

ROBERT D. WHITFIELD

ATTORNEY AT LAW

10 SOUTH LASALLE STREET - SUITE 1301

CHICAGO, ILLINOIS 60603

(312) 357-1110

(312) 357-1118

FAX

(312) 781-9401

August 7, 1998

Alexander Polikoff
Business and Professional People
for the Public Interest
17 East Monroe Street, Suite 212
Chicago, Illinois 60603

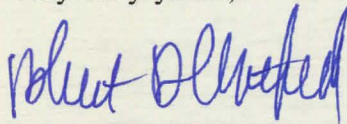
RE: DOROTHY GAUTREAUX, et al. v. CHICAGO HOUSING AUTHORITY
Revised Memorandum of Cabrini LAC)

Dear Mr. Polikoff:

Enclosed, per our discussion this morning, is a copy of the Revised Memorandum filed by the Cabrini Local Advisory Council yesterday. The revised Memorandum corrects several typographical errors, and one or two grammatical phrases. There are no changes or additions in theories or arguments, or any additional exhibits. Copies of the revised Memorandum have been sent to all parties.

If you have any questions, call me at (312) 917-8888.

Very truly yours,



Robert D. Whitfield
Attorney At Law

RDW/aj
enclosure

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

DOROTHY GAUTREAUX, ET AL.,)

Plaintiffs,)

v.)

CHICAGO HOUSING AUTHORITY,)

Defendants.)

CASE NO. 66 C 1459

REVISED MEMORANDUM ON BEHALF OF PLAINTIFF
CABRINI-GREEN LOCAL ADVISORY COUNCIL IN CIVIL ACTION
NO. 96 C 6949, SUBMITTED BY LEAVE OF COURT

NOW COMES the Plaintiff in civil action No. 96 C 6949, Cabrini-Green Local Advisory Council v. Chicago Housing Authority and Joseph Shuldiner, and, by leave of this Court, submits the following Memorandum of Law requesting approval to submit, for review and approval by Judge Coar, a proposed Consent Decree in Case No. 96 C 6949. Plaintiff Cabrini-Green Local Advisory Council (hereinafter, Cabrini LAC) is represented by Robert D. Whitfield and Stanley L. Hill for the limited and special purpose of filing this Memorandum of Law in the Dorothy Gautreaux, et al. v. Chicago Housing Authority, suit pending before the Court.

I. BACKGROUND
A. Plaintiff Cabrini LAC

The Cabrini LAC is a public housing tenant organization that represents the tenants of Cabrini-Green, a large family public housing development owned and operated by the Chicago Housing Authority. Membership in the Cabrini-Green LAC is composed of all leaseholders and residents of the Cabrini-Green development. The role of the Cabrini LAC is to improve the quality of life for Cabrini-Green residents, and to participate in self-help initiatives to enable residents to create positive living environments for families living in the development. 24 CFR 964.100

The Cabrini LAC is required to comply with regulations issued by the U.S. Department of Housing and Urban Development (HUD); which includes having a democratically elected governing board (24 CFR 964.115(c)), and the adoption of written procedures governing the election or recall of the governing board. (24 CFR 964.115 (b)). The Cabrini LAC is authorized to be involved and participate in the overall policy development and directions of public housing operations directed at, or affecting, Cabrini-Green (24 CFR 964.135); and to form partnerships with outside organizations that are complementary to the duties and responsibilities of the Cabrini LAC. (24 CFR 964.117). The involvement of the Cabrini LAC in the HOPE VI Consent Decree is clearly authorized and encouraged by HUD's Regulations; and by guidelines governing the HOPE VI program.

B. The Chicago Housing Authority

The Chicago Housing Authority is the second or third largest public housing authority (PHA) in the country operating over 40,000 family and senior housing units, and over 14,000 Section 8 Certificates and Vouchers. The Chicago Housing Authority (hereinafter CHA)

ordinarily operates as a municipal corporation established pursuant to State law. The Illinois Housing Authorities Act, 310 ILCS 10/2, provides for the creation of the CHA by the appointment and approval of ten (10) commissioners, and further mandates that three (3) of the commissioners must be residents of the CHA. (310 ILCS 10/3). The CHA, from June, 1995 to the present, has not had a board of commissioners appointed and approved under State law, and has operated and functioned under the direction and control of HUD.

C. HOPE VI Program

The HOPE VI program was created by Congress in 1993. HOPE stands for Homeownership and Opportunity for People Everywhere. The HOPE Grants Programs were designed to permit residents of public housing authorities, PHAs and local governments to design and implement homeownership programs.

HOPE VI was designed and targeted for the empowerment of residents of severely distressed developments. This is stated in the legislative history for the HOPE VI Grants Program, and in the language contained in the 1993 HOPE VI Notice of Fund Availability (NOFA). The language refers to a program where residents and political leaders join together to develop strategies to transform distressed areas into residential and commercial centers. (S. Rep. No. 102-356, 102d Cong., 2d Sess. p. 40 (1992)). The March 29, 1993 NOFA specifically requires that residents be fully involved in developing, implementing, and monitoring the HOPE VI program. (Federal Register, Volume 58, No. 58, page 16593)

