

October 19, 2007

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 2006-07

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Annual Report for 2006-07**

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INTRODUCTION

Last year, in this opening spot, I chronicled the history of the Chester Housing Authority ("CHA") Receivership. Heroes of the 1989 class action lawsuit were acknowledged. CHA staff, a Judicial Receiver and Your Honor were duly noted. Now, another year past the abhorrent conditions you found at Chester's Housing Authority, we see ourselves better off and poised for a bright future.

In review, the 1989 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, subsequently, 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). Delaware County Legal Aid filed a class action suit on behalf of the CHA Residents. *Lawrence J. Fox, Esquire* provided *pro bono* services and remains as plaintiff's counsel. Mr. Fox made other news this year on a matter related to the federal courts (see Appendix 3).

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 a state of distress to high performing. Four family housing developments were rebuilt or refurbished, leveraging over \$109 million resulting in 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 progress made. Commercial development, an Arts and Cultural Center and homeownership plans were put on the drawing board, the development in which we are intensively involved today.

Current administration. March 2005 marked the end of Rosenberg's tenure as Receiver. Judge Shapiro installed an Executive Director ("ED") to run the agency and appointed Rosenberg Judicial Administrator for Development. Her Honor continues to appoint Chester citizens to serve as a Board of Commissioners Designee. This group meets monthly with the ED and, from time to time, with Her. The Group also undergoes formal training. Most recently, a May 2007 one-day session at Swarthmore College was given by Dower Associates. Current members of this Board are *Sarai Cruz, Darrell Jones, Marshall Muhammad* and *Willard Richan*. Their commitment and support of the CHA is valued. Also serving this past year were *Jeffrey Flynn, Lisa Gaffney, Sheridan Jones* and *Dr. Judith Stang*. Mr. Jones resigned to run for Mayor, Ms. Gaffney was appointed to the Pennsylvania Housing Finance Board and Dr. Stang was tapped by Judge Shapiro to chair the Sustainability Committee.

In April 2007, the entire CHA family was deeply saddened by the loss of *Jeremiah Riley*, a long-time Resident and member of the Board of Commissioners Designee up to his untimely death. He was 61. Known affectionately as "The Mayor of *Chester Towers*," he was a passionate CHA supporter with a keen interest in the development of a manual for Residents to better understand living under the CHA umbrella. For that reason, this year's new publication, *Building Community*, was dedicated to him (see Appendix 15).

From July 2006 to the present time, we have settled into routines laid out during the previous year. First and foremost, we trimmed fat off of every department, whether truly needed or in response to federal cuts. Nevertheless, the determination and passion of staff and Resident leaders drove us to set high goals and accomplish much. Our main goals remain:

- Improving our financial condition
- Addressing image
- Appreciating the opportunity to serve
- Impressing our customers
- Impressing the greater community

This report will primarily outline the fiscal period July 1, 2006 to June 30, 2007. In some cases, due to the timing of the Court's order, it will also include activities and events through September 2007. Subsequent to the above dated submission to the Court and public distribution, I will make an oral presentation and invite comments and questions of Your Honor, Plaintiff's Counsel, Residents, staff and the general public at the hearing called for November 20, 2007, 1:00PM, United States District Court for the Eastern District of Pennsylvania, Courtroom 10-A.

On the cover. The covering page is graced by five of the CHA's finest. They participated in this year's summer learning program at *Matopos Hills*. As Resident Program Director *Jonathan Whittington* is wont to say, "They (the children) are our future." Pictured are Javar Palmer, Laniya Palmer, Lavar Palmer, Darren Richardson and Jamil Richardson. We thank them for striking a great pose and, moreso, for making us proud this past summer. One of their rewards is their selection for the cover of the First Edition of *Building Community*.

