

Finally, HRC staff indicated that they had no direct reporting obligations to the *Gautreaux* plaintiff's counsel nor do the counsel provide any staff training on the implementation of the court order. They simply adhered to the procedures prescribed in the loose-leaf procedural manual. CHA, however, was obliged to make periodic reports to the plaintiffs' counsel and to the court.

B. Demographic Analyses and Tables

The following tables appear in Appendix D:

Table 1: NESS Global Demographics by Race and *Gautreaux* source

	Community Area	Transfer	Waiting List	TOTAL
African American	124 (54.1%)	103 (82.4)%	84 (69.4%)	311
Hispanic	56 (24.4%)	14 (11.2)%	23 (19%)	93
White	27 (11.8%)	1 (0.8%)	6 (4.9%)	34
Asian	22 (9.6%)	7 (5.6%)	8 (6.6%)	37
	229	125	121	475

(Does not of course include vacancies)

The sum of transferees and wait listees exceeds the number of residents from Community areas by 246 to 229. Under *Gautreaux*, the two should theoretically be equal; however, this is influenced by the kinds of designated vacancies available at any one time; in addition, the court order suggests that arithmetic absoluteness was not required and slight departures were tolerable.

Even though move-ins from the Community Area source favored African Americans, the numbers for the other two categories (transferees and wait listees) enormously favored African Americans. Consequently, when the sum of transferees and wait listees slightly exceed the number of those from Community Areas, African-American representation tends to be favored.

Table 2: Global NESS Racial Representation (including all sources)

African American	311	(65.5%)
Hispanic	93	(19.6%)
White	34	(7.1%)
Asian	37	(7.7%)
TOTAL	475	(99.9%)

Table 3: NESS MOVE-INS FROM OCTOBER 1999 FORWARD BY RACE AND BY GAUTREAU SOURCE

	Community Area	Transfer	Waiting List	TOTAL
African American	21	4	5	30 (78.9%)
Hispanic	6	0	0	6 (15.8%)
White	0	0	0	0 (0)
Asian	2	0	0	2 (5.3%)
TOTAL	29	4	5	38 (99.9%)

As noted previously, the "CAs" exceeded the "Ts" and "WLs" by a factor over 3 to 1 and the pattern over the years had the sum of "Ts" and "WLs" totaling slightly more than the "CAs". A possible answer is that all units are earmarked by *Gautreaux* source codes and many Community Area-designated units were vacant; hence, the need for an outreach. Consequently, the results of the 1999 outreach have significantly favored African-Americans; 78.9% of the 38 post-September 1999 move-ins have been African American, 15.8% have been Hispanic, 5.3% Asians and 0 have been white.

The last Community Area "outreach" for NESS by HRC occurred in September 1999 and 21 of the 29 new residents (or 72.4%) from Community-Area waiting lists were African Americans. Overall, the percentage of current (whenever they moved in, either before or after September 1999) residents from Community Area waiting lists who have been African Americans is 54.1% (124 of 229). In addition, 312 of 475 current NESS residents—regardless of the *Gautreaux* source—are African American (65.5%).

In making these observations, we noted that, in the Community Area designated "West Ridge", four white households (having surnames commonly associated with the European portion of the former Soviet Union) were misclassified as Asian or more precisely Middle Eastern/Indian. Generally speaking, this latter demographic category as otherwise subsumed under "Asian". However, these misclassifications did not alter any inferences or conclusions based upon race.

Even though at this point FHEO would normally conduct a skip-over analysis, we find it unnecessary to proceed with further analysis, in light of the preponderance of housing opportunities having been created for African-Americans through the operation of the Community Area system. Accordingly, the Title VI review strongly indicates that considerations of race were not operating in the NESS tenant selection process. This obviates any need for closer analysis.

V. Conclusion

In addition to the Title VI review revealing no pattern of discrimination in tenanting decisions, we made the following findings with respect to the Complainant's specific allegations of discrimination against CHA:

- 1) Some were untimely, and waiver of the timeliness requirement was not justified because the underlying issue did not involve discrimination; these included:
 - a) refusing to award NESSRMC a property management contract because NESS units were often sited in areas containing significantly large white populations,
 - b) allowing HRC and local alderman to "veto" NESSRMC's desire to manage NESS properties, and
 - c) providing better maintenance services to NESS residents living community areas with greater white representation.
- 2) For other allegations there was no evidence of disparate treatment; these included:
 - a) knowingly offering NESSRMC units to manage that were difficult and cost-prohibitive to manage,
 - b) refusing to provide both NESSRMC and DGNESSLAC with desired office space in the Clifton Avenue administrative building, and

- c) providing better maintenance services to NESS residents living community areas with greater white representation.
- 3) For these remaining allegations there was no evidence of racially-motivated "skip-overs" in tenanting decisions, because the Title VI review revealed no adverse impact on the basis of race in any of NESS' community areas:
- a) condoning and perpetuating RMC's long-standing practice of intentionally "skipping over" qualified African American for NESS units in favor of white and other non-African American applicants,
 - b) condoning HRC's discarding of the applications of NESS community applicants, and
 - c) condoning the collection of, racial information on the face of the community application form.

We note that, if the Complainant is dissatisfied, especially with siting and tenanting decisions for the NESS properties, he might seek relief with the *Gautreaux* court.

* * * * *

As a matter of policy, you may request a review of this Letter of Findings within thirty days of receipt by mailing or delivering to Mr. Maurice McGough, Director, Chicago Program Center, Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development, 21st Floor, 77 West Jackson Boulevard, Chicago, Illinois 60606, a written statement of the reasons why the Letter of Findings should be modified in light of supplementary information.