D. Cabrini LAC Litigation

The Cabrini LAC initiated litigation against the CHA in 1996 charging violations of Title VI of the 1964 Civil Rights Act, Title VIII of the 1968 Fair Housing Act; and violations of 42 U.S.C. 1983, the U.S. Housing Act, and the Uniform Relocation Act. This litigation before Judge Coar also includes claims that the CHA denied the residents participation in the planning process. Judge Coar issued a Memorandum Opinion on January 21, 1997 denying, in part, CHA's Motion To Dismiss. Judge Coar's opinion held that the Cabrini LAC is the recognized representative for the tenants of Cabrini-Green, and have authority to represent them and express the tenants' views on matters related to the HOPE VI grant. The opinion also indicated that any relief granted would be subject to the guidelines set forth under Gautreaux. Negotiations between the parties (the Cabrini-Green LAC, CHA, and the City of Chicago) subsequently resulted in a tentative settlement in principle. This was referenced in a May 1, 1998 Minute Order issued by Judge Coar stating that the "Parties reach agreement in principle to settle case, subject to drafting agreement and seeking necessary court approval." The proposed consent decree was then prepared, and was ready for submittal at the time the Gautreaux Receiver filed the instant emergency motion for a Temporary Restraining Order (TRO).

II. POSITION OF THE CABRINI LAC

The position and views of the Cabrini LAC are quite simple. The Cabrini LAC, representing the residents of Cabrini-Green, wishes to execute the proposed Consent Decree, and begin the long awaited, and often delayed, revitalization of their community.

The Cabrini LAC is therefore requesting that the Court allow submission of a proposed Consent Decree to Judge Coar for his review and/or approval, subject, of course, to the requirements of the Gautreaux Order, and this Court's review and decision. The preliminary review by Judge Coar is suggested because of the numerous non-Gautreaux issues involved in the litigation. These issues (demolition, tenant relocation, tenant participation, etc.) are not before the Gautreaux Court, and have already been discussed at length in the Cabrini litigation. The decree can then be forwarded for comment and recommendation by the Gautreaux plaintiffs, and the Receiver. This is consistent with the language already in the decree making it subject to Gautreaux requirements.

Cabrini-Green, located on the near north side of Chicago, has always been nationally known as an example of all that was wrong with the majority of the public housing in many urban areas. These ills included excessive density, excessive crime rates and drug activity, shootings on a daily basis, extreme poverty, lack of employment opportunities or quality education, and a very high percentage of female heads of households. Over ninety-nine per cent (99%) of the residents are black. Cabrini-Green has approximately three thousand (3,000) units many of which are vacant, or too dilapidated to occupy, making it the second largest development in the city, and one of the largest in the country. Cabrini-Green was the development that triggered the "sweeps" instituted by CHA several years ago after Dantrell Davis, a young teenager, was shot by a sniper on his way to school. Recently, the Board of Education considered closing a public school located within the development because of the continued dangers from the constant shooting by rival gangs. If ever a public housing development fits exactly the type of distressed area Congress had in mind, Cabrini certainly does.

However, the demonstrated will and industry of the Cabrini-Green tenants in the face of these problems make it even more of a priority to make progress on this grant program. The Cabrini-Green tenants, over the past two years, have had the following economic and business successes and milestones:

- The 1230 North Burling Resident Management Corporation (RMC) manages one of the buildings at Cabrini-Green (1236 North Burling) and has been featured on 60 Minutes and 48 hours as a success story.
- Universal Laundries established an on-site laundry facility in a 50/50 joint venture with Cabrini tenants.
- William Green Homes (part of the Cabrini-Green) executed a joint management agreement with a private management company training the Green Homes RMC to eventually manage all units (953) at Green Homes.
- As of September 5, 1998, all units at Cabrini-Green, almost 3000 units, will be managed by tenant RMC's.
- The Green Homes RMC, during its two years of management of the 953 units at Williams Greens Homes, has reduced the backlog of workorders from over 4,000 to 150; and have corrected code violations to the extent that all seven Green Homes buildings have been moved out of code violations Court over the last eighteen months.

These are only a few examples of the initiative and capacity for self-sufficiency already demonstrated by Cabrini residents, making the Cabrini complex an even more attractive candidate for a grant to revitalize their community.

Additionally, the proximity of the Gold Coast, and affluent neighborhoods, also makes Cabrini-Green an ideal choice for a revitalization strategy. The tenants have desperately sought this opportunity and negotiated, argued, and fought with CHA officials for years to achieve this goal, long before HOPE VI was enacted. The Cabrini LAC executed an agreement with CHA in May, 1993, and continued meeting with CHA officials up through March, 1995, when another agreement was executed concerning demolition and replacement housing in certain buildings.

HUD took over CHA in June, 1995 and the Cabrini LAC again went through more meetings with the new HUD/CHA management team. When these negotiations failed to produce an agreement on issues previously approved by CHA, the Cabrini-Green LAC was again forced to fight for the right to participate in the revitalization of their community, and subsequently filed the litigation now before Judge Coar. This brief background illustrates the continuing frustration of the residents in fighting to achieve an agreement, only to see new "parties" emerge, and a new struggle ensue. The residents fear that if the proposed Consent Decree is not executed soon, they will once again have to start over with new negotiations.

Further, the Cabrini LAC has only recently become aware of what appears to be a bitter battle between CHA and the Gautreaux Receiver, and is greatly concerned that the conflict between the two will hamper, and perhaps preclude, an agreement being reached compatible with all parties. This would then result in resumption of the litigation before Judge Coar, and further

delay the revitalization — with the real possibility that the HOPE VI Grant (because of HUD funding deadlines) may be lost to Cabrini and CHA forever.

