

August 31, 2006

MEMORANDUM FOR: *The Honorable Norma L. Shapiro*
United States District Court
Eastern District of Pennsylvania

RESPECTFULLY SUBMITTED BY: Steven A. Fischer
Executive Director

RE: Velez, et al. v. Cisneros, et al.
Civil Action Number 90-6449
Annual Report for 2005-06

"Affordable housing is central to promoting healthy, mixed-income communities and reducing poverty. It provides a foundation from which families can more easily find and keep jobs and attend to the health and education of their children."

Julia Stasch, Vice President,
John D. and Catherine T. MacArthur Foundation

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Annual Report for 2005-06**

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INTRODUCTION

The story of the Chester Housing Authority (CHA) over the past decade-plus is one for the housing history books. Well chronicled in various publications and reports over the years, this "rags to riches" rise of healthy, productive communities featured many heroes. From four courageous women, *Yvonne Carrington, Barbara Gooby-Muhammad, Ella Thompson* and *Ernestine Tilghman*, to cooperative community members, to teams of *pro bono* attorneys, to dedicated staff, to an able Receiver, to the leadership of an overseer provided by *The Honorable Norma L. Shapiro*...

A 1989 class action lawsuit by Residents against the CHA led to the 1991 United States Department of Housing and Urban Development (HUD) dissolution of the CHA Board of Commissioners. HUD then assumed responsibility for the agency and, later that year, was added as co-defendant in the case. After a bench trial, *Judge Norma L. Shapiro* of the United States District Court for the Eastern District of Pennsylvania ruled that the failure of the CHA and HUD to rehabilitate abandoned units of public housing constituted an illegal *de facto* demolition (*Velez, et al. v. Cisneros, et al.*, Civil Action 90-6449). *Roger Ashodian, Esquire* of Delaware County Legal Aid filed a class action suit on behalf of the CHA Residents. Subsequently, *Lawrence J. Fox, Esquire* provided *pro bono* services and remains as plaintiff's counsel. Just this year, Mr. Fox was duly honored by the American Bar Association for his work on behalf of the CHA Residents.

In 1994, HUD requested the Court appoint a judicial receiver to replace the HUD-appointed director. *Judge Shapiro* selected *Robert C. Rosenberg*, a former New York City Housing Commissioner, as Federal District Court Receiver.

From 1994 to 2005, *Rosenberg* took the CHA from its "severely distressed" status to "high performing," bringing a 1994 PHMAP score of 35 to a PHAS score of 96 by 2003. During this decade of renaissance, four large family communities were revitalized, leveraging over \$109 million of private and public monies. An obsolete, crime-ridden housing stock was converted to multi-use, mixed-income communities. A fully certified police force was created as were many programs catering to Resident development. A Sustainability Committee, comprised of dozens of private and public sector leaders, committed to looking after the progress made under the receivership. All of the above should serve as a catalyst for lasting economic and social development in Chester.

In addition to the revitalization of the housing stock, *Rosenberg* blueprinted dreams for commercial development, a cultural center and homeownership.

On March 31, 2005, *Judge Shapiro* ended *Rosenberg's* tenure as Receiver and installed an Executive Director (ED) to run the daily operations of the agency. On the same day, she reclassified *Rosenberg* to Judicial Administrator for Development outlining both's responsibilities in her order (see Appendix 1). On April 18, 2005, Mr. *Rosenberg* was feted for his decade of amazing accomplishment by over 200 community leaders who simultaneously welcomed the new ED to Chester.

While *Judge Shapiro* honored Mr. *Rosenberg* and ushered in the ED, she affirmed her commitment to the development of an independent Board of Commissioners. During this reporting year, formal training took place conducted by an outside contractor and held at Widener University. Monthly meetings were re-established. As the year progressed, so did the quality of meetings. They included thorough analysis, true debate and painstaking examination of the CHA's current condition and vision for the future -- no "rubber stamping." No longer does the Court accept resolutions without prior review by the Board designees. Led by *Dr. Judith Stang* as Chair, seats on the Board were occupied by *Sheridan Jones, Lisa Gaffney, Dr. Marcus Lingenfelter, Kristen Morgan* and *Jeremiah Riley*, all Chester residents.

