

**September 30, 2013**

**MEMORANDUM FOR:** *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

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**ANNUAL REPORT 2013**



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## INTRODUCTION

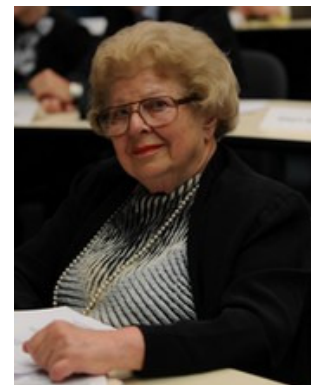
The Chester Housing Authority (CHA) is on solid footing. Its financial condition is healthy, its mission is intact and public confidence has been restored. The CHA has emerged as a beacon in the community after nearly 20 years of Judicial Receivership and eight years under its current management. New housing, revitalized neighborhoods, high standards of organizational integrity, and active resident participation stand as markers of progress.

Over the course of the receivership, the entire Public Housing inventory in Chester has been razed and rebuilt or rehabilitated. Management ratings have been strong for years. The Housing Choice Voucher Program has expanded affordable housing opportunities through de-concentration initiatives, project-based assistance and homeownership. It has been a time of remarkable revival. Everyone at the CHA is committed to providing quality housing, offering opportunities to residents and building community strength.

Though we have had to do our work with fewer resources—a smaller staff, reduced provisions for capital improvements, and diminishing grant funds for resident programs—the Chester Housing Authority continues to deliver excellent service to residents and the community. For instance, our housing programs, which accepted applications for the first time in years, were able to do so in a streamlined way that enhanced applicant privacy and saved staff time through modern technology. Applicants filed online with the assistance of our computer laboratories and staff and avoided the very public “lining up” on the street. With conscientious maintenance, we have deferred costly refurbishment without compromising the functionality of building systems. Using volunteers and institutional partnerships, we have created opportunities for residents to pursue healthier lifestyles through our wellness program. While the downward pressure on our resources has been challenging, the Chester Housing Authority, through commitment and creativity, remains resilient and focused.

### ***Our Recent History***

The 1989 lawsuit by Chester public housing residents against the housing authority led to the 1991 dissolution of the housing authority’s Board of Commissioners by the United States Department of Housing and Urban Development (HUD). HUD assumed responsibility for the agency and was then added as co-defendant in the case. Following 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.* (“*Velez*,” Civil Action 90-6449). Delaware County Legal Aid filed a class action suit on behalf of the CHA residents. Lawrence J. Fox, Esq. provided *pro bono* services and serves as plaintiff’s counsel to date.



Judge Norma L. Shapiro  
U.S. District Court,  
Eastern District of Pennsylvania

In 1994, HUD requested the Court to appoint a judicial receiver to replace the HUD-appointed director. Judge Shapiro selected former New York City Housing Commissioner Robert C. Rosenberg as Federal District Court Receiver. From 1994 to 2005, Rosenberg took the CHA from a state of distress to a well-performing agency. The agency rebuilt and refurbished three family housing developments. Over \$109 million was invested in multi-use, mixed-income communities. CHA created its own police force and initiated resident programs. This was also the time period during which plans for commercial development, a cultural center, and homeownership opportunities emerged.



Robert C. Rosenberg  
Judicial Administrator  
for Development

***Current Era Begins***

March 2005 marked the end of Rosenberg’s tenure as receiver. Following a lengthy national search, Judge Shapiro selected Steven A. Fischer of New York as Executive Director to report directly to the Court. Judge Shapiro appointed Rosenberg Judicial Administrator for Development.

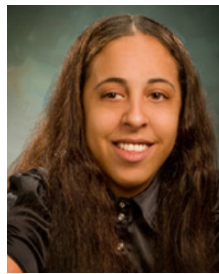


Steven A. Fischer  
Executive Director

Judge Shapiro appoints five Chester residents to the CHA Board of Commissioners. The board meets monthly with the executive director, joined occasionally by Judge Shapiro. The board members during this reporting period were:



Sheila Church, *Chair*  
ChesPenn Health Services



Sarai Cruz  
Staff for PA Rep. Kirkland



Marshall Muhammad  
Marshall Muhammad  
Enterprises



Tonya D. Warren  
Chester Eastside  
Ministries



Charles C. Gray  
Retired, Chester Education  
Foundation



Catherine A. Bermudez  
Widener University

### ***Co-stewardship: A Philosophy in Action***

Stewardship is an important principle in the CHA's engagement with residents. It administers housing assistance and designs initiatives in ways that invite residents into partnerships that make the most of housing and community resources. High levels of care for property and timely rent payment are indications of a growing identification among residents with management goals. Unprecedented participation in CHA wellness programs, including community gardening efforts, group exercise and smart eating, provide evidence of residents' buy-in to improve health and household. As partners in management and in creating opportunity, CHA residents have emerged as co-stewards, a hallmark of the CHA's approach.



### ***Independence and Integrity***

A major factor enabling the Chester Housing Authority to do its work with integrity is the independence the receivership has created. Since the judicial order that formed it, the receivership has insulated the organization from many of the local, state, regional, and federal pressures that formerly hindered full and proper execution of CHA's mission. With the new and refurbished housing we have produced, our improved relations with residents based on principles of fairness and esteem, the excellence in administration of our programs, and our innovative approaches to partnerships and community building, the Chester Housing Authority stands as a model for effective, efficient, and honorable service. Continued independence is critical for the organization as it is poised to continue its progress with integrity toward an ever-brighter future for the residents and community it serves.

With residents as our partners and "Building Community" as our motto, we began eight years ago with the following goals:

- Improving our financial condition
- Developing our image: defining and communicating our role
- Appreciating the opportunity to serve
- Serving our customers with integrity
- Serving the greater community: business, education, and government
- Developing the social services sector
- Retaining the CHA police force

It is our hope that the Court will find we have achieved the goals we outlined in 2005 as we devise new ones to meet our coming challenges.

An oral presentation will follow the submission of this report to the court during which comments and questions from Your Honor, plaintiff's counsel, residents, staff, and the general public are invited at a public hearing on **October 24, 2013, 2:00 p.m., United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Courtroom 10-A, Philadelphia, Pennsylvania** (see Appendix A for court order of September 26, 2013).