Under the Freedom of Information Act, it may be necessary to release this document and related correspondence and records upon a third party's request. In the event that the Department receives such a request, we will protect, to the extent provided by law, personal information, which, if released, would constitute an unwarranted invasion of privacy.

The Department appreciates your cooperation in this review.

Sincerely,

Barbara Knox, Regional Director
Office of Fair Housing & Equal Opportunity
Region 5

Appendix A – Summary of Campaign Seeking RMC Recognition
Appendix B - Review of Maintenance Services
Appendix C - Demographic Study
Appendix D - Tables

CC: Senator Peter Fitzgerald
Representative Jan Schakowsky
Gail Niemann
Robert Whitfield
Alex Polifkoff
Joseph Galvan
Linford Coleman
Elizabeth Frank

Appendix A

Summary of Documents Presented by Complainant

05/08/91 Memo from HUD RD to HUD HQ supporting CHA's request for to exclude from income a small stipend to be received by NESS residents from a training grant to act as building representatives. "The scattered site buildings do not have on-site management. Since scattered-site Public Housing has historically been very difficult to manage, the primary purpose of this program is designed to integrate the buildings into their neighborhoods and to promote acceptability of scattered site public housing. The program's success will result in reduced maintenance costs, because common area repair needs will be quickly reported and acted upon. Maintenance costs will be further reduced by the presence of the building representatives who will serve as a deterrent to vandals."

11/14/91 Chicago City Council Resolution congratulating the Northeast Scattered Sites Tenant Advisory Council, established in 1984, as a tenant voice in HRC's management decisions.

01/18/94 CHA memo to its Board of Commissioners recites in relevant part that "(W)ithin the last 15 months, the number of resident management entities supported by the Authority has increased from six to 19, making the Authority's resident management program the largest and on of the most successful in the nation."

06/09/94 Letter from counsel for the Gautreaux plaintiff to HRC's ED indicating that they would not concur with the deprogramming of two NESS units as office space for the RMC in formation and the NESS Tenant Advisory Council until formal procedures for such deprogramming were developed jointly by counsel for the Gautreaux plaintiff, HRC and CHA.

06/27/95 In response to the Complainant's June 25, 1995 letter thanking him for appearing before NESSRMC and reiterating requests made therein, Joseph Schuldiner, CHA's ED stated as follows in a letter dated June 27, 1995:

1. *Prompt designation of an approved deprogrammed unit for NESSRMC office space.*

Schuldiner's response: The availability of scattered site units for office space is very limited and must be reserved for critical housing needs. We will help you explore rental space to use as office space for the RMC.

2. *Appropriation for office equipment and attendant services consistent with previous set-ups allowed other RMCs with CHA.*

Schuldiner's response: Funding will be provided to the RMC for office equipment and attendant services.

3. *Progression of NESSRMC into an official Dual-Management Program with the Housing Resource Center, our local management program and the Technical Advisor of our choosing.*

Schuldiner's response: The Authority will enter into a dual management phase with NESSRMC; you may use the services of Ms. Pam Allen in the Operations Division or select a consultant through the appropriate process to provide technical assistance and training in preparation for full management responsibilities.

4. *HUD designee assigned to mediate any disputes or conflicts generated by HRC against residents participating in the RMC program.*

Schuldiner's response: The HUD designee will be Mr. Ron Carter who shall mediate and disputes between HRC and the RMC.

5. *Assignment of a fleet of vehicles to NESSRMC to better facilitate resident access to meetings and other vital programs.*

Schuldiner's response: We cannot approve the use of a fleet of vehicles for the RMC's use. However, we will support your efforts in obtaining such funds through public/private resources.

06/30/95 Letter to CHA's Acting ED from HUD's Acting Director, OPH, advising not to deprogram a Gautreaux-controlled unit nor withhold it from tenanting without court approval.

10/01/95 Letter from NESS TAC to Ron Carter, HUD Liaison to CHA: "As per our conversation of September 13, 1995, while attending the HUD meeting concerning contracts; I along with Ms. Campbell and Ms. Johnson stated to you that we, the Tenant Advisory Council, Delores Campbell, Jimmie Sumner, Cathy Johnson and I had a meeting with Sue Brady at which time she stated that Willie Burrell had illegally gotten \$100,000.00 HUD grant for NESS/RMC and you stated that the accusation wasn't true.

"The Tenant Advisory Council is and has been working with NESS/RMC mainly because there is the need for unity, but mostly because NESS/RMC came out of a Tenant Advisory Council Committee three year ago; The Special Events Committee."

- 09/30/96 Complainant's letter to Secretary Henry Cisneros complaining about refusing to be allowed to participate in sponsored jobs, lack of office space and lack of opportunity to have input into uses for proposed Community Center.
- 09/30/96 Complainant's letter to Joseph Schuldiner, CHA's ED, Secretary Henry Cisneros complaining about need for office space and exclusion from process for determining use of space in proposed community/office building.
- 02/17/97 In a community newspaper article provided by the Complainant, there appears a statement that the Complainant has been trying to organize NESS residents since 1989, with a resident representative in each building. The Complainant is further quoted as saying, "Since we've been organizing, it appears that the private management has begun to retaliate (with-draw maintenance services) in areas where we have participated."
- 06/27/97 A Memorandum of Agreement executed this date between NESSRMC and CHA provides in relevant part as follows:

.....