Having completed a year of major community building, our book is aptly named. As this report will detail, we were busy building a lot of things. We saw the completion of the first phase of the *Chester Towers* Revitalization, *Matopos Senior*, 82 units of elderly housing adjacent to *Matopos Hills*. We moved to revamp and improve relations with our Residents in many ways, by meeting regularly with their leadership as well as with Residents as a whole. We allied with local activists, agencies and institutions wherever plausible to further our goals and theirs and we reached out to our school district and institutions of higher learning with hopes of establishing long-term, mutually beneficial working relationships. It was indeed a year of "building community" on which we expect to build in the years to come.

REPORT CARD

Multiple HUD reviews were conducted throughout the year checking on prior periods. An independent audit was done by Barbacane, Thornton & Company (BTC) of Wilmington, Delaware for the fiscal year ended June 30, 2006. Two findings, related to tenant files and waiting lists, were noted. Corrective actions were promptly filed. BTC will soon commence field work for the period ending June 30, 2007.

HUD's Real Estate Assessment Center conducted its annual inspections and reviews resulting in CHA 'standard performer' status. The *Chester Towers* Revitalization Plan, having passed the relocation stage this year and advanced to construction, will go a long way toward raising our HUD rating as a major maintenance challenge will have been converted to modern, state-of-the-art housing sure to score well on physical inspections. Achieving 'high performer' status is a goal etched in our five-year plan. We believe we are two years away.

In addition to the outside scrutiny a public agency must undergo, the CHA subjects itself to a host of community and internal checks in its effort to raise the level of performance in service to CHA Residents and the City of Chester. Housing staff hold regular Town Meetings where important information is imparted and inevitable feedback, as to how we are doing in their eyes, is obtained from Residents. Resident Councils and a Resident Advisory Board render similar exchanges in smaller, more focused settings.

The ED, sometimes accompanied by executive staff members, also gets outside of our communities on a regular basis to be part of City-wide discourse and to seek input on our performance. The new CHA is being viewed as more of a local player.

HUMAN RESOURCES

Mary M. Zissimos, Esquire

We find it appropriate to start here because our "human" resources are our best and most reliable source of support. Funding is always tenuous. Like last year, the severity of federal funding cuts made reductions in our labor force the only viable means to solvency. Cuts in services, supplies and small-scale contracting could have had only limited impact.

On June 30, 2007, the CHA roster numbered 61 full-time employees assisted by 11 part-timers and eight temporaries, down from 68 full-timers on July 1, 2006. That, down from 83 the year before. Massive layoffs announced by other Housing Authorities were avoided as we prepared in advance for the inevitable cuts. The *Delaware County Times*, January 10, 2007, told our story (see Appendix 4).

Despite the gloom of impending staff cutbacks, our staff greatly understands and empathizes with that reality. High morale was exhibited on many occasions throughout the year as folks pulled together on holidays and for retirement celebrations. Appreciation of this was not lost on executive staff.

This was the second of a four-year collective bargaining agreement with Teamsters, Local 312 representing our administrative unit. Negotiations are nearing completion with Laborers and Mechanics represented by the National Conference of Firemen and Oilers, Local 473 on a three-year deal through 2010.

For up to date organizational chart, see Appendix 2.

FINANCE

Joseph J. Keller, Chief Financial Officer

This department ran without compliance issues once again. Staffed by dedicated, enthusiastic staff, difficulties arise only when grappling with funding realities. In other words, everyday.

Responsible for the oversight of all fiscal operations, the five-person staff provides 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 \$27 million. Aside from rents, all income comes from HUD. For many years, HUD allocations have decreased. The past few years, the cuts have been the most acute. This year was the worst with cuts as much as 23.6 percent threatened (We actually had to live with that for several months). An eventual compromising settlement was made in Washington for a 16 percent slashing of public housing operating subsidies. That did not come without enormous amounts of time spent by housing directors advocating for their Residents' needs, not to mention the very survival of agencies (see Legislative Review, page 16).

For the fifth consecutive year, the independent audit found no financial problems. Implementation of the HUD-mandated overhaul to project-based accounting and budgeting is on schedule.