Two and a half months, from mid-April to the end of June, 2005, were taken by the ED to prepare his first full year with the agency. Orientation began with the setup of regular meeting schedules with Executive staff. Meetings were held with all staff in large and small groups. Initial observations, based on recent years' reports and staff meetings, were reported by him as he went through a process of getting to know the agency and it him. Budgets were formulated for the coming year.

Staff were acknowledged for their efforts through tough years. They were pointed to as a team that brought an agency through desperate times to respectability; a group that brought hope back to communities all over Chester. They were urged to be proud of their accomplishments.

Accomplishments aside, our business still suffers from funding shortfalls and a poor image. These factors and others will drive a continual emphasis on improving operations. To improve our financial condition, analysis of all expenditures, including staffing, will be part of our regular routines. Image will be addressed on a daily basis by appreciating the opportunity to serve, impressing customers and impressing the greater community. Execution of the above will pave the way for long-term viability.

MANAGEMENT REPORT CARD

Various HUD reviews and audits were conducted throughout the year checking on prior periods. An Independent Audit was performed by Barbacane, Thornton & Company of Wilmington, Delaware for the fiscal year ended June 30, 2005. One finding was made regarding the calculation of public housing rents. Corrective action was promptly filed.

The Real Estate Assessment Center's annual review resulted in agency scores of 75 for both Public Housing (PH) and the Housing Choice Voucher Program (HCVP) for 2005. These grades brand the CHA as a 'standard performer.' The HCVP score is another step up from the lower scores of years past. Our PH score is a downturn from the 96 of two years prior. Ensuing years' scores of 81 in 2004 and now 75 for 2005 are largely the result of depleting reserve funds and the deterioration of *Chester Towers*. This year, therefore, was centered on reversing the trend of our financial condition. This report makes multiple referrals to cost-saving measures and efforts toward new revenue generation. The 2007 scheduled demolition of The Towers, to make way for new housing, will ameliorate that problem. The goals of getting both Housing programs' scores to the 90 mark are etched in the Agency Plan.

HUMAN RESOURCES

Beginning here seems logical. For it was our "human" resources on which we leaned to accomplish our goals for the year (Appendix 2: organizational chart, revised this year).

In the months preceding the start of this fiscal year, all budget analysis pointed to expense difficulties which could be harnessed with cuts in labor. Cuts in services, supplies or contracting could have only limited impact. Salaries were draining us. Their reduction could get us financially sound. With no clear idea of where to begin cutting, staff were informed of each individuals' worth and it was pledged to "keep us together" where practical. As the year progressed, subtractions to staff were in fact made as a result of resignations, retirements and some cases of non-performance. Replacement hires were usually not done, thus keeping together the group without forced layoffs.

Setting the tone for the year was the Human Resources department itself under the watchful eye of General Counsel *Maria Zissimos*. When her administrative assistant resigned, there was no replacement. Instead, three members of the Finance and Housing offices were directed to pool efforts and absorb the workload. No problems, and we moved on. The pattern would repeat itself throughout the year.

On July 1, 2005, the CHA roster numbered 83 employees. On June 30, 2006, we were 68. Less 15, the same number of Residents are served; the same administrative functions completed. Regulatory requirements are handled with little delay and greater accuracy. Short work weeks were lengthened for employees not represented by organized labor and long hours were logged by many.

This was the final year of a collective bargaining agreement for our administrative unit. Negotiations were underway for the coming years with Teamsters Local 312 as the period came to a close. Laborers and Mechanics are represented by the National Conference of Firemen and Oilers, Local 473 through 2009.

FINANCE

This department runs without worry as to compliance. Staffed by strong, passionate individuals, problems arise only when grappling with funding realities. But there are not many better accountants in Public and Assisted Housing than our Chief Financial Officer, *Joseph Keller*.