WHEREAS, the Authority and NESS RMC are fully committed to the successful implementation of resident management at the buildings affiliated with NESS RMC,

NOW THEREFORE, the NESS RMC and the Authority agree as of June 27, 1997 to the followingl:

1. They shall negotiate in good faith to enter into a contract for resident management of the buildings affiliated with NESSRMC.
2. They shall jointly develop the necessary provisions to allow for the eventual assumption of management duties by the resident management corporation.
3. The Authority recognizes that residents shall have the primary responsibility for determining the goals, organizational structure and methods of operation of the NESSRMC.
4. The Authority recognizes the NESSRMC as the official organization representing the residents of the affiliated building in all matters to include matters pertaining to resident management. NESSRMO will work in good faith will all community-based organizations not affiliated with NESSRMC.
5. The Authority shall act in good faith to meet the request for technical assistance in accordance with the HUD guidelines and its intent for providing Resident Management entities with training, technical assistance, funding any various other supports.

6. The Authority will cooperate with NESSRMC concerning the development of resident management and provide technical assistance in a professionally competent manner.
7. The NESSRMC shall evaluate, in writing, the performance of any property manager during the period before full assumption of management services by NESSRMC and shall, by the end of the first year, provide such evaluation to the Authority, along with recommendations. The Authority shall provide copies of any other budget that affects the day-to-day operation of NESSRMC's evaluation and seriously consider its recommendations.
8. The Authority shall provide to NESSRMC copies of the NESS development budget, developed annually for submission to HUD and presented to residents for inspection and review, before such submission. The Authority shall provide copies of any other budget that affects the day-to-day operation of NESS, including, but not limited to, modernization and rehabilitation funds.
9. The Authority agrees to accept NESSRMC as the responsible agent in all negotiations for support and assistance with other agencies.
10. The NESSRMC shall, consistent with the Authority and HUD policy and procedure, conduct economic development activities and may request the assistance of the Authority and HUD in developing economic activities for residents.
11. The Authority shall provide resources, to the extent that they are available, to assist NESSRMC in developing resident management functions. Specifically, the following shall be provided:
 - a. *Space for offices and other necessary activities of the NESSRMC. The Authority may provide equipment and furnishings to the extent of which they are available (emphasis added);*
 - b. Information on funds available, both public and private, including, but not limited to, an income estimate to and from the NESSRMC operating reserves;
 - c. Training of residents to enhance and develop the requisite skills and abilities to make resident management effective and efficient, including training and other technical assistance from persons other than the Authority employees and its agents;
 - d. Financial support and training during the period of time between pre-dual phase of resident management and full Assumption of management services;
 - e. Continuation of the Authority's risk protection coverage of the buildings affiliated with NESSRMC during the period covered by this memorandum;
 - f. The NESSRMC shall work cooperatively with the Authority to seek such funds necessary for comprehensive

- rehabilitation and modernization or unit replacement of the buildings affiliated with NESSRMC;
- g. The Authority will inform and consult with NESSRMC regarding formulation of plans and programs of the Authority that may affect resident management or programs of NESSRMC;
 - h. In all dealings with third parties, including HUD, about matters that may affect resident management, the Authority shall consult with NESSRMC.

(Section 3 statement) . . .

It is the goal of the Authority and NESSRMC that prompt and direct actions be take to complete negotiations of any contractual obligations that lead to the assumption of full management services by NESSRMC.

06/30/97 Letter from Lathrop LAC to CHA ED: Protest of proposed lease addendum apparently requiring additional yard work to compensate for anticipated \$150,000 budget deficit.

11/27/97 Memo from Joseph Schuldiner, CHA, ED to Edwin Eisendrath, Chair, CHA Board of Commissioners:

SUBJECT: Authorization to Enter Into a Dual Management Agreement with Northeast Scattered Sites Resident Management Organization

This resolution authorizes the Authority to enter into the attached dual management agreement with NESSRMO. This agreement is for the dual management of the Northeast Scattered Sites, beginning December 1, 1997. The corresponding dual management budget is \$74,822.

The dual management agreement will remain in effect for a period not to exceed 12 months. During this period, the Authority will continue to provide technical assistance and training in property management to the NESSRMO board of directors and resident trainees. Once it is determined that the RMO is qualified to assume management of the Northeast Scattered Sites, the Authority will transfer such management responsibilities to the RMO, per the terms of a full management agreement. The full management agreement will provide for full resident management of the property by NESSRMO in accordance with Section 20 of the United States Housing Act of 1937 and the regulation at 24 CFR 964. It is recommended that the attached resolution be adopted.

03/05/98 Letter from block club of which the Complainant is a member seeking etter maintenance services for NESS units in their service area.

- 04/07/98 Letter of resignation from HRC board member indicating that, from that point forward, all HRC board members would be NESS residents. In addition, the former board member congratulated the HRC on the opening of the new administrative building at 4421 North Clifton Avenue. (Note: the building was built on a site cleared by the previous year's large fire at a CTA yard.)
- 07/08/98 Letter of resignation from HRC board member indicating that, from that point forward, all HRC board members would be NESS residents.
- 10/27/98 Letter from HRC's ED to Complainant: At an October 27, 1998 meeting between HRC and CHA staff, HRC was informed by Ms. Gloria Seabrook and Mr. William Gant of CHA's Resident Management and Opportunities Department ". . . that the authority to manage CHA North East Scattered Sites would be transferred to the North East Scattered Sites/Resident Management Corporation as of January 1, 1999.
- "Members of CHA's Resident Management and Opportunities Department discussed the model of providing management of NESS as a subcontractor to NESS/RMC. We do not feel that our current programmatic structure as the housing arm of Jane Addams Hull House Association would allow for such an arrangement."
- 10/29/98 Letter from HRC ED to CHA ED (Joseph Schuldiner): Restates above and then adds: "Since HRC had recently been selected under the 1998 RFQ/Competitive Bid process to manage NESS for another two years through September 30, 2000, and given the; fact that just one week before, we thought we were engaged in good faith negotiations to contract for the management of NESS for another two years, and given the fact that throughout all the RFQ, notification and contracting processes there was absolutely no written or verbal information offered by CHA representatives regarding
- 11/05/98 Letter from Complainant to HRC's ED
- (About 11/98) Undated letter from HRC ED to NESS residents: "Many rumors have been circulating regarding tehfuture management of the Northeast Scattered Sites. We have been informed that the NESSRMC (resident management corporation) is in the process of being awarded a contract to manage the northeast scattered site buildings now currently being served by the Housing Resource Center of Hull House. It is our understanding that this group will hire and oversee a professional management company to provide these services. CHA has told us this should occur sometime within the first three months of 1999, subject to approval by the CHA Board of Directors.

