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May 26, 1998

Via Facsimile

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Re: Gautreaux v. CHA

Dear Counsel:

The CHA has taken the following steps to comply with Judge Aspen's order requiring the CHA to "cooperate" with the receiver (as well as his subsequent orders of May 21 and 22):

- 1. On May 20, 1998, the CHA provided plaintiffs' counsel and the receiver with an opportunity to review the CHA's prior HOPE VI applications and accompanying letters, HOPE VI revitalization plans, demolition applications, and the disposition for the Mohawk North units at Cabrini-Green.**
- 2. On May 22, 1998, the CHA and the receiver (Valerie Jarrett, Dan Levin, and Phil Hickman) met with representatives of the City of Chicago. The parties discussed various issues related to the 1998 HOPE VI application.**
- 3. At the May 22 meeting, the CHA provided the receiver with (1) the CHA's 5/19/98 draft of "1998 HOPE VI Application - Summary" and (2) the CHA's 5/20/98 draft of "Memorandum of Agreement Among the Illinois State Historic Preservation Officer, U.S. Department of Housing and Urban Development, and the Advisory Council on Historic Preservation for the Jane Addams Public Housing Redevelopment Project.**

3. At the May 22 meeting, the receiver requested from the CHA any financial projections that the CHA has made with regard to its 1998 HOPE VI application. After the meeting, the CHA faxed the requested information to the various parties.

4. At the May 22 meeting, the CHA, the receiver, and the City agreed to meet again on Tuesday, May 26, 1998, at 1:00 p.m. to continue their discussions concerning the 1998 HOPE VI application. Plaintiffs' counsel (Alex Polikoff) and Ms. Deverra Beverly of the ABLA LAC were also invited to attend the Tuesday meeting.

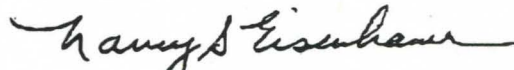
As you know, Judge Aspen has issued two rulings since he granted the receiver's emergency motion to compel cooperation on May 19. In the order dated May 21, 1998, Judge Aspen stated that "our order neither gave sole authority over HOPE VI in Chicago to the Receiver nor gave the Receiver sole authority to prepare Chicago's 1998 HOPE VI application." In his order dated May 22, 1998 (citations omitted), Judge Aspen stated that the May 19 Order

did not "turn over all of the CHA's powers and responsibilities for the 1998 HOPE VI application to the Receiver." It merely stated that the Receiver would have to be involved (i.e. that the Receiver and the CHA would have to cooperate) in preparing the application in light of the fact that the receiver-ship order gave the Receiver "all powers of CHA" with regard to the development and administration of "all CHA non-elderly public housing development programs which may in the future be authorized by HUD during the pendency" of the *Gautreaux* litigation. (Of course, if the 1998 HOPE VI application will not request funds for the development of new housing, the Receiver would not need to be involved with it.)

In our view, the court's orders are vague, and do not provide the parties with clear marching orders. Despite our repeated attempts to bring this issue to Judge Aspen's attention, the court has not issued any ruling that clarifies either the receiver's or the CHA's responsibilities and obligations under the 1987 order appointing the receiver, as now interpreted by Judge Aspen.

Nevertheless, the CHA has every intention of complying with the court's orders, and will attempt to do so to the best of its abilities. In order to facilitate this process, we would appreciate it if you would advise us directly of any problems or difficulties that the receiver might perceive in the CHA's efforts to cooperate with the receiver, so that we might immediately address any such issues.

Very truly yours,


Nancy Eisenhauer

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