## MANAGEMENT REPORT CARD

The Chester Housing Authority is pleased to report that assessments of its management and administrative performance have returned exemplary ratings. Numerous HUD reviews of operations were conducted on-site throughout the fiscal year ending June 30, 2012. An independent financial audit for the period was conducted by CliftonLarsonAllen of Baltimore, Maryland. There were no findings. The independent audit for Fiscal Year July 2012 through June 2013 will be conducted in December 2013.

HUD's Real Estate Assessment Center conducts annual financial reviews, physical inspections and program analyses. The rating process assigns scores to the Public Housing program through the Public Housing Assessment System (PHAS), and to Section 8 via the Section Eight Management Assessment Program (SEMAP). Chester Housing Authority's PHAS and SEMAP scores over the past eight years indicate an upward trend in our management performance.

HUD REAL ESTATE ASSESSMENT CENTER RATINGS CHESTER HOUSING AUTHORITY FY2005 - FY2012		
Fiscal Year	PHAS <sup>†</sup>	SEMAP
2005	75	75
2006	79	69
2007	83	48
2008	---	90
2009	---	93
2010	---	93
2011	60	93
2012	82	97

In addition to the required independent audits and HUD reviews, the Chester Housing Authority self-imposes community and internal checks to improve its performance and ensure transparency. For instance, CHA Town Meetings and the CHA Sustainability Committee are public gatherings that invite feedback. We are proud of the results of these supplemental assessments which indicate consistent improvements in performance and increasing public satisfaction with the organization.

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<sup>†</sup>During the years 2008, 2009, and 2010, HUD did not issue PHAS ratings to public housing authorities due to transition in the PHAS rating methodology.



## HUMAN RESOURCES

One of the Chester Housing Authority's most valuable assets is its exemplary staff. Funding realities have forced cutbacks and current federal sequestration has resulted in housing authority furloughs and lay-offs across the country. CHA's carefully phased approach to staff reductions over the past eight years has helped avoid the trauma of sudden drastic reductions in force. Remaining staff people have carried out their duties diligently, enabling the organization to execute its mission with excellence (see Appendix B for Organizational Chart).

EMPLOYMENT TOTALS BY POSITION TYPE				
CHESTER HOUSING AUTHORITY JULY 2005 – JULY 2013, SELECTED YEARS				
Year	Full-time	Part-time	Temporary	TOTAL
2013	37	26	43	66
2011	31	11	4	46
2010	40	24	0	64
2008	43	9	13	65
2007	61	11	8	80
2006	68	10	4	82
2005	83	13	1	97

Chester Housing Authority employees are represented by two labor unions. The Service Employees International Union, Local 32BJ Mid-Atlantic District represents maintenance workers. Teamsters Local 312 represents administrative staff. Three-year agreements with both expired June 2013. A full report on current negotiations with both unions will be furnished to the court upon their completion.

## FINANCE

Roman Kubas has been with the CHA since 2002, Chief Financial Officer since 2011.

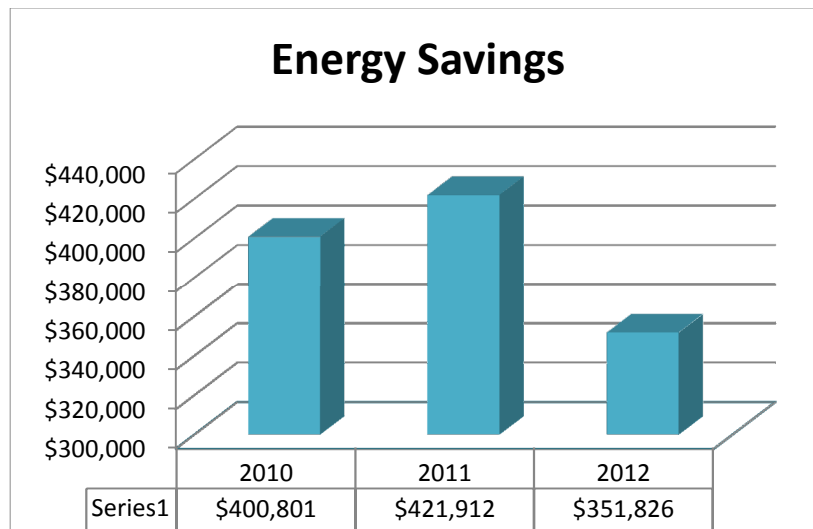
Since its reorganization in 2011, the Finance Department has had a central role in the oversight of all CHA departments. Setting annual budgets, producing monthly and annual financial statements (see Appendix C for year-end reporting), processing in excess of 25,000 payments per year to landlords and vendors, overseeing procurement, managing HUD reporting, and payroll production are among the department's responsibilities. Finance also had an important role in the organization-wide software upgrade of the past fiscal year.



Roman Kubas  
Chief Financial Officer

### *Energy Savings*

Chester Housing Authority is pleased to report a three-year total savings of \$1,174,539, accomplished through an energy performance contract. Energy performance contracting is an innovative approach for housing authorities to finance costly but sorely-needed modernization. HUD agrees to underwrite the construction work which the housing authority "repays" with the resulting energy cost savings. CHA's energy performance contract included major infrastructure upgrades to plumbing and heating systems, resulting in significant utilities savings.



## HOUSING

The Chester Housing Authority administers and manages 2,366 units of subsidized housing, approximately 20 percent of the rental housing stock in the City of Chester. This includes 801 units of Public Housing scattered over 10 sites and 1,566 Housing Choice Vouchers throughout the city and beyond. We supported 100 homeownership units for first-time homebuyers with construction dollars, financing assistance and housing counseling.

HOUSING UNITS UNDER CHESTER HOUSING AUTHORITY MANAGEMENT		
FISCAL YEAR 2012 - 2013		
Development	Year Constructed	Number of Units
Chatham Estates	2002	110
Jeremiah H. Heartley Homes	2004	10
Ruth L. Bennett Homes	1942	261
William Penn Homes	1940	160
<b>TOTAL</b>		<b>541</b>

CHESTER HOUSING AUTHORITY UNITS UNDER CO-MANAGEMENT		
FISCAL YEAR 2012 - 2013		
Development	Year Constructed	Number of Units
Chatham Senior Village	2000	40
Chatham Terrace	2008	48
Edgmont Apartments	2010	87
Gateway Apartments	2013	64
Madison Apartments	2011	38
Matopos Senior	2007	82
Wellington Ridge	2003	110
<b>TOTAL</b>		<b>405</b>

CHESTER HOUSING AUTHORITY HOMEOWNERSHIP UNITS		
FISCAL YEAR 2012 - 2013		
Development	Year Constructed	Number of Units
Wellington Ridge	2003	26
Logan Townhomes	2009	24
Wellington Heights	2011	50
<b>TOTAL</b>		<b>100</b>

Public Housing and Section 8 waiting lists have been closed since 2001 except for brief intermittent periods in 2008, 2011 and 2012. Another brief opening will occur in late 2013. When waiting lists are opened, families in need may file applications with CHA's housing assistance programs. Program waiting lists are opened only when housing is available and previous applicants have been served and cleared from the lists. Closed waiting lists are the key indicator of the need for affordable housing in Chester. The only housing applications currently accepted are for senior citizens at the newer Pennrose- and Roizman-managed sites.

