	0	-100.00%
Hispanic**	644	677	5.12%

* Demographics in the Yardi database may contain inconsistencies due to data conversion and data entry.

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

Family Housing Demographics from the Yardi Database*			
Annual Income Range (Number of Households) & Average Annual Household Income	12/31/2005	12/31/2006	%Change
\$0-3,999	2,010	1,949	-3.03%
\$4,000-7,999	2,245	2,283	1.69%
\$8,000-15,999	1,895	1,959	3.38%
\$16,000-27,999	1,127	1,298	15.17%
\$28,000-35,999	429	422	-1.63%
\$36,000 and greater	548	540	-1.46%
Average Annual Household Income (\$)	12,512	12,720	1.66%
Selected Income Sources (Number of Households)	12/31/2005	12/31/2006	%Change
Employed	3,329	3,639	9.31%
SSI	2,855	3,043	6.58%
Social Security	1,708	1,898	11.12%
TANF Assistance	906	1,147	26.60%
General Assistance	97	128	0
Area Median Income (AMI) (All households)	12/31/2005	12/31/2006	%Change
Number of households with income <30% of AMI	6,662	6,673	0.17%
Number of households with income 30-50% of AMI	885	999	12.88%
Number of households with income 51-80% of AMI	526	516	-1.90%
Number of households with income 81% or greater of AMI	165	150	-9.09%

* Demographics in the Yardi database may contain inconsistencies due to data conversion and data entry.

Senior Housing Demographics from the Yardi Database*			
Annual Income Range (Number of Households) & Average Annual Household Income	12/31/2005	12/31/2006	%Change
\$0-3,999	198	202	2.02%
\$4,000-7,999	4,096	3,869	-5.54%
\$8,000-15,999	2,564	2,813	9.71%
\$16,000-27,999	445	513	15.28%
\$28,000-35,999	54	58	7.41%
\$36,000 and greater	31	39	25.81%
Average Annual Household Income (\$)	9,372	9,774	4.29%
Selected Income Sources (Number of Households)	12/31/2005	12/31/2006	%Change
Employed	331	341	3.02%
SSI	3,905	3,888	-0.44%
Social Security	4,695	4,926	4.92%
TANF Assistance	466	518	11.16%
General Assistance	591	691	0
Area Median Income (AMI) (All households)	12/31/2005	12/31/2006	%Change
Number of households with income <30% of AMI	6,888	6,887	-0.01%
Number of households with income 30-50% of AMI	403	468	16.13%
Number of households with income 51-80% of AMI	88	96	9.09%
Number of households with income 81% or greater of AMI	9	11	22.22%

* Demographics in the Yardi database may contain inconsistencies due to data conversion and data entry.

The primary causes of the changes in resident demographics as the CHA carries out the Plan are disposition, natural attrition, the move-out process, the move-in process, and the implementation of new housing management software.

Disposition

Under the Plan for Transformation, the CHA, from time to time, will sell older buildings in order to acquire revitalized housing for residents. Once the building is sold, it is removed from the housing stock reducing the total number of units. Once the acquired units are completed, they are added to the housing stock increasing the total number of units.

Natural Attrition

The number of residents and occupied units at the CHA fluctuates approximately 12% due to natural attrition irrespective of the Plan for Transformation. This fluctuation is caused by residents leaving the public housing program due to death, moving to another city, incarceration, eviction, and those who voluntarily leave subsidized housing. This also includes changes to family composition due to marriage, birth, adoption, and separation/divorce.

When a unit becomes available due to natural attrition at the senior designated properties, the CHA leases these units to other eligible individual(s) on the site based wait lists. This results in little net change in the number of occupied units. On the other hand, when a unit becomes available at one of the family properties scheduled to undergo revitalization then the unit is normally kept vacant to make room for construction activities. These vacancies result in a net loss in the number of occupied units.

Moves Out

As the CHA identifies buildings for closure, residents are temporarily relocated to other public housing units, to the private market with a Housing Choice Voucher (HCV), and to non-subsidized housing. This results in an illusory temporary CHA-wide decrease in the number of occupied units and total number of residents. After, the buildings are closed and demolished, the building and its units are removed from the CHA's total unit count thereby decreasing the total number of units.

Moves In

Simultaneously, the completion of new units in both mixed-income communities and at rehabilitated properties causes an increase in the total number of housing units. As certificates of occupancy are issued, residents, who are in temporary relocation resources, move into the revitalized units increasing the total number of occupied units and the total number of residents. Because the move-out and move-in processes occur simultaneously across the CHA, the total number of units, occupied units, and residents will continue to vacillate until redevelopment and rehabilitation are complete and families with a right or preference to return are housed.

Implementation of New Housing Management Software

In FY2005, the CHA implemented its new housing management software. This software will allow the CHA to more effectively manage both its public housing and HCV Programs. As part of the preparation for this implementation, the CHA conducted an extensive review and update of the data housed in the previous CCS housing management software. This update included among other items: updating family composition information, updating contact information for individuals on the wait lists, and incorporating new revitalized units into the CHA's housing inventory.

APPENDIX C: PUBLIC HOUSING WAIT LIST DEMOGRAPHIC INFORMATION

The CHA began the process of migrating applicant data for its public housing program from an antiquated system to a new web-enabled housing management software system in FY2005. FY2006 was the first full year of implementation of the new system. Therefore, information provided in the chart below may vary from previous years.

Public Housing Wait Lists Demographics as of December 31, 2006 from the Yardi Database*							
Wait List	Total Applicants	Total Persons	Area Median Income				Disabled
			Number of applicants with income <30% of AMI	Number of applicants with income 30-50% of AMI	Number of applicants with income 51-80% of AMI	Number of applicants with income 81% or greater of AMI	
Family Wait Lists	23,887	67,419	14,056	570	0	9,261	3,649
Senior Wait Lists	29,659	33,744	27,326	2,072	0	261	12,464
Total	53,546	101,163	41,382	2,642	0	9,522	16,113

Wait List	Race						Ethnicity
	White	Black	Indian/ Alaskan	Asian/ Pacific Islander	Other	Unknown	Hispanic**
Family Wait Lists	3,740	16,905	22	229	2,991	0	4,894
Senior Wait Lists	3,456	9,333	171	858	15,841	0	2,719
Total	7,196	26,238	193	1,087	18,832	0	7,613

Applicants previously categorized as "No Preference" were added to the Family Wait List when data was migrated in December 2005 from the antiquated system to the new housing management software.

* Demographics data in the Yardi database may contain inconsistencies due to data conversion and data entry.

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

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

The CHA began the process of migrating unit and tenant data for its HCV Program from an antiquated system to a new web-enabled housing management software system in FY2005. FY2006 was the first full year of implementation of the new system. Therefore, information provided in the chart below may vary from previous years.

Demographics of Current HCV Program Participants as of December 31, 2006 from CHAC, Inc.			
Total HCV Program Participants	96,888		
	Heads of Household	Other Household Members	Total
Age			
18 years and older	34,444	15,972	50,416
Under 18 years	2	46,349	46,351
Unknown Age	0	121	121
Race			
White	4,550	6,260	10,810
Black	29,777	55,619	85,396
American Indian/Alaskan	33	55	88
Asian	60	60	120
Hawaiian/Pacific Islander	6	14	20
Multiple Races Selected	20	0	20
Unknown Race	0	434	434
Ethnicity			
Hispanic	3,684	5,961	9,645
Non-Hispanic	30,762	55,622	86,384
Unknown Ethnicity	0	859	859

Demographics of HCV Program General Wait List as of December 31, 2006 from CHAC, Inc.	
Total HCV Program Applicants	9,648
	Total
Age	
Age 62 and over	454
Under age 62	9,194
Unknown Age	0
Race	
White	1,275
Black	7,988
Other	52
Unknown Race	333
Ethnicity	
Hispanic	1,173
Non-Hispanic	8,402
Unknown Ethnicity	73
Disabled Population	
Disabled	1,800

**Demographics of Current HCV Program Participants
as of December 31, 2006
from CHAC, Inc.**

Bedroom Breakdown	Total
0 Bedroom	1,639
1 Bedroom	4,541
2 Bedrooms	9,721
3 Bedrooms	12,428
4 Bedrooms	4,170
5 Bedrooms	1,549
6 Bedrooms	313
7 Bedrooms	66
8 + Bedrooms	19
Unknown/Pending	0

Income Ranges (All household members)	Total
0.00 - .99	53,820
1.00 - 9,999	31,340
10,000 - 19,999	7,634
20,000 - 29,999	3,055
30,000 - 39,999	697
40,000 +	167
Unknown/Pending	175

APPENDIX E: IL NUMBER TRANSLATION TABLE

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Family Housing Redevelopment/Rehabilitation - Mixed Income		
Park Place	Not Available Yet	
Fountainview	Not Available Yet	Pages 5, 7, 8, 28, 132, 136
Frances Cabrini Extension South	ILO6P002020	Pages 7, 8, 29, 127, 135, 136
Lathrop Homes	ILO6P002024	Pages 7, 8, 28, 87
Lawndale Complex	Not Available Yet	Pages 7, 8, 29
William Green Homes	ILO6P002030	Pages 7, 8, 29, 57, 61, 87, 128, 135, 136
LeClaire Courts Extension	ILO6P002015	Pages 7, 8, 29, 87
ABLA Homes		Pages 7, 8, 73, 87, 133, 136
ABLA Phase 1	Not Available Yet	
Roosevelt Square Ph. 1	ILO6P802226	Page 15
Roosevelt Square Ph. 2	Not Available Yet	Pages 15, 16
Brooks Rehab	ILO6P002216	
Robert H. Brooks Homes	ILO6P002003	
Robert H. Brooks Extension	ILO6P002031	
Roosevelt Square	Not Available Yet	
Grace Abbott Homes	ILO6P002017	Pages 61, 127
Jane Addams Homes	ILO6P002023	Pages 61, 127
Frances Cabrini Extension North		Pages 3, 7, 8, 15, 61, 62, 87, 127, 136
Frances Cabrini Homes	ILO6P002002	Page 57
River Village North	ILO6P002230	
River Village South	ILO6P002232	
Domain Lofts	ILO6P002219	
North Town Village 1	ILO6P802192	
North Town Village 2	ILO6P802192	
Old Town Village East 2	ILO6P002221	
Old Town Village West	ILO6P002222	
Orchard Park	ILO6P002215	
Ren North	ILO6P002182	
The Larrabee	Not Available Yet	Pages 17, 18
Old Town Village East 1	ILO6P002182	
Mohawk Infill	ILO6P002182	
Mohawk North	ILO6P002182	
Old Town Square	ILO6P002182	
River Village Pointe	Not Available Yet	Page 18
Parkside of Old Town	Not Available Yet	Pages 5, 15

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Family Housing Redevelopment/Rehabilitation - Mixed Income		
Governor Henry Horner Homes	IL06P002019	Pages 7, 8, 19, 87, 128, 136
Governor Henry Horner Extension	IL06P002035	
Westhaven Phase 1	IL06P002027	
Westhaven Park Ph. 2a2	IL06P802228	Page 19
Westhaven Park Ph. 2a1	IL06P802220	
Westhaven Phase 1 (Habitat)	IL06P802213	
Westhaven Phase 1 (Habitat)	IL06P802197	
Westhaven Phase 1 (Habitat)	IL06P802198	
Westhaven Phase 1 (Habitat)	IL06P802199	
Westhaven Phase 1 (Habitat)	IL06P802200	
Westhaven Phase 1 (Habitat)	IL06P802201	
Westhaven Phase 1 (Habitat)	IL06P802202	
Westhaven Phase 1 (Habitat)	IL06P802203	
Westhaven Phase 1 (Habitat)	IL06P802204	
Westhaven Phase 1 (Habitat)	IL06P802195	
Westhaven Phase 1 (Habitat)	IL06P802195	
Westhaven Phase 1 (Habitat)	IL06P802191	
Westhaven Phase 1	IL06P802188	
Westhaven Park Low-rise	Not Available Yet	
Westhaven Mid-rise Phase IIA	Not Available Yet	
Westhaven Park Mid-rise Phase IIB	Not Available Yet	Pages 5, 19
Westhaven Park IIC	Not Available Yet	
Lakefront Replacement Housing		Pages 7, 8, 21
Hutchinson Row	IL06P002180	
Lake Park Crescent Phase 1	IL06P002193	Page 21
Lake Park Crescent Phase 2	Not Available Yet	Page 22
Lakefront Scattered	IL06P002194	
Shakespeare	IL06P002208	
Jazz on the Boulevard	IL06P002211	Page 21
Lake Park Crescent	IL06P002193	Pages 21, 133, 136
Drexel Development	IL06P002211	Page 136
Thrush Masons	Not Available Yet	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Family Housing Redevelopment/Rehabilitation - Mixed Income		
Rockwell Gardens	IL06P002021	Pages 7, 8, 25, 87, 128, 134, 136
Rockwell Gardens	IL06P002006	Pages 7, 8, 25, 87, 128, 134, 136
Rockwell Gardens	IL06P002038	Pages 7, 8, 25, 87, 128, 134, 136
Rockwell Phase 1B	Not Available Yet	
Archer Cts 2	IL06P802217	
West End Phase 1a	IL06P802217	
One South Leavitt	IL06P802227	
Jackson Square at West End	IL06P802190	Page 25
Stateway Gardens		Pages 3, 7, 8, 26, 62, 87, 129, 135, 136
Stateway Gardens	IL06P002022	Pages 3, 7, 8, 26, 62, 87, 129, 135, 136
Park Boulevard Phase 1b	IL06P002233	
The Pershing	IL06P002223	
Park Boulevard	Not Available Yet	Pages 5, 26
Robert Taylor Homes		Pages 3, 7, 8, 24, 61, 87, 128, 134
Taylor A	IL06P002037A	Page 136
Taylor B	IL06P002037B	
Taylor C1 Mahalia Place	IL06P802225	
Taylor A1 Hansberry Square	IL06P802234	Pages 5, 24
Langston	IL06P002212	
Quincy	IL06P002214	
Madden Park/Ida B. Wells Homes and Extension/Clarence Darrow Homes		Pages 7, 8, 23, 133, 136
Ida B. Wells Extension	IL06P002018	Pages 23, 61, 74, 130
Ida B. Wells Homes	IL06P002001	Pages 23, 74, 87, 129, 130, 131
Clarence Darrow Homes	IL06P002163	Page 23
Arches of Oakwood	Not Available Yet	Page 23
Madden Park	IL06P002033	Pages 23, 74
Oakwood Shores Phase 1a	IL06P802224	
Oakwood Shores Phase 1b	IL06P802231	Page 23
Clarence Darrow Homes	IL06P002036	Page 23
Washington Park Homes		Pages 7, 8, 87
Washington Park	IL06P002034	Pages 87, 136
St. Edmunds Meadows	IL06P002218	Page 27
Keystone Place Rental	IL06P002207	Pages 5, 27
Washington Park High-Rises	Not Available Yet	Page 28
Randolph Towers	Not Available Yet	Pages 28, 87