"Staff of the Housing Resource Center have no official information regarding this change in management other than what I have stated above. I have instructed our staff no to discuss this matter with residents so that they will give out no misinformation. If you have questions regarding the change in management , the questions should be directed to the persons listed at the end of this article. [The Complainant and HRC's ED.]

"Let me assure you that there is no reason to believe that any tenant in good standing will lose his or her apartment because of a change in management. In addition, your opinion of this change in management will not affect your tenancy in any way.

"It is HRC's intention to provide the best management services possible to you during this transition. We fully expect that our staff will behave in a professional manner during this time and continue to meet your housing needs. I have instructed our staff not to organize any opposition to this change on CHA property during work hours, or as representatives of HRC. Naturally, those staff persons who are also residents are free to have their own opinion regarding this change in management on their own time."

01/11/99 Letter from HRC ED to CHA staff:

"1. We still do not have a contract for Scattered Sites North East. It's imperative that we have that before we go any further on any contract issues,

"2. Alderman Shiller, Smith and Shulter have expressed their opposition to the transfer of management to the NESSRMC (see attached)."

"3. Since this is ultimately a contract issue, we require a directive signed off by Schuldiner or Harkless that indicates the transfer is going forward before we can proceed with training (this is also a client/resident confidentiality issue). G. Seabrook mentioned that this transfer would have to be approved at a CHA board meeting - has it been?

"4. Can we get a copy of the proposed time-line for the transfer of management from the Resident Management and Opportunities Department? G. Seabrook was going to get that to us after the last meeting in November.

"5. Can we get a copy of the training materials/curricula that are used for resident trainees? It would be helpful to know what areas to on which to concentrate when trainees are here."

02/24/99 Memo from HRC ED to HRC Board: "These past eight months have been stressful ones for HR, for staff as well as residents. We have received many conflicting directives from CHA regarding the transfer of Scattered Sites management to the RMC. It does appear, however, that the transfer will happen eventually

"Although we have never been opposed to resident management, we still have serious doubts about the process (or lack thereof) CHA has executed in order to effect the SSNE transfer. For example, we aren't sure of the existence of any time-lines, training materials, maintenance plans, mechanisms to ensure compliance with HUD regulations, etc. - our requests to CHA for these things have gone unanswered. We also remain opposed to the transfer to North East Scattered Sites to the current RMC, given the questionable manner in which it constituted. The current RMC has never had a quorum at any referendum, and has for the most part attracted only a handful of residents for its elections. We feel that RMC lacks a mandate, to say the least.

". . . . We can only view the loss of the CHA Scattered Sites contract as an opportunity to serve new residents in new ways. . . ."

03/18/99 Letter from Complainant to Joseph Schuldiner, ED, CHA: NESSRMC has fulfilled the terms of the Dual Management Contract and is now ready for NESS property management.

05/24/99 Letter from HRC Board to HRC ED: "Dear Mr. Williams. At our last board meeting held on April 15, 1999, you expressed your concerns and views about non-cooperation between you and CHA (Ms. Seabrooke and Mr. Gant). They did not respond to written correspondence you mailed pertaining to the RMC (Resident Management Corporation) take over as the new Management Agency of the Housing Resource Center. You were very distraught over this matter and stated that you wished the board would support you in gaining some type of information that you could relay to HRC's staff and workers. The Board has never received nor viewed any of the letters you stated that was mailed to CHA or any other parties. We are still awaiting to receive your written correspondences that were submitted."

Identifying board members: Delores Campbell, Jimmie Sumner, Rachel Holloway, Cathy Johnson

05/26/99 Letter from HRC ED to HRC Board In this letter, Mr. Williams inter alia asserted:

Hull House Association, the only entity that legally obligate the HRC, and with whom CHA contracts, is not interested in a dual management relationship with the RMC. As Director of the HRC, he and other HRC staff are Hull House employees, and he must enforce this policy provision.

As a matter of policy Hull CHA wishes its private managers of its properties to interact with the associated Local Advisory Councils. Since three of the four members of the HRC Board, are already members of the LAC, what is the purpose of the HRC Board?

"We have always maintained that the RMC, as it is presently constituted, does not have a mandate from the residents of Scattered Sites North East to represent those residents as a qualified RMC. This mandate is required by HUD regulations, and I have requested that the RMC's validity be investigated by CHA and HUD officials. Given the RMC's questionable validity, we have opposed its efforts to assume management of Scattered Sites North East. (This is only one issue on which we oppose the transfer - CHA's inability to provide us with any workable information being another notable issue.)

"What is/are the relationship(s) between the HRC board and the individual HRC board members and the RMC? How can I, as Director of Housing Resource Center, be assured that no conflicts of interest exist among the board and its members. This is of utmost importance as IU consider my obligations to the residents of Scattered Sites North East, our dedicated employees, and our legal and contractual agreements.