Responsible for the oversight of all fiscal operations, Keller, with staff of four and a half, provide all accounting, budgets and periodic financial reports for the agency. Capital financing, cash management, investments, accounts payable, accounts receivable and payroll all fall under their purview. Internally, this office serves all other offices and component units such as privately managed developments for which subsidies are provided and corporate entities wholly controlled by the CHA.

The CHA runs on a fiscal year beginning July 1st and ending June 30th. It operated management budgets of approximately \$20 million. Aside from the collection of rents, most income comes from HUD. For many years, HUD allocations have decreased. In the past few years, the cuts have become more acute (see Appendix 3 for this year's funding allocations).

For the fourth consecutive year, the department was not cited for a financial finding in the independent audit. Also this year, staff was trimmed by one full-timer. At the same time, procurement/purchasing responsibilities and some human resource functions were blended into remaining staff workload as part of staff cutbacks. The department is pleased that these efficiencies were accomplished thanks to the efforts of Accountants *Crystal Harrison* and *Debarah Smith*, Accounting/Purchasing Clerk *Shawn Woody* and the part-time assistance of *Roman Kubas*.

Of the utmost importance this year was beginning implementation of the HUD-mandated project-based accounting and budgeting. What made this less cumbersome was the fact that the Receiver had begun to do project-based accounting. Facing a deadline of 2008 for full compliance, planning and implementation using the current Fiscal Year 2007 as our "beta year" has begun. The chart of accounts has been adjusted and new charges will be coded accordingly. Getting a head start on this radical departure from traditional HUD accounting, we will be geared for compliance in advance of the directive. This methodology change will place more burden and responsibility on the department and not economize or simplify its task.

Other key contributions from Finance this year:

- Essential analysis in renegotiating *Wellington Ridge* operating subsidy agreements with Pennrose Development.
- Provision of financial counsel for the Chester Towers revitalization project.
- Responses to Requests for Proposal, as needed.

HOUSING ADMINISTRATION

During the year, the CHA administered and managed 2,552 units of subsidized housing, approximately 20 percent of Chester's rental stock. Conventional Public Housing numbered 989 units; Housing Choice Vouchers (formerly Section 8) 1,563. We were associated with 26 units of affordable homeownership completed in 2003 and engaged in the redevelopment of 251 units of rental housing and 74 more units of homeownership. Ninety (90) families entered our programs in 2005-06. That included 35 new PH Residents, 48 imported voucher holders from other jurisdictions and seven (7) Hurricane Katrina victims.

By the year's end, the administration of two rental programs was brought together to operate as one department. *Norman Wise*, the Asset Management Director, was given oversight responsibility and titled Director of Housing Operations. *Mary Militello* remained HCVP Director under Wise. Combining the resources of each former department is a strategy to economize. Fresh approaches will be implemented.

The "A" Team. To assist efficiency sought in Housing, a team of non-Housing program staff was assembled to provide administrative support. Portions of the time of five individuals from around the agency will be borrowed to perform duties such as reception, mail, scheduling and the answering of basic public questions. This Administrative Support Services crew, dubbed *The A Team*, is guided by Executive Assistant *Dorothy*

Green. In order of time put in, *Renee Bradley* from Police, *Bette Morton*, from Planning and Development, *Pholla Lam* from Housing and *Shawn Woody* from Finance round out the unit.

Public housing. Developments in operation consisted of the following:

<i>Chatham Estates (Chatham)</i>	110 units	....	built 1940	... rebuilt 2002
(former <i>Lamokin Village</i>)				
<i>Chatham Senior Village (Village)</i> ...	40 units	.....	built 2000	
<i>Chester Towers (Towers)</i>	300 units	.....	built 1971	
<i>Matopos Hills (Matopos)</i>	269 units	.....	built 1943	... redeveloped 1996
(former <i>Ruth L. Bennett Homes</i>)				
<i>Wellington Ridge (Wellington)</i>	110 units	.....	built 1940	... rebuilt 2003
(former <i>McCaffery Village</i>)				
<i>William Penn Homes (Penn)</i>	<u>160</u> units	.....	built 1942	... redeveloped 1998
Total			989 units	

Chatham, *Matopos*, *Penn* and *Towers* are owned and operated by the CHA. The *Wellington* and *Village* are owned by Pennrose Development and co-managed by Pennrose and the CHA. *Heartley Homes*, a 10-unit townhouse-style development, is owned and operated by a CHA subsidiary. It contains Residents with vouchers.

