

February 15, 2012

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

ANNUAL REPORT 2011

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Annual Report 2011**

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INTRODUCTION

This reporting period marks 17 years for the Chester Housing Authority (“CHA”) Receivership. The financial condition is stable, management ratings have climbed steadily and public confidence is high. Over the course of the Receivership, the Public Housing inventory has been completely rebuilt or rehabilitated (see Appendix 1). During this time of remarkable revival, the CHA as an organization has become smaller, tightly sewn and, most importantly, accountable to its overseers and other interested parties. Recent years’ federal funding realities have been the driving force behind the CHA’s shrinkage. Reduction and reform did make good business sense though arguably not to the degree noted below.

The period July 2010 through June 2011 was marked by the reorganization of staff responsibilities related to the impending reduction in force carried out in June. The labor force is now about half of what it was in 2005. At the same time, efficiency plans were carved out and carried out. Resident development programming underwent a rebirth thanks to new creative approaches.

“*Velez*.” Briefly backtracking, the 1989 lawsuit by Public Housing 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 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, Esquire* provided *pro bono* services and, to this day, serves as Plaintiff’s counsel.

In 1994, HUD requested the Court 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 high performing agency. Four family housing developments were rebuilt or refurbished. Over \$109 million was invested in multi-use, mixed-income communities. A Police force was created as were Resident programs. Commercial development, an Arts and Cultural Center and homeownership plans were put on the drawing board, the development of which the CHA remains committed.

Current era. March 2005 marked the end of Rosenberg's tenure as Receiver. *Judge Shapiro* installed an Executive Director (“ED”) to report directly to the Court and appointed Mr. Rosenberg Judicial Administrator for Development (“JAD”). Judge Shapiro designates Chester citizens to serve as a Board of Commissioners. The Board meets monthly with the ED and undergoes training from time to time. Judge Shapiro joins the meetings a few times a year. Its members this year were:

Sheridan D. Jones, Jr., (2003) Chair (Grier’s Janitorial Service)
Sarai Cruz (2007) (PA Representative Thaddeus Kirkland/CHA Resident)
Marshall Muhammad (2007) (Marshall Muhammad Enterprises)
Darrell V. Jones (2007) (NAACP-Chester Branch)
Sheila Church (2010) (ChesPenn Health Services)

By 2011, we were six years into the new era. Personnel upheaval resulting from intensive evaluation, numerous personnel actions, attrition and subsequent training has stabilized Human Resources. Having Residents as our partners and *Building Community* as our motto, we stuck to the main goals laid out in 2005:

- Improving our financial condition
- Image development – defining and communicating our role
- Appreciating the opportunity to serve
- Serving our customers
- Serving the greater community – business, education, government and the social services

This report will primarily outline the fiscal period July 1, 2010 to June 30, 2011. In some cases it will extend itself past that period for timely items of note. 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 public hearing called for **March 14, 2012, 10:00AM, United States District Court for the Eastern District of Pennsylvania, Courtroom 10-A** (see Appendix 2).

MANAGEMENT REPORT CARD

As always, numerous HUD reviews of all parts of operations were conducted on-site throughout the period. An Independent Audit for the period ending June 30, 2010, was conducted as well by Barbacane, Thornton & Company of Wilmington, Delaware. There were two findings related to Tenant files and the Capital fund. Corrective actions were filed promptly. The 2011 Audit field work began this month.

Public Housing. HUD's Real Estate Assessment Center conducted annual inspections and financial reviews but has not issued official rating scores since 2007. Based on the physical inspections since then, we anticipate further improved scores.

Public Housing Assessment System Scoring (2005-11):

2005	75
2006	79
2007	83
2008	HUD did not issue
2009	HUD did not issue
2010	HUD did not issue
2011	Individual property scores issued as follows

Housing Choice Voucher Program. For the fourth consecutive year, we were rated 'High Performer':

Section Eight Management Assessment Program Scoring (2005-11):

2005	75
2006	69
2007	48
2008	90
2009	93
2010	93
2011	93

In addition to HUD and Independent audits and public scrutiny, the CHA self-imposes community and internal checks in its effort to improve its performance. The above outlined trends show this to be paying off.