Other key functions:

- Analysis of utility data in preparation for energy performance contract
- Analysis of *Wellington Ridge* and *Chatham Senior* operating subsidy agreements with Pennrose Development.
- Provision of financial counsel for the Chester Towers HOPE VI revitalization
- Preparation of, and responses to, Requests for Proposal.

HOUSING MANAGEMENT

Norman D. Wise, Housing Operations Director

The CHA administered and managed 2,552 units of subsidized housing, about 20 percent of Chester's rental inventory. Conventional Public Housing numbered 989 units; Housing Choice Vouchers (Section 8) 1,563. We were associated with 26 units of affordable homeownership completed in 2003 and engaged in the redevelopment of 261 units of rental housing and 74 units of homeownership. By next year's reporting, the above numbers will have been modified slightly to reflect revisions to revitalization plans. By Summer 2007, *Chester Towers* (300 units) had been vacated as part of the HOPE VI program. To date, 82 replacement units have been completed and are under co-management with Roizman Development, as will be the subsequent phases of this HOPE VI per agreements made at the inception of the Chester Towers Revitalization project. Though the CHA still features approximately 1,000 units of housing, agreements to privatize management of newer buildings have reduced the number of housing units it manages or co-manages to 813:

Housing Units Under CHA Management:

<i>Chatham Estates</i>	110
<i>Heartley Homes</i>	10
<i>Matopos Hills</i>	261 (reduced by 8 since last year)
<i>Matopos Senior</i>	82 (co-management/Roizman)
<i>William Penn Homes</i>	<u>160</u>
	623

Under Other Management:

<i>Chatham Senior</i>	40 (Pennrose)
<i>Wellington Ridge</i>	<u>110</u> (Pennrose)
	150

In Development:

<i>Chatham Terrace</i>	48 (co-management/Roizman)
<i>Edgmont</i>	71 (co-management/Roizman)
<i>Madison</i>	<u>71</u> (co-management/Roizman)
	190

Inventory lost to HOPE VI replaced by homeownership:

<i>Wellington Ridge</i>	26
<u>In Development:</u>	
<i>Wellington Heights</i>	50
<i>Logan Terrace</i>	<u>24</u>
	100

Comings and goings. Eighty-six (86) families entered our programs in 2006-07. That included 38 new Public Housing Residents and 48 imported voucher holders from other jurisdictions. Public Housing and Section 8 waiting lists have been closed for several years, an indication of the great need for affordable housing in Chester.

The previous year's merger of two housing departments is progressing well. Under the direction of *Norman Wise*, roles within the former Public Housing and Section 8 offices have been recast and some new titles have been created. A key move was bringing in *Douglas Daniel* from the Philadelphia Housing Authority. *Mary Militello* is Section 8 Director.

Not without setbacks, some new hires did not survive introductory periods so training has taken up much time. Public housing and Section 8 staff have learned to share assignments. New staff are being cross-trained. Despite shortness of funding, some monies went for out-of-office training.

Maintenance. Crew sizes were adjusted in relation to units of housing. We are headed toward a force of about 10. Five retirements, a few resignations and terminations, coupled with just a few hires resulted in a net loss of maintenance employees. Our workforce is leaner but the pace is picking up. Our goals include improving skills, upgrading equipment and renewing enthusiasm.

Housing Quality Standards. Since 2003, McCright and Associates has provided inspection services for Section 8 properties.

Worthy of mention are five fine men who ended long careers this year, *Thomas Benson*, *William Gifford*, *Sheridan Jones*, *Ronald Sommers* and 49-year mainstay *Thomas Mosley*. "Mr. Mo" was honored with a gala affair at the Airport Hilton on December 1, 2006. It was a greatly deserved testament to a long and great career. Attended by over 100 staff and guests, it was one the most memorable nights in CHA history (see Appendix 6).

Investing in our mission. On the Public Housing side, capital improvements are made on a regular basis, primarily by use of the Capital Fund Program. Like operating subsidies, that has been a shrinking resource in recent years. The most notable major improvements were access ramps and railings (completed) and replacement storm doors (80 percent complete) at the *Matopos Hills* and *William Penn* developments.