Property management staff was trimmed from five to two this year because of resignations and performance issues. Left taking on more responsibility and doing a great job of it, was *Rotelia Waller*. *Roe* is a unique individual. Taking on a heavier load, she did not curtail the extra efforts for which she is known. For example, she initiated and orchestrated the opening of a childrens library at *Matopos*. For that, and the assortment of community work she does, the ED called a one-hour work stoppage to honor her.

Our Maintenance force did not endure cuts but took on additional work. Most notably, a six-figure contract for landscaping was eliminated; that work was handed to them. The agency saved money and the crews took it in stride. We work harder now and accomplish more in service to our Residents.

Out of Maintenance this year came a landmark announcement. Forty-eight-year employee and Lead Mechanic *Thomas Mosley* informed of his planned December, 2006 retirement. The celebration of a long and storied career will take place.

The HCVP, as its new name indicates, promotes greater choice in housing by allowing families to select homes and neighborhoods that meet their needs. Changing the image of this program was a top priority. An influx of 82 new and rejuvenated investors (landlords) yielded positive results. As Chester enters an era of hope, so does our program. As real estate values rise, so does investor interest. Dozens of once abandoned properties, off tax rolls, have been purchased, renovated and made available to program participants and other renter households. HCVP investors, by CHA estimates, contributed more than \$1 million in substantial rehabilitation improving Chester neighborhoods.

Fostering relationships. Building cooperation and trust between landlord, tenant and HCVP staff has been paramount to upgrading the program. Comprehensive family and owner handbooks, training workshops and monthly newsletters improved communication and understanding of rules and procedures. Building on what began during the Receivership, we have developed a greater presence in Chester through participation in community activities and the participation of senior staff in marketing, quality control inspections and addressing customer service issues. Renewed confidence with a more accessible staff and quality program tools have improved program integrity, increased compliance and expanded affordable housing opportunities.

Housing Quality Standards. McCright and Associates provided inspection services on a contract basis as it has since 2003. This year, CHA staff began training. How inspections are handled in the future will depend on a number of factors, including funding.

Occupancy and Leasing. CHA-operated housing and assisted housing are in high demand as evidenced by long-closed waiting lists for PH and the HCVP. In the post-Velez era, the CHA has become the landlord and administrator of choice for needy families. High occupancy and quick turnover rates of available PH units and full utilization of awarded HCVP funds now characterize its programs. Renewed interest in Chester has been seen in the amount of families coming in search of our housing. Many do still leave, mostly in search of better schools.

The road to homeownership. Three program participants moved to homeownership. None exercised the HCVP homeownership continued subsidy option. Thanks are passed to *Pathways PA*, *Consumer Credit Counseling* and the *Chester Community Improvement Project* for their assistance to the process of homeownership achievement.

Special Initiatives. It was a year in which attention was put on our Resident partners; a children's library opening, recognition of outdoor decorating and landscaping and a showcase of HCVP successful tenancies. The latter included a tour of homes hosted by tenants followed by recognition ceremonies.

At the urging of the Receiver Court, compassion was shown for Hurricane Katrina evacuees. With enthusiastic Board support, admissions policies were quickly amended to provide up to 10 vouchers and 10 PH units to assist émigrés from the affected region. Staff went further when they organized a clothing and furniture drive. A late-year dinner event provided a forum for displaced persons to receive counseling and referral assistance.

