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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS MAY 27 1997
EASTERN DIVISION

Judge Marvin E. Aspen
U.S. District Court

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	66 C 1459
	)	
CHICAGO HOUSING AUTHORITY	)	
	)	
Defendant.	)	

GAUTREAUX PLAINTIFFS' STATEMENT IN SUPPORT OF
RECEIVER'S EMERGENCY MOTION

Plaintiffs strongly support the Receiver's motion for a joint conference with the judges in this and the Horner case.

The Gautreaux plaintiff class has made a major "investment" in the revitalization of the Horner Revitalizing Area. Among other things, pursuant to the "Horner Revitalization Area Order" entered by this Court, \$20 million in Gautreaux scattered site funding has been earmarked for and is being expended in the Horner area. A major effort is underway, as described to the Court in the presentation made in support of the Revitalization Order, to transform this impoverished, segregated, strife-torn neighborhood into a well working, mixed-income community.

Multiple CHA failures threaten this effort. Examples include:

- (1) The Horner consent decree contemplates the vigorous use of CHA eviction power respecting tenants who violate the terms of their leases with CHA. (Exhibit C to the Horner consent decree.) CHA itself acknowledges that "[w]ithout removing tenants who disturb the peaceful enjoyment of other tenants from Horner, the program will fail." (Exhibit C to the Receiver's Motion.) Yet the Gautreaux plaintiffs are informed that in the two years since the entry of the Horner consent decree, not a single Horner family has been evicted for cause by CHA or its management agents.
- (2) As set out in the Receiver's motion, replacement housing units, developed by the Receiver in part with Gautreaux dollars and turned over to CHA or its management agents for occupancy, have remained vacant for weeks and even months following completion and turnover with consequences described in the Receiver's motion. The reason is that CHA has failed to design and carry out a system to assure that qualified tenants are available to occupy units as they are completed.¹

¹ Plaintiffs believe there is something of a dispute respecting an aspect of this matter between CHA and Horner plaintiffs' counsel. But the tenanting of CHA apartments with CHA tenants is ultimately CHA's responsibility. Nearly a year and a half intervened between the signing of the consent decree and the turnover of the first Horner replacement units; this was obviously ample time for CHA to prepare an effective tenanting plan and to resolve any disputes relating thereto, if necessary with the aid of the Horner court.

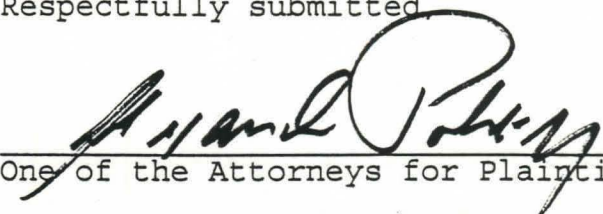
Plaintiffs have encountered and are still encountering this same problem respecting scattered site units completed by the Receiver in other neighborhoods.

- (3) CHA promised the Horner area community organization that it would arrange for "family assessments . . . designed to identify household service and training needs," and see to it that to the extent possible "residents will have to complete the training prior to occupancy of a replacement unit." (CHA letter to Earnest Gates, June 17, 1996, attached hereto.) CHA has failed to perform this undertaking, with consequences described in the Gates' letter attached to the Receiver's motion.
- (4) CHA has failed to provide the security it is obligated by the Horner consent decree to provide, as a contempt action in the Horner proceeding attests.

These examples (only) of CHA failures bespeak an institutional incapacity not limited to a single area or problem -- failures of a scope and depth comparable to those that previously led this Court to appoint a Receiver to take on the task of developing scattered site public housing. Believing that nothing less than the entire Horner effort is at stake, plaintiffs support the joint conference requested by the

Receiver's motion as an appropriate and badly needed first step
in addressing CHA's multiple failures.

Respectfully submitted


One of the Attorneys for Plaintiffs

May 27, 1997

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The Chicago Housing Authority

June 17, 1996

Ernest Gates, President
Near West Side Community Development Corporation
216 S. Hoyne Avenue
Chicago, IL 60612

Dear Mr. Gates:

Thank you for the opportunity to meet with you last Thursday, June 6, 1996. At that meeting you raised a number of concerns which the non-public housing residents of the West Haven community have in regard to the redevelopment of the Henry Horner housing development. Before we respond to the specific issues, please allow me to assure our West Haven neighbors that we believe that the redevelopment will be a real asset to the Westside. When it is done, and it could be completed in the next three to four years, all of the Horner high-rises will have been demolished, the remaining seven mid-rises (455 units) will have been rehabilitated, the Annex will be completely redone with about ninety to one hundred units (down from 109), and, most importantly, we will have 466 newly constructed units that blend into the fabric of the community. What only a few months ago was a 1774 unit blight on the community, will become approximately 1015 brand new or completely rehabilitated low income housing opportunities in a much improved Westside.

I. SCREENING AND TRAINING

You raised a number of issues about screening. In general, we support allowing the broader community to participate in screening and be on the screening committee. The process for new applicants will be that the CHA first determines program eligibility (income eligibility, criminal records check, employment check, etc.), then the committee can review for actual suitability (home visit, interview, reference check, etc.). For the existing residents, in addition to the above, we will be checking the residents' behavior record during the period of relocation. Obviously, all committee participants must agree to be trained by us as to what constitutes permissible inquiries so as to avoid having the committee's decisions overturned in court. Under the Horner consent decree, the CHA has three seats on the committee. At least one must go to Pinnacle, our manager. We will assign the other two seats to the Central West Community Organization (CWCO).

