

IN THE
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	No. 66 C 1459
	)	
GEORGE W. ROMNEY and	)	No. 66 C 1460
CHICAGO HOUSING AUTHORITY,	)	
et al.,	)	(Consolidated)
	)	
Defendants.	)	

MEMORANDUM OF CHA IN OPPOSITION
TO THE ORDER PROPOSED BY
PLAINTIFFS ON SEPTEMBER 11, 1974

CHA's basic opposition to the proposed order of plaintiffs is that they are asking for an unwarranted judicial intrusion into complicated procedures that would not simplify but, in fact, further complicate a situation the complexities of which originate in the applicable federal and state statutory schemes. Moreover, such an intrusion is unwarranted, CHA submits, because there has been no showing - indeed, no effort to show - that either HUD or CHA are not continuously and energetically seeking to further the cause of low income family public housing in accord with the Judgement Order of July, 1969 and all amendments thereto.

CHA further points out that, pursuant to the order of April 16, 1971, it has been regularly filing quarterly reports of its activities. Those reports have shown what CHA is doing and why it is

doing what it is doing. Those reports have reflected CHA's efforts to participate in the Section 23 program as well as its efforts to obtain HUD approval of sites submitted by CHA to HUD. Report No. 13, filed July 1, 1974, is attached hereto.

The reports filed by the CHA and the discovery recently undertaken by the plaintiffs of CHA demonstrate that CHA's efforts to speed up the process have consisted of realistic and practical concentration of its resources to do what can be done with existing allocations and funding. CHA suggests that with the wealth of information available to plaintiffs it is high time that if they have anything realistic, practical and specific in mind that it would be appropriate for plaintiffs to spell out such specifics.

Typical of what CHA suggests is the plaintiffs' unrealistic approach to these complicated problems is their proposed paragraph 3. [For CHA to now divert its manpower and resources to obtain a list of addresses of sites to meet the goal of 1,500 dwelling units referred to in this court's order of July 20 and subsequent orders would be a waste of CHA's time and resources. The reason for this is simple. It has been expressed often in Court and out of Court: to list sites long in advance of the time when funding is available for construction upon them is an exercise in futility since the time lapse between "listing" and funding tends to be so great

✓

that many sites are "lost". Given the current limitation on funding for public housing, it is the CHA's position that a search for sites on a vast scale must await the time when funding is imminent. That is not this time and plaintiffs know it. Where there is funding CHA has been looking, listing and seeking approval.

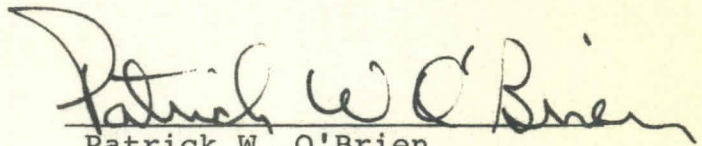
In this connection, CHA has been seeking to obtain approval of its development plans for I-86 and I-87 even though there does not exist at the moment funding for those programs. This is one of the innovative steps taken by CHA. With the development programs approved in principal CHA can move promptly in its site search at a time when funding appears to be forthcoming or is in fact available.]

In short, the latest proposed order of plaintiffs is tainted with plaintiffs' simplistic solutions to enormously complicated problems. CHA is moving as best as it knows how to do. So is HUD although CHA and HUD have not seen eye to eye as to exact procedures. ✓

Unless there is some showing that HUD and CHA are not exercising their "best efforts", we respectfully suggest that this Court should stay its hand and not issue further orders upon either

CHA or HUD. Further orders will only lead to further motions for further orders for it is now clear that no matter what CHA does, no matter what HUD does, plaintiffs will be unable to curb their impatience.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patrick W. O'Brien", with a long, sweeping horizontal stroke extending to the right.

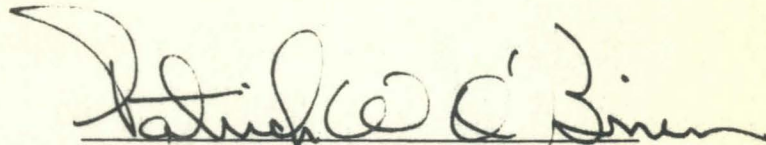
Patrick W. O'Brien
One of the attorneys for
Chicago Housing Authority
231 South LaSalle Street
Chicago, Illinois 60604
State 2-0600

OF COUNSEL:

MAYER, BROWN & PLATT

PROOF OF SERVICE

Patrick W. O'Brien, one of the attorneys for Chicago Housing Authority, certifies that on September 23, 1974, he mailed or served a copy of the above and foregoing "Memorandum of CHA in Opposition to the Order Proposed By Plaintiffs on September 11, 1974" upon the attorney of record for plaintiffs and HUD.