HUMAN RESOURCES

The CHA's most reliable source of support is its labor force. Full-timers were reduced by 22 percent this year. Much of that reduction in force came at the period's end via carefully planned June 30th layoffs. The list below shows the trend away from full-time and toward part-time and temporary over a six-year period. It should be noted that private managers resulting from HOPE VI deals do employ approximately 7-8 full-timers which offsets somewhat the drastic reduction in jobs.

	<u>Full-time</u>	<u>Part-time</u>	<u>Temporary</u>	<u>Total</u>
July 2011	31	11	4	46
July 2010	40	24	0	64
July 2008	43	9	13	65
July 2007	61	11	8	80
July 2006	68	10	4	82
July 2005	83	13	1	97

We are one year into a three-year collective bargaining agreement for the Laborers and Mechanics with the *Service Employees International Union, Local 32 BJ Mid-Atlantic District* which will take us through June 2013.

Delayed negotiations for Administrative staff with *Teamsters Local 312* for a new term were delayed during the last reporting period at the Union's request. A CHA proposal for merit pay increases was not received with open arms and eventually rejected. Negotiations did resume this year and a traditional agreement was reached, also through June 2013.

Open enrollment for employee health benefits took place in February.

Safety Committee. Staff members representing the different departments are appointed by the Executive Director. The members were *Robin Freeman* and *Douglas Daniel* (Co-Chairs) *Victor Martinez, Thomas Watras* and *Sally McClain*.

The Safety Committee addressed the following for the protection of CHA staff and the public this year:

- Development of policy governing cellular telephone usage while operating motor vehicles
- Obtained Safety Committee certification under Section 1002(b) of the Workers Compensation Act

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FINANCE

This crucial Department was targeted for major change during this period. Sensing that internal controls were loosening, serious consideration was given to a leadership change. By March 2011, the move was made to employ the firm of part-time accountant *Roman Kubas*. The combination of that change and the elimination of an accounting position resulted in immediate efficiencies brought. Accounting and finance trends, headed in the wrong direction, were quickly reversed. Courses were set to get the Department back to prior years' condition or better. This included a Financial Recovery Plan submitted to HUD in response to our Financial rating falling just below the acceptable threshold (see Appendix).

At the insistence of the ED, firm lines of communication were established between Finance and all Department heads in and outside of Executive staff meetings. Rent collection rates, timely bill paying and collecting and lingering utility bill controversies were made agency priorities. Within months, everything was falling into place and we were able to show a healthy year-end financial statement (see Appendix). A simplified Board financial report format was requested and delivered to the Board by July 2011.

Annual budgets, monthly financial statements, the processing of over 25,000 checks per year to landlords and vendors, HUD reporting and payroll production are all among the Department's key responsibilities. The new Finance Department understands its central role in the oversight of all Departments and lends its expertise.

Utilities. Through our financial challenges, we settled an old debt with the Philadelphia Electric Company. In doing so, we uncovered fees added which were negotiated out. At virtually the same time, we capitalized on new Pennsylvania law and solicited bids for an alternate energy provider. Project annual savings with Pennsylvania Power & Light are \$125,000. We locked in rates for two years through December 2012.

Energy Savings. We reported a savings of \$400,801 in the first year off of an energy performance contract, enough to win our HUD sponsor's acceptance.

Parking. The Philadelphia Union soccer team leased our future supermarket site to accommodate the parking needs of its fans. They paid us \$32,500, about enough to cover one summer's grass cutting cost.

The CHA administers and manages 2,305 units of subsidized housing, approximately 20 percent of the rental housing stock in Chester. This includes 739 units of Conventional Public Housing and 1,566 Housing Choice Vouchers. We supported 77 units of homeownership sold or under contract by this writing and were engaged in the development of an additional 125 units of rental housing and 23 units of homeownership. The 300-unit *Chester Towers* high rise, vacated and then demolished by 2007, will soon see its last replacement units completed.