## PUBLIC HOUSING

Norman Wise has been with the CHA since 1998. Following several promotions, he has directed the administration and maintenance of Public Housing since 2001.



Norman Wise  
Director of Housing Operations

### *Rent collection*

Arguably, timely payment of rent has long been the “Achilles heel” of housing management throughout the City of Chester. The Chester Housing Authority has worked diligently to change the culture of late payment and nonpayment of rent within our resident population. The result has been greatly improved collection rates and more timeliness of rent payments in CHA programs—up about 6 percent over the last two years and about 11 percent since 2009.

### *Maintenance*

Budget realities have forced reductions in maintenance staff, the impact of which is reflected in the timeliness of service and resident satisfaction. Thanks to the diligence of



the staff, performance met acceptable professional standards nevertheless.

### *Investment*

Capital improvements proceeded as outlined in CHA’s Annual Plan. The Annual Plan is open to input from residents and the general public. This year’s improvements primarily included rehabilitation of unit interiors and general maintenance and repairs. HUD studies acknowledge that, like the operating subsidies it provides to housing authorities, the

Capital Fund has been underfunded for many years.

CHA also invests in residents. The Snack Shack was a small enterprise the CHA Public Housing Director initiated in the summer of 2012. His Youth Entrepreneurship Program trained young residents to start and operate a small-scale business and excel at customer service. Our thanks to City Councilmember Al Jacobs for his support of the endeavor.



### ***Disaster Preparedness***

Occasionally, our area is threatened by weather conditions potentially destructive to property and dangerous for residents. Hurricane Irene was just such a weather event in 2011. We “dodged a bullet” in 2012 when Super Storm Sandy spared us a heavy hit—but we were prepared. We maintain close relationships with the City of Chester Fire Commissioner and all first-response agencies. In addition, CHA staff people are trained to prepare for and respond to natural disasters and other emergencies. CHA’s disaster preparedness efforts extend to residents. An annual resident fire safety certification program will begin October 2013. Our work in this area is intended to give the community its best chance to be safe and secure through difficult conditions.

### ***Town Meetings***

The CHA Public Housing program assembles community members several times annually for important announcements and updates. Residents also have the opportunity to call town meetings to request information and share their concerns.

## HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)

Mary Militello has been the Program Director since 2004 and with the CHA since 2003.

The Housing Choice Voucher Program provides subsidies and program services to program participants in privately owned housing in the tenant-based rental assistance program, the project-based assistance programs, and the Homeownership Program.



Mary M. Militello  
Director, Housing Choice  
Voucher Program

### *Technology Aids in Cost Savings*

Improving customer service and achieving cost savings through technology has been the primary focus of the Housing Choice Voucher Program (HCVP) and its strategic partners. The service areas utilizing new technology during this reporting period are inspections, applications, and landlord payments.

### *Unit Inspections*

Since 2003, McCright and Associates of Chattanooga, Tennessee has provided Chester Housing Authority with state of the art technology in scheduling inspection appointments and communicating inspection results. Since the last reporting period, the McCright Information Management System (eMIMS) has been expanded to allow owners and tenants to view inspection results online. Photographs have been integrated without the inspection summary and are also viewable online. The results are in real time which means that once the inspection is completed it can be viewed online, reducing calls to CHA staff on inspection results. The CHA's Housing Choice Voucher Program averages 4,100 inspections a year.

### *Online Application System*

CHA launched an online application system for waiting list management in 2012. To enhance accessibility of the online system, social service providers and client advocates were trained in the application process prior to the launch. The online application was offered in both English and Spanish. CHA Neighborhood Networks Centers were available for clients without access to the Internet. Through a link on the CHA website, approximately 1,300 applications were filed in October 2012, the first opening of the HCVP waiting list in a decade. Five hundred randomly drawn applications were placed on the list and results posted on the website. Using the online system saved an estimated \$9,100 in envelopes, postage and staff time. Due to historically low attrition rates, we anticipate that the current waiting list will meet the agency turnover needs for several years to come.



### *Landlord Portal*

Landlords can now view online housing assistance payments issued by the CHA. This will create substantial savings over the years by eliminating the preparation and mailing of about 600 monthly statements.

## *Trends in the Program*

### *Reinvestment*

Stability in the Housing Choice Voucher Program brought significant reinvestment in the City of Chester's private market rental stock. Hundreds of families are residing in recently updated units. However, the amount of interest or reinvestment in Chester has slowed considerably. The slowdown began at the time of the mortgage crisis, but the decline is more specifically tied to a diminished return on investment. Insurance and utility rates are up and the cost to landlords to meet inspection requirements is higher.



### *Mobility*

Voucher holders continue to seek housing outside the City of Chester. Three of five families begin their housing search outside Chester. Crime and the sustained problems at Chester High School are families' two most frequently cited reasons for leaving the city. Delaware County, Pennsylvania and New Castle County, Delaware are where they usually seek housing first. Currently, 330 of our 1,566 families, about one-fifth, live outside Chester.

### *Increase in Multigenerational Households*

We have observed a dramatic increase in the number of multi-generational households. The family size increases result in the need for larger units and larger subsidies. Adult children and adult children with children are unable to leave the assisted household because of lack of employment and affordable housing opportunities. In the last five years, affordable housing for seniors has increased by 12.5 percent. In contrast, affordable units for families have decreased.



## POLICE

Rodney O’Neill has been with the Chester Housing Police Department (CHPD) since 2001. He was promoted from Captain to Chief in 2004.



Rodney M. O’Neill  
CHPD Chief

The CHA strives for a safe living and work environment, believing safety is critical to the community’s revitalization. Despite the improved level of safety attained since the inception of the CHPD in 2000, the city continues to rank high among the most dangerous American cities. CHPD works closely with City of Chester Police and federal law enforcement agencies to reduce crime around CHA properties and in the wider community.