The Cabrini LAC has no desire to interject itself into any conflict in the Gautreaux case, and has always bargained in good faith with officials from CHA/HUD, and the City of Chicago. Neither the Cabrini LAC, or its representative were aware of the Receiver's contention that CHA/HUD officials had no authority to discuss or negotiate a proposed agreement in the Cabrini litigation. (See Affidavits attached as Exhibit One and Two.) It would appear that Magistrate Judge Pallmeyer, and City of Chicago officials were also unaware of this since they all participated in the lengthy negotiations resulting in the proposed Consent Decree.

The Cabrini LAC was always aware that any agreement would be subject to the requirements of the Gautreaux Order. It was never the intent of the LAC to circumvent or bypass the Receiver, or the requirements set forth in the Gautreaux Order.

The Cabrini LAC and its representatives have arranged to meet with the Gautreaux plaintiff's representatives on Friday, August 7, 1998; and is also attempting to meet with the Receiver and his representatives sometime next week. These meetings are to discuss the proposed Consent Decree, and ascertain whether there are any issues or concerns which would preclude moving forward, subject to the approval of Judge Coar and this Court.

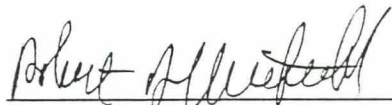
The Cabrini LAC feels these meetings are also necessary to discuss the substantial differences between the development programs completed by the Receiver under the 1987 Gautreaux Order and the HOPE VI revitalization program contemplated for Cabrini-Green. None of the development programs previously completed by the Receiver involved demolition and/or the relocation of public housing tenants. There was also no program role or involvement by

public housing tenants. The HOPE VI program, by contrast involves substantial and on going tenant participation, during the planning, implementation and monitoring phases. it also involves demolition, relocation, and replacement issues, all of which involve substantive resident participation, and the applicability of other Federal laws (eg. the Uniform Relocation Act).

III. CONCLUSION

The Cabrini LAC recognizes that it is not a party to the Gautreaux litigation and that other substantive issues and concerns will also be considered by this Court in its decision whether the proposed Consent Decree can be executed. However, the LAC fervently hopes the Court will consider the position set forth herein, and if possible, allow a few representatives from the Cabrini LAC to address the Court prior to the rendering of a decision. This request is to allow the tenants to speak directly to the Court and articulate the urgent and desperate needs of the Cabrini-Green community, and the importance of resolving this matter as quickly as possible.

Respectfully submitted,

By: 
One of the Attorneys for the Cabrini
Local Advisory Council

Robert D. Whitfield
10 South LaSalle Street
Suite 1301
Chicago, Illinois 60603-1002
(312) 917-8888

AFFIDAVIT

I, Richard M. Wheelock, on oath, state that this affidavit is made on my personal knowledge, and, if sworn as a witness at trial, I could competently testify to the following facts:

1. I am the Housing Supervisory Attorney at the Legal Assistance Foundation of Chicago ("LAFC"), a legal aid program that provides civil legal services for the indigent in the City of Chicago.

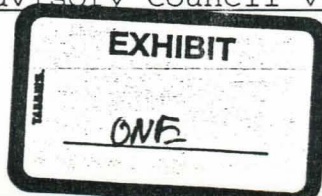
2. LAFC represents the Cabrini-Green Local Advisory Council (LAC), a tenant organization that represents all families residing at the Cabrini-Green development.

3. The membership of the LAC is composed of lessees and authorized residents 18 years of age or older residing in the Cabrini-Green development. The LAC board is composed of elected representatives from each residential building in Cabrini-Green. Further, the officers of the LAC have been directly elected by the residents of Cabrini-Green in development-wide secret ballot voting.

4. By federal regulation, the CHA must recognize the LAC, being a duly elected resident council, as the sole representative of the residents of Cabrini-Green. See 24 C.F.R. § 964.18(a)(1).

5. In June 1996 the CHA and the City of Chicago announced the Near North Redevelopment Initiative ("NNRI"), which included, among other things, the demolition of 1324 public housing units at Cabrini-Green.

6. In October 1996, the LAC filed suit in federal court (Cabrini-Green Local Advisory Council v. Chicago Housing



Authority, et al., 96 C 6949 ("Cabrini-Green LAC") against the Chicago Housing Authority challenging the NNRI as violative of federal, state, and local law. The case was assigned to Judge Coar. In March 1997, the LAC amended its complaint to name the City and Mayor Daley as additional defendants.

7. I am lead counsel for the LAC in Cabrini-Green LAC.

8. On September 15, 1997, all parties appeared before Judge Coar on a Joint Motion For Limited Modification Of Discovery Schedule To Permit All Parties To Engage In A Structured Settlement Process ("Joint Motion"), a copy of which is attached hereto as Exhibit A.

9. Attached to the Joint Motion was an agreement executed by all parties providing for a formal settlement process to achieve an amicable resolution of Cabrini-Green LAC.