Housing Units under CHA Management:

<i>Chatham Estates</i>	110
<i>Heartley Homes</i>	10
<i>Ruth L. Bennett Homes</i> ...	261
<i>William Penn Homes</i>	<u>160</u>
	541

Under Outside Management:

<i>Chatham Senior Village</i> .	40 (by Pennrose)
<i>Chatham Terrace</i>	48 (by Roizman)
<i>Edgmont Senior</i>	87 (by Roizman)
<i>Madison Senior</i>	38 (by Roizman)
<i>Matopos Senior</i>	82 (by Roizman)
<i>Wellington Ridge</i>	<u>110</u> (by Pennrose)
	405

In Development:

<i>Chester Gateway</i>	64
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Inventory lost to HOPE VI replaced by Homeownership:

<i>Wellington Ridge</i>	26
<i>Logan Terrace</i>	24
<i>Wellington Heights</i>	<u>42</u>
	92

In Development:

<i>Wellington Heights</i>	<u>8</u>
	100

Here and there. During the past year, 241 families entered our programs. That included 121 new Public Housing Residents and 120 imported voucher holders. We note here that 52 percent were working families. Average annual income: \$19,021.

Public Housing and Section 8 waiting lists stand closed, the perennial indicator of the need for additional affordable housing in Chester. Except for brief periods in 2008 and again in 2011, waiting lists have been inaccessible to the public since 2001.

PUBLIC HOUSING

Norman Wise oversees all Housing operations including the administration and maintenance of Public Housing. *Mary Militello* is Housing Choice Voucher Program Director.

Personnel. Throughout the year, staff was reduced by three permanent and four temporary causing commensurate delays in service. To minimize the impact, employees were given assignment changes at strategic times.

Rent collection. Collections improvement is an agency priority. At last report to the Court, the ED challenged Residents and staff to mind this matter much more closely. Staff leadership changes in Finance, the adoption by the Court of the Housing Director's new, stricter collection policy and the scheduling of monthly eviction hearings have led to marked improvement as reflected in recent financial reporting.

Maintenance. Budget realities forced reductions which are reflected in the timeliness of service and Resident satisfaction (see Appendix). Performance was maintained well enough to pass muster with HUD inspections. In September 2010, Maintenance and Management staff together retreated to the Pocono Mountains for three days of organizational planning and soul searching.

Boo! Maintenance and Management staff showed their alternate housing talents by staging a Haunted House, the only one in Chester on Halloween. They truly put on an amazing performance for the youngsters brave enough to come to the basement of the *William Penn Homes* (see Appendix).

Energy Reform. All Residents became participants in conservation and savings efforts as the individual metering of our last and oldest properties was completed. Now a few years into an Energy Performance Contract, dividends are being realized.

Investment. Capital improvements occur regularly, primarily with the use of the Capital Fund Program. Planned improvements for the year are outlined in the Annual Plan open to input from Residents and the general public. Like operating subsidies, the Capital Fund has been underfunded borne out by HUD's own studies over the years. The American Resource and Recovery Act brought additional funding which helped catch-up efforts with the capital improvements backlog. This flurry of capital activity is almost complete and detailed later in this Report.

Disaster Preparedness. Occasionally, our area is threatened with weather conditions with the potential to cause property destruction and safety concerns for our Residents.

Hurricane Irene was just that. Our staff showed how they could be counted on in time of need (see Appendix).

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HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)

Section 8, the moniker still clung to by Program critics, is the most misunderstood, and now largest, element of our affordable housing portfolio. The Tribune Democrat, in Johnstown, Pennsylvania (January 28, 2012) wrote “In discussions about Johnstown’s pervasive blight problem, it’s a popular tactic to equate Section 8 properties with dilapidated homes.” The same bodes true for Chester. Critics also label any bad tenant in the City as “Section 8” when, in fact, the contrary is usually the case. This is borne out by our complaint investigation results. Addresses taken rarely turn out to be Section 8 at all but simply tenants living in privately-owned housing.

Improved Housing Stock/Expanded Opportunity. We continued to pursue our primary goal of providing affordable housing opportunities while improving the overall quality of the housing stock for the City of Chester. More than 400 families reside in newly built or rehabilitated dwelling units of the past few years. An increase in the number of project-based units helped us to move 150 households off the waiting list.

