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

DOROTHY GAUTREUX, et al.,

Plaintiffs

vs.

CHICAGO HOUSING AUTHORITY,
a Corporation, et al.,

Defendants.

CIVIL ACTION

Nos. 66 C 1459

66 C 1460

(Consolidated)

AGREED ORDER

THIS MATTER coming on to be heard on the recommendation of the Master to whom this matter has previously been referred and on the consent of the parties; and

THE COURT having determined that the proposed Agreed Order is appropriate and in furtherance of the purposes of the judgment orders previously entered in this consolidated cause;

IT IS HEREBY ORDERED:

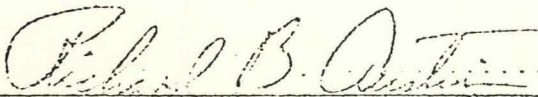
1. That the application and approval of housing assistance payments pursuant to Section 8 of Section 201(a) of the Housing and Community Development Act of 1974 for the Chicago Housing Authority City-State Relocation Housing Program with names and location as follows:

RH-2	LeClaire Courts	4th & Cicero
RH-3	Ogden Courts	Ogden & Fairfield
RH-5	Harrison Courts	Harrison & Sacramento
RH-6	Maplewood Courts	Maplewood & Jackson
RH-7	Loomis Courts	14th Pl. & Loomis
RH-8	Archer Courts	23rd & Princeton
RH-9	Prairie Avenue Courts	26th & Prairie

shall not be deemed to be in violation of Article III of this Court's Order of July 1, 1969, as amended by this Court's Order of May 5, 1975.

2. The Judgment Order entered herein on September 11, 1973 which directs the Defendant, United States Department of Housing and Urban Development ("HUD"), to use its best efforts to cooperate with the Chicago Housing Authority in its efforts to increase the supply of low-rent public housing in accordance with the Judgment Order entered herein on July 1, 1969, laws and applicable regulations, shall be deemed not to preclude HUD from approving an application for housing assistance payments pursuant to Section 8 of Section 201(a) of the Housing and Community Development Act of 1974 for Chicago Housing Authority City-State Relocation Housing Program.

3. Except as and to the extent specifically provided in this Order, this Court's Judgment Orders previously entered herein, as modified from time to time, remain in full force and effect, and this Court retains jurisdiction of this cause for all purposes.


 JUDGE
 UNITED STATES DISTRICT COURT

Dated: September 27, 1976

DOCKETED

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

FILED

SEP 27 1976

PART CUN-1111

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MASTER'S RECOMMENDATION

Pursuant to a motion by the Defendant, Chicago Housing Authority, in this consolidated cause, the approval of all parties and a discussion of the issues on the record, it is recommended that this Honorable Court enter the attached Agreed Order for the reasons stated below:

The Chicago Housing Authority has made an Application for Housing Assistance Payments pursuant to Section 8 (Substantial Rehabilitation) of Section 201(a) of the Housing and Community Development Act of 1974 for the rehabilitation of its City-State financed relocation housing developments which consist of seven family developments and one elderly development comprising a total of 1,398 dwelling units. The family units were substantially completed during the 1950-53 period. The elderly

building was completed in 1959. The names and location of these housing developments are as follows:

	<u>Project No.</u>	<u>Name</u>	<u>Location</u>
<u>Family:</u>	RH-2	Leclaire Courts	44th & Cicero
	RH-3	Ogden Courts	Ogden & Fairfield
	RH-5	Harrison Courts	Harrison & Sacramento
	RH-6	Maplewood Courts	Maplewood & Jackson
	RH-7	Loomis Courts	14th Pl. & Loomis
	RH-8	Archer Courts	23rd & Princeton
	RH-9	Prairie Avenue Courts	26th & Prairie
<u>Elderly:</u>	RH-4	Lathrop Apartments	2717 N. Leavitt