### *Heroism*

CHPD is critical to the well-being of the CHA community, and our police department is a source of pride as CHPD officers deliver outstanding service daily. Occasions of special distinction in the line of duty are not uncommon and we are pleased to acknowledge our officers’ heroism. This year, CHPD Officer Jacqueline White saved the life of an infant on a city street en route to the hospital and unable to breathe. Public recognition of Officer White’s heroism brought positive light to CHPD and the Chester Housing Authority.



While the police department represents a significant cost to the housing program, its contribution is vital to the continued improvement of the Chester community. Chester Housing Authority successfully challenged a mid-year determination by HUD to discontinue funding for police activities. We made the case that restricting our ability to fund a police department would adversely impact overall operations to the point of negating the accomplishments of the receivership.

### *Cooperation*

CHA residents assist with policing by reporting crime promptly. This year, there were over 17,000 calls for service resulting in 32 arrests, 13 for drugs (see Appendix D for 2012-13 Police Activity Log).



## **INFORMATION TECHNOLOGY**

This year, CHA completed an agency-wide software upgrade. It required a gargantuan effort by executive staff conducting a complex and lengthy procurement. All departments will benefit in the years to come.

After several months of demonstrations and product reviews, the CHA selected Tenmast (Lexington, Kentucky) Winten2+ software to be its provider for housing and accounting operations software. It replaces the DOS-based Emphasys Flex software in service at the CHA for 17 years.

In January 2013, CHA staff completed classroom training and have been deploying the new software since.

In January 2013, CHA most staff members completed classroom training and have been deploying the new software since.

### ***www.chesterha.org***

A major website upgrade was initiated in 2013 and will be launched before the year's end. The CHA will feature a state-of-the-art website complete with a high degree of interactivity for residents, staff and business partners. A public roll-out of the site is planned for the next Sustainability Committee meeting.

## LEGAL

Maria Zissimos has been General Counsel since 1999. She also heads Human Resources, Planning and Development and Risk Management..

The CHA employs full-time counsel to keep up with the demands of the receivership. Outside counsel is commissioned for development projects and Chester attorney John Nails is retained for evictions. Among the requirements imposed by the Receiver Court is a strong emphasis on due process.



Maria M. Zissimos  
General Counsel

### *Litigation*

None.

### *Evictions*

In accordance with the terms of Velez, we have regular resident arbitration hearings. The lists are generally short and mostly reflect some residents' difficulty with prioritizing rent payments. For the period July 1, 2012 to June 30, 2013, we filed 332 Requests for Hearing of which 76 evictions were ordered by the court and 30 were carried out by the marshal.

### *Risk Management/Insurance Coverage*

There are two pending coverage matters (see Appendix E for complete report).

### *Non-profit Subsidiaries*

There have been five entities established:

- (A) *Chester Housing Facilities Management, Inc.* 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 which has not become a reality. CHA transferred the retail site to this entity in 2001. In 2003, the Receiver requested CWDC apply for 501(c)(3) status. CWDC received an advance ruling letter in June 2003. In October, 2003, CHA completed a name change for the CWDC in order to support the arts initiative at the Receiver's request. 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**

The CHA Planning and Development Department is run committee-style by Maria Zissimos and benefits from the participation of architectural and engineering consultants Remington, Vernick and Beach (Conshohocken), Public Housing Director Norman Wise, and Executive Director Steve Fischer.

### ***Strategic Planning***

The HUD-mandated Annual Plan was last filed April 2013. We are in the fourth year of a Five-Year Plan filed in 2010. Both the Annual and Five-year plans included resident and community input.

We have applied for a security grant which would fund surveillance cameras at the three largest family developments. This would assist our reduced police department staff to monitor street activity economically.

Early in 2013, HUD informed us that capital monies programmed for police salaries must be removed as it was no longer an eligible expense. As there is no final guidance from HUD and we know of other housing authorities that continue to use these funds in this manner, we filed a motion with the Receiver Court to keep funds for police in the capital budget. The CHA motion went unopposed by HUD and the Court granted that it could continue funding the police force as set forth in the 2013 CHA Annual Plan.

### ***Special Projects***

Susan Henderson-Utis, Esq. was retained to complete projects which include the updating of our standard operating procedures, the CHA entry back into the civil service system and assisting with grant writing. Susan also assists with legal research and serves as and serves as hearing officer for resident and staff grievances.

## BUILDING COMMUNITY

### *With Every Heartbeat Is Life (WEHL)*

HUD's Community and Supportive Services office in Washington, DC tapped the Chester Housing Authority to create a two-year pilot program to reduce cardiovascular risk among residents through health education and health-promoting activities. What has ensued has been a remarkable story of a community taking hold of itself to make measurable change. Through food shopping and cooking education, diet, group exercise, gardening, and group support, residents have lost weight, reduced blood pressure, and decreased waist circumference. CHA residents have attended WEHL activities



Ulysses "Butch" Slaughter  
Business Manager



in increasing numbers over the two-year period which concludes in September 2013. Overflow Zumba, kickboxing and boot camp workout classes, for example, became the hallmark of the program's success in the latter months.

As might be expected, the program got off to a somewhat slow start in 2011. Enticing people out of their homes to test new approaches to their health did not immediately resonate with many. Enter new Program Coordinator Butch Slaughter in 2012. Charged with creating interest and establishing a credible record of accomplishment,



Slaughter aggressively recruited residents and followed up with energetic and exciting offerings that brought people out and kept them coming back. About 75 regular resident participants are now a part of life-changing activities that are contributing to lower blood pressure and waist size, weight loss and better outlooks. By the conclusion of the

program's Spring Challenge in June 2013, more than 30 residents increased their average weekly exercise activity by five hours and reported collective weight loss nearing 300 pounds.

The WEHL program also includes a detailed survey of over 300 CHA residents about health knowledge, behaviors and attitudes, neighborhood satisfaction, and civic engagement.

CHA staff joined the health frenzy. When the Executive Director offered 30 minute per day additions to the lunch period if staff people used it for walking or other exercise,



folks went for it enthusiastically. When Blue Cross Health called for a day of walking at work, our team was already in place.

In WEHL, CHA has articulated as a model program for modifying behavior to reduce cardiovascular vulnerability and improve health prospects among a low-income population. A full report will follow the completion of the program.