Utilization. The Program achieved 100 percent utilization in 2011 through the completion of the project-based lease-ups at *Buchman Meadows*, a veterans housing rehabilitation initiative on the west side of Chester (see ‘Veterans Services’ below) and the new Edgmont and Madison senior housing. Households receiving rental assistance totaled 1,566. Housing Assistance Payment (“HAP”) costs rose due to declines in household income, increase in family sizes, leasing in higher priced jurisdictions and the Edgmont and Madison lease-ups at 110 percent of the fair market rate:

HAP Per-Unit Monthly Cost 2005 \$658

HAP Per-Unit Monthly Cost 2011 \$801

A supplemental funding award was received in August 2011 to cover increased cost and meet contractual obligations to owners.

Homeownership. Five Program households became homeowners this year. Though that does not sound like a high number, given the country’s banking crisis, we found it to be remarkable. Three families purchased in Chester, one in Lancaster and one in Wilmington, Delaware.

Mobility. Program participants continued to find housing in lower poverty areas. As of this year, 320 households reside outside of the City of Chester. Families cited sustained

problems at Chester High School and crime as their main reasons for relocating out of the City. Through our extensive network of owners, participants have a broad choice of housing choices.

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Veterans Support. On-site coordination of services is being delivered to veterans living at the 42-unit *Buchman Meadows*. Iraqi War Veteran *Ralonda Watkins*, US Navy coordinates transportation to medical appointments, linking Residents to food stamps and energy benefits, making employment referrals, writing resumes and providing nutrition support with donations from City team and Eastside Ministries. Three veterans obtained and sustained full-time employment this year.

Workforce Reduction Impact. Due to the agency-wide budget shortfall and the proration of Program administrative fees, one administrative assistant and two occupancy specialists were lost since March 2010.

POLICE

Under the leadership of *Chief Rodney M. O'Neill*, the Chester Housing Police Department ("CHPD") continues to be essential to peaceful operations. Its presence has insured that the CHA is a safe place to live and work. Despite the improved level of safety attained since the CHPD's inception in 2000, the City of Chester continues to be plagued by crime. This past year, it was ranked Number 2 nationally among the 'most dangerous cities (see Appendix). Our properties cannot operate in a vacuum but the CHPD does its best to defend borders. It is a costly and unfortunate state of affairs which hampers the ability of the CHA to focus a greater portion of its budget on housing and other related services. Though cuts have been made here as in all departments, it still carries a \$600,000 per year price tag.

Cooperation. Over the years, Chief O'Neill has worked to promote the greatest level of cooperation possible with City Police. We are optimistic that the recent change in City administration will not detract from this. In the same vein, Residents are called upon to assist with policing by reporting crime promptly. During Fiscal Year 2011, there were over 15,000 calls for service resulting in 37 arrests. (see Appendix for CHPD Activity Log).

Heroics/Honors. In a January 2011 ceremony at Drexelbrook Country Club, Lieutenant Luis Rodriguez was recognized by the County for bravery and dedicated service stemming from the previous year's incident in which he received a bullet in his shoulder in pursuit of criminal activity.

Also in January 2011, Officer Kyle Battinieri was recognized by the City of Chester as *Officer of the Quarter* for the fourth quarter of 2010.

INFORMATION TECHNOLOGY (“IT”)

This supportive system of the CHA, also under the supervision of Chief O'Neill, provides daily service to all CHA departments and offices at all sites. A full-time position was cut, later replaced part-time.

Obsolete workstations were updated in the Section 8 Department resulting in significantly less down time. We are now updating software to greatly improve recordkeeping Authority-wide. This will be an eight to twelve-week project which will bring us in alignment with the most current technology and lessen the burden of the IT Department troubleshooting complex system failures.

IT was also on hand to assist with Resident learning activities. Whether for setting up offices, teaching people how to use their machines or basic troubleshooting, everyone knows you can always call IT.