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Family Housing Redevelopment/Rehabilitation - Mixed Income		
Hilliard Towers Apartments		Pages 2, 7, 8, 20, 33, 85, 133
Hilliard Apartments Ph I	IL06P002046A	Page 20
Hilliard Apartments Ph II	IL06P002046B	Page 20
Family Housing Rehabilitation		
Lawndale Gardens	IL06P002005	Pages 7, 8, 35, 37, 87, 136
Wentworth Gardens	IL06P002008	Pages 5, 7, 8, 34, 35, 39, 73, 76, 87, 131, 134, 136
Dearborn Homes	IL06P002009	Pages 7, 8, 35, 37, 87, 136
Harold Ickes Homes	IL06P002016	Pages 7, 8, 35, 37, 87, 134, 136
Frank Lowden Homes	IL06P002013	Pages 2, 5, 7, 8, 31, 34, 35, 37, 38, 87, 134, 136
Trumbull Park Homes	IL06P002025	Pages 2, 5, 7, 8, 30, 34, 35, 38, 87, 134, 136
Washington Park Low-Rises	Not Available Yet	Pages 5, 7, 8, 34, 35, 39
Bridgeport Homes		Pages 5, 7, 8, 34, 35, 36, 87
Bridgeport Homes	IL06P002004	Pages 5, 7, 8, 34, 35, 36, 87
Bridgeport Apartments	IL06P002042C	
Altgeld/Murray		Pages 5, 7, 8, 34, 35, 36, 82, 86, 87, 134
Altgeld Gardens	IL06P002007	Pages 82, 86
Phillip Murray Homes	IL06P002011	
Lake Parc Place		Pages 7, 8, 87, 136
Lake Parc Place (Victor Olander Homes)	IL06P002014	
Lake Parc Place (Victor Olander Extension)	IL06P002026	
Senior Housing		
Senior Housing South	IL06P002032	
Ralph Pomeroy Apartments	IL06P002039	Pages 7, 8, 89
William Castleman Apartments	IL06P002040	Page 89
Judge Slater Apartments	IL06P002047	Page 89
Judge Slater Annex	IL06P002070	
Britton Budd Apartments	IL06P002048	Pages 7, 8, 33, 89
Campbell Apartments	IL06P002052	Page 89
Lawrence Apartments	IL06P002053	Page 89
Green Apartments	IL06P002055	Page 89
Lincoln Perry Apartments	IL06P002063	Page 89
Lincoln Perry Annex	IL06P002102	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Senior Housing (cont'd)		
Mahalia Jackson Apartments (formerly 9141 S. Chicago)	IL06P002080	
Mahalia Jackson Apartments (formerly 9177 S. Chicago)	IL06P002080	
Harry Schneider Apartments	IL06P002083	Page 89
Daniel Hudson Burnham Apartments (formerly Loyola & Ridge)	IL06P002110	Page 89
Fannie Emanuel Apartments (formerly Parkview)	IL06P002042A	Page 89
Linda Pucinska Apartments (formerly Eckhart)	IL06P002042B	Page 89
Linda Pucinska Apartments (formerly Eckhart Annex)	IL06P002067	
Wicker Park Apartments	IL06P002042E	Page 89
Wicker Park Annex	IL06P002068	
Flannery Apartments	IL06P002042F	Pages 7, 8, 89
Long Life Apartments (formerly Shields)	IL06P002042G	Page 89
Armour Square Apartments	IL06P002044A	Page 89
Armour Square Annex- Sr	IL06P002033	
Sullivan Apartments	IL06P002044B	Page 89
Irene McCoy Gaines Apartments (formerly Garfield Apartments)	IL06P002044C	Page 89
Fisher Apartments	IL06P002044D	Page 89
Elizabeth Davis Apartments (formerly Franklin Boulevard)	IL06P002045B	
Callner Apartments	IL06P002045B	Page 89
Jones Apartments	IL06P002042H	Page 89
Kenmore Apartments 5040 N. Kenmore Apartments	IL06P002010	Pages 7, 8
Ella Flag Young Apartments (formerly Sheridan & Leland) 4645 N. Sheridan Apartments	IL06P002056	Page 89
Edith Spurlock Sampson Apartments (formerly Lincoln & Sheffield) 2640 N. Sheffield Ave.	IL06P002061	Page 89
Edith Spurlock Sampson Apartments (formerly Lincoln & Sheffield Annex) 2720 N. Sheffield Apartments	IL06P002072	
Caroline Hedger Apartments (formerly Sheridan & Devon) 6400 N. Sheridan Apartments	IL06P002073	Page 89
Zelda Ormes Apartments (formerly LaSalle/Division) 116 Elm Apartments	IL06P002082	Page 89
Yates Garden Apartments	IL06P002042D	
Mary Jane Richardson-Jones Apartments (formerly 49th & Langley Apartments)	IL06P002057	Page 89
Vivian Carter Apartments (formerly 64th & Yale Apartments)	IL06P002060	Page 89
Albany 3030 W. 21st Apartments	IL06P002078	Page 89
Mary Hartwell Catherwood Apartments (formerly Clark & Irving Apartments) 3930 N. Clark Apartments	IL06P002058	Page 89
Mary Hartwell Catherwood Apartments (formerly Clark & Irving Annex) 3920-40 N. Clark Apartments	IL06P002066	
Margaret Day Black Apartments (formerly Clark & Webster)	IL06P002051	Page 89

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Senior Housing (cont'd)		
Maria Diaz Martinez Apartments (formerly Dickens & Burling) 2111 N. Halsted Apartments	IL06P002050	Page 89
Larrabee Senior Apartments 1845 N. Larrabee Apartments	IL06P002071	Page 89
Parkside Apartments 5670 W. Lake Apartments	IL06P002079	Page 89
Racine 1611 S. Racine Apartments	IL06P002083	Page 89
Alfreda Barnett Buster Apartments (formerly 150 S. Campbell)	IL06P002043	Page 89
Vivian Gordon Harsh Apartments (formerly 4227 S. Oakenwald)	IL06P002041	Page 89
Minnie Ripperton Apartments (formerly 4250 S. Princeton)	IL06P002032	Page 89
Ada S. Dennison McKinley Apartments (formerly 69TH & S. Chicago. Apartments)	IL06P002049	Page 89
Bridgeport Elderly	IL06P002042C	
SS-NC-925 N California Ave.	Not Available	
SS-SE-6817 S Merrill Ave.	Not Available	
Hyde Park Area	IL06P002059	
Washington Park Apartments 4949 S Cottage	IL06P002034	Page 89
Wash/Park Hyde- Elderly (B)	Not Available	
Washington Park (Elderly)	Not Available	
WM. Jones Apartments	IL06P002042H	Pages 32, 89
5670 W. Lake Apartments	IL06P002079	
661 E. 69th Street Apartments	IL06P002049	
Scattered Sites By Region		
SS - North Central Region		Pages 7, 8, 88
Scattered Sites SS-NC	IL06P002028	
Scattered Sites SS-NC	IL06P002085	
Scattered Sites SS-NC	IL06P002093	
Scattered Sites SS-NC	IL06P002095	
Scattered Sites SS-NC	IL06P002096	
Scattered Sites SS-NC	IL06P002102	
Scattered Sites SS-NC	IL06P002103	
Scattered Sites SS-NC	IL06P002105	
Scattered Sites SS-NC	IL06P002111	
Scattered Sites SS-NC	IL06P002112	
Scattered Sites SS-NC	IL06P002115	
Scattered Sites SS-NC	IL06P002116	
Scattered Sites SS-NC	IL06P002118	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Scattered Sites By Region		
SS - North Central Region		
Scattered Sites SS-NC	IL06P002120	
Scattered Sites SS-NC	IL06P002121	
Scattered Sites SS-NC	IL06P002122	
Scattered Sites SS-NC	IL06P002124	
Scattered Sites SS-NC	IL06P002125	
Scattered Sites SS-NC	IL06P002126	
Scattered Sites SS-NC	IL06P002128	
Scattered Sites SS-NC	IL06P002129	
Scattered Sites SS-NC	IL06P002130	
Scattered Sites SS-NC	IL06P002131	
Scattered Sites SS-NC	IL06P002132	
Scattered Sites SS-NC	IL06P002133	
Scattered Sites SS-NC	IL06P002134	
Scattered Sites SS-NC	IL06P002135	
Scattered Sites SS-NC	IL06P002137	
Scattered Sites SS-NC	IL06P002138	
Scattered Sites SS-NC	IL06P002139	
Scattered Sites SS-NC	IL06P002141	
Scattered Sites SS-NC	IL06P002142	
Scattered Sites SS-NC	IL06P002143	
Scattered Sites SS-NC	IL06P002145	
Scattered Sites SS-NC	IL06P002146	
Scattered Sites SS-NC	IL06P002149	
Scattered Sites SS-NC	IL06P002150	
Scattered Sites SS-NC	IL06P002153	
Scattered Sites SS-NC	IL06P002154	
Scattered Sites SS-NC	IL06P002155	
Scattered Sites SS-NC	IL06P002156	
Scattered Sites SS-NC	IL06P002157	
Scattered Sites SS-NC	IL06P002158	
Scattered Sites SS-NC	IL06P002159	
Scattered Sites SS-NC	IL06P002162	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Scattered Sites By Region		
SS - North Central Region (cont'd)		
Scattered Sites SS-NC	IL06P002164	
Scattered Sites SS-NC	IL06P002165	
Scattered Sites SS-NC	IL06P002166	
Scattered Sites SS-NC	IL06P002167	
Scattered Sites SS-NC	IL06P002168	
Scattered Sites SS-NC	IL06P002170	
Scattered Sites SS-NC	IL06P002172	
Scattered Sites SS-NC	IL06P002173	
Scattered Sites SS-NC	IL06P002176	
SS - North East Region		Pages 7, 8, 88
Scattered Sites SS-NE	IL06P002051	
Scattered Sites SS-NE	IL06P002076	
Scattered Sites SS-NE	IL06P002081	
Scattered Sites SS-NE	IL06P002085	
Scattered Sites SS-NE	IL06P002090	
Scattered Sites SS-NE	IL06P002091	
Scattered Sites SS-NE	IL06P002093	
Scattered Sites SS-NE	IL06P002094	
Scattered Sites SS-NE	IL06P002096	
Scattered Sites SS-NE	IL06P002102	
Scattered Sites SS-NE	IL06P002103	
Scattered Sites SS-NE	IL06P002105	
Scattered Sites SS-NE	IL06P002112	
Scattered Sites SS-NE	IL06P002115	
Scattered Sites SS-NE	IL06P002116	
Scattered Sites SS-NE	IL06P002118	
Scattered Sites SS-NE	IL06P002120	
Scattered Sites SS-NE	IL06P002122	
Scattered Sites SS-NE	IL06P002126	
Scattered Sites SS-NE	IL06P002127	
Scattered Sites SS-NE	IL06P002129	
Scattered Sites SS-NE	IL06P002135	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Scattered Sites By Region		
SS - North East Region (cont'd)		
Scattered Sites SS-NE	IL06P002140	
Scattered Sites SS-NE	IL06P002141	
Scattered Sites SS-NE	IL06P002143	
Scattered Sites SS-NE	IL06P002146	
Scattered Sites SS-NE	IL06P002154	
Scattered Sites SS-NE	IL06P002158	
Scattered Sites SS-NE	IL06P002161	
Scattered Sites SS-NE	IL06P002162	
Scattered Sites SS-NE	IL06P002166	
Scattered Sites SS-NE	IL06P002167	
Scattered Sites SS-NE	IL06P002168	
Scattered Sites SS-NE	IL06P002169	
Scattered Sites SS-NE	IL06P002170	
Scattered Sites SS-NE	IL06P002173	
Scattered Sites SS-NE	IL06P002176	
Scattered Sites SS-NE	IL06P002194	
SS - South East Region		Pages 7, 8, 88
Scattered Sites SS-SE	IL06P002032	
Scattered Sites SS-SE	IL06P002034	
Scattered Sites SS-SE	IL06P002095	
Scattered Sites SS-SE	IL06P002096	
Scattered Sites SS-SE	IL06P002102	
Scattered Sites SS-SE	IL06P002103	
Scattered Sites SS-SE	IL06P002105	
Scattered Sites SS-SE	IL06P002111	
Scattered Sites SS-SE	IL06P002115	
Scattered Sites SS-SE	IL06P002118	
Scattered Sites SS-SE	IL06P002119	
Scattered Sites SS-SE	IL06P002120	
Scattered Sites SS-SE	IL06P002123	
Scattered Sites SS-SE	IL06P002132	
Scattered Sites SS-SE	IL06P002136	

CORRESPONDING IL NUMBERS BY DEVELOPMENT		
Development Name	IL Number	Page Index
Scattered Sites By Region		
SS - South East Region (cont'd)		
Scattered Sites SS-SE	IL06P002139	
Scattered Sites SS-SE	IL06P002146	
Scattered Sites SS-SE	IL06P002147	
Scattered Sites SS-SE	IL06P002151	
Scattered Sites SS-SE	IL06P002152	
Scattered Sites SS-SE	IL06P002161	
Scattered Sites SS-SE	IL06P002175	
Scattered Sites SS-SE	IL06P002180	
Scattered Sites SS-SE	IL06P002184	
Scattered Sites SS-SE	IL06P002206	
SS - South West Region		Pages 7, 8, 88
Scattered Sites SS-SW	IL06P002034	
Scattered Sites SS-SW	IL06P002069	
Scattered Sites SS-SW	IL06P002095	
Scattered Sites SS-SW	IL06P002102	
Scattered Sites SS-SW	IL06P002103	
Scattered Sites SS-SW	IL06P002105	
Scattered Sites SS-SW	IL06P002111	
Scattered Sites SS-SW	IL06P002112	
Scattered Sites SS-SW	IL06P002115	
Scattered Sites SS-SW	IL06P002116	
Scattered Sites SS-SW	IL06P002118	
Scattered Sites SS-SW	IL06P002139	
Scattered Sites SS-SW	IL06P002143	
Scattered Sites SS-SW	IL06P002145	
Scattered Sites SS-SW	IL06P002150	
Scattered Sites SS-SW	IL06P002153	
Scattered Sites SS-SW	IL06P002158	
Scattered Sites SS-SW	IL06P002159	
Scattered Sites SS-SW	IL06P002160	
Scattered Sites SS-SW	IL06P002161	
Scattered Sites SS-SW	IL06P002166	

CORRESPONDING IL NUMBERS BY DEVELOPMENT

Development Name	IL Number	Page Index
Scattered Sites By Region		
SS - South West Region (cont'd)		
Scattered Sites SS-SW	IL06P002167	
Scattered Sites SS-SW	IL06P002168	
Scattered Sites SS-SW	IL06P002169	
Scattered Sites SS-SW	IL06P002170	
Scattered Sites SS-SW	IL06P002172	
Scattered Sites SS-SW	IL06P002173	
Scattered Sites SS-SW	IL06P002176	
SS - West Region		Pages 7, 8, 88
Scattered Sites SS-West	IL06P002028	
Scattered Sites SS-West	IL06P002064	
Scattered Sites SS-West	IL06P002074	
Scattered Sites SS-West	IL06P002095	
Scattered Sites SS-West	IL06P002096	
Scattered Sites SS-West	IL06P002102	
Scattered Sites SS-West	IL06P002103	
Scattered Sites SS-West	IL06P002111	
Scattered Sites SS-West	IL06P002112	
Scattered Sites SS-West	IL06P002115	
Scattered Sites SS-West	IL06P002116	
Scattered Sites SS-West	IL06P002119	
Scattered Sites SS-West	IL06P002173	
Scattered Sites SS-West	IL06P002178	