Program Integrity. HUD's Enterprise Income Verification (EIV) System was integrated to assist in identifying unreported sources of income. EIV matches program participation information with wage data and Department of Labor and Social Security Administration benefits.

Staff also received training from the HUD Office of the Inspector General (OIG) to assist in the detection and prevention of fraud. The collaborative partnership with the OIG resulted in the investigation of four households for failure to report income. Two are no longer receiving subsidy and two are under repayment agreements.

The OIG also assisted in establishing grounds for denying assistance under the One Strike and Megan's Law provisions.

SECURITY

Securing communities is an expensive but necessary service. Since the 2000 inception of the Chester Housing Police Department (CHPD), its force has been scaled back to a minimal amount of officers, especially since the elimination of its chief source of funding, HUD's Drug Elimination Program. In no year since its birth has the force had fewer officers. The next cut it takes will be administrative unless it is decided not to cover the streets for periods of time. This is unlikely.

The CHPD is a force constantly in motion (see Appendix 4 for an accounting of their reported activities). So life without them would impact greatly on all other parts of the organization. Recognizing this obvious reality, the new Director pronounced repeatedly his commitment to "keeping the Police." How that would be done, while facing financial hardship, would be the challenge. In response, the first strategy was to use the certified expertise of our department to offer services. In the first year, we vied for a few contracts and received one for \$91,250 per annum. Agreements were also made with a future co-managing partner for services valuing approximately \$100,000 per annum beginning next year. This is just a start in sustaining a department which currently costs \$600,000 per year. At least we've gotten started.

The CHA is fortunate to have the services of *Chief Rodney O'Neill* who brings many years of experience to Chester. The Chief manipulates the clock better than anyone, squeezing the most possible hours of street presence out of a limited sized force of men and women.

Despite the stress of the streets, morale was high and dedication strong. Neither aging vehicles nor ever younger criminal elements deterred the faithful from keeping our neighborhoods among the safest in Chester.

When it comes to maintaining the peace and sending positive messages, supportive State Representative, *The Honorable Thaddeus Kirkland* was leaned on for assistance in funding new Police cars. The hope is to have positive news on this next year. Kirkland, who has a life-long history with our public housing Residents, is a friend on whom we count.

INFORMATION TECHNOLOGY (IT)

Chief O'Neill doubled as our IT Director. He has the talent and the desire of which full advantage was taken.

Long-time needs were addressed. In what will be long-term cost cutting measures, investment in the overhaul of telephone and computer systems was made. Website changes will follow. Those projects are under the tight control of the Chief and progressing well.

LEGAL

The myriad of projects which comprise today's CHA require full-time Counsel for continual document review. The requirements imposed by the Court, as well, put heavy emphasis on due process making outside counsel unaffordable. *Maria Zissimos* very capably serves these needs for us in addition to running Human Resources and Risk Management.

Eviction proceedings. In accordance with Velez, we continued to have one or two scheduled days each month for Resident arbitration hearings. The cases are heard by *the Honorable Seymour Kurland*. The lists are generally short and mostly reflect the inability of Residents to prioritize rent payments. We had no habitability complaints reflecting the proper maintenance of the housing. During this report period, 192 requests

for hearings were filed. Of those, 40 evictions were ordered by the Court and carried out by the Federal Marshal.

Personnel matter. *Jamilla Graves v. CHA, EEOC No. 17FA460867.* On January 7, 2004, we received notice of a claim of race discrimination by a former employee. The complainant, an African-American female whose termination was recommended by another African-American female, was terminated on October 27, 2003 for unsatisfactory work performance. The complainant claimed her manager referred to her as a Negro and a fool. A response letter was issued January 9, 2004 citing the Receiver's Order requiring Court approval prior to an investigation.

Litigation.

(A) *Coleman Associates.* Agreement dated April 7, 1994 by and between the CHA and Design Collaborative, Inc. (DCI), as amended July 15, 1997, for the Project Lamokin Village, Task Order II.