"The HRC board has concerned itself, for the better part of a year, with looking at organizational concerns, pursuing issues that I though had already been put to rest, with pushing for HRC to provide dual management with the RMC, etc. While you, as a board, have every right to conduct business as you see fit, I must conclude that your activities of the last year have been of little or no benefit to HRC."

06/02/99

Letter from HRC Board to HRC ED:

"At every opportunity without hesitation you have scandalized and maligned Housing Resource Board (HRC) and Residents living in Northeast Scattered Sites. Your deception and deceit of vicious rumors and unsubstantial gossip for pitting residents against resident. (I.E. Should the RMC get a contract to manage Scattered then segments of the Latino/Hispanic population would have to move per management, Resident illegally obtained a HUD grant). *[Note: on more than one occasion FHEO staff requested that the Complainant produce the names of witnesses to, or additional information about, this allegation. Such information was never forthcoming and no witnesses were produced.]*

"The residents that sit on HRC's board have worked for an on behalf of management since it's inception, unknowingly, assisting the attempts to destroy Federally Funded Programs, Resident initiatives and Resident Self Sufficiency Programs. When the complexion of the board changed it appeared that Hull House as well as yourself now seek to dissolved the relationship between those residents that sit on the board of the Housing Resource Center having lived out their purpose. Thereby confirming the process of elimination and exclusion.

"You and your predecessor continual discredited both aresent groups of the Northeast Scattered Sites. Most recently, the new duly elected Local advisory Council (LAC) and the Resident Management Corporation (RMC). It is clear that you are living up to the standards set by your predecessor. Your intent to not be above board with HRC's Board has been taking into account. Therefore, the Board must take steps to remedy the situation."

08/07/99

Letter from Complainant to William Gant, CHA: "Thank you for the meeting on November 5, 1999. The meeting was supposed to be 'to bring a copy of the Dual Management Agreement (which you failed to bring).'" At this meeting you stated that you felt betrayed, insulted and offended because we (NESSRMC) sent a letter to the Chicago Housing Authority (CHA) and carbon copied HUD to request a contract without you, reviewing it first.

"You further went on to state that you could no longer work with us because of the mistrust factor that I have created by writing this letter, and that 'I, may be putting the other groups (RMC's) in a bad light'.

"The Northeast Scattered Site Resident Management Corporation has a lone history of being on the receiving end of warnings, intimidation and struggle, so it is no surprise that you and your department would take this stand; something that your department obviously understand, and the fact that you choose to use these tactics is why many Residents living in the Northeast Scattered Sites and other Public Housing Communities are living in constant fear of retaliation, just as some RMC's and RMOs are, for speaking out or for making certain request, in this instance, it's a request for a property management contract.

"I sincerely hope that the Chicago Housing Authority (CHA) will not persecute others because of our group's request for a contract."

10/27/99

Letter from Complainant to Philip Jackson, ED, CHA: "The Northeast Scattered Site Resident Management Corporation (NESSRMC) Board of Directors is writing to request a contract from the Chicago Housing

Authority (CHA) to manage properties located in the Northeast Scattered Site service area.

In the letter the Complainant recounts NESSRMC's history beginning in 1991 with active participation in CHA's resident management program, including resident leadership development and receipt of technical assistance from CHA, HUD and community organizations. He also recounts NESSRMC's governance which was elected first in 1992 and then in 1996 and asserts that it "has fulfilled all of the preliminary requirements set forth by the CHA for Resident Management Organizations seeking management contracts." HUD supported leader management training with a \$100,000 grant in 1993 to explore the feasibility of tenant management under the Tenant Opportunity Program.

After enumerating training activities in which prospective board members participated since 1993, the Complainant points out that CHA entered into a Memorandum of Agreement with then ED, Joseph Schuldiner a Memorandum of Understanding between CHA and the NESSRMC of the remaining steps and activities needed to allow the latter to assume management of the NESS. In addition, CHA awarded NESSRMC a contract for Dual Management in 1997, which allows NESSRMC to select four residents to enter CHA's on-the-job property management program; when completed NESSRMC would be ready to assume full management responsibilities.

"Accordingly, NESSRMC is requesting that the Authority enter into immediate negotiations for a full management contract with NESSRMC for management of Northeast Scattered Site properties, and that you confirm your intent to do so in writing by close of business on Friday, November 5, 1999. I am also requesting that the Authority omit Northeast Scattered Site properties for any current and/or pending RFP issued, or scheduled for issue, for private management companies.

"If you do not confirm the above by Friday, November 5th; or refuse to negotiate a Resident Management contract, NESSRMC intends to file an appeal with the U.D. Department of Housing and Urban Development (HUD), and request that HUD mandate that the Authority negotiate with NESSRMC in good faith, and that HUD prohibit the processing of any proposals by private management companies for the management of any Northeast Scattered Site Properties."

11/07/99

Letter from Complainant to William Gant Junior, HA

- 04/21/00 Letter from Complainant to Maggie Stewart, CHA Director, Asset Management restating the need of the Dorothy Gautreaux NESS Local Advisory Council for office space.
- 08/08/00 Letter from Complainant to Sharon Gipson, CHA Director, Resident Management and Opportunities: RE: NESSRMC CONTRACT STATUS
"The NESSRMC would like to meet with you to discuss the status of the RMC preceding forward with regards to a Management Contract going before the CHA Board of Commissioners.