APPENDIX F: STRUCTURAL DEMOLITION FY2006

Address	Planned for FY2006	Started in FY2006	Completed in FY2006	Variance (Completed in FY2006-Planned for FY2006)
Grace Abbott Homes High-Rises				
1440 W 13TH ST	150			-150
1510 W 13TH ST		150	150	150
1520 W HASTINGS ST		150	150	150
Subtotal:	150	300	300	150
Jane Addams Homes^				
1248 W TAYLOR ST/918-28 S LYTLE			38	38
1250 W TAYLOR ST	10	10	10	0
1300 W TAYLOR ST	10	10	10	0
916 S LYTLE ST	8	8	8	0
860 S LYTLE ST	8	8	8	0
901 S ADA ST	8	8	8	0
845 S ADA ST	8	8	8	0
Subtotal:	52	52	90	38
Frances Cabrini Extension North^				
1121 N LARRABEE ST	65			-65
1015-17 N LARRABEE ST	136			-136
1159-61 N LARRABEE ST	136	136		-136
Subtotal:	337	136	0	-337
Frances Cabrini Extension South				
929 N HUDSON AVE	68			-68
939 N HUDSON AVE	68			-68
911 N SEDGWICK ST	68			-68

Address	Planned for FY2006	Started in FY2006	Completed in FY2006	Variance (Completed in FY2006-Planned for FY2006)
Frances Cabrini Extension South (cont'd)				
923 N SEDGWICK ST	68			-68
412 W CHICAGO AVE	65			-65
911 N HUDSON AVE	65			-65
862 N SEDGWICK ST	65			-65
Subtotal:	467	0	0	-467
William Green Homes				
534 W DIVISION ST	144	144	144	0
624 W DIVISION ST	134	134	134	0
714 W DIVISION ST			134	134
Subtotal:	278	278	412	134
Governor Henry Horner Homes^				
1943 W LAKE ST	65	65		-65
Subtotal:	65	65	0	-65
Rockwell Gardens				
2517 W ADAMS ST			138	138
2515 W JACKSON BLVD		140	140	140
2450 W MONROE ST		140	140	140
Subtotal:	0	140	278	418
Robert Taylor Homes				
4429 S FEDERAL ST			158	158
5135 S FEDERAL ST	158			-158
Subtotal:	158	0	158	0

Address	Planned for FY2006	Started in FY2006	Completed in FY2006	Variance (Completed in FY2006-Planned for FY2006)
Stateway Gardens				
3651 S FEDERAL ST	230			-230
Subtotal:	230	0	0	-230
Ida B. Wells Homes				
505-11 E 38TH ST		28	28	28
504-10 E 38TH ST		34	34	34
605-21 E 37TH PL			10	
610-16 E 37TH PL			4	4
620-36 E 37TH PL			12	12
3841-3859 S RHODES AVE	12			-12
505/509 E 38TH PL	12			-12
500-510 E 39TH ST	6			-6
512-20 E 39TH ST/511-521 E 38TH PL	12			-12
521 E 38TH ST/520 E 38TH PL	29			-29
522-530 E 39TH ST/523-531 E 38TH PL	12			-12
530 E 38TH PL/527-535 E 38TH ST	30			-30
532-542 E 39TH ST	6			-6
533/537 E 38TH PL	12			-12
537-545 E 38TH ST/560 E 38TH PL	30			-30
539-547 E 38TH PL/544-552 E 39TH ST	12			-12
555/565 E 37TH PL	12			-12
3702-3708 S VINCENNES AVE	4			-4
3710-3726 S VINCENNES AVE	12			-12
3728-3734 S VINCENNES AVE	4			-4
3808/ 3814/ 3820 S VINCENNES AVE/ 561 E 38TH ST	30			-30
3840-3858 S VINCENNES AVE	12			-12
531-541 E 37TH ST	6			-6

Address	Planned for FY2006	Started in FY2006	Completed in FY2006	Variance (Completed in FY2006-Planned for FY2006)
Ida B. Wells Homes (cont'd)				
548/552 E 38TH ST	12			-12
549-557 E 38TH PL/ 554-562 E 39TH ST	12			-12
559-569 E 37TH ST	6			-6
3742/ 3748/ 3756 S VINCENNES/556 E 38TH ST/ 571 E 37TH PL	30			-30
559/ 563 E 38TH PL	12			-12
564-570 E 39TH ST	4			-4
3709-3725 S RHODES AVE	10			-10
501 E 37TH ST	6			-6
504/508 E 37TH PL	12			-12
510-516 E 37TH PL/ 515-521 E 37TH ST	10			-10
512-520 E 38TH ST/515 E 37TH PL	36			-36
518-524 E 37TH PL/ 523-529 E 37TH ST	10			-10
526/530 E 37TH PL	12			-12
526-534 E 38TH ST/527 E 37TH PL	30			-30
532-538 E 37TH PL/ 543-559 E 37TH ST	10			-10
536 E 38TH ST/549 E 37TH PL	30			-30
548/552 E 37TH PL	12			-12
551-557E 37TH ST/540-546 E 37TH PL	9			-9
554-560 E 37TH PL/ 571-577 E 37TH ST	10			-10
562-568 E 37TH PL/ 579-585 E 37TH ST	10			-10
570/574 E 37TH PL	12			-12
587-597 E 37TH ST	6			-6
409-421 E 37TH ST	24			-24
408-470 E 39TH ST	24			-24
3707/3711 S DR MARTIN LUTHER KING DR	16			-16
3715-3721 S DR MARTIN LUTHER KING DR	32			-32
3723-31 S DR MARTIN LUTHER KING DR	40			-40
3733-3741 S DR MARTIN LUTHER KING DR	40			-40

Address	Planned for FY2006	Started in FY2006	Completed in FY2006	Variance (Completed in FY2006-Planned for FY2006)
Ida B. Wells Homes (cont'd)				
3743-3751 S DR MARTIN LUTHER KING DR	40			-40
3753-3761 S DR MARTIN LUTHER KING DR	40			-40
3801-3809 S DR MARTIN LUTHER KING DR	48			-48
3811-3821 S DR MARTIN LUTHER KING DR	32			-32
3823 S DR MARTIN LUTHER KING DR	40			-40
3833-3841 S DR MARTIN LUTHER KING DR	40			-40
3843-3849 S DR MARTIN LUTHER KING DR	32			-32
3848-3852 S VERNON AVE	16			-16
3709-25 S VINCENNES AVE			10	10
Subtotal:	1,018	62	98	-930
Ida B. Wells Extension				
540 E 36TH ST	65			-65
574 E 36TH ST	65			-65
559 E BROWNING AVE	65			-65
511 E BROWNING AVE	65			-65
527 E BROWNING AVE	65			-65
575 E BROWNING AVE	65			-65
Subtotal:	390	0	0	-390
Wentworth Gardens^				
234-250 W 39TH ST		9	9	9
3840-50 S WENTWORTH AVE		6	6	6
3816-20 & 3834-38 S WENTWORTH AVE		6	6	6
3738-42 & 3756-60 S WENTWORTH AVE		6	6	6
3718-28 S WENTWORTH AVE		6	6	6
235-251 W 37TH ST		9	9	9
Subtotal:	0	42	42	42
Grand Totals	3,145	1,075	1,378	-1,637

^ Footnotes

Jane Addams Homes: Subject to state historic preservation requirements.

Governor Henry Horner Homes: Subject to Agreed Order requirements.

Frances Cabrini Extension North: Subject to Consent Decree requirements.

Washington Park Low-Rises: The revitalization plan for this development includes both rehabilitation and redevelopment.

APPENDIX G: DISPOSITION FY2006

Property Disposition Activity FY2006					
Development	Northern Boundary	Southern Boundary	Eastern Boundary	Western Boundary	Type of Disposition
Governor Henry Horner Homes	Lake Street	Washington Boulevard	Wood Street	Wolcott Avenue	Ground Lease
Rockwell Gardens Sub Phase A and B	Adams Street	Van Buren Street	Western Avenue	Campbell Street	Ground Lease

Scattered Site/Non-Dwelling Property Disposition Activity FY2006			
Development/Region	Address		Type of Disposition
Fountainview	3718-28 W. Douglas Blvd		Ground Lease

APPENDIX H: CAPITAL EXPENDITURES FY2006

CHICAGO HOUSING AUTHORITY
BUDGET VS ACTUAL VARIANCE ANALYSIS
YEAR ENDED DECEMBER 31, 2006 CAPITAL EXPENSES (UNAUDITED)

CAPITAL EXPENDITURES ANALYSIS

The overall budget for the Capital Program is \$233.6 million for FY2006 versus actual expenses of \$173.5 million. The overall positive variance for the Capital Program is \$58.1 million (24.96%).

FOOTNOTES:

(1) **Category 1 Existing Developments** – The YTD expenditures for Category 1 are \$9.6 million (64.0%) under budget. Key elements of the variances are as follows:

Hilliard – The \$3.0 million positive variance is due to a prior year actual for \$2.7 million that reversed during the current year impacting the year end expenditures.

Fountain View – The \$1.4 million positive variance is primarily due to the timing of the construction draws payout being later than anticipated. Funds are anticipated to be disbursed first quarter of 2007.

Cabrini Homes Ext. – The \$3.3 million positive variance is due to delays in the projected close, which is anticipated for the first quarter 2007, and demolition delays due to relocation and the consent decree issues at Cabrini.

ABLA – The \$0.8 million negative variance is primarily due to payment from Habitat for the purchase of land to be used in the development for ABLA Phase II.

Madden Park/Wells – The \$7.1 million positive variance is primarily due to a revised closing schedule for Phase II Oakwood Shores, which is estimated for the third quarter 2007. Also, relocation issues delayed demolition activity in the fourth quarter.

Lake Park Crescent – The \$2.8 million positive variance is primarily due to the timing of construction draws being submitted later than anticipated.

(2) **Category 2 Senior Housing** – The \$6.6 million positive variance is due to an increase in the budget during the fourth quarter to fund year-end capital activity for Senior Housing; delays in closing out senior buildings contracts and finalizing change orders.

(3) **Category 3 Scattered Sites** – The \$3.9 million in positive variance is due to relocation issues with ADA-related buildings which impacted the construction schedule for ADA units during the fourth quarter.

(4) **Category 4 Non 202 Family Properties** – The year-to-date expenditures for Category 4 are \$43.4 million (18.3%) under YTD budget. Key Elements of the variances are as follows:

Category Wide – The \$3.6 million positive variance is primarily due to contingency which is allocated to various Category 4 Non 202 Family Properties when construction needs arise.

Washington Park – The \$0.8 million positive variance is primarily due to relocation issues and delays in construction activities as a result of the termination of Blindeman Construction contract.

Wentworth Homes – The \$3.5 million positive variance is primarily due to year-to-date projected spending being lower than anticipated at Wentworth Homes. Construction activity will continue in FY2007.

Lowden – The \$1.0 million positive variance is primarily due to delays in finalizing change orders and adjusting the budget based on year-end capital accruals. The 34 units in Phase 3 for this development were completed.

(5) **Category 5 202 Family Properties** – The year-to-date expenditures for Category 5 are \$90.9 million (8.8%) under budget. Key elements of the variances are as follows:

Category Wide – The \$2.1 million positive variance is primarily due to contingency which is allocated to various Category 5 202 Family Properties when construction needs arise.

Altgeld Gardens/Phillip Murray – The \$3.0 million positive variance is due to funds allocated during the fourth quarter to fund anticipated acceleration of construction activities at Altgeld Gardens.

Harold Ickes Homes – The \$1.8 million positive variance is primarily due to delays in construction activities through the fourth quarter. Construction activities will continue in 2007.

Rockwell Gardens – The \$1.1 million positive variance is primarily due to delays in construction activities for Rockwell.

Trumbull Park – The \$5.0 million negative variance is due to an increase in expenses resulting from the acceleration of construction activities at Trumbull Park.

Robert Taylor Homes – The \$2.1 million positive variance is primarily due to timing of construction draws for Taylor A1, which commenced in August of 2006, and relocation issues which delayed demolition activity.

Stateway Gardens – The \$3.3 million positive variance is primarily due to timing of construction draws submitted for payment by the development for Stateway IB-Park Blvd. Also, relocation issues delayed demolition activities during the fourth quarter.

Cabrini Ext. South William Green Homes – The \$2.3 million positive variance is primarily due to relocation issues which delayed demolition activity through the fourth quarter. Demolition activity is anticipated to commence first quarter 2007.

(6) **City/State** – The \$0.6 million negative variance is primarily due to installation of window work at Loomis Courts.

(7) **Total Operations** – The year-to-date expenditures for Total Operations are \$23.3 million (34.9%) under budget. Key elements of the variance are as follows:

Development Management (Administrative) – The \$1.1 million positive variance is due to less than anticipated expenses for personnel through vacant positions and consulting services during FY2006.

Development Management (Remediation) – The \$2.4 million positive variance is primarily due to less than anticipated remediation activity for Category 1 and specific developments in Category 5.

Interest/Principal – The \$2.0 million positive variance is due to an adjustment which is necessary to recognize the portion of capital dollars that were used to refinance the bonds in June of 2006 to fund the interest payments.

Make Ready – The \$6.5 million positive variance is due to less than anticipated make ready activity at Dearborn and Ickes Homes, and less than planned usage of Temporary Relocation Resource Units (TRRU).