On December 21, 2000, CHA delivered prompt written notice of defects in connection with the Chatham Estates family development to DCI. On July 11, 2001, CHA received a change order for general conditions and delay damages stemming from the design defect.

CHA engaged Remington & Vernick (R&V) to analyze the claim. CHA settled the amount of the change order with Keating, its general contractor, and its subcontractor.

On April 29, 2005, a demand for arbitration was filed by a subcontractor of DCI, Coleman Associates (CA). Counsels for DCI and Coleman were notified that CHA does not have privity of contract with CA and that any demand or claim against CHA must be presented to the District Court in accordance with the Receivership Order.

On June 2, 2005, CHA received notice from the American Arbitration Association that CA withdrew its request for arbitration against CHA.

On November 22, 2005, CA sent correspondence to CHA renewing its request to file a claim against CHA directly for payment under its agreement with DCI. CA was directed to seek permission from the Receiver Court which it did on February 6, 2006.

The Court had not reached a decision as of June 30, 2006.¹

(B) *1023 Kerlin Street.* Mr. and Mrs. Willard J. Shelley, Jr. wrote to Judge Shapiro requesting assistance with the deterioration to a portion of their home resulting from

¹ A decision was issued by the Court on July 11, 2006.

repairs made by CHA to one of its former scattered site properties, 1021 Kerlin Street, in 1998-99. At Judge Shapiro's direction, CHA gave R&V a task order to determine cause of damage to the Shelley property and complete a structural report and recommendation for repairs. Cost for recommended repairs came to \$5,100. On May 6, 2005, the Shelleys agreed to a settlement release and covenant not to sue agreement and were paid \$5,100 on May 9, 2006.

(C) Since 2002, eight "slip and fall" claims have been filed. Notices of claim have been filed. There is one pending trial, one ongoing discovery and six representation letters received with no follow-up complaints.

Non-profit subsidiaries. There five such entities, all established during the years of the Receivership.

(A) *Chester Housing Facilities Management.* Formed to create the Chester Housing Police Department.

(B) *Chester Housing Acquisition Corp.* Formed to acquire property.

(C) (D) *Chester Wellington Development Corp. (CWDC).* Formed to accept donations for the *Neighborhood House*. CHA disposed the retail site to this entity in 2001. In 2003, the Receiver requested CWDC apply and receive 501(c)(3) status. CWDC received an advanced ruling letter in June, 2003. In October, 2003, the Receiver requested and CHA completed a name change for the CWDC in order to support the arts initiative. The new name is the *Chester Arts and Cultural Center*. It is expected that this entity will be used to form the outside Arts board. CHA has an open receivable of \$20,053 in legal costs to recoup for the formation of this entity. At the time of the name change, the CHA retained the CWDC name and formed a new 510(c)(4) entity to continue its activities with the retail site disposition.

(E) *Chester Housing Community Corporation.* Formed to assist HOPE VI projects.

PLANNING AND DEVELOPMENT

This arm of the CHA was relatively inactive the first half of the year. Filling the void, keeping the public housing modernization program afoot, was *Stephen Lalli* of Rosenberg Housing Group. Architectural and engineering services and painting contracts were awarded during these months. By 2006, a national search concluded and resulted in the hiring of *Christa Williams*. Williams came to us off of eight years with the Philadelphia Housing Authority. Her arrival coincided with the elimination of one full-time staffer, downsizing this department from four to two.

Her first order of business was the development of the Annual Plan. Strict timetables were set, Resident and community input received, City of Chester concurrence obtained expeditiously and the Plan submitted to HUD on time. She then got to work on an upcoming energy audit and designated elderly housing plan.

Getting acquainted with all CHA sites was time she had to put in. At year's end, the department had one contract in progress, the exterior painting of *William Penn*, scheduled for completion in Summer, 2006. Other capital projects, accessibility accommodations at *Matopos* and *William Penn* and heating repairs at *Matopos*, were also in motion. A host of improvements are in the planning stages as well as entry into a capital fund bond pool with other Pennsylvania housing authorities. This will enable more speedy capital improvements by pledging future fund allocations. It is backed by HUD.