"We would like to meet in the Northeast Scattered Site area, at 7:00 PM, on August 15, 2000. The address will be 4138 N. Ashland (Ms. Gomez). Board members, Ms. Ross, Ms. Cruz and Ms. Gomez will not get home until after 6:00 PM and must feed their families (smile).
- 10/18/00 Letter from Gloria Seabrook, CHA Director, Property Management Training & Continued Education, to Complainant requesting Complainant's "...cooperation in providing pertinent documents from January 1, 2000 to June 30, 2000 for review. The following information needed is listed below:
1. Board of directors and corporate membership meeting minutes, sign in sheets, agendas and flyers.
 2. Board resolutions with meeting minutes and sign in sheets..."
- 10/20/00 Letter from Gloria Seabrook, CHA Director, Property Management Training & Continued Education, to Complainant: "There have been numerous discussions with you regarding the Northeast Scattered Sites RMC management contract. A meeting was scheduled with your board on Friday, August 25, 2000 to discuss the next steps. Only three of your board members attended.

"On August 25, 2000 I met with you and three of your board members at 35 South Paulina. Three board members were absent. You expressed the board's desire to enter into a contract with CHA to manage the Northeast Scattered Sites. You were asked about the capacity of the board to take on this responsibility. You responded that in your opinion, the board could meet the challenge.

"You were advised of the agency's concern regarding issues confronting some of the current RMC boards with contracts. In an effort to determine the capacity of your board, you were asked to provide this office with the following items:
- (1) Minutes from board meetings and sign in sheets for the year 2000.

- (2) Written documentation to demonstrate the ability of your board to provide leadership and direction to the community, and the outcome of relevant projects or activities.
- (3) Written history of problems that exist in the community and describe as a board to take to correct them.
- (4) A letter of support from the resident leaders and the elected officials.

"Subsequent to this meeting, we discussed scheduling a meeting with Asset Management and the private management firm to discuss the current status of the property. We also discussed developing a transition plan for the RMC to follow with a 2001 date of completion.

"On Tuesday, September 12, 2000, I spoke to you and you informed me that a contract for the NESSS RMC, would be a walk on agenda item for CHA Board approval. I advised you that I was not informed of that pending action and that since you never provided this office with the requested information, there had not been any discussion of a contract regarding NESS.

"On Wednesday, September 13, 2000 I spoke to you about the comments that were made at the executive board meeting, including your failure to mention a discussion held on Tuesday with me regarding a management contract for the NESS RMC. You admitted that you failed to provide me with information as requested in August. You assured me that you had the information and you would submit it to this office immediately.

"On Monday, September 25, 2000 I phoned you as a reminder. To date, I am still waiting for the information you promised to have delivered to my office by Wednesday, September 27, 2000.

"This office is willing to continue to work with the RMC board to increase its knowledge and capacity as a board, however, we cannot move forward until your board has been assessed."

10/24/00

Letter from Complainant to Gloria Seabrook, CHA Director, Property Management Training & Continued Education: "I received your letter dated October 20, 2000. Your letter distort the relevant facts, and you department has manufactured new tasks and goals at the eleventh hour, yet we are prepared to meet this challenge; the challenge of being denied the right to fully participate, to be recognized.

"Let's begin with your most resent letter; dated Oct. 20, 2000. **The North-east Scattered Site Resident Management Corporation (NESSRMC)** has met with your Department and has had numerous discussions since

1992, regarding NESSRMC's Property Management. We were qualified then, and we are now qualified better than ever.

"You also stated that 'the agency was concern regarding issues confronting some of the current RMC Boards with contracts. We are also concerned about the other RMC's but, at this time, our priority is with the **Northeast Scattered Sites**, not **vicious rumors, slander and divisional tactics**. Many Residents who live in Public Housing are wrestling with all the **negative stereotyping and misinformation** about who we are and what we represent. We are fighting the image, the stigma of feeling less than qualified the since of nobodiness. This smacks of the old south questioning African-Americans attempting to register to vote 'how many bubbles are there in bar of soap'. Which was a deliberate attempt to deprive them of their human and civil rights to fully participate as equal citizens.

"Your Department did not request a meeting as alleged.

A meeting was requested with your Department by NESSRMC for August 15, 2000 (see attached) as 7:00 PM. The meeting location was changed by your Department, and the time was switch to 6:30 PM (same date). Those persons attending were, Sallie Ross, Rosda Heredia, Arturine Mcgee (20 yr. Retired manager of CHA & Resident) Wilfred Gadsen, Gloria Seabrook and myself.

1. While at this meeting on Oct. 15, 2000, I requested that your department present the NESSRMC to the CHA Board of Commissioners. You stated that you would; I proposed to leave minutes and other documentation with you; 501c3, HUD's semi-annual report, information of our Resident owned business, by-laws and sign in sheets, even though this information was not requested. You stated that the hour was late (approx. 8:45 PM) and that Monday (Oct. 21, 2000) would be better. Upon my arrival at 35 South Pauina on this date, I was told that **you and Ms. Sharon Gipson were out of town.** At that point I realized that your department had no intenention of presenting NESSRMC or any of the other four RMC's that had completed training; which begs the question, how many groups has your department transition into full management and how many groups will say that your department was of assistance to them?

Traditionally the leadership roles are that of the Dorothy Gautreaux Northeast Scattered Site Local Advisory Council. NESSRMC and the Local Advisory Council has already stepped up to that challenge and many more that have been created by your Department.

3. **Challenge number 3.** NESSRMC submitted to HUD, written history with regards to problems the exist in the community and

we described the Board's way to address and correct them. There were also articles in the Chicago Sun-Times and the Chicago Defender News Papers.

4. Excluding the letter of support from Resident Leaders, please show any documentation where any other RMC here in the City of Chicago or the nation has had to produce your number four (4) in your letter dated October 20, 2000.
5. We did not have a discussion concerning asset Management at this meeting. We met with asset management over a year and a half ago to discuss the flagrant withdrawal of maintenance services.