LEGAL

The CHA employs full-time counsel to keep up with the demands of the transformation. Outside counsel is commissioned for development projects and Chester attorney *John W. Nails, Esquire* is retained for evictions. Among the requirements imposed by the Receiver Court there is a heavy emphasis on *due process*. Since 1999, *Maria M. Zissimos* has served ably in the role of General Counsel. In addition, she oversees Human Resources, Planning and Development and Risk Management.

Litigation. CHA and Chester Wellington Development Corp. v. Commonwealth Land Title Insurance Co. ("CLTIC") and Brandywine Real Estate Management Services Corp. ("BREMS"), Delaware County CCP, No. 10-8747. The CHA terminated an Agreement of Purchase and Sale due to default against Brandywine Real Estate Management Services Corp. and filed suit to request funds held in escrow and all interest against the escrow agent, CLTIC, and BREMS. The matter was settled by the parties in the favor of the CHA on January 26, 2011. The CHA received \$75,000.

Evictions. In accordance with the terms of *Velez*, we have regular Resident arbitration hearings. The lists are generally short and mostly reflect the inability of Residents to prioritize rent payments. For the period July 1, 2010 to June 30, 2011, we filed 41 Requests for Hearing of which 20 evictions were ordered by the Court. It is important to note again this year that fewer Requests are being filed and the percentage of evictions granted has increased indicating greater program compliance by Residents and a better job by staff in bringing solid cases.

Risk Management/Insurance Coverage. There are four (4) pending or settled coverage matters for which Notices of Claim were filed (See Appendix for complete report).

Non-profit Subsidiaries. There have been five entities established:

- (A) *Chester Housing Facilities Management, Inc.* Formed to create the CHPD.
- (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 never came about. CHA disposed the retail site to this entity in 2001. In 2003, the Receiver requested CWDC apply for 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.
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PLANNING AND DEVELOPMENT

This Department runs “by committee” led by Maria Zissimos and the key use of Architectural and Engineering consultants Remington, Vernick and Beach, Housing Operations Manager Norman Wise and the ED.

The HUD-mandated Annual Plan was last filed April 2011. We were in the second year of a Five-Year Plan filed in 2010. Both included Resident and community input.

See Appendix for the list of capital improvements attributed to this period.

CHESTER HOUSING AUTHORITY TECH

Since 2009, the CHA Tech initiative has built Resident self-sufficiency by combining educational programs, social support and leadership opportunities. Under the direction of *Richard Goldstein*, Tech has delivered short-term basic skills training for anyone in the CHA community while exploring innovative approaches to engaging Residents, sustaining programming and fostering meaningful leadership. Add to this CHA Tech's cultivation of organizational partnerships and commitment to community outreach and assessment.

Summer 2011 saw the closing out of the successful Neighborhood Networks program. Out of this grew a multitude of other programs which continue on. *BikeWorks*, *Community Gardening*, *Digital Connectors*, *Time Exchange*, *Volunteer Income Tax Assistance* ("VITA") and the recent addition of the HUD-funded (\$300,000) *With Every Heartbeat is Life* ("WEHL") Resident health initiative.

BikeWorks. Resident youth learn the art of bicycle building and repair and then inherit donated bicycles they have refurbished. It attracted outside financial and volunteer support from the Delaware Valley Bike Club.

Community Gardening. In its third year, the harvest was bigger than ever. The team of CHA *Bennett Homes* Residents and Swarthmore College Students farmed expanded beds. The assistance of the Amish Farmer's Market in the way of Belgian plow horses created quite a community buzz this year and led to increased participation (see Appendix). Shaded kitchen and classroom space was added this year, as well as space to prepare produce for distribution.

Digital Connectors. Computer course graduation ceremonies were the norm. Taught by CHA IT Specialist *Beth St. Clair*, participants engaged in hardware assemblage and repair, multimedia production, leadership training and personal finance. At the end of the program, participants designed and undertook a major surveying effort that will serve to guide future classes. Graduates received a laptop, \$500 stipend and video camera.

Time Exchange. Residents provide their strengths and talents and receive credits to receive the same from others. Membership increased this year and partnerships were made with similar efforts around the country.