**CHICAGO HOUSING AUTHORITY
BUDGET VS. ACTUAL VARIANCES
CAPITAL PROGRAMS EXPENDITURES
YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)**

	Annual Capital Budget	Actual Expenditures	Variance	%
CATEGORY 1:				
Habitat Expenses	\$ -	\$ -	\$ -	
Hilliard	5,503,649	2,471,415	3,032,234	55.1
Fountain View (North Lawndale)	1,413,015	-	1,413,015	100.0
Henry Horner	1,361,525	1,062,432	299,093	22.0
Cabrini Homes Ext.	4,702,088	1,376,279	3,325,809	70.7
ABLA	1,476,276	2,373,215	(896,939)	(60.8)
Madden Park/Wells	7,976,063	896,818	7,079,245	88.8
Lake Park Crescent	2,805,878	-	2,805,878	
Drexel	1,435,003	1,435,003	-	0.0
Total	26,673,497	9,615,161	17,058,336	64.0
CATEGORY 2:				
Senior Housing	9,079,158	2,526,989	6,552,169	72.2
	9,079,158	2,526,989	6,552,169	72.2
CATEGORY 3:				
Scattered Sites	6,918,648	3,058,034	3,860,614	55.8
	6,918,648	3,058,034	3,860,614	55.8
CATEGORY 4:				
Category Wide	3,597,650	-	3,597,650	100.0
Lake Parc	493,288	121,774	371,514	75.3
Washington Park	6,683,178	5,824,902	858,277	12.8
Lawndale Gardens	135,984	1,296	134,688	99.0
Bridgeport	2,232,425	2,103,204	129,221	5.8
Wentworth Homes	32,870,243	29,300,088	3,570,155	10.9
Lowden Homes	7,085,547	6,045,215	1,040,332	14.7
Total	53,133,774	43,396,479	9,737,295	18.3
CATEGORY 5:				
Category Wide	2,068,636	-	2,068,636	100.0
Altgeld Gardens/Phillip Murray	42,333,299	39,335,309	2,997,990	7.1
Deaborn Homes	1,169,205	837,454	331,751	28.4
Harold Ickes Homes	2,773,359	919,647	1,853,712	66.8
Rockwell Gardens	11,172,341	10,029,454	1,142,887	10.2
Trumbull Park	20,651,383	25,701,244	(5,049,861)	(24.5)
Robert Taylor Homes A	13,312,768	11,214,293	2,098,475	15.8
Stateway Gardens	4,470,616	1,198,126	3,272,490	73.2
Cabrini Ext. South William Green Homes	4,021,308	1,681,116	2,340,192	58.2
Total	101,972,915	90,916,641	8,987,638	8.8
CITY/STATE:				
City/State	-	629,869	(629,869)	-
	-	629,869	(629,869)	-
OPERATIONS:				
Capital Construction (Administrative)	2,453,968	2,194,754	259,214	10.6
Development Management (Administrative)	3,623,699	2,484,611	1,139,088	31.4
Development Management (Remediation)	10,648,990	8,257,417	2,391,573	22.5
Other Administrative Costs	767,737	541,932	225,805	29.4
Interest/Principal	9,051,197	7,023,448	2,027,749	22.4
Make Ready	9,262,472	2,811,887	6,450,585	69.6
Total	35,808,063	23,314,049	12,494,013	34.9
GRAND TOTAL	\$ 233,586,055	\$ 173,457,223	\$ 58,060,195	24.9

**CHICAGO HOUSING AUTHORITY
 COMBINED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 AND CAPITAL EXPENDITURES - BUDGET VS. ACTUAL
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 YEAR ENDED DECEMBER 31, 2006 UNAUDITED)**

	Annual Budget	YTD Budget	Actual	Positive (Negative)	%
OPERATING REVENUES:					
Tenant Rent	\$ 32,956,376	\$ 33,960,799	\$ 35,246,383	\$ 2,290,007	6.9
Intergovernmental subsidized rent (HUD)	1,593,315	6,196,330	1,446,917	(146,398)	(9.2)
Administrative Fees	27,388,764	24,234,867	27,769,175	380,411	1.4
Other Revenue	3,274,966	439,081	4,618,434	1,343,468	41.0
Total Operating Revenues (1)	65,213,421	64,831,077	69,080,910	3,867,489	5.9
OPERATING EXPENSES:					
Administrative	102,511,601	83,648,011	92,123,842	10,387,759	10.1
Tenant Services	65,550,404	64,074,066	54,309,662	11,240,742	17.1
Utilities	52,475,305	46,488,111	48,650,916	3,824,389	7.3
Maintenance	70,757,943	98,066,579	71,711,954	(954,011)	(1.3)
Protective Services	28,137,883	24,775,958	29,149,705	(1,011,822)	(3.6)
General Expense	9,364,375	33,532,607	2,460,179	6,904,196	73.7
Depreciation	-	-	120,750,530	(120,750,530)	(100.0)
Total Operating Expenses (2)	328,797,511	350,585,332	419,156,789	(90,359,278)	(27.5)
NET OPERATING (LOSS)	(263,584,090)	(285,754,255)	(350,075,879)	94,226,766	
NON-OPERATING REVENUES:					
Intergovernmental Revenue (HUD)	678,329,053	562,791,864	622,752,909	(55,576,144)	(8.2)
Intergovernmental Revenue (Other)	4,516,218	7,093,669	1,749,171	(2,767,047)	(61.3)
Non-Intergovernmental Revenue	476,779	1,395,046	296,954	(179,825)	(37.7)
Other Non-Operating Revenue	-	-	185,000	185,000	100.0
Investment Income	3,400,000	1,104,000	13,341,303	9,941,303	292.4
Total Non-operating Revenues (3)	686,722,050	572,384,579	638,325,337	(48,396,713)	(7.0)
NON-OPERATING EXPENSES:					
Interest Expense	35,545,442	15,348,456	17,168,046	18,377,396	51.7
Housing Assistance Payments (Section 8)	352,565,477	264,134,121	332,585,078	19,980,399	5.7
Loss on Disposition of Assets	-	-	4,611,050	4,611,050	100.0
Bond Issuance Cost Amortization	-	264,134,121	566,257	(566,257)	(100.0)
Total Non-operating Expenses (4)	388,110,919	279,482,577	354,930,431	42,402,588	10.93
NET NON-OPERATING (REVENUE)	298,611,131	292,902,002	283,394,906	(90,799,301)	(30.4)
INCOME (LOSS) BEFORE CONTRIBUTIONS	35,027,041	7,147,747	(66,680,973)	3,427,465	9.8
Intergovernmental Capital Contributions (HUD and Other) (5)	128,590,013	166,338,535	125,184,478	(3,405,535)	(2.6)
CHANGE IN NET ASSETS	163,617,054	173,486,282	58,503,504	21,930	0.0
Capital Debt Proceeds (Revenue Bonds)	33,443,104	97,827,592	24,762,094	(8,681,010)	(26.0)
CHANGE IN NET ASSETS AND CAPITAL DEBT PROCEEDS	197,060,158	271,313,874	83,265,598	(8,659,081)	(4.4)
CAPITAL EXPENDITURES:					
Fees and Costs	11,428,625	19,405,454	6,614,364	4,814,261	42.1
Equipment	3,756,206	2,757,290	2,828,150	928,056	24.7
Site Improvements	10,530,516	378,301	7,342,237	3,188,279	30.3
Dwelling structures	151,493,852	212,844,819	105,751,739	45,742,113	30.2
Non-dwelling structures	156,162	529,650	93,666	62,496	40.0
Receiver Fees	-	-	-	-	-
Contingency	5,427,081	21,395,258	-	5,427,081	100.0
Demolition	14,267,716	14,003,102	7,863,316	6,404,400	44.9
Total Capital Expenditures (6)	197,060,158	271,313,874	130,493,472	66,566,686	33.8
NET INCOME (LOSS) BEFORE ADJUSTMENTS:		(173,486,282)	\$ (47,227,874)		
Adjustments for Non-Budgeted Items:					
Depreciation			120,750,530		
Bond Issuance Cost Amortization			566,257		
Other Non-Operating Revenue			(185,000)		
Loss on Disposition of Assets			4,611,050		
Total Non-Budgeted Items			125,742,838		
TOTAL NET BUDGETED REVENUE (7)			\$ 78,514,963		

APPENDIX I: FINANCIAL STATEMENTS

CHICAGO HOUSING AUTHORITY COMBINED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS AND CAPITAL EXPENDITURES - BUDGET VS. ACTUAL PROPRIETARY FUND TYPE - ENTERPRISE FUND YEAR ENDED DECEMBER 31, 2006 UNAUDITED)

	Annual Budget	YTD Budget	Actual	Positive (Negative)	%
OPERATING REVENUES:					
Tenant Rent	\$ 32,956,376	\$ 33,960,799	\$ 35,246,383	\$ 2,290,007	6.9
Intergovernmental subsidized rent (HUD)	1,593,315	6,196,330	1,446,917	(146,398)	(9.2)
Administrative Fees	27,388,764	24,234,867	27,769,175	380,411	1.4
Other Revenue	3,274,966	439,081	4,618,434	1,343,468	41.0
Total Operating Revenues (1)	65,213,421	64,831,077	69,080,910	3,867,489	5.9
OPERATING EXPENSES:					
Administrative	102,511,601	83,648,011	92,123,842	10,387,759	10.1
Tenant Services	65,550,404	64,074,066	54,309,662	11,240,742	17.1
Utilities	52,475,305	46,488,111	48,650,916	3,824,389	7.3
Maintenance	70,757,943	98,066,579	71,711,954	(954,011)	(1.3)
Protective Services	28,137,883	24,775,958	29,149,705	(1,011,822)	(3.6)
General Expense	9,364,375	33,532,607	2,460,179	6,904,196	73.7
Depreciation	-	-	120,750,530	(120,750,530)	(100.0)
Total Operating Expenses (2)	328,797,511	350,585,332	419,156,789	(90,359,278)	(27.5)
NET OPERATING (LOSS)	(263,584,090)	(285,754,255)	(350,075,879)	94,226,766	
NON-OPERATING REVENUES:					
Intergovernmental Revenue (HUD)	678,329,053	562,791,864	622,752,909	(55,576,144)	(8.2)
Intergovernmental Revenue (Other)	4,516,218	7,093,669	1,749,171	(2,767,047)	(61.3)
Non-Intergovernmental Revenue	476,779	1,395,046	296,954	(179,825)	(37.7)
Other Non-Operating Revenue	-	-	185,000	185,000	100.0
Investment Income	3,400,000	1,104,000	13,341,303	9,941,303	292.4
Total Non-operating Revenues (3)	686,722,050	572,384,579	638,325,337	(48,396,713)	(7.0)
NON-OPERATING EXPENSES:					
Interest Expense	35,545,442	15,348,456	17,168,046	18,377,396	51.7
Housing Assistance Payments (Section 8)	352,565,477	264,134,121	332,585,078	19,980,399	5.7
Loss on Disposition of Assets	-	-	4,611,050	4,611,050	100.0
Bond Issuance Cost Amortization	-	264,134,121	566,257	(566,257)	(100.0)
Total Non-operating Expenses (4)	388,110,919	279,482,577	354,930,431	42,402,588	10.93
NET NON-OPERATING (REVENUE)	298,611,131	292,902,002	283,394,906	(90,799,301)	(30.4)
INCOME (LOSS) BEFORE CONTRIBUTIONS	35,027,041	7,147,747	(66,680,973)	3,427,465	9.8
Intergovernmental Capital Contributions (HUD and Other) (5)	128,590,013	166,338,535	125,184,478	(3,405,535)	(2.6)
CHANGE IN NET ASSETS	163,617,054	173,486,282	58,503,504	21,930	0.0
Capital Debt Proceeds (Revenue Bonds)	33,443,104	97,827,592	24,762,094	(8,681,010)	(26.0)
CHANGE IN NET ASSETS AND CAPITAL DEBT PROCEEDS	197,060,158	271,313,874	83,265,598	(8,659,081)	(4.4)
CAPITAL EXPENDITURES:					
Fees and Costs	11,428,625	19,405,454	6,614,364	4,814,261	42.1
Equipment	3,756,206	2,757,290	2,828,150	928,056	24.7
Site Improvements	10,530,516	378,301	7,342,237	3,188,279	30.3
Dwelling structures	151,493,852	212,844,819	105,751,739	45,742,113	30.2
Non-dwelling structures	156,162	529,650	93,666	62,496	40.0
Receiver Fees	-	-	-	-	-
Contingency	5,427,081	21,395,258	-	5,427,081	100.0
Demolition	14,267,716	14,003,102	7,863,316	6,404,400	44.9
Total Capital Expenditures (6)	197,060,158	271,313,874	130,493,472	66,566,686	33.8
NET INCOME (LOSS) BEFORE ADJUSTMENTS:		(173,486,282)	\$ (47,227,874)		
Adjustments for Non-Budgeted Items:					
Depreciation			120,750,530		
Bond Issuance Cost Amortization			566,257		
Other Non-Operating Revenue			(185,000)		
Loss on Disposition of Assets			4,611,050		
Total Non-Budgeted Items			125,742,838		
TOTAL NET BUDGETED REVENUE (7)			\$ 78,514,963		

**CHICAGO HOUSING AUTHORITY
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)**

	GENERAL		CITY STATE		HOUSING CHOICE	OTHER GRANT	Total
	FUND	HOPE VI	HOUSING	SECTION 8 PRGM	VOUCHERS	PROGRAMS	
OPERATING REVENUES:							
Tenant rent	\$ 34,446,296	\$ -	\$ 800,087	\$ -	\$ -	\$ -	35,246,383
Intergovernmental subsidized rent (HUD)	-	-	1,446,917	-	-	-	1,446,917
Other Tenant Revenue	323,367	-	6,080	-	-	9,587	339,034
Administrative fees	-	-	-	27,769,175	-	-	27,769,175
Other revenue	1,042,017	-	-	26,747	-	3,210,636	4,279,400
Total Operating Revenues	35,811,680	-	2,253,084	3,220,223	3,220,223	3,220,223	69,080,909
OPERATING EXPENSES:							
Administrative	77,416,452	155,798	318,138	11,953,736	2,279,718	2,279,718	92,123,842
Tenant Services	8,516,054	2,649,213	24,072	40,947,253	2,173,070	2,173,070	54,309,662
Utilities	48,242,419	-	408,497	-	-	-	48,650,916
Ordinary Maintenance	70,432,154	-	933,247	13,565	332,988	332,988	71,711,954
Protective services	28,863,135	-	286,570	-	-	-	29,149,705
General Expense	2,720,553	-	334,847	(878,770)	283,549	283,549	2,460,179
Depreciation	120,742,214	-	4,349	-	3,967	3,967	120,750,530
Total Operating Expenses	356,932,981	2,805,011	2,309,720	52,035,784	5,073,292	5,073,292	419,156,788
NET OPERATING LOSS	(321,121,301)	(2,805,011)	(56,636)	(48,815,561)	(1,853,069)	(1,853,069)	(350,075,879)
NON-OPERATING REVENUES:							
Intergovernmental Revenue (HUD)	159,048,243	2,798,425	-	460,112,781	793,460	793,460	622,752,909
Intergovernmental (Other)	-	-	-	-	1,749,171	1,749,171	1,749,171
Non-Intergovernmental Revenue	-	-	-	-	296,954	296,954	296,954
Other Non-Operating Revenue	-	-	-	-	185,000	185,000	185,000
Gain on Disposition of Assets	-	-	-	-	-	-	-
Investment Income	4,401,836	-	9,518	8,585,698	344,251	344,251	13,341,303
Total Non-Operating Revenues	163,450,079	2,798,425	9,518	468,698,479	3,368,836	3,368,836	638,325,337
NON-OPERATING EXPENSES:							
Interest Expense	17,168,046	-	-	-	-	-	17,168,046
Loss on Disposition of Assets	4,611,050	-	-	-	-	-	4,611,050
Housing Assistance Payments (Section 8)	-	-	-	332,585,078	-	-	332,585,078
Bond Issuance Cost Amortization	566,257	-	-	-	-	-	566,257
Total Non-Operating Expenses	22,345,353	-	-	332,585,078	-	-	354,930,431
NET NON-OPERATING (REVENUE)	141,104,726	2,798,425	9,518	136,113,401	3,368,836	3,368,836	283,394,906
INCOME (LOSS) BEFORE CONTRIBUTIONS	(180,016,575)	(6,586)	(47,118)	111,873,539	1,515,767	1,515,767	-66,680,973
Intergovernmental Capital Contributions (HUD and Other)	98,052,346	27,132,132	-	-	-	-	125,184,478
CHANGE IN NET ASSETS	(81,964,229)	27,125,546	(47,118)	111,873,539	1,515,767	1,515,767	58,503,505
Capital Debt Proceeds (Revenue Bonds)	24,762,094	-	-	-	-	-	24,762,094
CHANGE IN NET ASSETS AND CAPITAL DEBT PROCEEDS	(57,202,135)	27,125,546	(47,118)	111,873,539	1,515,767	1,515,767	83,265,599
CAPITAL EXPENDITURES:							
Fees and Costs	368,361	6,246,003	-	-	-	-	6,614,364
Equipment	2,828,150	-	-	-	-	-	2,828,150
Site Improvements	620,350	6,721,887	-	-	-	-	7,342,237
Dwelling structures	34,136,429	71,615,310	-	-	-	-	105,751,739
Non-dwelling structures	-	93,666	-	-	-	-	93,666
Receiver Fees	-	-	-	-	-	-	0
Contingency	-	-	-	-	-	-	-
Demolition	-	7,834,757	-	-	-	28,558	7,863,316
Total Capital Expenditures	37,953,290	92,511,624	-	-	-	28,558	130,493,472
NET INCOME (LOSS) BEFORE ADJUSTMENTS:	(95,155,425)	(65,386,078)	(47,118)	111,873,539	1,487,209	1,487,209	(47,227,874)
ADJUSTMENTS FOR NON-BUDGETED ITEMS:							
DEPRECIATION	120,742,214	-	4,349	-	3,967	3,967	120,750,530
BOND ISSUANCE COST AMORTIZATION	566,257	-	-	-	-	-	566,257
OTHER NON-OPERATING REVENUE	-	-	-	-	(185,000)	(185,000)	(185,000)
GAIN ON DISPOSITION OF ASSETS	4,611,050	-	-	-	-	-	4,611,050
TOTAL NET REVENUE (LOSS)	\$ 30,764,096	\$ (65,386,078)	\$ (42,769)	\$ 111,873,539	\$ 1,306,176	\$ 1,306,176	\$ 78,514,963