"The Northeast Scattered Site Resident Management Corporation (NESSRMC) has worked tirelessly for many years, developing working relationships with Community Groups, Agencies and Educational Institutions to integrate low income Public Housing individuals and families safely, into hostile communities and we have a track record of this continuing effort.

"NESSRMC is submitting a complaint to the President of the United States, HUD's Equal Opportunity, Mayor of the City of Chicago, and the Justice Department, requesting them to look into the interference of a Federally Funded Program. This is not just about managing CHA Properties. This is about premeditated disenfranchisement, intimidation, harassment and punishment of those Residents and groups, confined to islands of poverty, frustration and very real fear, that have the courage to speak out or make unpopular request or demands as indicated by William Gant (see attached).

"Finally, NESSRMC is obligated to furnish hope, and opportunity. We are willing to submit ourselves to any all scrutiny but our goals remain the same."

01/17/01

Letter from CHA's Chief of Operations to Complainant: "The Chicago Housing Authority is considering awarding a contract to the Northeast Scattered Sites Resident Management Corporation. In order to make a recommendation to the Board of Commissioners staff is requesting NESS to submit certain information about the organization for review. The requested documents are similar to those requested during the selection process for contract awards in FY2000."

SUBMITTAL REQUIREMENTS

- A. Letter of Interest signed by the President.
- B. General Description of the RMC's years in business, lines of business, Size of business, location of headquarters, organization and staffing (including organizational chart).

- C. Resumes providing names, etc., of key personnel, including the regional manager(s) that will be assigned to this contract.
- D. Relevant Experience of the firm related to property management.
- E. Property profiles provided.
- F. RMC must provide a detailed management plan and operating budget.
- G. Four References must be provided displaying experience and qualifications in property management.
- H. Audited Financial Statements from the past four years or unaudited financial statements if there are no audited statements.
- I. Identification of known vendors or subcontractors.

01/25/01 Letter from Complainant to CHA's CEO: Complainant thanked CHA for meeting of 01/22/01 and expressed surprise at being offered the opportunity to manage scattered site units outside the NESS area; he also asked for a meeting within a few days to discuss the orderly transition to the management of NESS units.

02/01/01 Letter from Robert Whitfield on behalf of CHA's Central Advisory Council to CHA's G.A. Finch expressing concern about both the implementation of the Transformation Plan and the CHA's commitment expressed in the Transformation Plan to the Resident Management Program. "Staff have said they have no obligation to continue the RMC program, or to provide funds for training and other necessary items. This is not correct. The Authority committed in the Plan for Transformation to continue its support of the program, as required by the Regulations. The failure/refusal to proceed with the RMC program for the North East Scattered Sites is the most visible example of the lack of support for RMCs trying to develop. Staff has stated that the Authority will not "allow" any additional RMCs. This is not a choice the Authority can make under the Regulations, and is contrary to the promises in the Plan."

Appendix B

North East Scattered Sites Maintenance Study

The following data was compiled from demographic data provided by CHA in August 2002 and May 21, 2003:

Lincoln Park (NESS)

CT #693

1911 N Sedgwick New construction (6 units)

Litter - none

Landscaping - very good

Visible need for repairs - none

Over-all blending into neighborhood - blends in wonderfully with one of the most expensive neighborhoods in the country

*Occupancy: 3B, 2H, 1W CT: 5% B, 3% H, 88.6% W
Gautreaux source B (T, 2WL), H(2CA), W (CA)*

CT #717

420- 430 W North Ave New construction 12 units

Litter - none

Landscaping - good

Visible need for repairs - none

Over-all blending into neighborhood - blends in very well
*Occupancy: 6B, 2H, 1W (3 vacancies) CT: 13% B, 3% H, 80.4% W
Gautreaux source codes B (T, 2WL), H(2CA), W (CA)*

Lake View

CT # 629

1100/02 W Barry (6 units) #947/8/50/1

Litter - none

Landscaping - very good with many flowers

Visible need for repairs - none

Over-all blending into neighborhood - excellent blend into a
gentrifying neighborhood

Occupancy: 3B, 2H, 1W CT: 1.8% B, 6.7%% H, 91% W, 3.6% A
Gautreaux source B (CA, T, WL), H(CA, WL), W(CA)

2852/4 N Sheffield (6 units) #974/5/6/7/8/9

Litter - none

Landscaping - good

Visible need for repairs - none

Over-all blending into neighborhood - good, good architectural
Design, even though new construction

Occupancy: 3B, 3H CT: 1.8% B, 6.7%% H, 91% W, 3.6% A
Gautreaux source B (CA, 2WL), H(2CA, WL),

CT # 606

1052 W Byron (6 units) New construction #926/7/8/9/30/1

Litter - none

Landscaping - OK

Visible need for repairs - none

Over-all blending into neighborhood - not the best, this is a design problem, quite barracks-like, especially when having to be contrasted with the start of Alta Vista Terrace, across the street; not a maintenance problem

*Occupancy: 6B, 2H, 1W (3 vacancies) CT: 13% B, 3% H, 80.4% W
Gautreaux source codes B (T, CA), H(CA, 2T, WA)*

North Center CT # 502 New construction

2101/03/05 W Cullom (3 units) New construction

Litter - none

Landscaping - OK

Visible need for repairs - none

Over-all blending into neighborhood: not good . . . a design problem, not a maintenance problem . . . the standard design is egregious on a block of 2-story and 3-story buildings; in addition, windows on the grade level units display large, ugly burglar bars, the only building on the block with them

*Occupancy: 3H CT: 2.1% B, 20% H, 78.6% W, 9.2A
Gautreaux source code: H(CA,T,WL)*