Organizational restructure handed new duties and responsibilities to P&D. The recreation and maintenance of a CHA website was launched. New business development efforts will be planned in conjunction with other departments, the marketing of which will be handled by P&D. The development of a homeownership program is in the discussion stage.

The new department head was asked to take in as much training as her schedule permitted. In her first half-year, she attended:

- Rental Housing Development, by National Development Council
- Capital Fund Program, by NAHRO
- Leadership Institute, by Neumann College

Staff assistant *Bette Morton* was invaluable to the new P&D Director. Her schedule filled up with increased duties as she helped them form a solid team.

COMMUNITY RELATIONS

A lot took place toward the development of a stronger partnership with Residents. It was advantageous to the new ED that formal forums for regular communication with the communities had already been established. In addition, from time to time he met with selected groups or individuals.

Quarterly sessions with Resident leadership had executive staff reporting on planned objectives and forthcoming administration of required actions. Feedback was sought and received, always followed by general discussion which tended to center around parental supervision and security issues. Gratitude to *McClure Collins*, *Ruth Minor*, *Loretta Rankin* and *Portia West* for their regular attendance and concern for their respective communities as well as the CHA in general. The ED's personal thanks to those four for their assistance in helping him gain needed insight and understanding of their neighborhoods.

Town meetings occurred at the same frequency. Topics ranged from HUD Resident surveys, to funding cuts, to rent revisions, to maintenance changes. No topic received greater attention than *Chester Towers* and *Matopos Hills* Resident relocation. Participation rates were high; discussion lively.

LEGISLATIVE REVIEW

The news is bad on government support of our programs. PH operating subsidy is in the throes of the deepest cuts in the program's history. After enduring a year of a 15 percent cut, HUD has proposed 22 percent for the coming term. In tandem, a system of accounting and project management is being imposed which will add to administrative costs and jeopardize the long-term viability of particular properties. Program funding on a national level will see funding shift away from our part of the country to go south and westward. Successive cuts in HCVP administrative fees leave agencies unable to invest in training and retention of qualified staff, expand housing opportunity and make critical technological improvements that promote compliance and quality customer service.

In this time of war, we are more greatly challenged to fight for domestic needs like affordable housing. Out of desperation and in addition to the usual communication with legislators, we joined with a handful of Pennsylvania housing authorities to take our case public. In June, the first in what will be a series of public events, was held in Philadelphia. Spearheaded and led by Philadelphia Housing Authority ED Carl Greene, the Allegheny County, Harrisburg, Pittsburgh and Chester Housing Authority EDs

conducted presentations, discussions and news conferences pitching the survival of public housing to United States Senator Rick Santorum, a representative of Senator Arlen Specter's and Member of Congress Chaka Fattah. Hundreds of Residents and staff bore witness in very interactive sessions. Next stop Pittsburgh, in September.

CLOSING

In the Chester, Pennsylvania of the 1940s, a war-stoked economy spawned steel mills, shipyards, textile mills and other industries. Chester was a magnet for great migration from the rural South. Folks came for jobs. The Sun Shipyard alone employed 40,000. As times changed, so did Chester. Jobs dissipated, skilled labor left and the poor were left here. By the 1980s, Chester was a shadow of itself. Hope and opportunity for the young practically non-existent, criminal elements took hold. Education and housing systems faltered when most needed.

The late 1980s saw the CHA reach its lowest point. First came its heroes and the lawsuit; then a judge's landmark decision. A receiver's clear-out, clean-up and raising of new communities spanned the next decade and continues today. On solid ground and desirous of serving the Chester populace is an institution primed to give it another go. No longer do favoritism and patronage lead daily business. The support of an entire city is needed to guarantee there be no possibility of a return to the bad old days. As a city and its schools move to fortify their operations, it can be a crucial support to them that the Housing Authority is in order.