Please note that legislation recently has been enacted that gives PHA's access to the FBI's national crime records, but at this time no process is in place for any PHA to make use of it. We do have access to state and local records.

As part of the Horner consent decree, we have committed to contracting (with UIC) for family assessments which are designed to identify household service and training needs so as to further resident efforts towards self-sufficiency. To the extent possible, the residents will have to complete the training prior to occupancy of a replacement unit. The contract with UIC should be concluded shortly, and a copy will be provided to you by the end of July. The new CHA lease which should be promulgated in the next few weeks does give truancy of children as a ground to terminate tenancy. A copy of the lease will be forwarded to you as soon as it is finalized. At this

time we expect it to go to the operational committee for approval at its June 23rd meeting. Hopefully, the community can work with us to access the necessary attendance records and to be successful in any eviction cases which arise pursuant to this action. At present, we do not believe that we can mandate that over-school age residents be in jobs or job training. However, we will pursue this issue. Also please take note that there is a some language in the House version of the Housing Authorization Act of 1996 that would be helpful. Pending Federal and State laws relating to welfare reform also could mandate a similar result.

II. HOMEOWNERSHIP

The 511 program mentioned is a resident driven one. The CHA cannot effectuate it without resident sponsorship. Also, as the 466 units are "replacement housing" funded when the law required one-for-one replacement of demolished public housing units, they must be built as long-term affordable rental units. However, we will work with you on this, pursue creative solutions such as sale programs which contain public housing affordability requirements, and as was agreed, ask Linda Brockway and her company to also work with you to prepare brochures, etc. so that such a program can be marketed with the new residents.

III. INCOME MIX

We discussed the importance of achieving and maintaining the 50-50 split of residents above and below 50% of median income. Please be assured that we totally agree with you on this issue. As you know, the CHA is negotiating a contract with Pinnacle, the private management company selected by the residents and CHA to manage the Horner site. We intend to put language mandating that they maintain the income mix in their contract, and we agree to show you the contract. Also please take note that the income mix is part of the consent decree, and our failure to comply would subject us to possible contempt citations. CHA and its managing agent will provide CWCO with quarterly reports as to our compliance.

IV. MARKETING THE INCOME MIX

The contract with Pinnacle will require them to carry out the marketing as part of their management responsibilities. Again we will share with you the relevant contract language. We are presently negotiating the contract with Pinnacle and should be able to send you a copy of the contract early in July.

V. REDEVELOPMENT PRIORITIES

There was some discussion about priority being given to the acquisition and rehabilitation of vacant buildings in West Haven as an approach to the redevelopment. We are supportive of this approach. While this discussion must be more properly conducted with The Habitat Company, if we can be helpful, we will.

VI. REDEVELOPMENT RESTRICTIONS

You asked that we reduce the number of replacement units built or acquired and rehabilitated in West Haven. While again, this is an issue more for The Habitat Company than us, I do not think that we have much leeway. The Horner consent decree requires us to build or acquire and rehabilitate 466 units. Originally all of the units were to be in the West Haven area including back on the Horner site. Since then, we have received permission from Judge Aspen to modify the decree and allow up to one hundred (100) of these units to be located west of Western

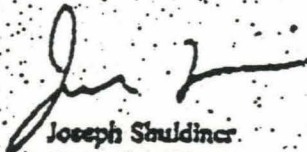
Avenue. I do not see how Habitat could accede to your request to further reduce the number of units in West Haven and still comply with the decree. We agree that whatever agreement is reached between Habitat and the Near West Side Community Development Corporation on the number of units to be built in West Haven represent the limit for the CHA and that CHA will not construct or acquire and rehabilitate any additional public housing units as part of the Horner redevelopment effort.

VII. SCATTERED SITE SECURITY

It is our position that once we build scattered site units, they become part of the larger community and are the responsibility of the Chicago Police Department. We cannot provide police coverage when we have only one or two units on a block. Of course, we still are responsible with CPD for the remaining or newly built units on the Horner site, and we would be very desirous of working with you and CPD to ensure adequate security in the community.

We hope that this letter adequately addresses the concerns which you raised last week. But more importantly, we hope that the meeting is merely the beginning of a long and successful working relationship between the West Haven community and the CHA. As we said above, we want to be good neighbors. We believe that our residents and the CHA have a lot to offer the community. We look forward to the opportunity to prove it.

Sincerely,



Joseph Shuldiner
Executive Director



Edwin Eisendrath
Chairman of the Board

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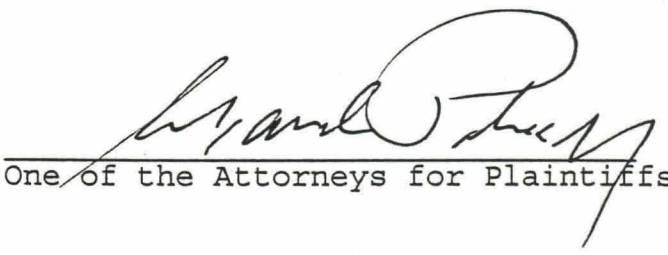
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 CHICAGO HOUSING AUTHORITY and)
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 Defendant.)

NOTICE

To: Attached Service Lists

PLEASE TAKE NOTICE that on Tuesday, May 27, 1997, I filed Plaintiffs' Statement Supporting Receiver's Emergency Motion. A copy of such Statement is attached.


One of the Attorneys for Plaintiffs

May 27, 1997

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CERTIFICATE OF SERVICE

I, Alexander Polikoff, an attorney, certify that before noon on May 27, 1997 I served copies of the foregoing notice, with copy attached, by facsimile service on the persons listed on the attached service lists.


Alexander Polikoff

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