The Master is informed that this housing was financed from a 1947 City of Chicago Bond Issue and Illinois State Grant Funds and, although debt free, receives no federal or local government subsidy. Income for its operation is derived solely from tenant rents. Rising labor and material costs, utilities and other expenses have placed this Program in a deficit operating condition and caused the depletion of its reserves. Section 8 Housing Assistance Payments will permit a budget which will allow the rehabilitation of this housing, upgrade maintenance, provide for debt service to pay off borrowed funds, and insure a level of tenant services consistent with that in its federally-assisted housing program. The Chicago Housing Authority Executive Director's letter of July 6, 1976 to Area Office of

HUD details urgency and need for this financial assistance.

A copy of this letter is attached to this Report as Exhibit A.

Inasmuch as this family housing, although existing and in management prior to July 1, 1969 Order of this Court lies within the Limited Public Housing Area, HUD and Plaintiff's Section 8 funds for counsel have taken the position that these housing developments must be excepted from the Court's prior orders if the Chicago Housing Authority's Application for Section 8 Substantial Rehabilitation Housing Assistance Payments is to be finally approved.* The Chicago Housing Authority, although not granted the fund set aside which it requested in its July 6, 1976 letter to the Area Office of HUD, was advised by HUD letter of August 19, 1976 that an Application for Housing Assistance would be considered. A copy of this letter is attached as Exhibit B of this Report.

This Master is informed that on September 17, 1976 the Area Office of HUD advised the Chicago Housing Authority of a fund reservation for this Program and was urged to file its Application. It is related that this Application was filed on September 21, 1976.

The parties hereto have informed this Master that the Chicago Housing Authority's City-State relocation housing developments are necessary in meeting the housing needs of 1,398

* Otherwise Section 8 funds would be used in a limited Public Housing Area contrary to Court Order of May 5, 1975 requiring a 60/40 ratio between General and Limited Public Housing Areas.

low-income families of Chicago and that without financial assistance from the Department of Housing and Urban Development, the Chicago Housing Authority will not be able to continue housing these families at present rent levels.

In view of the foregoing, and the consent of all parties hereto, and the availability of funding, it is hereby recommended that the attached draft Order be entered forthwith.

Dee J. ...

MAGISTRATE

UNITED STATES DISTRICT COURT

In support of this Motion the Defendant, Chicago Housing Authority states that it has made application for housing assistance payments pursuant to Section 8 (Substantial Rehabilitation) of Section 201(a) of the Housing and Community Development Act of 1974 with the Department of Housing and Urban Development which will enable the rehabilitation and maintenance of 1398 dwelling units comprising the Chicago Housing Authority City-State Relocation Housing Program. This housing which was constructed with funds from 1947 City of Chicago Bond issue and State grant funds during the period from 1950 to 1953

is in a deficit operating condition and in need of rehabilitation and the upgrading of maintenance as well as improved tenant services. Although owned and managed by the Chicago Housing Authority, tenants of this housing are not accorded the same standard of housing as those in the federally assisted programs. The Chicago Housing Authority was advised on September 17, 1976 of the availability of housing assistance funds for this program subject to approval of the Chicago Housing Authority application and the appropriate modification of the Orders of this Court.

Both HUD and Plaintiff's counsel are in agreement that the continued operation of this program as safe, decent and sanitary housing for some 1398 low-income families is essential to the housing needs of Chicago. This program receives no subsidy, housing assistance payments would provide the necessary funds to upgrade and maintain this program.

In view of the above stated facts, the Chicago Housing Authority represents that approval of housing assistance payments pursuant to Section 8 of Section 201(a) of the Housing and Community Development Act of 1974 is a sine qua non for the continued operation of City-State Relocation Housing Program as low-income housing.

Its alternatives are to raise the level of rents or vacate and board-up this housing. The attached recommendation will help in maintaining an available supply of housing for families who need this housing.

Respectfully submitted,

Calvin H. Hall, General Counsel
One of the Attorneys for Chicago Housing
Authority

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