10. That agreement set forth the topics to be negotiated, including (a) the economic mix of households in the replacement housing units built as part of the Hope VI Plan and the Near North Redevelopment Initiative; (b) the provision of job training and employment opportunities to Cabrini-Green residents as part of the Hope VI Plan and the Near North Redevelopment Initiative; (c) the relocation process for Cabrini-Green residents who will be dislocated as a result of the demolition or rehabilitation of Cabrini-Green buildings as part of the Hope VI Plan and/or the Near North Redevelopment Initiative; (d) the right of dislocated residents to return to the revitalized community (including selection, screening, and transitional training, if any) as part

of the HOPE VI Plan and the Near North Redevelopment Initiative; (e) the number of buildings to be demolished, as well as the sequence and timing of demolition of Cabrini-Green buildings as part of the HOPE VI Plan and the Near North Redevelopment Initiative; (f) the number and type of replacement public housing units to be built in the revitalized community as part of the HOPE VI Plan and the Near North Redevelopment Initiative; (g) the fate of those Cabrini-Green units not included in the HOPE VI Plan or the Near North Development Initiative; and (h) the consultation process during the implementation of the HOPE VI Plan and the Near North Redevelopment Initiative. The agreement also addressed the information to be exchanged and the conditions under which the settlement meetings would be held. Finally, the agreement included a confidentiality provision that the parties would treat the substance of the discussions as confidential and would not, except by mutual agreement, make statements to the public concerning anything said during any of the sessions. See Section F.6. of Agreement (attached to Joint Motion (Exhibit A)).

11. Judge Coar granted the Joint Motion.

12. The parties met pursuant to this agreement on the following dates: September 22, 1997; September 23, 1997; October 1, 1997; October 3, 1997; December 1, 1997; and December 8, 1997. The meetings included representatives from the LAC, the City of Chicago and CHA, including their counsel. All meetings were transcribed.

13. Subsequently, Magistrate Judge Pallmeyer offered to serve as a mediator, and so thereafter the parties met for settlement discussions in her court room on or about the following dates: February 19, 1998; April 15, 1998; and May 1, 1998.

14. On May 1, 1998, the parties reached an agreement in principle to settle the case, subject to drafting an agreement and seeking necessary court approval. See Judge Pallmeyer's May 1, 1998 minute order, a copy of which is attached hereto as Exhibit B.

15. On July 7, 1998 representatives of the LAC and the CHA, including their counsel, met at the offices of the CHA to conclude final details of the agreements reached between the CHA and the LAC.

16. Throughout the entire settlement negotiation process it was always understood by the LAC that the proposed consent decree was contingent upon review and approval by Judge Aspen and the Court's receiver, The Habitat Co., pursuant to the decrees entered in Gautreaux, et al. v. CHA, 66 C 1459.

17. The proposed consent decree specifically provides that the consent decree shall not be effective, unless it is approved by the Gautreaux Court.

18. The parties anticipated that The Habitat Co. would have ample opportunity to review and comment upon the proposed consent decree after Judge Coar's approval.

19. The Habitat Co. was well aware of the ongoing settlement negotiations between the City, the CHA and the LAC, but made no demand upon the LAC prior to July 31, 1998 to be included in those discussions. See Brenda Grauer affidavit.

20. At no time prior to July 31, 1998 did the Habitat Co. communicate to the LAC its position that the CHA had no authority to negotiate with the LAC.

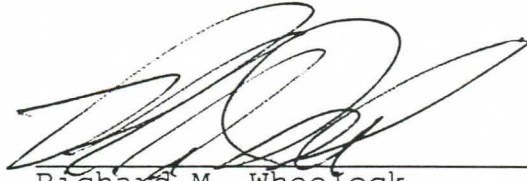
21. During a meeting with Alex Polikoff, Gautreaux plaintiffs' counsel, on or about September 29, 1997, I mentioned to him that settlement negotiations were ongoing between the CHA, the City and the LAC. The LAC received no demand from Mr. Polikoff prior to July 31, 1998 that he or The Habitat Co. be included in those negotiations.

22. From May 5, 1998 through July 16, 1998 the parties exchanged no fewer than 13 written drafts relating to the agreements reached among the parties. On or about July 21, 1998 Andy Mine, assistant corporation counsel for the City of Chicago, by telephone signed off on a final draft of the proposed consent decree delivered to him on July 16, 1998. On or about July 24, 1998 Thomas Johnson by telephone signed off on the same draft delivered to him on July 16, 1998.

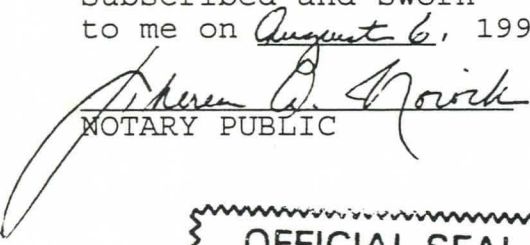
23. On July 28, 1998, the LAC unanimously approved the proposed consent decree.

24. On August 4, 1998, counsel for the LAC and the City appeared before Magistrate Pallmayer for a status report. Counsel for the LAC and the City represented that all parties had

signed off on the proposed consent decree, but that Judge Aspen had issued a temporary restraining order prohibiting its presentation to Judge Coar.


Richard M. Wheelock

Subscribed and sworn
to me on August 6, 1998


NOTARY PUBLIC



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

CABRINI-GREEN LOCAL ADVISORY COUNCIL,)

Plaintiff,)

-vs-)

CHICAGO HOUSING AUTHORITY and)
JOSEPH SHULDINER,)

Defendants.)