VITA. CHA Tech became an Internal Revenue Service (“IRS”) VITA site and prepared more than 100 tax returns in early 2011 adding up to \$65,000 back to community members. There was a savings of \$19,000 in tax filing fees. The IRS will be back in 2012 again training Residents to be tax preparers and striving to beat last years’ numbers (see Appendix).

WEHL. HUD’s Community and Supported Services office tapped CHA Tech to create a two-year pilot program whereby Resident’s would receive health education. *Jesse Marshall*, a recent Swarthmore College graduate and former CHA intern, was hired to coordinate it. The program has had instant popularity. In the first cohort, 25 Residents have been meeting three times a week to exercise, cook and learn about health risks and lifestyles.

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BUILDING COMMUNITY

Resident Councils. Following training and elections, the Court swore in 15 Resident leaders as members of three Resident Councils in 2009 for the next three years. The *Ruth L. Bennett Homes* Council, representing our largest and oldest Public Housing community, has been the most active. They have submitted a budget and claimed eligible funding from the CHA annually, established a newsletter and sponsored community events (see Appendix).

Resident Councils have also emerged at the Roizman-managed, HOPE VI properties. In 2011, the newest additions to Chester’s affordable housing stock, *Edgmont* and *Madison Apartments*, elected and installed Councilmembers. Council President *Roderick Powell* has worked closely with the CHA to address Resident concerns with growing pains at the beautiful new buildings. *Judge Shapiro* met with Residents on site in September 2011 (see Appendix).

School’s In. For the second year, Chester-Upland School District (“CUSD”) operated a housekeeping program for challenged students in a dwelling unit at the *William Penn Homes*. For budgetary reasons, this successful program will not be back.

On a larger scale, we hope to open a long planned and long awaited early childhood learning center at the *Ruth L. Bennett Homes*.

The CHA sponsored the *Bennett High Steppers* under the direction of Yvonne Carrington-Payne on their educational trip to Disney World, Florida (see Appendix).

Scholarship. The Sustainability Committee monitors the progress of five students they awarded scholarships to the Pennsylvania Institute of Technology. *Sheila Church* of ChesPenn Health Services and a CHA Board member chaired this Sub-Committee. *Dr.*

Judith Stang, former CHA Board and Sustainability Committee Chair provided key leadership. We look forward to the successful completion reports of the five students.

Youth Court. The past three years, *Judge Shapiro* has hosted Chester High School students in her courtroom for Law Day Exercises. This local program, run by *Gregory Volz, Esquire*, has been lauded for its success.

Year-End Giving. The CHA makes an amazing show of gratitude to the communities which welcome its service. HCVP Director *Mary Militello* pulled out all the stops in bringing the *Holiday Village* to our families. Our landlord investors underwrote the whole thing and doubled as setup, breakdown and participants. This has become a growing, annual affair (see Appendix).

For a dozen years now, General Counsel *Maria Zissimos* has rounded up toys for our children through the donations of St. Luke's Greek Orthodox Church in Broomall.

Resident Accolades. In the midst of the most dour homeownership environment in decades, five HCVP families achieved this milestone and purchased their first homes this year. We salute family heads Victor Andino, Helen Cabrera, Keidra Irving-Wright, Daaiyah Sabree and Bianca Wilson. Also, a first one for the coming year, Nadine Lopez.

Stepping up and contributing to the positive health of their communities were newly named Community Health Workers by way of our WEHL program.

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LEGISLATIVE REVIEW

After the lean Bush years, the Obama Administration took office with the promise of a return to full housing funding. The Stimulus package was a forceful shot in the arm to long delayed capital projects. However, by Year Three, with the national debt mounting to ceiling level, discretionary federal programs were thrown on the chopping block in a desperate attempt to make federal budgetary ends meet. Housing Authorities with healthy reserves were informed of their recapture, notwithstanding their programmed use

for future expenditure. Public Housing operating subsidies were again targeted for prorated funding as during the Bush years and administrative fees provided to run the Housing Choice Voucher program were slashed.