On the Housing Choice side, 84 investors became landlords this year. Staff give classes and certify investors, insuring their understanding of CHA program goals. Handbooks and newsletters keep communication flowing back and forth. This results in better housing and better landlord/tenant relationships which has a positive effect on neighborhoods.

Occupancy and Leasing. CHA-operated housing and assisted housing are in high demand as evidenced by long-closed waiting lists. 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 Public Housing units and full utilization of awarded Housing Choice funds characterize our programs. However, some good landlords are reporting higher vacancy rates and the Chester buying frenzy seems to have slowed.

In addition to our Public Housing, Pennrose and Roizman holdings and Chester Section 8 properties, we support over 100 outgoing portable vouchers. Most go to Delaware County, 15 went elsewhere. The number of contracts executed outside Chester has increased substantially, mostly going to the communities of Brookhaven, Chester Township, Crum Lynne, Eddystone, Marcus Hook, Trainer and Wallingford. The base of tenants actually living in Chester has shrunk from more than 1,300 in 2003 to about 1,100 in 2007. Crime and the school district are cited as chief reasons for moving.

Special Initiatives. Staff prides itself on going beyond basic program expectations to further the development of our communities. Some highlighted events of the past two summers displayed this. The following were not small endeavors taken on by Norman Wise and his band of followers. They provided lasting, positive impacts:

Summer Slam basketball tournament. This 2006 best-of-seven series kept young men occupied under the coaching supervision of former Residents. It was more than just the games. They practiced everyday (see Appendix 7).

Housing tour. HUD Region III Director *Guy L. Ciarrocchi* came to Chester to hear our story and tour communities. He even shot some hoops with the Summer Slammers (see Appendix 8).

Summer camp. The *William Penn* Community Center was the setting for a 2007 learning experience for younger Residents. A partnership with Nutritional Development Services of the Archdiocese of Philadelphia and a fabulous job by Chester school teacher *Sharon Young* made this an enriching experience for our youngsters.

Beautification. Swarthmore College provided the muscle to brighten up the area of *Matopos Hills* adjacent to Interstate 95 with fine plantings. We thank them for the nicer view for our Residents and passing traffic.

Holiday Spirit. St. Luke's Greek Orthodox Church brought about 800 gifts to CHA children for the 9th straight year.

SECURITY

Rodney M. O'Neill, Chief

The Chester Housing Police Department ("CHPD") is an ongoing deterrent to escalating crime in the City of Chester. Our Residents enjoy a higher level of security because of CHPD presence in their communities. While the cost of maintaining full-time police services is a burden, the cost of going without it would be greater.

During the past year, the CHPD moved its dispatch center from the soon to be demolished *Chester Towers* to the new *Matopos Senior*. This partnership with Roizman Development is a winning formula for many reasons. It puts us in a more central location to all our properties and right next door to our largest family development, *Matopos Hills*. It also puts us out in front of the newest senior housing in the area, affording levels of comfort and familiarity to the seniors recently relocated from the Towers. Payment for our services offsets our costs.

Mothers In Charge. Mothers In Charge ("MIC") Director *Barbara Gooby-Muhammad* and our ED, with the key assistance of the CHA Housing team and CHPD, teamed up to bring a unique kind of security to *Matopos Hills*. A June 2007 ceremonial opening of 1408 Locke Terrace kicked off a long-term effort to curtail violence and, at the same time, provide positive, nurturing programming right from a Matopos residence (see Appendix 9). The opening summer consisted of organizational meetings and bringing a peaceful presence to a former trouble spot. Resident Leader *Jonathan Whittington* and MIC member *Rachel Carson* were instrumental and helped keep this new home open three days per week. Look for big things coming out of Locke Terrace by next year including conflict resolution, grief counseling, drug prevention and crime reporting.