### ***Fathers Are Talking***

The initiative began as a support network for community fathers in April 2012. It has



become a grassroots locus of reflection and analysis about fatherhood, family stabilization, and the roles of men in communities like Chester. Both Father’s Day 2012 and 2013 were observed with major community events. In June 2013, our “Faces of our Fathers” film festival attracted well over 100 attendees. Members of the fathers group are regularly invited to speak at schools and other family support organizations.

### *Women’s Circle*

Inspired by Fathers Are Talking, residents initiated the Women’s Circle in 2013. Chatham Estates resident Tara Fontaine spearheaded the group and moderates the meetings which focus on the roles and experiences of women in the family and community.

### *Community Gardening*

In its fourth year, the harvests continue from the Chester Housing Authority’s Bennett Community Garden. The garden’s success has spurred adjacent community development. The entire grassy area surrounding the garden, unused for many



years, will soon be the site of additional structures and activities and will be named Bennett Park. It includes a recently constructed pavilion and a hoop house for year-round gardening (already purchased), remodeled containers (already purchased), and a refurbished basketball court. There are plans to construct a performance stage.



### ***Resident Councils***

Resident councils are encouraged at individual developments or as joint bodies representing multiple buildings or complexes to facilitate communication between management and the community.

Marvelous things were accomplished, for example, with the council which now represents Edgemont, Gateway and Madison Apartments. Council President Helen Whittington leads the joint council that developed such exciting programs as “Seniors in the Garden” in which elderly residents tend to and harvest produce in the CHA Bennett Garden. Following several hours of the physical activities of gardening and walking, the seniors then prepare the fresh produce, supplementing their diets with fresh vegetables and strengthening ties with their neighbors.



*Pictured from the left:* Resident Council President Helen Whittington, Chester Mayor John Linder, Edgmont resident Betty Stinson, Resident Councilmember Emerson Hughes.

### ***Voter ID***

State government’s intention to require voters to produce specific forms of identification in order to qualify to vote was met with disdain by the Receiver Court. It was viewed as restricting the ability of low-income citizens, like those in CHA housing, to exercise their right to vote. Executive Director Steve Fischer was asked to write to the Board of Elections pointing out hardships created. He also wrote to residents outlining the new requirements and where to seek assistance to insure their voting privilege on Election Day 2012. In the end, the new law was not enforced in Pennsylvania. Nevertheless, our response to the proposed voting measures is an example of CHA’s advocacy on behalf of our resident population. We recognize that the voice of the Chester Housing Authority in policy matters builds community and contributes to civic life well beyond Chester.

### ***Year-end Giving***

The CHA makes a show of gratitude to the communities which welcome its service. Mary Militello again organized an amazing Holiday Village. Landlords again underwrote the entire affair, serving as setup and breakdown crew as well as participants. The Holiday Village event has become a CHA tradition.

As for the previous 14 years, Maria Zissimos collected toys for CHA children through the donations of St. Luke’s Greek Orthodox Church in Broomall.



***Resident Accolades***

We salute three young students for their educational accomplishments: 1) Nolan Fontaine (Chatham Estates) will pursue graduate studies in at Howard University in Fall 2013. 2) Russell Johnson (William Penn Homes) graduated from Robert Morris College, interned at the CHA and then left for Spain to play professional basketball. 3) Wakeem Moat (William Penn Homes) will study business management at Delaware County Community College in Fall 2013.

***Building BLOCK***

In 2012, CHA brought back its community newsletter to rave reviews. Dormant since 2005, its renewed publication coincides with increased participation in resident opportunities. Butch Slaughter is staff editor.

## LEGISLATIVE REVIEW

An August 24, 2013 New York Times article describing various indicia of change since Martin Luther King, Jr.'s March on Washington for Jobs and Freedom 50 years ago cited the dramatic improvement over five decades in housing quality and availability. It noted that the progress in housing has benefitted nearly every demographic group, narrowing the gap between blacks and whites. Fifty years ago, 45 percent of blacks in America lived in substandard housing—a figure which fell to about 5 percent in 2011. For whites, the percentage in substandard housing 50 years ago was about 15 percent. It was about 4 percent in 2011. The figures indicate that many, many more people are housed in decent facilities today than 50 years ago.

Public housing authorities have been an integral part of the progress in decent housing; the Chester Housing Authority being the agent of change in our city. Today, the CHA's positive effect on the housing stock in Chester is apparent, with the entire public housing inventory having been razed and rebuilt or rehabilitated during the organization's receivership.

Not much new came out of Washington legislatively last year. Sequestration, the result of Congress' inability to resolve federal budget matters, has dominated the political landscape, impinged our ability to continue our efforts, and threatens the credible delivery of future affordable housing development and management. With counterparts from Chester, Delaware, and Montgomery counties, CHA Executive Director Steven Fischer published an editorial in the Philadelphia Inquirer entitled "PA—Where Sequestration Hits Home." (See Appendix F for full text of the editorial.) The August 26, 2013 article draws attention to the regional impact of the four housing authorities which together serve over 29,000 low-income persons with an average annual family income of \$14,000. Additionally, the housing authorities drive critical economic activity in the region by stimulating private investment in the rental housing market and retaining contractors for necessary maintenance and construction.

CHA's Fischer chairs the legislative committee of the National Association of Public Housing Authorities, ensuring a flow of up-to-date information about HUD policies and best practices among agencies around the country. Fischer's chairmanship also means CHA is a source of perspective on the leading edge of responses to national developments.

## LOOKING AHEAD

### *Sustainability Committee*

A critical part of our stewardship at Chester Housing Authority is ensuring sustainability—of the housing stock, resident programs, and the organizational integrity we have achieved. We have taken concrete steps to create innovative streams of revenue. We are cultivating private sector partnerships and forging ties with other communities. We continue to plant the seeds for economic development within the City of Chester. This past year we have developed ideas such as the community garden farmers’ market expansion, community health worker training for residents, and our “sister communities” initiative. They are now concrete plans we are ready to pursue. In 2013, two pieces of CHA real estate were filled with commercial tenants. Chester Dental Center opened its doors at 1111 Avenue of the States in March. EnRichment Academy, a childcare provider, opened for business at 1402 Locke Terrace in April.