Patrick W. O'Brien

It was stated in Report No. 12 that the Department of Housing and Urban Development approved Modified Turnkey proposals submitted. Pursuant to approval of these proposals the Board of Commissioners, at their June 13, 1974 meeting, awarded contracts to three builders -- Teddy Bear Construction Co., Ruby Construction Co. and M. L. Peterson -- for the construction of 63 units in the original Project ILL-2-85. Inasmuch as this construction work was divided into four contracts, HUD regulations required that separate project development

numbers be assigned. Accordingly, this construction has been assigned Projects Nos. ILL-2-90, 91, 93 and 94, and Development Plans were approved and submitted to the Department of Housing and Urban Development. Project ILL-2-85 now consists of the residual of units excluding the 63 units above-mentioned. All of these Development Programs have been transmitted to the Department of Housing and Urban Development for review and approval and were approved by the Board of Commissioners at their June 13, 1974 meeting. Contracts of Sales and other pertinent documents for the above-mentioned Projects ILL-2-91, 2-93 and 2-94 were forwarded to the Area Office of the Department of Housing and Urban Development for execution.

2. Projects ILL-2-86 and ILL-2-87

In accordance with directives from the Department of Housing and Urban Development relative to the resumption of processing for Scattered Site Family Housing Development Programs, programs for Project ILL-2-86 (204 units) and Project ILL-2-87 (829 units) were resubmitted to the Area Office of the Department of Housing and Urban Development for review and approval on May 16, 1974. The Chicago Housing Authority staff is assembling data necessary for the environmental study for submittal to the Area Office of the Department of Housing and Urban Development.

3. Section 23 - Leasing Program

As previously reported, the Department of Housing and Urban Development published in the Federal Register of January 22, 1974 proposed rules for substantial changes in the Leasing Program. The Federal Register of April 22, 1974 published the rules finally adopted by the Department of Housing and Urban Development for Section 23 Housing Assistance Payments Program - New Construction. Complete HUD regulations regarding this program have now been issued. Chicago Housing Authority staff has taken under review these regulations to determine how this program may be used to increase the supply of available housing. After receipt of the new HUD regulations, Chicago Housing Authority made request for a meeting with the Area Office of the Department of Housing and Urban Development regarding the application process for this program. The Area Office of the Department of Housing and Urban Development, by letter dated June 14, 1974, advised of their readiness to receive applications provided that the Local Housing Authority meet with the Department of Housing and Urban Development in a pre-application conference. (Copy of letter attached as "Exhibit A"). Chicago Housing Authority has arranged such a conference for July 17, 1974.

A point to be covered at this conference is the question of whether the Local Governing Body has authorized participation. The Area Office of the Department of Housing and Urban Development has determined that the ordinance passed on March 6, 1965 (previously submitted to the Department of Housing and Urban Development for review) by the City Council of Chicago is adequate to authorize all leasing programs currently permitted by the Department. Chicago Housing Authority will evaluate further its position relative to proposed applications for Section 23 Program after its July 17, 1974 meeting.

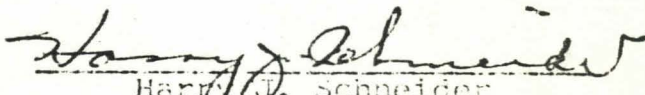
CHA ACTIVITIES - INFORMING THE PUBLIC
RE THE NEW PUBLIC HOUSING PROGRAM

No new developments since Report No. 10, dated September 30, 1973.

CHA ACTIVITIES - AGREEMENT WITH
HOUSING AUTHORITY OF COOK COUNTY

No new developments since Report No. 8, dated March 30, 1973.

Respectfully submitted,


Harry J. Schneider
Executive Director

July 1, 1974

IN REPLY REFER TO:

5.2PM

Wade

Mr. Harry Schneider
Executive Director
Chicago Housing Authority
55 West Cermak Road
Chicago, Illinois 60616

June 14, 1974

Dear Mr. Schneider:

Subject: Application Section 23 Housing Assistance Payments Program

We are now prepared to receive applications for the Section 23 Housing Assistance Payments Program.

Prior to the submission of an application, however, a housing authority must meet with HUD in the Area office in a pre-application conference. The purpose of this conference will be to discuss the following points:

1. Whether there is a need for housing assistance for low-income families within the LHA's operating jurisdiction.
2. If there is a need for such assistance whether there is a sufficient supply units that are suitable or may be made suitable to meet all or part of this need. This need should be based on an LHA survey of the market. The lack of a suitable number of units would justify a new construction program to fill the gap between need and supply.
3. The type of project an LHA intends to develop if new construction is justified, particularly in terms of number of units, whether it is to be elderly or family and if the LHA intends to limit assistance to 20% or less of the units in a structure or complex of 5 or more units in accordance with paragraph 1-3 (K) (2) of Section 23 Housing Assistance Payments Program Handbook for new Construction.
4. If the LHA intends to submit an application meeting the condition of paragraph 1-3 (K) (2), whether there is owner/developer interest in such a project and that the LHA will be able to obtain an appropriate proposal.
5. The status of any Section 23 resolutions previously passed by the Local Governing Body authorizing LHA participation in the Section 23 Program. A copy of this resolution should be brought



EXHIBIT A

to the pre-application conference. If such a resolution has not been passed, the LHA should be prepared to indicate whether the Local Governing Body will be willing to pass such a resolution.