96 C 6949

Hon. David H. Coar

Magistrate Judge

Rebecca R. Pallmeyer

NOTICE OF MOTION

To: Richard M. Wheelock
Legal Assistance Foundation
of Chicago
343 S. Dearborn Street
Suite 700
Chicago, IL 60604

Andrew Mine
Asst. Corporation Counsel
30 N. LaSalle Street
Suite 900
Chicago, IL 60602

PLEASE TAKE NOTICE that on September ¹⁵~~11~~, 1997, at 9:15 a.m., or as soon thereafter as counsel may be heard, I shall appear before the Honorable David H. Coar, or any judge sitting in his stead, in the courtroom usually occupied by him in the United States District Courthouse, 219 S. Dearborn Street, Chicago, IL, and then and there present the attached JOINT MOTION FOR LIMITED MODIFICATION OF DISCOVERY SCHEDULE TO PERMIT ALL PARTIES TO ENGAGE IN A STRUCTURED SETTLEMENT PROCESS.

Leslie Ann Jones

One of the Attorneys for Defendants

Thomas E. Johnson
Leslie Ann Jones
Anne Megan Davis
JOHNSON, JONES, SNELLING, GILBERT & DAVIS
36 S. Wabash Ave., Suite 1310
Chicago, IL 60603
(312) 578-8100

CERTIFICATE OF SERVICE

LESLIE ANN JONES, an attorney, hereby certifies that a copy of the foregoing NOTICE OF MOTION and the attached JOINT MOTION was served upon the party listed above by hand delivery on September 9, 1997.

Leslie Ann Jones

LESLIE ANN JONES

EXHIBIT

A

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

CABRINI-GREEN LOCAL ADVISORY COUNCIL,

Plaintiff,

-vs-

CHICAGO HOUSING AUTHORITY and
JOSEPH SHULDINER, CITY OF CHICAGO,
RICHARD M. DALEY,

Defendants.

96 C 6949

Hon. David H. Coar

Magistrate Judge
Rebecca R. Pallmeyer

JOINT MOTION FOR LIMITED MODIFICATION OF DISCOVERY SCHEDULE TO
PERMIT ALL PARTIES TO ENGAGE IN A STRUCTURED SETTLEMENT PROCESS

Plaintiff Cabrini-Green Local Advisory Council ("LAC"),
Defendants Chicago Housing Authority and Joseph Shuldiner
(collectively the "CHA Defendants") and Defendants City of Chicago
and Richard M. Daley (collectively the "City Defendants") jointly
move for a limited modification of the discovery schedule to permit
all parties to engage in a structured settlement process to which
all parties have agreed. This structured settlement process will
commence September 15, 1997 and end October 10, 1997, will concern
all issues in this lawsuit, and involve both the principals and
their attorneys. A copy of the Agreement setting forth the details
of the process is attached hereto as Exhibit A. In order to devote
their full resources to this settlement process, the parties
jointly request that the Court modify the discovery schedule so
that the existing deadline for dispositive motions and the trial
date are maintained, but the deadlines for depositions are
extended.

consideration of all issues between the parties. These discussions have reached fruition in an agreed process in which the parties would engage in an intensive series of meetings over thirty days, recorded by a court reporter, at which all matters would be aired and an agreement on all remaining issues would be sought. All parties agree that the sooner these meetings commence, the greater the likelihood of significant progress in reaching an agreement on the substantive disputes between them.

5. All parties agree that they are unable to both satisfactorily conduct over twenty-two depositions during September and devote the necessary resources to the settlement process. All parties also agree that, in the event the parties are unable to resolve their disputes, maintaining the existing discovery schedule with respect to dispositive motions and trial is important for a prompt resolution of this case so that the redevelopment of Cabrini-Green can proceed.

6. Accordingly, the parties move that the Court modify the discovery schedule so that: 1) the deadline for document production and non-expert witness depositions is extended to December 15, 1997; 2) the deadline for expert witness disclosure is extended to January 1, 1998; 3) the deadline for expert witness depositions is extended to February 1, 1998; 4) the deadline for rebuttal expert witness disclosure is extended to March 1, 1998; and 5) the deadline for rebuttal expert witness depositions is extended to April 1, 1998. There is no need to modify either the original date

for dispositive motions, pretrial order, pretrial conference, or trial.

Leslie Ann Jones

One of the Attorneys for Defendants

Thomas E. Johnson
Leslie Ann Jones
Anne Megan Davis
JOHNSON, JONES, SNELLING,
GILBERT & DAVIS
36 S. Wabash Ave.
Suite 1310
Chicago, IL 60603
(312) 578-8100

Attorneys for the CHA Defendants

Richard Wheelock
LEGAL ASSISTANCE FOUNDATION
OF CHICAGO
343 S. Dearborn St., Suite 700
Chicago, IL 60604
(312) 341-1070

Attorney for Plaintiff

Andrew Mine
Asst. Corporation Counsel
Litigation Division
30 N. LaSalle St., Suite 900
Chicago, IL 60602
(312) 744-7220

Attorney for Defendant City of Chicago

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

CABRINI-GREEN LOCAL ADVISORY COUNCIL,)

Plaintiff,)

v.)

No. 96 C 6949

Hon. David H. Coar

CHICAGO HOUSING AUTHORITY
("CHA"), an Illinois Municipal
Corporation; JOSEPH SHULDINER,
In His Official Capacity As
Executive Director of the CHA;
CITY OF CHICAGO, an Illinois
Municipal Corporation; and
RICHARD M. DALEY, In His
Official Capacity As Mayor of
the City of Chicago,

Complaint for
Declaratory and
Injunctive Relief

Defendants.)