CHICAGO HOUSING AUTHORITY
PROPRIETARY FUND TYPE - ENTERPRISE FUND
STATEMENTS OF NET ASSETS
AS OF DECEMBER 31, 2006 AND 2005 (UNAUDITED)

	<u>2006</u>	<u>2005</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents, Unrestricted	\$ 67,197,918	\$ 63,853,146
Cash and Cash Equivalents, Restricted	4,719,846	15,684,856
Investments at Fair Value, Unrestricted	148,459,213	161,951,043
Tenant Accounts Receivable, Net of Allowance	1,312,475	1,210,079
Intergovernmental Receivable (HUD)	50,188,843	47,047,614
Intergovernmental Receivable (Other), Net of Allowance	465,818	3,753,710
Miscellaneous Receivable	1,232,286	1,211,674
Interest Receivable, Current Portion	1,564,016	1,384,401
Notes and Mortgages Receivable, Current Portion	149,689	144,161
Prepaid Expenses	5,354,146	3,644,036
Advances to Resident and Private Managers	55,039	55,039
Total Current Assets	<u>280,699,289</u>	<u>299,939,759</u>
Noncurrent Assets:		
Cash and Cash Equivalents, Restricted	2,038,134	2,364,870
Investments at Fair Value, Restricted	293,555,305	54,508,839
Pension Benefit Asset, Restricted	7,856,292	7,926,260
Notes and Mortgages Receivable, Net of Current Portion	173,051,663	143,722,520
Interest Receivable	8,990,866	5,423,935
Other Noncurrent Assets	3,828,219	2,448,119
Land, Structures & Equipment, Net of Accumulated Depreciation	1,359,728,720	1,297,578,622
Total Noncurrent Assets	<u>1,849,049,199</u>	<u>1,513,973,165</u>
TOTAL ASSETS	<u>\$ 2,129,748,488</u>	<u>\$ 1,813,912,924</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts Payable	\$ 29,191,431	\$ 24,295,814
Intergovernmental Payable (HUD)	428,267	286,128
Accrued Wages & Payroll Taxes	792,278	1,121,629
Accrued Compensated Absences	1,338,148	1,314,520
Accrued Interest Payable	7,044,352	7,698,913
Accrued Liabilities	67,697,312	85,817,011
Tenant Security Deposits	1,157,890	1,167,685
Deferred Revenue	10,944,041	4,454,334
Insurance Reserves, Current Portion	4,842,630	7,541,943
Capital Lease Obligations, Current Portion	525,995	342,396
Current Maturities, Long-Term Debt and Current Portion of Net Unamortized Bond Premium	25,519,827	4,449,978
Other Current Liabilities	24,036,060	24,715,825
Total Current Liabilities	<u>173,518,231</u>	<u>163,206,176</u>
Noncurrent Liabilities:		
Family Self-Sufficiency Liability	2,038,134	2,364,870
Insurance Reserves, Net of Current Portion	20,557,430	22,607,356
Capital Lease Obligations, Net of Current Portion	64,875,966	41,602,372
Long-Term Debt, Net of Current Maturities and Current Portion of Net Unamortized Bond Premium	293,697,612	341,406,015
Other Noncurrent Liabilities	280,176,983	6,329,163
Total Noncurrent Liabilities	<u>661,346,125</u>	<u>414,309,776</u>
Total Liabilities	834,864,356	577,515,952
Net Assets:		
Invested in Capital Assets, Net of Related Debt	1,027,077,818	991,067,239
Restricted for:		
Capital Projects and Demolition Grants	4,248,810	7,720,799
Pension Benefit Asset		7,926,260
Unrestricted	263,557,504	229,682,674
Total Net Assets	<u>1,294,884,132</u>	<u>1,236,396,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,129,748,488</u>	<u>\$ 1,813,912,924</u>

The notes to the basic financial statements are an integral part of these statements.

CHICAGO HOUSING AUTHORITY
COMBINED SCHEDULE OF REVENUES AND EXPENSES
BUDGET VS. ACTUAL VARIANCE ANALYSIS
ALL PROGRAMS
YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)

Total FY2006 Budgeted Expenses were \$913.9 million versus actual expenses of \$901.9 million for the fiscal year. Major variances in revenue and expenses were due to (1) greater than budgeted revenues received from Other Income Sources; (2) less than projected spending for the Summer Food Grant Program; 3) less than anticipated spending for CHA wide administrative salaries and consultant fees for Information Technology Services initiatives; and 4) delays in scheduled rehabilitation and revitalization work.

FOOTNOTES:

(1) **Total Operating Revenues** - The CHA has the flexibility to combine all Operating, Capital, and Housing Choice Voucher (HCV) grants into the General Fund (Operating, Capital, and HCV). The combined funds can be used for any MTW-related purpose. Total FY2006 Operating Revenues are \$3.9 million over budget. The major elements of the operating revenue budget variance are as follows:

Tenant Rent. The positive variance of \$2.3 million (6.9%) is the result of the recognition of rental income from the mixed income properties.

Intergovernmental Subsidized Rent (HUD). The negative variance of \$146,398 (9.2%) is due to a slight decrease in the projected occupied unit count from 251 to an average of 211.

Other Revenue. The \$1.3 million (41.0%) positive variance is due to an increase in revenue received from other income sources which are comprised of Legal Settlements, Non-Federal Miscellaneous receipts and Other Tenant Revenue.

(2) **Total Operating Expenses** - Total Operating Expenses are \$90.4 million over budget. The items that make up these variances are as follows:

Administrative. The \$10.4 million (10.1%) positive variance is due to less than anticipated spending for CHA wide administrative salaries and consultant fees for Information Technology Services initiatives.

Tenant Services. The \$11.3 million (17.1%) positive variance is due to timing issues related to the billing of Relocation and Community and Supportive Services activities.

Utilities. The positive variance of \$3.8 million (7.3%) is due to electricity and gas rates and consumption being less than anticipated.

Protective Services. The \$1.0 million (3.6%) negative variance is due to unbudgeted security contract services provided at various CHA developments to secure buildings during the rehabilitation of CHA units.

General Expense. The \$6.9 million (73.7%) positive variance is attributed to lower than projected administrative salaries and benefits.

Depreciation. This non-cash expense is not included in the annual budget.

(3) Total Non-operating Revenues - Total FY2006 Non-Operating Revenues are \$48.4 million under budget and is comprised of the following:

Intergovernmental Revenue (HUD). The \$55.6 million (8.2%) negative variance is a result of differences between planned versus actual “soft” revenue recognized for Capital Fund and HOPE VI grant programs.

Intergovernmental (Other). The \$2.8 million (61.3%) negative variance is due to a reduction in spending for the Summer Food Grant Program due to CHA building closures.

Non-Intergovernmental Revenue. The negative variance of \$179,825 (37.7%) is due to unrecognized revenue from the award of a MacArthur Foundation Grant for urban planning at Dearborn and Ickes Homes.

Other Non-Operating Revenues. The \$185,000 (100.0%) positive variance is due to an unbudgeted insurance settlement (Aaron Case) received for Altgeld Gardens.

Investment Income. The \$9.9 million (292.4%) positive variance is due to a higher portfolio and yield rate returns. The increased cash and investment balance is due to lower capital spending and additional funds received from the refunding of the 2001 Capital Revenue Bonds.

(4) Total Non-operating Expenses - Total Non-Operating Expenses are \$42.4 million under budget. The key factors of the non-operating expense budget variances are as follows:

Interest Expense. The \$18.4 million (51.7%) positive variance is the result of the budgeted \$31.7 million Bond principal payment; but due to the defeasance and refinance, the entire debt of \$291 million was paid off.

Housing Assistance Payments (HAP). The \$19.9 million (5.7%) positive variance is a result of the actual number of leased units for HCV, Mod Rehab and 11B programs (38,218) being slightly lower than the budgeted amount (38,948).

Loss on Disposition of Assets. This expense line item is not included in the annual budget

Bond Issuance Cost Amortization. This expense line item is not included in the annual budget.

- (5) **Intergovernmental Capital Contributions (HUD and Other)** - Total FY2006 Intergovernmental Capital Contributions are \$3.4 million (2.6%) under budget. The negative variance reflects less than anticipated capital contributions received for the year due to delays in scheduled rehabilitation and revitalization work.
- (6) **Total Capital Expenditures** - Total Non-Operating Capital Expenses are \$66.5 million (33.8%) under budget. Major components of the non-operating capital expense budget variances are located in the (Capital Section) of the Annual Report.
- (7) **Total Net Budgeted Revenue** - The Net Budgeted Revenue of \$78.5 million is primarily due to a compilation of other income sources, the recognition of rental income from the mixed-income properties, and more than anticipated interest income received from the refunding and investment of bond proceeds.

CHA RESERVES BALANCE

The CHA has adequate reserves to support operations in FY2007.

Reserve Type	Reserve Balance
Moderate Rehabilitation Program Reserve	\$318,788
Substantial Rehabilitation 11B Program Reserve	\$702,020
Section 8 Voucher Program Main Stream Reserve	\$16,948
Section 8 Voucher Program Reserve	\$1,555,720

APPENDIX J: OMB CIRCULAR A-133 INDEPENDENT AUDIT

Chicago Housing Authority

Single Audit Report

Year Ended December 31, 2005

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0609-0769924

Report of Independent Auditors

The Board of Commissions
Chicago Housing Authority
Chicago, Illinois

We have audited the basic financial statements, not included herein, of the Proprietary Fund Type and Fiduciary Fund Type activities of the Chicago Housing Authority as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Chicago Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Chicago Housing Authority Employees' Retirement Plan (the Plan), which is shown as the Pension Trust Fund as of December 31, 2005. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan, is based solely on the report of the other auditors. The financial statements of the Chicago Housing Authority for the year ended December 31, 2004, were audited by other auditors whose report dated April 1, 2005, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Pension Trust Fund were not audited in accordance with *Government Auditing Standards*. We were not engaged to perform an audit of the Chicago Housing Authority's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chicago Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the 2005 financial statements referred to above present fairly, in all material respects, the respective financial position of the Proprietary Fund Type activities and the Fiduciary Fund Type activities of the Chicago Housing Authority as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2006, on our consideration of the Chicago Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Schedule of Funding Progress on pages 22 through 34 and 79 included in the Comprehensive Annual Financial Report, not included herein, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ernst + Young LLP

March 31, 2006

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Commissioners
Chicago Housing Authority
Chicago, Illinois

We have audited the financial statements of the Proprietary Fund Type and Fiduciary Fund Type activities of the Chicago Housing Authority as of and for the year ended December 31, 2005, and have issued our report thereon dated March 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Pension Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Chicago Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chicago Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Chicago Housing Authority in a separate letter dated March 13, 2006.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

March 31, 2006

Single Audit Report

0609-0769924

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

The Board of Commissioners
Chicago Housing Authority
Chicago, Illinois

Compliance

We have audited the compliance of the Chicago Housing Authority (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2005-01 through 2005-09.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005-01 through 2005-09.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2005-01, 2005-02, 2005-04, 2005-05, and 2005-08 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements, not included herein, of the Authority as of and for the year ended December 31, 2005, and have issued our report thereon dated March 31, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

August 23, 2006, except for the paragraph on
the Schedule of Expenditures of Federal Awards,
for which the date is March 31, 2006

Chicago Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2005

Federal Department Program Title	CFDA Number	Total Expenditures
10 <u>U.S. Department of Agriculture</u>		
Summer Food Service Program for Children		
Pass-through Illinois State Board of Education	10.559	\$ 2,458,584
Total U.S. Department of Agriculture		<u>2,458,584</u>
11 <u>U.S. Department of Commerce</u>		
Technology Opportunities	11.552	<u>221,664</u>
Total U.S. Department of Commerce		<u>221,664</u>
14 <u>U.S. Department of Housing and Urban Development</u>		
Section 8 Project-Based Cluster		
Lower Income Housing Assistance Program – Section 8		
Moderate Rehabilitation	14.856	8,116,749
Section 8 – Substantial Rehabilitation – City/State	14.182	5,671,561
Section 8 – Substantial Rehabilitation – Section 11b	14.182	<u>19,586,909</u>
Total Section 8 Project Based Cluster		<u>33,375,219</u>
Opportunities for Youth – Youth build Program	14.243	155,202
Employment Opportunities for Lower Income Persons and Businesses	14.412	58,996
Public and Indian Housing	14.850	312,127,347
Demolition and Revitalization of Severely Distressed Public Housing		
HOPE VI – 2002 Redevelopment Program	14.866	12,014,385
Habitat – MROP Grant	14.866	739,362
HOPE VI 2000 Demolition Grant	14.866	(371,046)
HOPE VI 2000 Demolition Grant	14.866	202,562
HOPE VI 2000 Demolition Grant	14.866	35,407
HOPE VI 2000 Demolition Grant	14.866	859
HOPE VI 2001 Demolition Grant	14.866	197,336
HOPE VI 2001 Demolition Grant	14.866	7,638
HOPE VI 2001 Demolition Grant	14.866	1,753,552
HOPE VI 2001 Demolition Grant	14.866	12,690
HOPE VI 2001 Demolition Grant	14.866	33,754
HOPE VI 2001 Demolition Grant	14.866	(27,429)
HOPE VI 2001 Demolition Grant	14.866	273,597
HOPE VI 2001 Demolition Grant	14.866	5,602
HOPE VI 2001 Demolition Grant	14.866	2,044,237
HOPE VI 2001 Revitalization Grant	14.866	380,575

Chicago Housing Authority

Schedule of Expenditures of Federal Awards (continued)