The Administration is now in its fourth iteration of a proposal to transform how Public Housing is funded. Transforming Rental Assistance begat Preservation, Enhancement and Transformation of Rental Assistance, rebuffed by Congress, begat Rental Housing Revitalization Act, begat the currently proposed Rental Assistance Demonstration (“RAD”). RAD, like its predecessors, is based on a Section 8 funding model. At first rollout, it has been met with a lukewarm reception by Housing Authorities. HUD is promoting it as a voluntary option. How many agencies that eventually opt for it will be the measure of its legitimacy.

A recent HUD proposal to combine the capital and operating funds has been met with interest. Before industry acceptance, questions will have to be answered as to the security of the future funds.

From our vantage point, little reform has resulted from the home foreclosure crisis. This has impaired families in our programs from advancing as mortgages are harder to come by. As this report indicates, though, we had success in this area as five program participants accomplished their homeownership goals this year.

In the Commonwealth, the new Corbett Administration invited our ED to participate in transition meetings along with four other housing and community development agency heads. The recommendation to raise public bidding thresholds as a cost saving measure was taken seriously and eventually turned into law.

In reaction to controversies at the Philadelphia Housing Authority, our ED was asked to testify before the Senate Urban Affairs & Housing Committee on changes being considered to the Pennsylvania Housing Authorities Act (see Appendix).

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A LOOK AHEAD – 2012 AND BEYOND

Each year we take small steps forward despite federal pushback. The sum total of the last six has been significant. On the schedule for next year:

- Sale or lease of the Highland Avenue commercial site to a supermarket developer.
- Re-bid for State-wide contract administration of Project-Based Section 8 under

the 2009-formed Affordable Housing Innovators, Inc. (“AHI”)*, a partnership among five Pennsylvania Housing Authorities. HUD cancelled last year’s awards in response to protests like ours (see Appendix).

- Further expansion of CHA Tech as it increases its inside membership and outside partnerships.
- Redevelopment of 6 West 6th Street, the old CHA headquarters, into leasable space and CHA storage.
- Development of an Arts and Cultural Center.
- Artistic murals on *Bennett Homes* buildings facing Interstate 95.

*The Allegheny County, Allentown, Chester, Harrisburg and Mercer County Housing Authorities formed a partnership under the name AHI for the purpose of bidding on the contract.

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CLOSING

It was a tough year for Housing Authorities. The country’s continuing economic malaise and the federal budget and debt dilemmas had direct impacts on our business. Throughout the year, the CHA responded with its own budget cuts and the prospects for

next year are measured, at best. Under these challenges, the CHA staff tightened its belt and lived up to commitments and responsibilities. Work goals were met.

Always on the chase for funding, CHA Tech made the most of two HUD grants, Neighborhood Networks awarded in 2008, and With Every Heartbeat is Life, awarded in 2010, to spread the resources to multi-varied programming. There were also smaller awards from the Commerce Department and Swarthmore College. For Housing Authorities, it is now about making each dollar go further.

Our new view is that we must bear more of the responsibility toward sustainability. We will continue to join forces with other housing providers and encourage Washington to better support our missions. But the reality is that we will be, more and more, determining our own future sustainability.

Thank You. With humble gratitude, my deep appreciation to the Receiver Court for the opportunity it affords me to serve Chester. Judge Shapiro's demands are great but the rewards of service are bountiful.

Unending thanks to Maria Zissimos, by my side as counsel, sounding board and right hand.

Our appreciation to Bob Rosenberg, his report to follow, for his continued involvement to see through elements of the original plan not yet realized.

To Norman Wise, Mary Militello, Rodney O'Neill and their staffs, my and Maria's heartfelt appreciation for the care and compassion you bring everyday to the Chester Housing Authority, a place that once lost its way but a place you have put back on the road.