Related to the MIC initiative, we must mention the special friendship which has emerged between *Bethany Baptist Church* and the CHA. As Pastors Curtis Morris and William "Rocky" Brown often point out, the church has adopted *Matopos Hills*. The church sits adjacent to us on Tilghman Street. Throughout the year, we found ourselves together a lot for both sad and jubilant occasions.

On the road again. Summer, 2007 saw the long overdue purchase of two new patrol cars.

Cooperative efforts with the City of Chester Police are continuous and improving. Our officers and City Police work in tandem to curtail drug activity and violent crime. At this writing, a joint undercover operation begins to push back violence recently erupted around the *William Penn Homes*. Similarly, CHPD and Housing worked hand-in-hand to effect significant changes making patrols and surveillance more affordable, effective and visible. For activity log, see Appendix 10.

INFORMATION SYSTEMS

Rodney M. O'Neill

This arm of the CHA is also under the supervision of Chief O'Neill.

The completion of a new state-of-the-art telephone system will serve the CHA for many years to come. This will have saved money in both the short and long terms. We now have the ability to link off-site property management offices with the main system. We can also monitor and control those site operations more effectively.

The office provides daily service to all CHA departments. The upcoming relocation and subsequent permanent move of central offices will be challenging. As part of these moves, we will have to replace aging computer servers which will result in better service to staff and clientele.

LEGAL

Mary M. Zissimos, General Counsel

The myriad of projects which comprise today's CHA require full-time Counsel for continual document review. Requirements imposed by the Court put heavy emphasis on due process, making outside counsel unaffordable. Since 1999, *Maria Zissimos* has served ably, overseeing legal matters for both development and daily operations. In addition, she heads up Human Resources, Risk Management and, this year, took on Planning and Development upon the resignation of the director.

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 proper maintenance of the housing. From July 1, 2006 to June 30, 2007, requests for hearings resulted in 22 evictions, six of which were "One Strike" cases.

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.

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.

Matter withdrawn by CA August, 2006.

(B) Since 2002, 10 "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

Mary M. Zissimos

Joseph J. Keller

The March, 2007 resignation of this department's director led to a committee approach at filling the void. Direction set by the ED, Maria Zissimos took the lead while Joe Keller guided the finances. Remington, Vernick and Beach (RVB), already under contract for architectural and engineering services, was asked to be more involved with the supervision of capital improvement projects to fill the technical void at CHA. Given funding realities, this approach may last a while. For this year, it worked well.

The first order of business was the completion of the HUD-mandated Annual Plan which was completed by April 2007 and included Resident and community input and City of Chester concurrence. Subsequent HUD approval was obtained.

We then went on to accomplish the following:

Capital Fund Program:

- Section 504 improvements at *Matopos Hills* and *William Penn Homes*. Ramps and railings at various addresses throughout these developments (completed).
- Exterior lighting upgrades at *Matopos Hills* and *William Penn Homes* (completed).
- Energy Audit (completed). This is precursor to anticipated energy performance contract which will lead to funding of multiple capital improvements, primarily at *Matopos Hills*, such as heating system overhaul and window replacement.
- Storm door replacement at *Matopos Hills* and *William Penn Homes* (completion by November 2007) (see Appendix 11).
- Waterproofing of *William Penn Community Center* (underway).

HOPE VI and Replacement Housing Factor Programs ("RHF"):

- 50 homeownership units in coordination with City using \$3.275 million.
- Retail development to include supermarket and clothing store as anchors. CWDC entered into agreement for purchase of land by Brandywine Financial in September 2006 in amount of \$2.8 million.