Year Ended December 31, 2005

Federal Department Program Title	CFDA Number	Total Expenditures
Demolition and Revitalization of Severely Distressed Public Housing (continued)		
HOPE VI 2001 Revitalization Grant	14.866	\$ (450,906)
HOPE VI 2000 Revitalization Grant	14.866	358,877
HOPE VI 2000 Demolition Grant	14.866	799
HOPE VI 1994 Revitalization Grant	14.866	4,175
HOPE VI 1996 Revitalization Grant	14.866	1,121,736
HOPE VI 1996 Revitalization Grant	14.866	1,127,268
HOPE VI 1996 Revitalization Grant	14.866	8,852
Total Demolition and Revitalization of Severely Distressed Public Housing		19,473,882
Resident Opportunity and Supportive Services	14.870	163,337
Section 8 Housing Choice Vouchers	14.871	369,579,686
Public Housing Capital Fund		
Public Housing Capital Fund – FY 2001	14.872	107,990
Public Housing Capital Fund – FY 2001 – RHF	14.872	250
Public Housing Capital Fund – FY 2002	14.872	1,369,220
Public Housing Capital Fund – FY 2002 – RHF	14.872	12,802,053
Public Housing Capital Fund – FY 2003	14.872	(1,646,630)
Public Housing Capital Fund – FY 2003 – RHF	14.872	22,537,911
Public Housing Capital Fund – FY 2003 – 2	14.872	12,728,269
Public Housing Capital Fund – FY 2003 – RHF	14.872	4,377,396
Public Housing Capital Fund – FY 2004 – 2	14.872	58,645,142
Public Housing Capital Fund – FY 2004 – RHF	14.872	27,227,368
Public Housing Capital Fund – FY 2004 – 2 RHF	14.872	18,235,338
Public Housing Capital Fund – FY 2005 – RHF	14.872	76,727
Public Housing Capital Fund – FY 2005	14.872	7,709,459
Total Public Housing Capital Fund		164,170,493
Total U.S. Department of Housing and Urban Development		899,104,162
16 U.S. Department of Justice		
Crime Victim Assistance		
Pass-through The Illinois Office of Attorney General	16.575	25,000
Total U.S. Department of Justice		25,000
Total Expenditures of Federal Awards		\$ 901,809,410

Chicago Housing Authority

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2005

1. Single Audit Reporting Entity

The Chicago Housing Authority (the Authority) includes expenditures in its Schedule of Expenditures of Federal Awards (the Schedule) for all federal programs administered by the same funds, agencies, boards and commissions, including component units, included in the Authority's reporting entity used for its basic financial statements.

2. Basis of Accounting

The Schedule has been presented on the accrual basis of accounting. Expenditures are recorded, accordingly, when incurred rather than when paid.

3. Categorization of Expenditures

The Schedule reflects federal expenditures for all individual grants that were active during the year. The categorization of expenditures by program included in the Schedule is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued annually. In accordance with the Authority's policy, the Schedule for the fiscal year ended December 31, 2005, reflects CFDA changes issued through August 2006.

4. Expenditures To Subrecipients

Of the federal expenditures presented in the Schedule, the Authority provided federal awards to subrecipients under the following programs during the year ended December 31, 2005:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Grant Reference No.</u>	<u>Amount Provided to Subrecipients</u>
Resident Opportunity and Supportive Services – Homeownership and Family	14.870	IL02-RNN290014	\$102,993
Opportunities for Youth – Youthbuild Program	14.243	Y01-IM-IL-0181	142,881
Telecommunications and Information Infrastructure Assistance Program	11.552	17-60-I01056	218,123

Chicago Housing Authority
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2005

Part I—Summary of Auditor’s Results

Financial Statements Section

Type of auditor’s report issued (unqualified, qualified, adverse, or disclaimer): Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Reportable condition(s) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No	
Reportable condition(s) identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None reported	

Type of auditor’s report issued on compliance for major programs (unqualified, qualified, adverse, or disclaimer): Unqualified for all major programs

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? X Yes No

Chicago Housing Authority
 Schedule of Findings and Questioned Costs (continued)
 Year Ended December 31, 2005

Part I—Summary of Auditor’s Results (continued)

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
CFDA 14.182 and CFDA 14.856 CFDA 14.850 CFDA 14.866	Section 8 Project-Based Cluster Public and Indian Housing Demolition and Revitalization of Severely Distressed Public Housing
CFDA 14.871 CFDA 14.872	Section 8 Housing Choice Vouchers Public Housing Capital Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part II—Financial Statement Findings Section

This section identifies the reportable conditions, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

There were no findings for this section.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, reportable conditions, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Finding 2005-01 Tenant Applications Incomplete and Annual Recertifications Not Present

CFDA 14.850 Public and Indian Housing

Criteria or specific requirement (including statutory, regulatory, or other citation): Based on the Housing and Urban Development (HUD) 24 CFR 960.202 Tenant Selection Policies:

“(1) The PHA shall establish and adopt written policies for admissions of tenants. (2) These policies shall provide for and include the following:

- (iii) Precluding admission of applicants whose habits and practices reasonably may be expected to have a detrimental effect on the residents or project environment;
- (iv) Objective and reasonable policies for the selection by the PHA among otherwise eligible applicants, including requirements for applications and waiting lists and for verification and documentation of information relevant to acceptance or rejection of an applicant, including documentation and verification of citizenship and eligible immigration status under 24 CFR part 5;”

Based on the Housing and Urban Development (HUD) 24 CFR 960.259 Family Information and Verification:

“(a) Family obligation to supply information.

- (1) the family must supply any information that the PHA or HUD determines is necessary in administration of the public housing program, including submission of required evidence of citizenship or eligible immigration status. “Information” includes any requested certification, release, or other documentation.
- (2) The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or an interim reexamination of family income and composition in accordance with HUD requirements.
- (3) For requirements concerning the following, see part 5, subpart B of this title:
 - i. Family verification and disclosure of social security numbers

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

(b) Family release and consent.

(1) As a condition of admission to or continued assistance under the program, the PHA shall require the family head, and such other family members as the PHA designates, to execute a consent form (...) authorizing any depository or private source of income, or any federal, state, or local agency, to furnish or release to the PHA or HUD such information as the PHA or HUD determines to be necessary.

(c) PHA responsibility for reexamination and verification.

(1) The PHA must obtain and document in the family file third-party verification of the following factors, or must document in the file why third-party verification was not available:

- (i) Reported family annual income;
- (ii) The value of assets;
- (iii) Expenses related to deductions from annual income; and
- (iv) Other factors that affect the determination of adjusted income or income-based rent.”

In accordance with 24 CFR 960.259, the Authority adopted the following Admission and Continued Occupancy Policy (section 2, E. Processing Applications for Admissions):

“(a) The following information will be verified according to the CHA Verification Procedure, to determine qualification for admission to CHA Housing:

- i. Family composition and type (i.e., elderly, nonelderly, etc.);
- ii. Annual income;
- iii. Assets and asset income;
- iv. Deductions from income;
- v. Social security numbers of all family members;
- vi. Citizenship or eligible immigration status;
- vii. Preferences;
- viii. Compliance with admissions screening criteria;
- ix. Criminal background; and
- x. History of payment of rent and utilities.

(b) Third-party written, faxed, or electronic verification is the required form of documentation. Any other form of verification requires a note to the file explaining its use.”

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Condition: The following summarizes the compliance issues that resulted from the eligibility compliance testing for the fifty (50) tenant files (25 initial eligibility and 25 recertifications) tested:

Initial Eligibility

- Seven out of 25 files were missing an initial application. There was no indication that the Private Managers had requested the application from the Occupancy Department.
- Two out of 25 files were missing a signed certification of citizenship status.
- Two out of 25 files were missing signed consents for credit/background checks.
- Five out of 25 files were missing a signed record of approval. The record of approval was in the file including the tenant name; however, the date of approval was blank, and it was not signed by an Authority representative.
- In one out of 25 files, the rent calculation did not agree with Form 50058, minus utility allowance.

Annual Recertifications

- One out of 25 files was missing all required documentation for 2005.
- Four out of 25 files were missing a current state ID or drivers license at the time of recertification.
- One out of 25 files was missing copies of social security cards for tenants on lease.
- Four out of the 25 files were missing signed certifications of citizenship status.
- One out of 25 files was missing third-party income verification.
- One out of 25 files included lease rent that did not agree with the calculation on Form 50058, minus utility allowance.
- Four out of 25 files included annual recertifications that were not completed on time.
- One out of 25 files included an allowance (dependent) which was omitted and the rent calculation was not properly calculated.

Questioned Costs: None

Context: During fiscal year 2005, the Authority reported approximately 15,700 tenants. Of this total, approximately 1,200 were senior tenants reported as moving into the Authority during fiscal year 2005.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Effect: The Authority is not in compliance with the requirements for eligibility.

Cause: The Authority's "Initial Eligibility" and "Annual Recertification" policies and procedures were not consistently followed by private housing managers. This led to circumstances cited in the finding.

Recommendation: The Authority should implement policies and procedures and internal controls for federal eligibility compliance requirements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. The Authority's Asset Management and Quality Control departments agree. However, comparing this year's findings to prior years, we believe there has been improvement in these areas.

Asset management and quality control staffs will ensure that the files listed in the findings are corrected immediately, and site staff will be mandated to conduct a complete (100%) review of all other tenant files to ascertain the need to expand the corrections.

The Authority will increase monitoring and enforcement of changes already made to improve documentation of the application, eligibility, and recertification process. In addition, CHA will continue its current, ongoing training of private housing managers to ensure their success in implementing the changes. Participation and completion of training is mandated in their operating agreements with the Authority. Private management staffs are required to complete and document certifications of resident compliance to relevant program criteria and keep tenant files current and accurate for any changes. Execution and accuracy in collecting and recording third-party verification data will be challenged and tested through on-site audits conducted by The Authority's Asset Management staff. Audit results will be communicated to private managers with a requirement for written responses of corrective action taken.

To minimize errors in rent calculation, we have implemented exception reporting in the new YARDI system to provide timely detection of unusual relationships between resident income and rent charges. Training in the generation and interpretation of the reports will be held in the fourth quarter of 2006. These risk aversion measures will be monitored by the Asset Management Division.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-02 Incomplete and Inaccurate Wait Lists

CFDA 14.850 Public and Indian Housing

Criteria or specific requirement (including statutory, regulatory, or other citation): Based on 24 CFR section 960.202 Tenant Selection Policies:

“(1) The PHA shall establish and adopt written policies for admission of tenants.

(2) These policies shall provide for and include the following:

[...]

(iv) Objective and reasonable policies for selection by the PHA among otherwise eligible applicants, including requirements for applications and waiting lists (see 24 CFR 1.4), and for verification and documentation of information relevant to acceptance or rejection of an applicant, including documentation and verification of citizenship and eligible immigration status.”

Based on 24 CFR section 982.207 *Waiting List: Local Preferences in Admission to Program:*

“(e) Verification of selection method. The method for selecting applicants from a preference category must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the administrative plan.”

24 CFR section 982.207 (e) states “Verification of selection method. The method for selecting applicants from a preference category must leave a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the administrative plan.”

Condition: Although the general wait list for families has been closed since March 2001, the site-based waiting list for senior housing is still open. A site-based waiting list for the senior-designated developments was not available as of December 31, 2005. Without a complete and accurate wait list, there is no audit trail to select applicants.

Questioned Costs: None

Context: As of the most recent available date, October 1, 2005, the Authority reported 56,803 applicants on the wait list.

Effect: The Authority cannot demonstrate that each applicant has been selected in accordance with the method specified in the administrative plan.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Cause: Internal controls and checks and balances were deficient in the previous system of records (CCS), leading to deviations from the established applicant selection policies.

Recommendation: The Authority should implement policies and procedures and internal controls to ensure wait lists are complete and accurate.

Views of Responsible Officials and Planned Corrective Actions: Agreement. The Occupancy Department believes that the ACOP, as currently adopted, has clear policies and procedures; however, they are not followed. Between the months of March and September, 2006, the Occupancy Department strengthened its ability to manage, monitor, and audit wait lists by adding additional staff to fulfill these functions and responsibilities. The Occupancy Department firmly believes that the required internal controls with sufficient checks and balances do exist in our policies and procedures as written. We also affirm our confidence that the new system of records, YARDI, will facilitate a clear audit trail in the future. With the new hires and a new software system (YARDI) in place, the Authority's Occupancy Department will increase its oversight of the existing internal control system to ensure total compliance with HUD regulations and applicable policies and procedures. The Occupancy Department is currently exercising all of the functions required to document any deviations and/or violations of applicant selection from the current wait lists.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-03 Expenses Not Supported per OMB Circular A-87 Requirements

CFDA 14.866 Demolition and Revitalization of Severely Distressed Public Housing
CFDA 14.872 Public Housing Capital Fund

Details for Questioned Costs:

Grant Number	Grant Name	Questioned Costs
IL06R00250102	Replacement Housing Factor (RHF) 2002	\$87,493
IL06R00250104	Replacement Housing Factor (RHF) 2004	\$9,784

Criteria or specific requirement (including statutory, regulatory, or other citation): OMB Circular A-133 Compliance Requirements – Allowability of Costs – General for CFDA 14.872 Public and Indian Housing, general criteria (applicable to both direct and indirect costs) states:

- “Transactions that reduce or Offset Direct or Indirect Costs - Cost must be net of all applicable credits that result from transactions that reduce or offset direct or indirect costs. Examples of such transactions include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments for overpayments or erroneous charges.”
- Costs Documentation - Costs must be documented in accordance with OMB Circular A-102 Common Rule for State, Local, and Indian Tribal Governments.”

Additionally, per OMB Circular No. 87, Attachment A – General Principles for Determining Allowable Costs, paragraph C - Basic Guidelines:

“(1) Factors affecting allowability of costs. To be allowable under federal awards, cost must meet the following general criteria...

- i. be the net of all applicable credits
- j. be adequately documented.”

Condition: Our review of 25 disbursements disclosed two errors, one expense could not be supported, and one expense was paid without withholding a required 10% construction retainer.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Questioned Costs: \$97,727

Context: Two out of 25 expenses were incorrectly charged:

- One transaction in the amount of \$87,493 did not have supporting documentation.
- One expenditure was paid and recorded without deducting the required 10% retainer amount stipulated in the Authority's contracts for construction services. The retainer amount totaled \$9,784.

The total population of expenses tested equaled \$1,133,618.

Effect: The Authority is not in compliance with the allowable cost requirements.

Cause: In processing Contractor Payment Requests, certain documentation and retention conditions are essential to meet Authority procedures and HUD program requirements. Although these pay requests are consistently reviewed and monitored (manually) at appropriate staff and management levels that successfully result in payment and retention based on established documentation criteria, in some instances exceptions do occur. At times, resolution of these infrequent occurrences may not have strictly followed established procedures to the letter; but, did meet standards of accurate, fair, and timely vendor payment at a level of practical application based on information known to user departments and approvers that make them appropriate in the circumstances.