Lincoln Square

CT # 410

1900 W Sunnyside Pre-existing 1900 (3) 1902 (3) 1904 (3) 1906 (3)

Litter - none

Landscaping - needs improvement

Visible need for repairs - needs to be repainted; dowdy

Over-all blending into neighborhood - probably on the low-end of a solid working-class block

*Occupancy: 6B, 3H, 2W, A CT: 5.6% B, 32.6% H, 68.5% W, 6.6% A
Gautreaux source B (2CA, 2T, 2WL), H(CA, 2T), W(2CA), A(CA)*

CT # 407

2755 W Giddings (3) All one pre-existing building
2757 W Giddings (2)
4723 N Virginia (3)

Litter - none

Landscaping - good (a woman was watering the side lawn on Virginia)

Visible need for repairs - none

Over-all blending into neighborhood - Very well done & selected, fits very well into neighborhood

Occupancy: 3B, 3H, W (Vacant CA) CT: 2.8% B, 32.2% H, 67.4% W, 6.9%A

Gautreaux source code: B(T, 2WL), H(2CA, T), W(WL) Vacant (CA)

Edgewater

CT # 309 5323 N Paulina (3 units) New construction

Litter

Landscaping - needs landscaping drastically

Visible need for repairs - OK

Over-all blending into neighborhood - Perhaps most weeds on block

Occupancy: 2B, W CT: 5.2% B, 28.7% H, 66.5% W, 13.2% A

Gautreaux source code: B(CA, T), W(WL))

CT # 305 1516/18 W Hollywood Pre-existing (7 units)

Litter - None

Landscaping - Needs landscaping on parkway in front; could use some floweres

Visible need for repairs - OK

Over-all blending into neighborhood - Blends in reasonably well

Occupancy: 3B, 3H, W (1 vacancies) CT: 11.3% B, 37.7% H, 56.3% W, 9.1% A

Gautreaux source code: B(2T, WL), H(2CA, WL), Vacant (CA)

CT # 301 5957 N Winthrop (6)
5961 N Winthrop (6)

Litter - some in rear yard area

Landscaping - Nice in front, with flowers

Visible need for repairs - OK

Over-all blending into neighborhood - Blends in reasonably well

Occupancy: 9B, 1H, 1A CT: 24.3% B, 11.8% H, 52.3% W, 12.8% A
Gautreaux source code: B(3CA, 3T, 3WL), H(1CA), A(1CA), Vacant(1CA)

Uptown

CT # 317

4456 N Racine New construction (6 units)

Litter - some litter in front

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - Blends reasonably well

Occupancy: 5B, (one vacancy) CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source codes: B(2CA, T, 2WL), Vacant (1CA)

4446 N Magnolia (6 units)

4454 N Magnolia New construction (6 units)

Litter - a little

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - Ground floor unit, south,
board up . . . otherwise, blends in reasonably well

Occupancy: 11B, H CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source code: B(6CA, 3T, 2WL), H(T)

4510 N Magnolia New construction (6 units)

Litter - small amount visible

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood Blends in reasonably well
Occupancy: 3B, A CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source code: B(2WL), A(2CA), Vacant (CA, T)

4513 N Magnolia (7)

Litter - OK

Landscaping - OK

Visible need for repairs - OK, some flowers all around

Over-all blending into neighborhood - blends in reasonably well
Occupancy: 4B, 2H CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source codes: B(CA,T, 2WL), H(CA,WL), Vacant (T)

4526/8 N Magnolia (6 units)

Litter - Not a problem

Landscaping - Some flowers in front and back

Visible need for repairs - OK

Over-all blending into neighborhood - OK

Occupancy: 3B, 2W (vacancies) CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source code: B(1CA, 2T), H(CA, T), W(2CA,WL) Vacant (CA)

4700/02 (6 units)
4706/8 N Magnolia (7 units)

Litter - some litter by rear parking

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - OK

Occupancy: 10B, 2H, CT: 22.2% B, 31% H, 49.1% W, 6.3% A
Gautreaux source codes: B(4CA, 2T, 4WL), H(2CA), Vacant (1T)

4752 N Magnolia New construction (6 units)
1251 W Lawrence Same development (6 units)

Litter - Not really

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - Condo conversion just completed across Magnolia to the east; "last unit sold" up, for \$189,000.

Occupancy: B, H, W (vacancies) CT: 22.2% B, 31% H, 49.1% W, 6.3% A

4425 N Malden New Construction (17 units)

Litter - a little, by parking off alley

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood Blends in reasonably well,

Occupancy: B, H, W (vacancies) CT: 22.2% B, 31% H, 49.1% W, 6.3% A

4650 N Malden New construction (17 units)

Litter - none

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood Blends in reasonably well, except for the burglar bars on grade level units.

Occupancy: B, H, W (vacancies) CT: 22.2% B, 31% H, 49.1% W, 6.3% A

CT # 312

5053/57 N Winthrop New construction (13 units)

Litter Some in front; none by rear parking

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - OK

Occupancy: B, H, W (vacancies) CT: 24.3% B, 11.8% H, 52.3.4% W 12.8% A

West Ridge

CT # 207 6117 N Kedzie Pre-existing building (4 units)

Litter - None

Landscaping - OK

Visible need for repairs - OK

Over-all blending into neighborhood - Fits in very well, 3 or 4 similar small multi-unit buildings with 4 units in middle building; Public Housing looks just like any other building on the block

Occupancy: B, H, W (3 vacancies) CT: 1.8% B, 32.2% H, 11.0% W, 24.7%A

CT # 208 6318 N Fairfield (2 units)

Litter

Landscaping

Visible need for repairs

Over-all blending into neighborhood