COMMUNITY RELATIONS

Resident Advisory Board. Despite staffing cuts, we attempted to maintain the same level of involvement with our Residents. We explored how we could make more effective use of time. Resident leader meetings, in which the elected Presidents of each community's Resident Council came together for periodic meetings with Executive staff, had not been well attended. At the suggestion of Housing Director Norman Wise, the ED ceased calling those meetings and, instead, issued a call for a newly constituted Resident Advisory Board. This would consist of Residents agreeing to attend monthly meetings "reliably" to form a substantive working group with the ED and selected Executive staff as requested by the group. Our first meeting was in April, 2007 and we have met every month since. My thanks to *Loretta Rankin (Matopos Hills)*, *Portia West(Chatham Estates)* and *Jonathan Whittington (Matopos Hills)* who have made every meeting and stand committed to help build this working group into an effective inner circle of the CHA.

Town Meetings. All Residents were invited to join staff periodically for timely announcements and discussion of community issues of the day. Topics ranged from Resident surveys, to funding cuts, to rent revisions, to maintenance changes. The annual winter challenge of heating *Matopos Hills* and *Chester Towers* Resident relocation were the hottest topics. Participation rates were high; discussion lively.

Summer 2007 saw the completion of the publication, *Building Community*. Under the direction of the ED, a team of Swarthmore College interns used leases, community rules guides and Resident interviews in putting together this First Edition. The colorful 28-page booklet aims to be our Residents' easy-to-read guide to living in our communities. Many thanks to *Cynthia Jetter* of the College's Lang Center for supporting the project.

Assisting our school district in its turnaround is in our best interest. Therefore, our ED participated in a June 2007 three-day education summit organized by the United Way and held at City Hall. Out of that came many committees which will continue the work mapped out at the summit. Our ED is co-chairing the committee charged with increasing parental involvement in the district.

LEGISLATIVE REVIEW

News is bad on federal support of our programs. A National Association of Housing and Renewal Officials publication of this year dubbed it "Death by a Thousand Cuts." Since 2001, more than a billion dollars has been lost to our industry.

Borrowing from a Council of Large Public Housing Authorities outline, "For six years, housing authorities have struggled to keep public housing operating as the federal government's nickel-and-diming has escalated to full scale disinvestment. Agencies have decreased services, laid off staff, depleted reserves and sold assets in order to make ends meet in their public housing apartment complexes. Many agencies lack further resources to support the program as the federal abandonment continues. The well is now dry in many communities."

The Public Housing Authorities Directors Association ("PHADA") reports in its Fiscal Year 2008 position paper, "Legislative activity during the first session of the 110th Congress seems to indicate a heightened awareness by Members of the growing affordable housing crisis affecting millions of low-income households ..." Housing directors, however, seeing no actual funding relief in sight, 'took to the streets' with greater frequency. News conferences decrying the devastation to agencies were common occurrences around the country. Our region led the way. Our ED spoke at the following events:

Pittsburgh, September 2006. A half dozen Pennsylvania housing directors teamed with Senator Rick Santorum to call on HUD for fairer treatment and full funding.

Harrisburg, October 2006. From the Capitols steps, a half dozen Pennsylvania housing directors called on State lawmakers to be aware of federal pullback of housing support and hailed Harrisburg for consideration of State funding. Our own *Representative Thaddeus Kirkland* joined the podium to eloquently sound the virtues of our programs.

Philadelphia, January 2007. Blustery winter announcements of massive staff layoffs at public housing authorities were announced outside the Philadelphia Housing Authority's Martin Luther King, Jr. housing complex (see Appendix 12).

Phoenix, AZ, January 2007. Philadelphia and Chester EDs held two-hour session at Public Housing Authorities Director's Association ("PHADA") national conference on the essential need to advocate for our programs, locally as well as nationally. Pennsylvania and New York models were highlighted.

Wilmington, DE, April 2007. Again, a half dozen directors were joined by Wilmington Mayor James Baker in a series of educational sessions and a news conference.

Philadelphia, May 2007. Philadelphia Mayor John Street brought directors and City officials from around the Northeast to sing the same song.

Verona, NY, May 2007. Chester ED spoke to New York State annual conference on importance of advocacy. He shared a panel with PHADA ED *Timothy Kaiser* and Washington lobbyist *Melody Fennel*.