April M. W. Young  
New Equity Partners, Inc.  
Sustainability Committee Chair

At the center of much of our sustainability work is the Chester Housing Authority’s Sustainability Committee, a results-oriented seven-member body committed to innovation. The Sustainability Committee meets quarterly, holding public meetings that attract area residents, philanthropies, business leaders, staff across departments, elected officials, local civic activists, and social service providers.

Along with our careful stewardship in all areas of the Chester Housing Authority, our focus on sustainability will ensure that opportunity for residents and the vitality we have restored to the community endures into the future.

## CLOSING

Continued independence is critical for the organization. The Chester Housing has shown that, over the course of two decades, it can operate successfully under a host of adverse circumstances. It has transformed an agency many would have left for dead to one of high functionality and respectability. In doing so, under the close watch of the Receiver Court, it has built a strong core professional staff, the members of which have worked together now for between eight and fourteen years. That stability in leadership has translated into consistent policy-making and performance.

The Court's presence, in addition to the wisdom it imparts, has served to shield our property development and management business from political influences which previously had overrun Housing Authority operations in the form of favoritism and patronage. The results have been as clear as day and night. Pre-receivership—a horror story: a housing resource unwanted by those in need. Under receivership, Chester Housing Authority has become a well-functioning organization characterized by greater demand than can be supplied.

When the time comes for the Court to release the organization to alternate governance, it is the hope of residents and staff alike that safeguarding the independence and integrity established over two decades will be a priority. This has clearly served the people of Chester well.

### *Acknowledgements*

The opportunity granted me by the Court in 2005 to steer the Chester Housing Authority was monumental in my career. It placed me with an able and passionate group of professionals: Maria Zissimos, Norman Wise, Mary Militello and Rodney O'Neill, from whom I have learned much.

The bricks and mortar makeover accomplished by Robert Rosenberg before my arrival provided the foundation on which to build a stronger, more human housing organization.

The Chester Housing Authority staff, residents, community activists and local leaders with whom I have the privilege to serve day to day inspire me with their commitment and honor me with their efforts. The symbiosis we have achieved together makes an impression on the City of Chester and beyond.

I will always be grateful to Judge Norma Shapiro for her brilliant leadership, steadfast commitment, and unwavering support.

With deep appreciation,

Steven A. Fischer,  
Executive Director

**APPENDIX A**  
COURT ORDER, SEPTEMBER 26, 2013

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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CARMELIA VELEZ, et al.	:	CIVIL ACTION
	:	
v.	:	
	:	
SHAUN DONOVAN, in his official capacity as	:	
Secretary of Housing and Urban Development,	:	
et al.	:	NO. 90-6449

**ORDER**

AND NOW, this 26<sup>th</sup> day of September, 2013, it is **ORDERED** that the hearing previously noticed for October 23, 2013, will be held on **OCTOBER 24, 2013** at **2:00 p.m.**, in Courtroom 10-A. All other provisions of this court’s Order dated June 27, 2013, remain unchanged.

ATTEST:

or BY THE COURT:

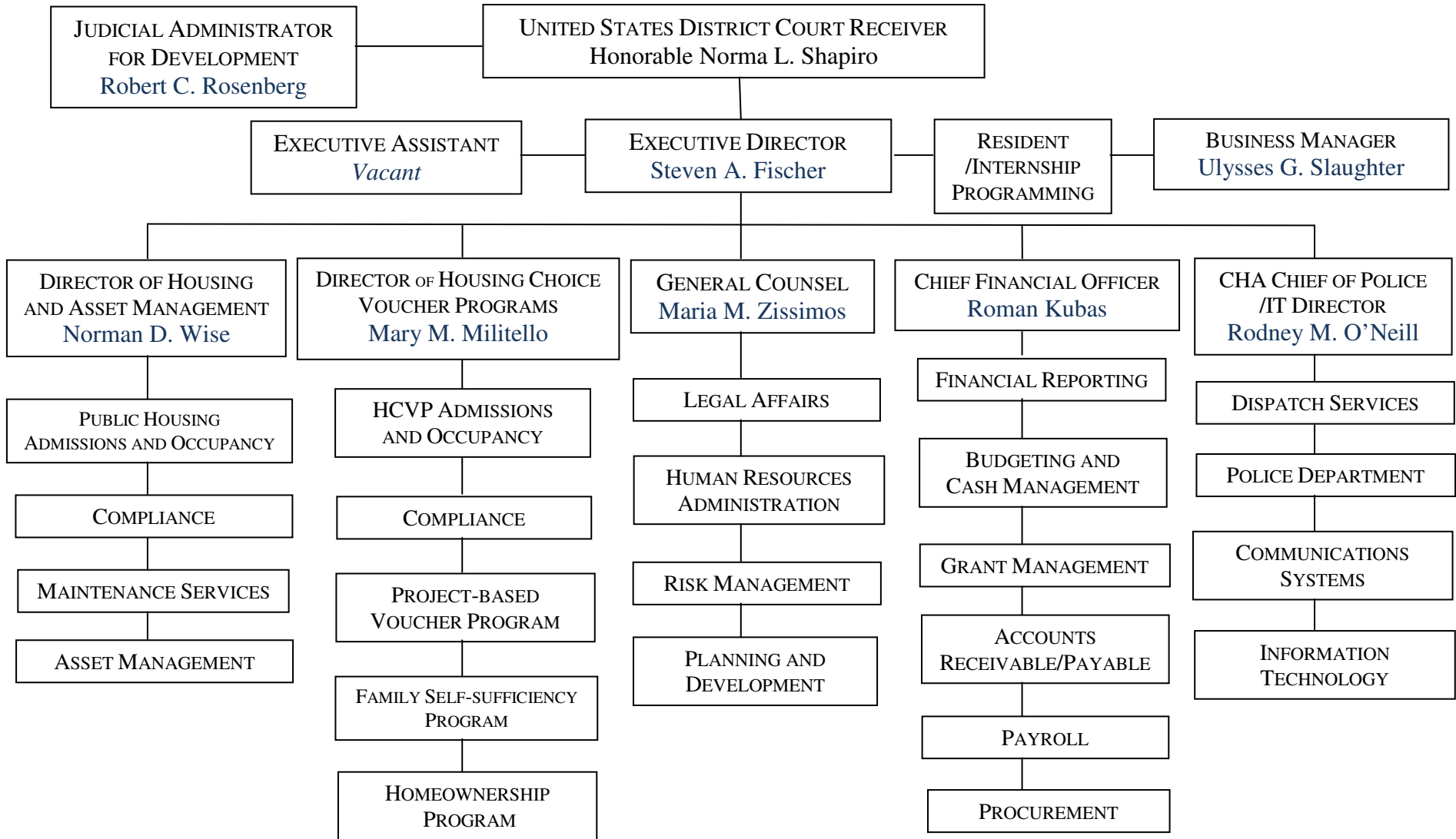
/s/ Madeline F. Ward  
Madeline F. Ward, Deputy Clerk

/s/ Norma L. Shapiro  
J.