AGREEMENT

Plaintiff Cabrini-Green Local Advisory Council ("LAC"), Defendants Chicago Housing Authority ("CHA") and Joseph Shuldiner (collectively "CHA Defendants"), and Defendants City of Chicago and Richard M. Daley (collectively "City Defendants"), by their respective attorneys, hereby agree as follows:

A. Definitions

In this Agreement, the following terms shall have the following meanings:

1. "LAC" means the plaintiff Cabrini-Green Local Advisory Council;
2. "CHA" means defendant Chicago Housing Authority, an Illinois Municipal

Corporation, created and existing under the Housing Authorities Act, 310 ILCS 10/1 et. seq.

3. "Shuldiner" means defendant Joseph Shuldiner, the Executive Director of the CHA.
4. "CHA Defendants" means collectively CHA and Shuldiner.
5. "City" means defendant City of Chicago, a municipal corporation created and existing under the Illinois Municipal Code, 65 ILCS 5/1-1-1 et. seq.
6. "City Defendants" means City and the defendant Richard M. Daley, Mayor, collectively.
7. "Amended Complaint" refers to the Amended Complaint filed by plaintiff on April 2, 1997.
8. "Cabrini-Green" means the public housing development consisting of Cabrini Homes, Cabrini Extension, and Green Homes.
9. "Hope VI" means the Urban Revitalization Program, PUB. L. 102-389, Title II, 106 Stat. 1579, reprinted at 42 U.S.C. §12571, note.
10. "Near North Redevelopment Initiative" or "NNRI" means all activities related to the City's initiative in revitalizing the Near North community which includes Cabrini Green.
11. "HUD" means the United States Department of Housing and Urban Development.
12. "Lawsuit" means the above-captioned action.

B. Conditions Leading to this Agreement

1. The lawsuit involves the revitalization of Cabrini-Green. All of the parties agree that Cabrini-Green is in need of significant change to improve the viability of that community, and all of the parties recognize the importance of proceeding toward the common goal expeditiously and with a minimum of rancor and distraction.

2. Plaintiff commenced this lawsuit complaining, inter alia, that the CHA Defendants had not adequately consulted or negotiated with it in developing a revitalization plan for Cabrini-Green. These claims are set forth, as against the CHA Defendants, in Counts IX and XII of the Amended Complaint. Plaintiff's Amended Complaint also raises a number of other claims against the CHA Defendants and/or the City Defendants concerning the effect of the current revitalization plan on the residents of Cabrini-Green.

3. There are eight aspects of the current revitalization plan for Cabrini-Green about which plaintiff, through its attorneys, has requested settlement negotiations. These are (a) the economic mix of households in the replacement housing units built as part of the Hope VI Plan and the Near North Redevelopment Initiative; (b) the provision of job training and employment opportunities to Cabrini-Green residents as part of the Hope VI Plan and the Near North Redevelopment Initiative; (c) the relocation process for Cabrini-Green residents who will be dislocated as a result of the demolition or rehabilitation of Cabrini-Green buildings as part of the Hope VI Plan and/or the Near North Redevelopment Initiative; (d) the right of dislocated residents to return to the revitalized community (including selection, screening, and transitional training, if any) as part of the Hope VI Plan and the Near North Redevelopment Initiative; (e) the number of buildings to be demolished, as well as the sequence and timing of demolition of Cabrini-Green buildings as part of the HOPE VI Plan and the Near North Redevelopment Initiative; (f) the number and type of replacement public housing units to be built in the revitalized community as part of the HOPE VI Plan and the Near North Redevelopment Initiative; (g) the fate of those Cabrini-Green units not included in the HOPE VI Plan or the Near North

Development Initiative; and (h) the consultation process during the implementation of the HOPE VI Plan and the Near North Redevelopment Initiative.

4. The parties disagree as to the extent to which the LAC has had, and/or has availed itself of, opportunities for consultation, and as to the form and nature of a productive mechanism for sharing information and consulting about the revitalization of Cabrini-Green.

5. The CHA Defendants and City Defendants, and the LAC desire to enter into a meaningful settlement process about the eight issues set forth in paragraph B.3 above, in the hope of avoiding the uncertainty, expense, and delay of further litigation and resolving all claims raised in the litigation by entry into a Consent Decree.

6. The City Defendants, while not sued with respect to the "consultation" and "negotiation" claims set forth in Counts IX and XII of the Amended Complaint, nevertheless have an interest in participating in meaningful consultation with the parties, as well as in avoiding the uncertainty, expense, and delay of unnecessary litigation, including additional paper discovery and a substantial number of depositions.

C. **Information**

1. In order for the parties to be adequately informed about the affected population of Cabrini-Green residents for purposes of the settlement process, no later than seven days prior to the first settlement meeting, the CHA Defendants shall provide to the other parties the best information it has concerning the following matters:

a. the current number of families living in all 23 high-rises at Cabrini-Green and the total number of vacancies in these buildings;

b. the location, by category of housing, of families relocated from 1150-60 North Sedgewick, 1158 North Cleveland, 1117 North Cleveland, and 1157-59 North Cleveland;

c. currently available, anticipated, or possible sources of funds for the redevelopment of Cabrini-Green;

d. all available data and reports concerning the viability of Cabrini-Green compiled in accordance with §202 of the Omnibus Rescission and Appropriation Act of 1996 and HUD's Notice, Assessment of the Revitalization Potential of Certain Public Housing Required by law, 61 Fed. Reg. 50,532 (Sept. 26, 1996) and Standards A-E thereof; and

e. all other discovery sought in plaintiff's previously filed written discovery requests, as agreed following the parties' Local Rule 12(k) conferences.