Recommendation: The Authority should implement policies and procedures and internal controls to ensure compliance with the federal allowable cost requirements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. With the implementation of the new ERP System Software (Lawson), the Authority is embarking on a new methodology for processing vendor payments. New procedures for processing invoices are designed to increase adherence to existing internal controls and to best business practices. Invoices will be subject to an automated "three level (Contract Compliance, CCD, and Accounts Payable) match" process, which will provide increased verification of the existence of required documentation. The retention process has also been revamped to include a new practice of retention review by the User Department and Accounts Payable to verify the accuracy of the amount withheld. This dual check will provide assurance that the amount retained is pursuant to applicable contracting documents.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-04 Davis-Bacon Requirements not met for Appropriate Wage Rate and Completion of Required Payroll Records

**CFDA 14.866 Demolition and Revitalization of Severely Distressed Public Housing
CFDA 14.872 Public Housing Capital Fund**

Criteria or specific requirement (including statutory, regulatory, or other citation): Based on 29 CFR 5.5 “LABOR STANDARDS PROVISIONS” – Subpart A – Davis-Bacon and Related Acts Provisions and Procedures, Sec. 5.5 Contract provisions and related matters.”

Excerpts from 29 CFR 5.5:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

(3) Payrolls and basic records.

(ii)(A) The payrolls submitted shall set out accurately and completely all of the information required to be maintained under Sec. 5.5 (a) (3) (i) of Regulations, 29 CFR part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.

(B) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays supervises the payment of the persons employed under the contract and shall certify the following: (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a) (3) (ii) (B).

(3) (i) Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of apprentices and trainees, and ratios and wage rates prescribed in the applicable programs.

Condition: Davis-Bacon provisions related to minimum wage rate, apprentice documentation, and accurate payrolls were not complied with consistently.

Questioned Costs: None

Context: A total of seventy-seven laborers were tested (from twelve weekly payrolls selected from two contracts). The Authority did not comply with the Davis-Bacon Act as follows:

- Eleven out of seventy-seven laborers had an applied rate of pay below the required Department of Labor prevailing wage rate for CFDA 14.872.
- One out of seventy-seven laborers was an apprentice that did not have supporting written evidence of the apprentice registration program and the wage rate prescribed in the applicable program for CFDA 14.872.
- Six out of twelve certified weekly payrolls included a “Statement of Compliance” which did not set forth clearly whether the applied wage rate included the full amount of wages and bona fide fringe benefits cash equivalent or if the cost of fringe benefits was being provided under a plan or program for CFDA 14.872 and 14.866.

Effect: The Authority is not in compliance with the provisions of the Davis-Bacon Act.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Cause: The Office of Procurement and Contracts did not conduct appropriate contractor site interviews to ascertain compliance as required.

Recommendation: The Authority should implement policies and procedures and internal controls to comply with the Davis-Bacon Act and provisions included in its government grant agreements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. The Department of Procurement and Contracts secured the services of an outside vendor, Trinal Inc. to assist the Authority to conduct more site visits and to interview more people on behalf of the Authority. In addition, the Compliance Division of the Department of Procurement and Contracts conducted more site visits and monitored the efforts of Trinal Inc.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-05 Ineffective Internal Controls over Relocation Assistance Program and Reporting of Building Closures

**CFDA 14.866 Demolition and Revitalization of Severely Distressed Public Housing
CFDA 14.872 Public Housing Capital Fund**

Criteria or specific requirement (including statutory, regulatory, or other citation): Government-wide requirements for real property acquisition and relocation assistance are contained in Department of Transportation's single government-wide rule at 49 CFR part 24, Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs.

Based on Title 49 CFR 24.9 Record-keeping and Reports:

"(a) Records. The Agency shall maintain adequate records of its acquisition and displacement activities in sufficient detail to demonstrate compliance with this part. These records shall be retained for at least 3 years after each owner of a property and each person displaced from the property receives the final payment to which he or she is entitled under this part, or in accordance with the applicable regulations of the federal funding agency, whichever is later."

The Moving to Work agreement dated February 2000, Article I – HUD Program Requirements and other Federal Requirements states:

"A. ... Except as necessary to implement the Agency's activities described in the Memorandum of Approval and Resident Protection Agreement, the Agency is subject to the requirements of the ACCs, the 1937 Act, and other HUD requirements. In the event of a specific conflict between this Agreement and the Memorandum of Approval and Resident Protection Agreement, the Memorandum of Approval and Resident Agreement shall govern."

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

The Memorandum of Approval and Resident Protection Agreement – Part II: CHA/HUD Resident Protection Agreement states:

“The following is a statement of the agreements between CHA and HUD concerning tenant protection issues. Compliance with these agreements is a condition of HUD’s continued approval of CHA’s waiver requests.

B. Relocation process and rights of relocates

1. Legally Enforceable Right to Return and Lease Amendment: CHA has agreed that CHA residents to be displaced from buildings to be demolished or redeveloped will be offered public housing or Section 8 vouchers, and has agreed to various rights of Section 8 relocatees to return to public housing. CHA has indicated its commitment to adopting a legally enforceable lease amendment affirming residents’ rights under the relocation process, and containing other protections regarding tenant rights.”

Condition: The Authority uses the Relocation Management Tracking System (RMTS) to track tenants throughout the relocation process. However, the Authority does not maintain documentation in the tenants’ files to substantiate that those compliance requirements under 49 CFR part 24 were met.

The Plan for Transformation includes a plan for housing choices. Under this plan, a resident completes a Housing Choice Survey and a relocation contract. The Housing Choice Survey indicates the residents’ choice for temporary and permanent housing during and after the period in which public housing is redeveloped or rehabilitated. A relocation contract “guarantees lease-compliant residents the right to return to a public housing development once redevelopment or rehabilitation is complete.”

With respect to documentation retention, although RMTS is used to track the “movement” of the Authority residents, the Authority is not keeping documentation on file. This is an issue because one of the documents is the Housing Choice contract which is a legally binding document between the Authority and the resident.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Questioned Costs: None

Context: A relocation contract and a Housing Choice Survey were not in the residents' files for 40 out of 40 tested. In addition, the following items were not in the file for 40 out of 40 tested:

- 1) Proof of delivery or receipt by resident of the 180- /120-day relocation notice.
- 2) Proof of delivery or receipt by resident of the 90-day relocation notice.
- 3) Proof of resident's attendance of the relocation planning fair and/or receipt by resident of the relocation planning packet.
- 4) Proof of resident Lease Compliance Recertification.

The Authority estimates that approximately 560 tenants were "moved out" of Authority property during fiscal year 2005 under the Uniform Relocation Assistance Program.

In addition, it was noted that the "FY2005 Building Closures" reported in the Annual Report submitted to HUD was inaccurate. The list included a building development that was not closed as of December 31, 2005.

Effect: The Authority is not in compliance with 49 CFR requirements.

Cause: Procedures developed by the Authority's Asset Management and Relocation and Supportive Services Departments for private property managers to create and maintain appropriate documentation in relocation files on site were not sufficiently followed or monitored to ensure compliance.

Recommendation: The Authority should implement policies and procedures and internal controls to comply with 49 CFR and provisions included in its government grant agreements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. Moving forward, Asset Management and Relocation and Supportive Services will collectively monitor the creation, documentation content, and maintenance of relocation files processed by private property managers for families moving out of public housing. The process will be reviewed to substantiate its existence and functional adequacy. The files will be reviewed for the inclusion of all legally binding documents and other information required by the Relocation Rights and Housing Choice Contracts to provide the compulsory evidence of compliance necessary.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-06 Equipment Not Tracked in Accordance with 24 CFR85.32

CFDA 14.850 Public and Indian Housing

CFDA 14.866 Demolition and Revitalization of Severely Distressed Public Housing

CFDA 14.872 Public Housing Capital Fund

Criteria or specific requirement (including statutory, regulatory, or other citation):
24 CFR85.32 states the following with regard to equipment:

Equipment Management

- (1) The recipient's property management standards for equipment acquired with federal funds and federally owned equipment shall include all of the following:
 - (A) Equipment records shall be maintained accurately and shall include the following information:
 - (i) A description of the equipment.
 - (ii) Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number.
 - (iii) Source of the equipment, including the award number.
 - (iv) Whether title vests in the recipient or the federal government.
 - (v) Acquisition date (or date received if the equipment was furnished by the federal government) and cost.
 - (vi) Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the federal government).
 - (vii) Location and condition of the equipment and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.
- (2) Equipment owned by the federal government shall be identified to indicate federal ownership.
- (3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Equipment Dispositions

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the federal awarding agency. The federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the federal awarding agency to determine whether a requirement for the equipment exists in other federal agencies. The federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

Condition: The following summarizes the compliance issues that resulted from the equipment compliance testing:

- The inventory was conducted, and out of 25 items selected, five could not be located, and four out of 20 items appeared to be inoperable.
- The equipment records did not contain the required information (source of the equipment, whether the title vests in the recipient or the federal government, and the percentage of federal participation in the cost of the equipment).

The internal controls over dispositions to identify any federal refunds resulting from gains were not performed.

Questioned Costs: None

Context: During 2005, the Authority purchased \$5,000, \$0, and \$595,572 for equipment for CFDA 14.872, 14.866, and 14.850, respectively.

Effect: The Authority is not in compliance with the federal requirements for equipment management. Internal controls regarding dispositions are also not functioning effectively.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Cause: The absence of policies and procedures requiring notification of impaired operability is the reason for the inoperable equipment finding. The vesting and federal participation in the cost of equipment finding is caused by the Authority's position that title for equipment purchases with federal funds vests with the Authority.

Recommendation: The Authority should update its equipment records to include all information required by 24 CFR85.32, specifically the source of the equipment, whether the title vests in the recipient or the federal government, and the percentage of federal participation in the cost of the equipment. The Authority should review the equipment inventory results and update the condition of any equipment identified as inoperable, and investigate and document the reasons for any missing equipment. Finally, the Authority should implement policies and procedures and internal controls over dispositions to identify any federal refunds resulting from gains.

Views of Responsible Officials and Planned Corrective Actions: The Authority agrees with the inoperable equipment finding. A written method of notification will be developed and distributed to all departments for use in apprising General Accounting of severely impaired equipment. This document will become the basis for tracking such equipment until its disposition. The Authority is confident its new Lawson capital assets software can incorporate this characteristic.

The Authority disagrees with the finding and recommendations related to maintaining "title vesting" and "participation of cost" attributes in its equipment records for the purpose of ultimately arranging the transfer of surplus or impaired equipment to the federal government (after contacting the GOA), or giving the federal government a share of disposition income after coordinating a bid process to sell such equipment. The cost of such practices would far outweigh any benefit derived.

The Authority's position is that equipment purchased with funding for its federal programs vests with the Authority because the housing programs, and activities that support them, are "on-going." Equipment purchased with the programs' funding will remain in use until impairment renders them unserviceable and disposition income is either negligible or nonexistent. To our knowledge, there has not been a time when the Authority was in possession of "surplus" equipment. No corrective action is necessary.

Conclusion: The finding remains as stated.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-07 Procurement Policy and Procurement Records Not in Compliance with 24 CFR 85

**CFDA 14.850 Public and Indian Housing
CFDA 14.872 Public Housing Capital Fund**

Criteria or specific requirement (including statutory, regulatory, or other citation): Based on the Housing and Urban Development (HUD) 24 CFR 85.36, “(b) Procurement Standards – Grantees and sub-grantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection and rejection and the basis for the contract price.”

Condition: There was no evidence that the Authority procurement records included all of the required 24 CFR 85 documentation for purchases with federal funds.

Questioned Costs: None

Context: During fiscal year 2005, the Authority awarded approximately 50 contracts under CFDA 14.850 Public and Indian Housing and 40 contracts under CFDA 14.872 Public Housing Capital Fund. A review of five contracts from CFDA 14.850 and four contracts from CFDA 14.872 found the following deficiencies:

Finding for CFDA 14.850

- For one contract awarded, the contract file was not available for review to demonstrate compliance with all aspects of 24 CFR 85. Specifically, documentation was not in the file to demonstrate the rationale for the contractor selection and rejection and to document that contracts were publicly advertised.

Finding for CFDA 14.872

- For one contract, documentation was not in the file to demonstrate compliance with all aspects of 24 CFR 85. Specifically, documentation was not in the file to demonstrate the rationale for evaluating the proposals received and for selecting the awardees.
- For one contract greater than \$100,000, documentation was not in the file to demonstrate compliance with all aspects of 24 CFR 85. Specifically, documentation was not in the file to demonstrate the rationale for the contractor selection and rejection and to document that contracts were publicly advertised.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Effect: The Authority is not in complete compliance with 24 CFR 85 requirements.

Cause: Files were located in several locations and often maintained at workstations during periods of heavy activity. In most, but not all instances, Buyers failed to organize all existing post-procurement paperwork, and where necessary, offer additional information in the form of a memo to explain the conduct of a recently concluded solicitation.

Recommendation: The Authority should implement policies and procedures and internal controls to ensure compliance with the procurement requirements of 24 CFR 85.

Views of Responsible Officials and Planned Corrective Actions: Agreement. Agreement that not all files contained required information to detail the significant history of a procurement. Procurement and Contracts and the Capital Construction Division have collocated the procurement and contract files into one location hosted by procurement. Only designated persons have been allowed to access the contracts, and buyers are being encouraged to utilize copies of important or frequently referenced procurement or contract documents. In support of the file relocation and centralization effort, the procurement and capital purchased several stand-alone unitary file storage systems that aid in cataloging and faster access. Buyers have been encouraged to utilize existing checklists when creating new files and reminded to explain any ambiguity in a file in writing to the file.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-08 Annual Inspections in Accordance with Housing Quality Standards Not Performed

**CFDA 14.182 and CFDA 14.856 Section 8 Project-Based Cluster
CFDA 14.871 Section 8 Housing Choice Vouchers**

Criteria or specific requirement (including statutory, regulatory, or other citation): In Accordance with HUD Handbook 4350 chapter 15, section 4, paragraph 15-9C states “The unit inspection must cover all vacant units and, at a minimum, 25% of occupied units.” However, in a letter dated September 30, 2002, the Project Management Director of the Chicago Multifamily Hub of HUD communicated to CHAC, Inc. that as CA (Contract Administrator), they may inspect 10% of occupied units as it is the local office policy to inspect 10% of occupied units.

For the Section 8 Housing Choice Vouchers program, 24 CFR Section 982.405 and HUD Section 8 Handbook Guidelines 7240.3 and 4350.3, require the performance of housing quality inspections “at the time of initial occupancy and at least annually thereafter to ensure that the units are decent, safe, and in sanitary condition.”

Condition: The Authority did not perform annual inspections in accordance with Housing Quality Standards (“HQS”) periodic unit inspection requirements.

Questioned Costs: None

Context: We noted the following:

- For the Section 8 Project-Based Cluster, the minimum number of required annual inspections was nine units. Only five units were inspected.
- For the Section 8 Housing Choice Vouchers program, the Authority did not perform the annual inspection for one of the twenty-five units tested.

Effect: The Authority is not in compliance with 24 CFR 982.40 or the HUD Handbook 7240.3 and 4350.3.

Cause: For the Section 8 Project Based Cluster Lafayette Terrace property which consists of ninety-three units, the minimum sample should have been 9 files (5 files, plus one for each ten units over fifty) – according to the HUD Handbook. In error, the Contract Administrator only reviewed five files.