LOOKING AHEAD

The potential exists to build our program into a more constructive presence in our clients' lives. Doing that in times of drastic funding cuts, however, presents major challenges. But there is something about people who work for a Public Housing Authority that causes them to dig deep and make the most. That is why there are always projects waiting to be advanced. Some hopes for the coming year include:

- Packaging unused CHA-owned scattered sites for appraisal and eventual sale, including the old headquarters on West 6th Street. Maria Zissimos has started on this already. The sale of the Wellington commercial site is under contract, part of the charge of the JAD.
- Negotiating contracts with Pennrose Development to manage *Chatham Senior* and *Wellington Ridge*. Joe Keller must play a lead role on this.
- Provision of cleaning and security services to interested businesses. To date, we have won contracts for these services at Chester construction sites.
- Bringing after school learning, parenting and money management classes to our family community centers. Jon Whittington has laid these out as his priorities and has the full backing of administration. We have already met with the Unity Center on a plan to bring 30 Eastern University students to *Matopos Hills* bi-weekly weekly for afternoon and evening sessions. In addition, Mr. Whittington has assembled a group of Resident volunteers for tutoring and homework help.
- Workforce development and neighborhood networks. A prior award will have Jewish Educational and Vocational Services to train CHA Residents for jobs at the Wellington commercial site. Building on that, the JAD has contracted with the Community and Economic Development Research Center to write a comprehensive proposal to HUD to fund academic, workforce, life skills and recreational opportunities. Meetings have been held with school district and Commonwealth officials about their participation in this endeavor. The formation of a Youth Court in Chester is hoped to spring from the above as well.
- The return of the *Ruth L. Bennett* name to our largest housing development, known as Matopos Hills since its refurbishment in the late 1990s.

CLOSING

Affordable housing is, at most, a passing thought in the national political debate. A presidential election will be well underway this year and hardly a word will be spoken or written about it. Misunderstood notions of how it operates, who it helps and the role it plays in economic development might be bandied about on a slow news day. That's about it.

We who work in housing understand its impacts on the culture and economy. Everyday, we bear witness to families emerging from hard times. We see the elderly settle into comfortable homes. We know first-hand of the relief brought to the disabled when presented with accessible living space. Where else would they go?

Growth in housing is a prime indicator of a strong economy. Building homes creates jobs, spurs business and inspires hope in a community. Why then, if there is demand, not supply? In Chester, there is clearly need for more affordable units of housing evidenced by long-closed waiting lists. Being mindful of the City's goal of increasing the rate of homeownership, and sharing in that goal ourselves, we propose that the development of a diverse supply of housing is the way to go. Better housing options for all segments of the population will bode well for all.

THANK YOU

Thanks to the many Residents and staff who came together to further our goals. Though the work is not done, you have created a better approach.

We are thankful for the dedication of our executive staff, a group that has been together a handful of years now. Down one from a year ago, they are a quality team with another year of experience. They are Joe Keller, Mary Militello, Rodney O'Neill, Norman Wise and Maria Zissimos.

For the support and guidance provided by *Dennis Bellingtier* and his staff at the HUD Philadelphia office, we are also thankful. We congratulated Mr. Bellingtier on his well deserved promotion. Philadelphia also welcomed a new Regional Director this year, *John Bravacos* of Delaware County.

Heartfelt thanks to *Mayor Wendell Butler* and his team at City Hall for their support of our efforts in Chester. The Mayor always shows up for us and understands well our mission. Particular thanks to City Council members *Marrea Walker-Smith* and *Willie Wells* who regularly attended and spoke at some of our events.

In these tough times for housing, we reached out more to our elected officials. In Harrisburg, that means *Senator Dominic Pileggi* and *Representative Thaddeus Kirkland*. In Washington, we called on *Senators Arlen Specter* and *Rick Santorum* often. It is known nationally how well they answered our calls in support of fairness for housing funding. Initial communications with first-term *Senator Bob Casey* have been encouraging. *US Representative Bob Brady* took a greater interest in our issues this year. Add that to the strong support we have always received from his Chester office where *Carl Fitzgerald* can always be counted on for assistance.