**APPENDIX B**  
ORGANIZATIONAL CHART 2013

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**CHESTER HOUSING AUTHORITY**  
ORGANIZATIONAL CHART





**APPENDIX C**  
FINANCIAL STATEMENT 2012

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CHESTER HOUSING AUTHORITY STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS  
AND STATEMENT OF REVENUES AND EXPENDITURES

		June 30, 2012	June 30, 2011
<b>Assets</b>	Cash and Cash Equivalents	\$ 1,776,438	\$ 789,019
	Cash, restricted	2,840,488	1,365,389
	Accounts Receivable, net	1,109,078	447,079
	Deferred Charges	-	-
	Prepaid expenses	76,667	84,134
	Assets held for sale	7,238	55,938
	Capital Assets, net	60,379,797	67,634,869
	Notes Receivable, noncurrent	32,071,218	27,898,777
	Accrued Interest	90,423	5,552,122
		<b>Total Assets</b>	<b>\$ 98,351,347</b>
<b>Liabilities</b>	Accounts Payable and Accrued Liabilities	\$ 1,879,561	\$ 698,204
	Accrued Compensated Absences	256,060	301,187
	Other Liabilities	240,242	217,596
	Notes Payable, capital projects	16,395,732	13,777,862
		<b>Total Liabilities</b>	<b>\$ 18,771,595</b>
<b>Net Assets</b>	Invested in Capital Assets	\$ 55,314,110	\$ 58,152,538
	Restricted Net Assets	40,904,768	1,147,806
	Unrestricted Net Assets	(16,639,126)	29,532,154
		<b>Total Net Assets</b>	<b>\$ 79,579,752</b>
	<b>Total Liabilities and Net Assets</b>	<b>\$ 98,351,347</b>	<b>\$ 103,827,347</b>
<b>Revenue</b>	Federal Assistance	\$ 23,706,914	\$ 21,303,421
	Rental Income	1,903,255	1,918,005
	Interest Revenue	16,072	21,826
	Mortgage Interest and Other Revenue	2,320,771	1,446,573
		<b>Total Revenue</b>	<b>\$ 27,947,012</b>
<b>Expenses</b>	Administrative Costs	2,414,374	2,757,431
	Resident Services	150,283	167,773
	Utilities	1,077,301	1,276,654
	Maintenance	1,299,788	1,685,843
	Protective Services	772,604	648,227
	General Costs	12,015,769	2,125,431
	Housing Assistance	15,178,062	14,141,598
	Depreciation and Amortization	4,178,614	3,912,716
	Interest Expense	112,963	743,845
		<b>Total Expenses</b>	<b>\$ 37,199,758</b>
<b>Net Income (Loss)</b>		<b>\$ (9,252,746)</b>	<b>\$ (2,769,693)</b>

CHESTER HOUSING AUTHORITY  
GRANT AND SUBSIDY SCHEDULE

**2012**

**FY 2012**

HUD Public Housing Operating Subsidy (CY)	3,556,385
HUD Housing Choice Voucher Program (FY)	16,967,833
HUD Capital Fund Program (2008-2012)	870,560
Capital Fund Recovery Grant (Formula)	160,957
	21,555,735
Capital Fund Recovery Competitive Grant	-
HOPE VI - Chester Towers Revitalization (2004 award)	153,847
Replacement Housing Factor (2008-2011)	1,997,332
Funding	2,151,179
<b>GRAND TOTAL</b>	<b>23,706,914</b>

**APPENDIX D**  
POLICE ACTIVITY LOG 2012 - 2013

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Chester Housing Police Department  
Activity Log  
July 2012 to June 2013

May 2013	April 2013	March 2013	February 2013	January 2013	December 2012	November 2012	October 2012	September 2012	August 2012	July 2012	Total
1151	952	690	533	625	636	937	803	743	1022	1080	<b>9,603</b>
4	1	2	1	2	1	0	2	0	0	2	<b>15</b>
44	44	29	21	43	29	24	39	30	37	49	<b>430</b>
0	0	0	0	0	0	0	1	0	0	1	<b>2</b>
0	3	1	1	2	0	2	0	2	0	2	<b>14</b>
3	0	1	2	1	0	1	2	1	1	1	<b>13</b>
8	6	8	3	5	3	7	8	13	16	18	<b>101</b>
5	1	1	4	4	7	1	3	4	1	3	<b>35</b>
1173	1231	1585	1165	962	981	1163	1291	1685	2160	2259	<b>17,176</b>
1	1	2	1	5	1	1	1	1	3	1	<b>19</b>

**APPENDIX E**  
RISK MANAGEMENT REPORT ON INSURANCE COVERAGE

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INSURANCE CLAIMS SCHEDULE

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1. **Kevin Wilson & Juluis Bradley vs. Officer Joshua Dewees, Badge #242, Officer David Brockway, the City of Chester, Officer Edward Corangi and the Chester Housing Authority, United States District Court for the Eastern District of Pennsylvania, Civil Action No. 10-3915.** This is a 1983 action filed by the plaintiffs on or about August 10, 2010, which includes violations against the 4<sup>th</sup> and 14<sup>th</sup> amendment, assault, battery, false imprisonment, malicious prosecution, intentional infliction of emotional distress, and negligent loss of consortium. Answer was filed by CHA. The City of Chester filed to dismiss certain claims. Edward Corangi (CHA police officer) and CHA were dismissed from this matter on May 5, 2012.
2. **Ronell Whitehead v. Police Officer Demoss Jones, et.al., Civil Action No. 12-CV-3662-GP; Valerie Myers v. Police Officer Demoss Jones, et al., Civil Action No. 12-CV-03660.** These are two wrongful death actions filed in connection to officers in Chester city responding to an armed robbery on June 29, 2013. One of the responding officers was Luis Rodriguez, a CHA housing police officer. During the course of the robbery Officer Rodriguez was shot. A stipulation was signed by Meyers to dismiss Rodriguez, waiting for counsel for Whitehead and all other co-defendants to sign the stipulation. Rodriguez was deposed on July 31, 2013.
3. **Ruth Minor v. Chester Housing Authority, Court of Common Pleas Delaware County Civil Action Law Case No. 13-2676.** This matter was filed on March 25, 2013. It involves a slip and fall on or about May 22, 2011 at the premises at 509 Florence Drive, Chester, PA 19013. This case is in the initial discovery phase. CHA recently filed a motion to compel Plaintiff to answer discovery.