The City has set a course of increasing the rate of homeownership. Current rental unit rates will be maintained and improved but not increased. Efforts in development will focus on building homes. The 2003 *Wellington Ridge* development included 26 new first time home purchases and the *Chester Towers* revitalization project includes 24 more. A hand-in-hand effort with the Chester Economic Development Authority will feature 50 new homes for sale in its first phase.

Affordable housing is, at best, a subject of debate in today's America. In the coming years, the country will decide whether government-aided shelter has provided a) unproductive refuge to families, the elderly and disabled or b) basic support to needy and worthy citizens. The CHA will argue for the latter, however possible. Housing support is needed where the gap between rich and poor grows.

THANKS ...

for the passion brought to the job everyday by Executive staff. Keller, Militello, O'Neill, Williams, Wise and Zissimos make up a strong team able to carry the CHA to a bright future. Great thanks to Executive Assistant Dorothy Green who sets the tone for our work -- whatever it takes to get the job done.

Thank you too to Residents of Public Housing, the Housing Choice Voucher Program, recent first-time homebuyers and former Residents whose counsel and opinions I have sought. Their insight into what it is like on the receiving end of our efforts is critical to our success.

Thanks for the support and guidance provided by *Malinda Roberts* and her staff at the HUD Philadelphia office.

My gratitude for the welcome to Chester I have enjoyed. *Mayor Wendell Butler* has been frank and fair with me; his team of assistants have been professional and kind.

My thanks to Bob Rosenberg for piquing my curiosity and leading me to Chester, and to Judge Shapiro, working for whom has been an enlightening experience.

**APPENDIX 1/
Court Orders of March 31, 2005**

**APPENDIX 2/
2006 ORGANIZATIONAL CHART**

**APPENDIX 3/
Grant and Subsidy Schedule**

Public Housing Operating Subsidy	\$ 3,058,370 (2005)
Housing Choice Voucher Program	14,867,888 (2005)
Capital Fund Program	3,971,481 (2002-05)
Replacement Housing Factor Funding	10,913,246 (2002-05)
HOPE VI	<u>20,000,000</u> (2004 award)
	\$ 52,810,985

**APPENDIX 4/
2005-06 Chester Housing Police Department Activity Log**

**APPENDIX 5/
2005-06 Associations**

The CHA is grateful to the following individuals and organizations that helped further its goals for the year:

Allegheny County Housing Authority
American Bar Association
The **B**enefit Bank
Congressman Robert **B**rady
Center on Ethnic and Minority Aging
Chester Arts Alliance
Chester Community Improvement Project
Chester Economic Development Authority
Chester Fine Arts Center East
Chester-Netters
City of Chester
City Team Ministries
Community Action Agency of Delaware County
Community Economic Development Resource Center
Community Impact Legal Services
Council of Large Public Housing Authorities
County Office of Services for the Aging
Crozer-Keystone Health Systems
Cultural Alliance of Greater Philadelphia
Delaware County Housing Authority
Delaware County Property Investors Group
Diversity Apprenticeship Program
Fair Deal Coalition
Eastside Ministries
Lawrence J. **F**ox, Esquire
Freeman Gallery
Harrisburg Housing Authority
Pennsylvania **H**ousing and Finance Agency
United States Department of **H**ousing and Urban Development
Institute for Leadership Education and Development
Jewish Employment Vocational Services
Representative Thaddeus **K**irkland
Legal Aid of Southeastern Pennsylvania
National Association for the Advancement of Colored People
National Association of Housing and Redevelopment Officials
Nemex

Neumann College
Pathways PA
Pennrose Development
Philadelphia Development Partnership
Philadelphia Housing Authority
Pillars of the Community
Pittsburgh Housing Authority
Project Thrive
Public Housing Authorities Directors Association
Roizman Development
Rosenberg Housing Group
Senator Rick Santorum
Senator Arlen Specter
Swarthmore College
Widener University
Wilmington Housing Authority
Wise Choice Scholarship
Youthbuild

**APPENDIX 6/
News Clippings**