Thanks too, to Bob Rosenberg for his continuing role in the remake of this organization.

The CHA wishes to thank the Chester branch of the National Association for the Advancement of Colored People for their selection of our ED for the Androw Herman Webb Freedom Award (see Appendix 13).

Judge Norma L. Shapiro is doggedly determined to keep the CHA strong and moving in the right direction. The leadership she provides in doing so inspires us all to do better.

**APPENDIX 1/
Court Order of September 4, 2007**

**APPENDIX 2/
2007 Organizational Chart**

**APPENDIX 3/
A Firm Stand
ABA Journal
December 2006**

**APPENDIX 4/
CHA Director Says Big Job Cuts Avoided
Delaware County Times
January 10, 2007**

**APPENDIX 5/
2006-07 Grant and Subsidy Schedule**

GRANT AND SUBSIDY SCHEDULE

	<u>2005-06</u>	<u>2006-07</u>
Public Housing Operating Subsidy	3,058,370	3,044,617
Housing Choice Voucher Program	14,867,888	12,970,561
Capital Fund Program	865,522	1,314,396 *
Replacement Housing Factor Funding	<u>2,744,690</u>	<u>2,164,293</u>
	21,536,740	19,493,867

HOPE VI-Chester Towers Revitalization 20,000,000 (2004 award)

* Marked increase from previous year due to *Matopos Hills* (261 units) resumption of funding 10 years after Major Rehabilitation of Obsolete Public Housing

**APPENDIX 6/
Thomas Mosley Retirement
December 1, 2006**

**APPENDIX 7/
Chester Hoopsters Bring Down House
Delaware County Times, August 23, 2006**

**APPENDIX 8/
Officials Give Public Housing The Once Over
Delaware County Times, July 24, 2006**

APPENDIX 9/

It's War on Crime - Trying to Stem Violence
Delaware County Times

June 28, 2007

Tired of the Violence - Whittington Has Plan
Delaware County Times

August 15, 2007

**APPENDIX 10/
2006-07 Chester Housing Police Department Activity Log**

**APPENDIX 11/
2007 Storm Door Replacement**

**APPENDIX 12/
PHA Delivers Lay Off Notices to About 350
Philadelphia Inquirer
January 10, 2007**

**APPENDIX 13/
Chester NAACP Doles Out Honors
Delaware County Times
April 21, 2007**

**PHADA Advocate
May 2007**

**APPENDIX 14/
2006-07 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
Archdiocese of Philadelphia
Blank Rome
US Representative Robert **B**rady
Brandywine Financial
US Senator Bob **C**asey
Center on Ethnic and Minority Aging
Chester Arts Alive
Chester Community Improvement Project
Chester Economic Development Authority
Chester Education Foundation
Chester Upland School District
City of Chester
City Team Ministries
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
Domus Construction
Dower Associates
East Gateway Triangle Neighborhood Association
Chester **E**astside Ministries
Fair Deal Coalition
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
PA Representative Thaddeus **K**irkland
Norman Kranzdorf
Legal Aid of Southeastern Pennsylvania
Mothers In Charge

National Association for the Advancement of Colored People
National Association of Housing and Redevelopment Officials
Nemex Landscaping
Neumann College
Pennrose Development
Philadelphia Development Partnership
Philadelphia Housing Authority
PA Senator Dominic Pileggi
Pittsburgh Housing Authority
Preserve Affordable Housing
Public Housing Authorities Directors Association
Remington, Vernick & Beach
Roizman Development
Rosenberg Housing Group
US Senator Rick Santorum
US Senator Arlen Specter
Susquehanna Bank
Swarthmore College Lang Center
The United Way
The Unity Center
Wachovia Bank
Weed & Seed
Widener University
Wilmington DE Housing Authority
Wise Choice Scholarship
Youthbuild

APPENDIX 15/
Building Community, First Edition