**APPENDIX F**  
EDITORIAL, PHILADELPHIA INQUIRER

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# PA -- Where sequestration hits home

Philly.com – 8/26/2013

## OPINION

By Steven A. Fischer, Dale P. Gravett, Lawrence E. Hartley, and Joel A. Johnson

Every day, our housing authorities meet desperate citizens who need help finding a stable place to live. Unfortunately, in most cases, the best we can do is add them to our years-long waiting lists.

After years of “do more with less” mandates, sequestration has brought housing authorities in the region and across Pennsylvania and the nation to a breaking point.

Our central mission is to help vulnerable people find safe, affordable, and accessible homes.

Our four housing authorities combined serve more than 29,000 people, with an additional 30,000 on our waiting lists. They are fellow Pennsylvanians who - often because of circumstances beyond their control - have nowhere else to turn. They are seniors, veterans, disabled people, and families with children. Their average annual household income is \$14,000 - too little to afford a decent place to live.

To help them, housing authorities operate two main programs. The Housing Choice Voucher Program provides federal subsidies to the private rental marketplace in support of low-income households. Authorities also own and manage housing units rented at a discount to residents.

In most instances, these efforts are so successful that they go essentially unnoticed. But imagine what the suburbs might look like if 29,000 people could not count on our help. These programs work like a vaccine to prevent homelessness, emergency room visits, and nursing-home placement. They spur investment, through more than 4,000 property owners, in the private rental market. These initiatives are funded by the U.S. Department of Housing and Urban Development (HUD).

So when HUD's budget was slashed due to sequestration, we were forced to scale back our efforts - regardless of their cost-effectiveness. Additionally, we are delaying or canceling maintenance and construction projects - valuable drivers of local economic activity.

Local agencies have sought to absorb budget cuts without hurting our clients. The **Delaware County Housing Authority** has reduced its staff by more than 15 percent over the last five years, Chester County by more than 20 percent over three years, and Montgomery County by more than 35 percent over six years. The city of Chester's agency has 50 percent fewer staffers than it did eight years ago.

Our fear is that continued cuts will also cause significant harm to the quality of life in our communities. Maintenance and repairs and, ultimately, the well-being of the people we serve will suffer without appropriate funding or staff. They will be forced to depend on costlier assistance - such as nursing homes, emergency rooms, or shelters - to make ends meet.

In an analysis of HUD cuts that was released last year, the national consulting firm Econsult determined that "every dollar saved by HUD through capital grant cuts to public housing authorities would result in about \$0.46 of negative impacts." In other words, these spending cuts save just half as much as intended.

That figure will further erode as our residents turn to more expensive services. Vulnerable citizens will encounter even more challenges, and taxpayers will foot an even higher bill. Robust housing authority programs can help prevent this.

Over the last several months, we have urged our members of Congress to prioritize investing in these proven, cost-effective services by fully funding HUD.

At the same time, we recognize that simply asking for full funding is myopic. Part of the solution is to ease the burden; some federal regulations constrain our operations and prevent us from adopting private-sector business models and adapting our procedures to better cope with funding reductions. Addressing this would be an important - and pragmatic - step in the right direction.

We ask our congressional delegation to alleviate the burden the sequester is forcing onto the backs of thousands of low-income Pennsylvanians - and urge their colleagues across the country to do the same.

Sequestration may not be directly affecting most Americans, but we see its harmful impact on our most vulnerable neighbors every day.

By Steven A. Fischer, Dale P. Gravett, Lawrence E. Hartley, and Joel A. Johnson

*Steven A. Fischer is executive director of the Chester (City) Housing Authority (sfischer@chesterha.org). Dale P. Gravett is executive director of the Housing Authority of Chester County (dgravett@haccnet.org). Lawrence E. Hartley is executive director of the Delaware County Housing Authority (leh@dcha1.org). Joel A. Johnson is executive director of the Montgomery County Housing Authority (joel.johnson@montcoha.org).*

**APPENDIX G**  
PARTNERS

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

Avenue Pharmacy  
Frank **Benditt** General Contractors  
Bethany Baptist Church  
Chester Arts Alive  
Chester Eastside Ministries  
Chester Economic Development Authority  
Chester Netters  
Chester Police Department  
Chester Upland School District  
City of Chester  
Community Impact Legal Services  
Council of Large Public Housing Authorities  
County Office of Services for the Aging  
Crozer-Keystone Health Systems  
Delaware County A  
Delaware County Community College  
Delaware County Housing Authority  
Delaware County Property Investors Group  
Diversity Apprenticeship Program  
Domus Construction  
Eastern University  
EducationWorks  
EnRichment Academy  
Greener Partners  
Lawrence J. **Fox**, Esquire  
Pennsylvania **Housing** and Finance Agency  
United States Department of **Housing** and Urban Development  
Keystone First  
Lincoln University  
Norman Kranzdorf  
Legal Aid of Southeastern Pennsylvania  
John W. **Nails**, Esq.  
National Association for the Advancement of Colored People  
Nemex Landscaping  
Neumann University  
New Equity Partners  
Nia Center  
PathWays  
Pennrose Development  
Public Housing Authorities Directors Association  
Rabena Brothers  
Remington, Vernick & Beach  
Roizman Development

Rosenberg Housing Group  
St. Luke's Greek Orthodox Church  
Susquehanna Bank  
Swarthmore College  
Tradition Energy  
Urban Tree Connection  
Widener University  
Wise Choice Scholarship

Thanks to our elected officials for their support:

**CITY**

Chester Mayor John A. Linder  
Chester Deputy Mayor Nafis Nichols  
Chester City Councilmember William A. Jacobs  
Chester City Councilmember Portia L. West  
Chester City Councilmember Elizabeth Williams

**STATE**

Pennsylvania Senator Dominic F. Pileggi  
Pennsylvania Representative Thaddeus Kirkland

**FEDERAL**

United States Senator Robert Casey  
United States Senator Patrick Toomey  
United States Representative Robert A. Brady