**APPENDIX 1/
Court Order
October 1, 2010**

APPENDIX 2/
Once troubled, Chester's public housing is earning
'High marks' by federal HUD standards
Chester Spirit
March 11-17, 2009

APPENDIX 3/
Chester Housing Authority Back and Better Than Ever
April 15, 2009

**APPENDIX 4/
Organizational Chart
2010**

**APPENDIX 5/
Financial Statement
2008-09**

**APPENDIX 6/
Grant and Subsidy Schedule
2009-10**

**APPENDIX 7/
BikeWorks Collage
2009-10**

**APPENDIX 8/
Community Gardening Snapshots
2009-10**

**APPENDIX 9/
Camp Lotsa' Fun Director Sharon Young
August 2009**

**APPENDIX 10/
Shoes 2 Share on Haiti Relief
April 19, 2010**

**APPENDIX 11/
City, Housing Authority Cops Team Up to Deter Violence
Delaware County times
June 11, 2010**

**APPENDIX 12/
CHPD Activity Log
2009-10**

**APPENDIX 13/
Insurance Claims Schedule**

1. Mildred McDowell v. CHA and City of Chester and Roizman & Associates, Inc. and Roizman Development, Inc. and Central Salvage Co., Delaware C.C.P. September Term, No. 09-55511. Slip and fall at the intersection of 10th and Madison Streets, August 1, 2008. Complaint served on CHA January 1, 2010. Matter tendered to Roizman and Central Salvage. Matter settled by defendants with no contribution From CHA for \$8,500 on September 1, 2010.
2. Kevin Wilson & Julius Bradley v. Officer Joshua Dewees, Badge No. 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 4th and 14th Amendment, assault, battery, false imprisonment, malicious protection, intentional

infliction of emotional distress and negligent loss of consortium. Answer was filed by CHA. The City of Chester filed to dismiss certain claims. There has been no movement from the Court to date.

3. Tiesha Spriggs. Date of loss October 26, 2010. Claimant Spriggs claimed to have put her foot through a hole in her kitchen floor. An incident report was filed contemporaneously with the incident. This matter was settled on November 30, 2011 for \$5,000.
4. Leslie Tate v. Chester Housing Authority, et al., Delaware CCP, No. 11-51465. Praeipe for Writ of Summons filed on April 12, 2011. Plaintiff claims injuries while attempting to remove a bag from the back of the CHA van. Arbitration was scheduled for January 17, 2012. Depositions were noticed for December 19, 2011. Matter settled for \$7,000 January 13, 2012.

**APPENDIX 15/
*CHA Nixes Supermarket Developer; Sues Brandywine
For Contract Breach and \$100,000*
Chester Spirit
June 2-8, 2010**

APPENDIX 16/
Public Housing Resident Leaders Are Formally Installed
Chester Spirit
March 11-17, 2009

APPENDIX 17/
Chester Upland Launches New Program
Delaware County Times
January 27, 2010

**APPENDIX 18/
A scene from Helen Woods' Ruth L. Bennett Production
May 17, 2008**

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

Avenue Pharmacy
Frank **B**enditt General Contractors
Bethany Baptist Church
US Representative Robert **B**rady
US Senator Robert **C**asey
Center on Ethnic and Minority Aging
Chester Arts Alive
Chester Eastside Ministries
Chester Economic Development Authority
Chester Police Department
Chester Upland School District
David **C**imina Family
City of Chester
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 A
Delaware County Community College
Delaware County Housing Authority
Delaware County Property Investors Group
Diversity Apprenticeship Program
Domus Construction
Chester Eastside Ministries
EducationWorks
Greener Partners
Lawrence J. Fox, Esquire
Pennsylvania Housing and Finance Agency
United States Department of Housing and Urban Development
Internal Revenue Service
Jewish Employment Vocational Services
Keystone Mercy
PA Representative Thaddeus Kirkland
Norman Kranzdorf
Legal Aid of Southeastern Pennsylvania
Mount Pleasant Community Development Corporation
John W. Nails, Esq.
National Association for the Advancement of Colored People
Nemex Landscaping
New Equity Partners
Nia Center
PathWays
Pennrose Development
PA Senator Dominic Pileggi
Philadelphia Union
Pennsylvania Power & Light
Public Housing Authorities Directors Association
Rabena Brothers
Remington, Vernick & Beach
Roizman Development
Rosenberg Housing Group
St. Luke's Greek Orthodox Church
US Senator Arlen Specter
Susquehanna Bank
Swarthmore College
Tradition Energy
The United Way
Weed & Seed
Widener University

Wise Choice Scholarship