2. The LAC and City Defendants shall similarly produce information responsive to the outstanding discovery on them, respectively, as agreed following the parties' Local Rule 12(k) conferences.

3. The City Defendants shall produce information responsive to paragraph C.1.c above, no later than seven days prior to the first settlement meeting.

4. The City Defendants and the CHA Defendants shall produce any and all information used as the basis for the percentages of public housing proposed in the NNRI no later than seven days prior to the first settlement meeting.

D. Settlement process

1. Commencing September 15, 1997, the parties and their respective lawyers and consultants shall commence a series of six meetings at a neutral and accessible location with multiple rooms available for the parties' private use.

2. All discussions during these common meetings shall be recorded by a court reporter.

3. These six days of meetings shall take place in three two-day sessions, with approximately seven days between each session. The first day of each session shall address topics (a)-(d), as identified in paragraph B.3 above. The second day of each session shall address topics (e)-(h), as identified in paragraph B.3 above. Each topic shall be allocated approximately 2 hours per session, one half hour being allocated to each set of parties, and a final half-hour for common discussion. The topics to be discussed during each day of the sessions, the time spent on each topic, and the duration of the meetings may be modified subject to the agreement of the parties.

4. The parties recognize that the topical divisions described in paragraph B.3 and D.3. above are not absolute, inasmuch as each topic necessarily implicates some of the other topics (e.g., opportunities for increased employment affects the economic mix of tenants). Thus, the parties acknowledge that there will be some overlap among the topics.

5. In order to facilitate meaningful dialogue during the course of the settlement negotiation, each set of parties (the LAC, the CHA Defendants, and the City Defendants) shall each have a maximum of four participants, exclusive of the lawyers of record in the litigation, in the room at any one time, with the understanding that this numerical limitation shall be flexible and may be waived if the presence of additional persons is necessary to proceeding efficiently with any particular aspect of the process.

6. In order to provide focus to the oral discussions, each set of parties shall exchange with the other set of parties, two days prior to the commencement of each two-day session, written Statements of Position outlining their current position with respect to each of the issues

on the table. Each set of parties shall also indicate, along with its Statement of Position, who it expects its participants to be for each upcoming session.

7. The discussions shall not be formal presentations of evidence, but any party may elect to present its position through one or more of the following methods or formats:

- a. witness statements;
- b. documentary materials;
- c. oral and/or written statements by counsel;
- d. any other reasonable mode of presenting information within the topical and time constraints set forth above.

8. Within ten days of the conclusion of this six-meeting process, the defendants shall prepare and circulate a report summarizing, for each topic, the agreements reached and the disagreements that remain. The plaintiff shall have ten days to circulate to defendants a response to the defendants' report.

9. The parties may, by agreement, provide for extension of this settlement process as appropriate. The parties may, by agreement, moreover, provide for ongoing settlement discussions with respect to any one or more of the eight issues set forth in paragraph B.3. above, and may provide for a modified format for such continued negotiations.

E. Stay of Proceedings

Based on the foregoing, the parties agree to stay all lawsuit proceedings from September 15, 1997 through October 10, 1997, and an extension of the discovery deadline to December 15, 1997, the disclosure of experts to January 1, 1998, the deadline for expert witness depositions to February 1, 1998, the deadline for rebuttal expert witness disclosure to March 1, 1998, and the

deadline for rebuttal expert witness depositions to April 1, 1998, subject to the agreement of the Court.

F. Miscellaneous Provisions

1. This Agreement shall not be construed as an admission by the defendants that they have violated any legal duty owed to the LAC or any other person or entity;

2. The headings, captions and arrangements used in this Agreement are for convenience only, and shall not be deemed to limit, amplify, or modify any terms or affect any meanings;

3. The terms of this Agreement constitute the entire understanding of the parties, and no statement, remark, agreement or understanding, oral or written, which is not contained herein, shall have any legal relevance to the construction of this Agreement.

4. Failure of any party to this Agreement, during the course of the settlement process set forth above, to come to a substantive resolution concerning any issue set forth in paragraph B.3 above, despite best efforts, shall not constitute violation of the Agreement.

5. The parties may enter into an agreement with respect to any of the specific topics set forth in paragraph B.3 above, prior to the conclusion of the full settlement process.

6. The parties agree that, to help ensure candid and free airing of the issues on the table during the course of these sessions, the parties will treat the substance of the discussions as confidential and will not, except by mutual agreement, make statements to the public concerning anything said during any of the sessions, nor disseminate to the public the transcripts of the proceedings. This assurance of confidentiality is not meant to limit or affect the ability of the

parties to make reference to the discussions in court proceedings to the extent allowed in paragraph F.7.

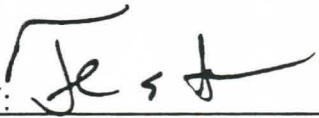
7. Except for information exchanged as set forth in paragraph C, above, no information communicated in the process of these settlement discussions shall be used as evidence in the lawsuit, save to the extent it is relevant and probative with respect to plaintiff's claims relating to alleged lack of meaningful consultation or alleged lack of ability to participate in the process of planning the Cabrini-Green redevelopment. Such relevant and probative evidence shall not include any substantive communications made during the settlement discussions, but may include, among other things, (a) this agreement, (b) the topics addressed during the settlement discussions, (c) the participants, (d) the meeting dates, (e) the length of meetings, (f) the location of meetings, (g) neutral, non-argumentative summaries of the positions taken by the parties at the end of each daily session (as orally articulated by the lawyers before the court reporter with the parties excused), and (h) any additional items to which the parties may stipulate.