Pre-application conferences are scheduled to be held during the month of July. Interested LHA's should initiate immediately the steps necessary to gather the information required for the pre-application conference. Any document to support your conclusions as to need, supply and interest should be brought to the conference.

Enclosed are copies of the Fair Markets Rents for both new construction and existing housing in your market area.

To schedule a pre-application conference please call the Program Manager serving your area:

City of Chicago

Mr. William Westerlund
353-1610

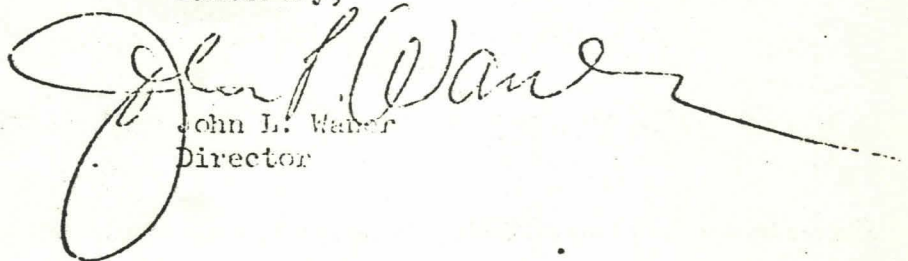
Eastern Illinois and Chicago SMSA
excluding the City of Chicago

Mr. Thaddeus Marcyan
353-1614

Western Illinois

Ms. Inez Tremain
353-1620

Sincerely,



John L. Weber
Director

Enclosure

EXHIBIT A

MARKET AREA	STRUCTURE TYPE	NUMBER OF UNITS				
		0	1	2	3	4
CHICAGO	DETACHED	-	-	354	413	516
	SEMI-DETACHED/ROW	-	294	342	385	431
	WALKUP	186	235	288	351	392
	ELEVATOR	299	349	434	-	-
MOLINE	DETACHED	-	-	211	259	292
	SEMI-DETACHED/ROW	-	168	211	259	292
	WALKUP	124	168	211	259	-
	ELEVATOR	135	173	238	-	-
ROCKFORD	DETACHED	-	-	270	292	340
	SEMI-DETACHED/ROW	-	238	259	281	313
	WALKUP	157	189	238	253	-
	ELEVATOR	168	216	238	-	-
ROCK ISLAND	DETACHED	-	-	211	259	292
	SEMI-DETACHED/ROW	-	168	211	259	292
	WALKUP	124	168	211	259	-
	ELEVATOR	135	173	238	-	-
STERLING	DETACHED	-	-	205	244	270
	SEMI-DETACHED/ROW	-	170	196	221	254
	WALKUP	135	170	178	216	-
	ELEVATOR	141	181	221	-	-
	DETACHED					
	SEMI-DETACHED/ROW					
	WALKUP					
	ELEVATOR					

REGION 5
FAIR MARKET RENTS (MAXIMUM GROSS RENT PAYABLE) FOR EXISTING SECTION 23 LEASED HOUSING

SMSA CODE	STATE	COUNTY NAME	COUNTY GROUP	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4+ BEDROOMS
CHICAGO, ILLINOIS AREA OFFICE								
		CHG IN 2-59		120	150	175	195	210 ⁵ 275
0	IL	WASHINGTON	10108	78	98	104	114	125
0	IL	WAYNE	10107	68	77	91	100	109
0	IL	WHITE	5102	65	74	87	96	104
0	IL	WHITESIDE	7403	94	106	125	137	150
0	IL	WILLIAMSON	10108	72	82	104	114	125
1040	IL	MCLEAN	7302	95	107	126	139	151
1400	IL	CHAMPAIGN	5401	101	114	134	147	161
✓ 1600	IL	COOK	7201	<u>121</u>	<u>137</u>	<u>161</u>	<u>185</u>	<u>209</u>
1600	IL	DU PAGE	7202	121	137	161	185	209
1600	IL	KANE	7203	121	137	161	185	209
1600	IL	LAKE	7204	121	137	161	185	209
1600	IL	MCHENRY	7205	121	137	161	185	209
1600	IL	WILL	7205	121	137	161	185	209
1960	IL	HENRY	7401	110	125	147	169	187
1960	IL	ROCK ISLAND	7401	110	125	147	169	187
2040	IL	MACON	5301	99	111	130	143	155
6120	IL	PEORIA	7301	111	126	148	170	185
6120	IL	TAZEWELL	7301	111	126	148	170	185
6120	IL	WOODFORD	7301	111	126	148	170	185
6800	IL	BOONE	7601	104	118	139	160	174
6800	IL	WINNEBAGO	7601	104	118	139	160	174
7040	IL	MADISON	10101	97	110	129	148	166
7040	IL	ST CLAIR	10102	97	110	129	148	166
7660	IL	SANGAMON	5301	99	111	130	143	156

EXHIBIT A