Chicago Housing Authority

Schedule of Findings and Questioned Costs (continued)

Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

For the Section 8 Housing Choice Voucher, an inspection was not conducted during 2005 for account # 9708070, residing at 1427 South Central Park Ave. The annual inspection was due in June 2005. Annual inspections are system generated based on the completion date of the last annual inspection. The last annual inspection for the unit was conducted on June 15, 2004. The 2005 annual inspection for the account was generated to be scheduled in ECS. The open record is still visible in the frozen ECS system, indicating that the generation process correctly identified the unit to be scheduled. However, the inspection was never scheduled or conducted. At this time, it is not possible to determine why the unit was never scheduled for inspection. The annual inspection for this unit will be conducted on September 18, 2006.

Recommendation: The Authority should implement policies and procedures and internal controls to ensure compliance with the inspection requirements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. The Private Management team of the Authority's Section 8 Program activities agrees. To resolve the Section 8 Project Based Cluster inspection issue for the future, the Director will develop a formal checklist, showing all 11b properties under the contract administration program and the number of minimum files that must be reviewed at each development based on the HUD guidance. This spreadsheet will then be used as a required guide for all future file reviews by the contract administration staff and will be a part of the oversight function by the Intake Department.

For the Authority's Section 8 Housing Choice Voucher program, the outstanding annual report serves as a companion report to track the progress of annual inspections to completion. For additional monitoring, we have designed additional tracking reports to indicate any occupied units that are overdue for the annual inspection. These reports are not fully operational as yet.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Finding 2005-09 Cash Management

CFDA 14.866 Demolition and Revitalization of Severely Distressed Public Housing

Criteria or specific requirement (including statutory, regulatory, or other citation): OMB Circular A-133 Compliance Requirements – Cash Management – general criteria states:

“When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.”

“Interest earned on advances by local government grantees and subgrantees is required to be submitted promptly, but at least quarterly, to the federal agency.”

The requirements for cash management are contained in the OMB Circular 102 (Paragraph 2.a.).

Condition: Our review of deferred revenue accounts with significant balances at December 31, 2005, disclosed two Hope VI accounts (Fund 274 – demolition and Fund 285 – revitalization) that contained advance funds for which only a minimal amount of expenditures had been charged to the funds through August 2006. No procedures were performed by CHA to ensure the time elapsing between the transfer of funds from HUD and disbursement was minimized. In addition, CHA did not perform an analysis of interest earned on advanced funds.

Questioned Cost: None

Context: We obtained a listing of deferred revenue at December 31, 2005, related to federal grants. Of the eleven accounts with deferred revenue balances at December 31, 2005, we selected the two largest accounts for cash management testing. At December 31, 2005, Fund 274 had a balance of \$608,395 and Fund 285 had a balance of \$476,783.

Effect: The Authority is not in compliance with federal cash management requirements.

Cause: Allowable advances were drawn down in accordance with planned actual expenditures, which were subsequently transferred to align with the timing of other capital grant expiration dates.

Chicago Housing Authority
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2005

Part III—Federal Award Findings and Questioned Costs Section (continued)

Recommendation: The Authority should implement policies and procedures and internal controls to ensure compliance with federal cash management requirements.

Views of Responsible Officials and Planned Corrective Actions: Agreement. The Treasury Department will refund the deferred revenue to HUD and it is expected that the drawdown procedures incorporated into the new Lawson ERP platform will eliminate this type of condition going forward. Performance of this corrective step will be tested, documented, and reported by the Authority's Internal Audit Department.

Chicago Housing Authority

Summary Schedule of Prior Audit Findings as of September 20, 2006

Year Ended December 31, 2005

Findings Reference	Current Status
Year Ended December 31, 2004:	
Finding 2004-1	See Finding 2005-1.
Finding 2004-2	See Finding 2005-2.
Finding 2004-3	Corrective action taken.
Finding 2004-4	Corrective action taken.
Finding 2004-5	See Finding 2005-7.
Finding 2004-6	See Finding 2005-4.
Finding 2004-7	Corrective action taken.
Finding 2004-8	See Finding 2005-8.
Finding 2004-9	Corrective action taken.
Year Ended December 31, 2003:	
Finding 2003-1	See Finding 2005-1.
Finding 2003-2	See Finding 2005-3.
Finding 2003-3	Corrective action taken.
Finding 2003-4	Corrective action taken.
Finding 2003-5	See Finding 2005-4.

APPENDIX K: MOVING TO WORK FY2005 ANNUAL REPORT REQUIRED CERTIFICATIONS



February 16, 2007

GENERAL ITEM NO. 1

RECOMMENDATION TO APPROVE THE MOVING TO WORK FY2006 ANNUAL REPORT

To the Honorable Board of Commissioners,

RECOMMENDATIONS

It is recommended that the Board of Commissioners approve the attached Moving to Work FY2006 Annual Report and grant authorization to submit the document to the United States Department of Housing and Urban Development (HUD) for approval on March 1, 2007.

FUNDING

No CHA Funding is applicable to this request.

EXPLANATION

The Plan for Transformation was approved by HUD and incorporated into a Moving to Work (MTW) Agreement that was executed on February 6, 2000. The MTW Agreement provides guidelines on the content and submission requirements for the CHA. Under the MTW Agreement, the CHA is required to produce and submit an Annual Report to HUD outlining the progress toward commitments made in the original Plan for Transformation and each Annual Plan.

The Moving to Work FY2006 Annual Report provides information necessary for HUD to assess the CHA's performance in both day-to-day operations and activities authorized by the MTW Demonstration Program. HUD requires this report to be submitted annually, along with a Board of Commissioners' resolution approving this report, no later than 60 days after the end of the CHA's fiscal year.

Included with this resolution is a draft of the Moving to Work FY2006 Annual Report for the Board of Commissioners' review and approval. The Moving to Work FY2006 Annual Report will be submitted to HUD on March 1, 2007.

Based upon the foregoing, it is in the best interest of the CHA to approve the Moving to Work FY2006 Annual Report and grant authorization to the Chief Executive Officer, the Board Chairperson, or their designee to approve any final changes as deemed necessary to submit the report to HUD on the March 1, 2007 deadline.

RESOLUTION NO. 2007-CHA-14

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 16, 2007, requesting approval of the Moving to Work FY2006 Annual Report, attached hereto:

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the attached Moving to Work FY2006 Annual Report and grants authorization to the Chief Executive Officer, the Board Chairperson, or their designee to make any final changes as they may deem necessary; approve final changes, including changes based on HUD requirements; and submit the report to the U.S. Department of Housing and Urban Development on March 1, 2007. Such approval shall constitute conclusive evidence of the Board's approval of any and all such changes.



**Certification of Payments
to Influence Federal Transactions**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name Chicago Housing Authority
Program/Activity Receiving Federal Grant Funding Public Housing/ Housing Choice Voucher

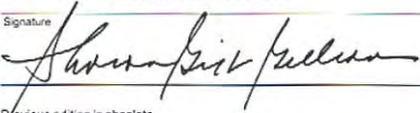
The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-L.L.L. Disclosure Form to Report Lobbying, in accordance with its instructions.

- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
 (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Sharon Gist Gilliam	Title Chief Executive Officer
Signature 	Date (mm/dd/yyyy) 02/27/07

Previous edition is obsolete

form HUD 50071 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

- (1) Abide by the terms of the statement; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above. Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official: [Signature] Title: Director - Human Resources Date: Feb. 12, 2007 form HUD-50070 (3/98) ref. Handbooks 7417.1, 7475.13, 7485.1 & 3

3.12 Violence in the Workplace

The CHA has "Zero Tolerance" for Violence In The Workplace. Fighting, harassment, provoking, threats, intimidation or inciting another employee to engage in such conduct are unacceptable. Employees who violate this Policy are subject to discipline and discharge. Employees who experience violence, including, but not limited to, a threat, fighting, harassment or intimidating behavior from any source (or who witness same), must report it immediately to the Managing Director and/or Department Director.

3.13 Drug and Alcohol Policy

The CHA is a Drug Free Work Place and its Policy on drug and alcohol use is one of "Zero Tolerance." Employees must not appear for work with the presence of alcohol or under the influence of alcohol or illegal non-prescribed drugs in their systems. Employees are prohibited from possessing alcohol or illegal non-prescription drugs. Employees who take prescribed drugs that affect their cognitive abilities should not report to work and should use appropriate leaves. (See Sections 2.6 and 2.7) Employees who violate this Policy will be terminated.

Employees are required to participate in drug and alcohol testing at a CHA designated testing facilities in the following circumstances:

- 1. Upon CHA's making a conditional offer of employment.
- 2. Upon re-employment or return from any period of continuous absence of thirty- (30) calendar days or more.
- 3. In instances where the employee has been involved in an automobile accident during the course of employment, regardless of whether the automobile is a CHA vehicle or the employee's vehicle and regardless of whether the employee is injured, the employee must submit to a medical evaluation which includes drug and alcohol testing as immediately after the accident as practical under the particular circumstances, but in no event later than twenty-four (24) hours after the accident.
- 4. In instances where the employee has suffered an alleged accident, regardless of whether the employee is injured or not, the employee must submit to a medical evaluation which includes drug and alcohol testing immediately after the accident or as soon as practical under the particular circumstances, but in no event later than twenty-four (24) hours after the accident.
- 5. In instances where the employee's supervisor has a reasonable suspicion that, the employee is at work under the influence of drugs and/or alcohol.

Employees who occupy safety sensitive positions will be subject to random or periodic drug testing.

CHA drug and alcohol testing vendors are N.I.D.A accredited. Drug and alcohol test results are confidential and are not disclosed to third parties by the CHA, except upon express written authorization of the employee or as required by law. Employees who submit to drug and alcohol testing described above and whose test results show a positive result will be terminated. Employees who refuse to cooperate in the testing process will be terminated. Employees whose test results are positive may elect to have the sample re-tested at a different N.I.D.A. accredited laboratory at the employee's cost. Arrangements for re-testing must be made through the Director of Human Resources.

3.14 Drug Related Convictions

Employees who are convicted of a drug-related offense are subject to termination.

3.15 Fleet Policy

(a) Use of CHA or Personal Vehicles in the Course of Employment

CHA employees may be allowed to use CHA vehicles or their personal vehicles in connection with their employment, depending upon the nature of their job responsibilities and in accordance with the CHA Fleet Policy. Employees must obtain approval for a CHA vehicle or personal vehicle use in the course of employment through their Department Director and the Risk Management Department. Approval of such requests is discretionary. Where such vehicle use has been approved, the employee must do the following:

- 1) Provide the Risk Management Department with a photocopy of the employee's current valid driver's license insurance card and ensure that Risk Management is advised of any changes in the status of the license and insurance.
- 2) In the case of employees who use their personal vehicles, maintain automobile property and liability coverage on the automobile consistent with the limits imposed by Illinois law and in accordance with the CHA Fleet Policy.
- 3) Employees are to complete all required documentation and forms necessary to comply with Policy 3.15

(b) Twenty-Four Hour Vehicle Assignments



“Revised” sites that house CHA employees:

1. 60 E. Van Buren Street
2. 600 West Jackson Blvd
3. 626 West Jackson Blvd.
4. 4700 South State St.
5. 4859 South Wabash Ave.
6. 500 East 37th St.
7. 35 South Federal St.
8. 2325 South Federal St.
9. 2901 S. Dearborn (*formerly 591 East 37th*)

COLLABORATIONS

The Chicago Housing Authority thanks the following organizations for collaborating with us on the Plan for Transformation.

Access Living	Chicago White Sox	Lakeside Community Committee, Inc.
ACCIÓN	Chicago Youth Programs	Latin United Community Housing Association
After School Matters	City Colleges of Chicago	Latinos United
American Lung Association of Metropolitan Chicago	The Community Builders, Inc.	Leadership Council for Metropolitan Open Communities
American Red Cross	Community Investment Corporation	Leadership Greater Chicago
Archdiocese Center for Peace and Justice	Cook County Housing Authority	Legal Assistance Foundation of Metropolitan Chicago
Assets for Independence Individual Development Accounts Program	Department of Commerce and Economic Opportunity Ogden Courts	Levy Foods
Business and Professional People for the Public Interest	DePaul University	Local Advisory Council
Canon Corporation	Developing Communities Project, Inc.	Loyola University Chicago
Central Advisory Council	Dominican University	Lutheran Child and Family Services
CHAC, Inc.	Economic Law Project	Mayor's Office for People with Disabilities
Chapin Hall	El Hogar del Niño	Mayor's Office of the City of Chicago
Charles A. Hayes Family Investment Center	Employability Plus	Mayor's Office of Workforce Development
Chicago Area Project	Employment and Employer Services	Metro Chicago Information Center
Chicago Bears	Environmental Law and Policy Center	Metropolitan Pier and Exposition Authority
Chicago Bulls	Fannie Mae	Metropolitan Planning Council
Chicago City Council	Ford Foundation	Mid-America Institute on Poverty
Chicago Commission on Human Relations	Freddie Mac	National Forum for Black Public Administrators
Chicago Community Trust	Generations Online	Neighborhood Housing Services
Chicago Connections	Grand Boulevard Federation	Northeastern University of Illinois
Chicago Department of Administrative Hearings	Green Corps	Norwegian American Hospital Foundation
Chicago Department of Budget and Management	The Habitat Company	Openlands
Chicago Department of Children and Youth Services	Harris Bank	Partnership for New Communities
Chicago Department of Construction and Permits	Healthcare Consortium of Illinois	Pediatric Case Management Services
Chicago Department of Housing	Heartland Alliance	Rogers Park Community Development Corporation
Chicago Department of Human Services	Heartland Human Care Services	Roosevelt University
Chicago Department of Planning and Development	Hispanic American Construction Industry Association	The Rotary Foundation
Chicago Department of Public Health	The Home Depot	Safer Pest Control
Chicago Department of Transportation	Hospitality Academy at McCormick Place	Sargent Shriver National Center on Poverty Law
Chicago Department of Water Management	Housing Choice Partners	SCR Medical Transportation
Chicago Department on Aging	Housing Opportunities and Maintenance for the Elderly (H.O.M.E.)	Shorebank Neighborhood Institute
Chicago Department of Environment	Illinois Department of Human Services	Spanish Coalition for Housing
Chicago Federal Home Loan Bank	Illinois Environmental Protection Agency	Target Group, Inc.
Chicago Fire Department	Illinois Facility Fund	TCF Bank
The Chicago Historical Society	Illinois Housing Development Authority	Ujima
Chicago HomeMakers	Illinois Institute of Technology	United States Department of Housing and Urban Development (HUD)
Chicago Lawyers Committee for Civil Rights Under Law	The Jane Addams Hull House Association/Housing Resource Center	United States Small Business Administration (SBA)
Chicago Park District	Jewel-Osco Food Stores	University of Chicago
Chicago Police Department	Jewish Vocational Training Center	University of Illinois at Chicago
Chicago Project for Violence Prevention	The John D. and Catherine T. MacArthur Foundation	UPS
Chicago Public Building Commission	The John Marshall School of Law Fair Housing Legal Clinic	Urban Art League
Chicago Public Library	kaBOOM!	Windows of Opportunity, Inc.
Chicago Public Schools	Lake County Housing Authority	
Chicago State University		
Chicago Transit Authority		