FOR PLAINTIFF

BY: 

Richard M. Wheelock
Attorney for Plaintiff

FOR CHA DEFENDANTS

BY: 

Thomas E. Johnson
Attorney for the CHA Defendants

FOR CITY DEFENDANTS

BY: 

Andrew Mine
Attorney for the City Defendants

Michael W. Dobbins
CLERK

Office of the Clerk

Thomas Edward Johnson
Johnson, Jones, Snelling & Gilbert
36 South Wabash Street
Suite 1310
Chicago, IL 60603

Case Number: 1:96-cv-06949

Title: Cabrini-Green Local v. CHA

Assigned Judge: Honorable David H. Coar

MINUTE ORDER of 4/8/97 by Hon. David H. Coar : Pretrial conference set to 5/29/98 at 3:00 p.m. Trial set to 6/15/98 at 10:00 a.m. Rule 16(b) scheduling conference held. Rule 26(a)(1) disclosures by 5/1/97. Amendments or joinder of parties on or before 6/1/97. Fact discovery cut-off 10/1/97. Disclosures of experts by 11/1/97. The parties will be permitted three (3) experts per side, however the court reserves the right to limit defendants' experts. Expert discovery to close on 1/1/98. The parties may depose the other side's expert any time prior to 1/1/98. The parties to disclose any rebuttal expert any time prior to 2/1/98. The parties have until 3/1/98 to depose the opposing party's rebuttal expert. Dispositive motions to be filed on or before due 2/1/98. Final pretrial order to be submitted 5/29/98. All discovery to be referred to Magistrate Judge. For the reasons stated on the record, the court will not get involved in mediation, but the parties may pursue. Mailed notice

This docket entry was made by the Clerk on April 10, 1997

ATTENTION: This notice is being sent pursuant to Rule 77(d) of the Federal Rules of Civil Procedure or Rule 49(c) of the Federal Rules of Criminal Procedure. It was generated by ICMS, the automated docketing system used to maintain the civil and criminal dockets of this District. If a minute order or other document is enclosed, please refer to it for additional information.

Exhibit B

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	David H. Coar	Sitting Judge if Other than Assigned Judge	Rebecca R. Pallmeyer
CASE NUMBER	96 C 6949	DATE	5/1/98
CASE TITLE	Cabrini-Green Local vs. CHA		

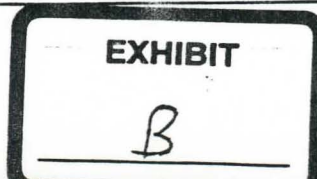
[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

DOCKET ENTRY:

- (1) ☐ Filed motion of [use listing in "Motion" box above.]
- (2) ☐ Brief in support of motion due _____.
- (3) ☐ Answer brief to motion due _____. Reply to answer brief due _____.
- (4) ☐ Ruling/Hearing on _____ set for _____ at _____.
- (5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) ☐ Trial[set for/re-set for] on _____ at _____.
- (8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
- (10) ☒ [Other docket entry] Settlement conference convened. Parties reach agreement in principle to settle case, subject to drafting agreement and seeking necessary court approval. Parties expect to present draft agreement to court on or before May 8, 1998. All dates now set for briefing of summary judgment stand. Defendant's motion to bar expert testimony by professor Siim Soot (Doc. No. 123-1 & 2) is stricken without prejudice.
- (11) ☐ [For further detail see order (on reverse side of/attached to) the original minute order.]

☐ No notices required, advised in open court. ☐ No notices required. ☒ Notices mailed by judge's staff. ☐ Notified counsel by telephone. ☐ Docketing to mail notices. ☐ Mail AO 450 form. ☒ Copy to judge/magistrate judge.	courtroom deputy's initials Date/time received in central Clerk's Office	number of notices date docketed docketing deputy initials 5/4/98 date mailed notice mailing deputy initials	Document Number
--	---	---	--



AFFIDAVIT OF BRENDA L. GRAUER

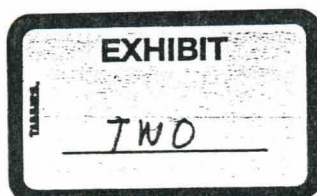
I, BRENDA L. GRAUER, being duly sworn, depose and state as follows:

1. I am a staff attorney at the Legal Assistance Foundation of Chicago. I have been employed there since January 5, 1995. I am one of the attorneys representing the Cabrini-Green Local Advisory Council in Cabrini-Green LAC v. CHA et al., 96 C 6949.

2. During the course of the litigation, I took the deposition of Valarie Jarrett, the Executive Vice-President of The Habitat Company. The deposition began on or about November 11, 1997 and was continued and concluded on December 15, 1997. The deposition was conducted at the offices of the Legal Assistance Foundation of Chicago located at 111 W. Jackson, Suite #300, Chicago, Illinois.

3. On December 15, 1997, Ms. Jarrett, her counsel, Edward Feldman, and myself were seated in the LAFC conference room awaiting the arrival of counsel for the CHA and City of Chicago. While we were waiting, Ms. Jarrett explained that she was under the impression that the lawsuit had settled. I explained to her that while the parties were conducting settlement negotiations nothing had, as yet, been resolved.

4. Ms. Jarrett further inquired as to the reason for the delay in settling the case. I told her that the Cabrini LAC and CHA had reached agreement on most issues but that negotiations with the City seemed to be at an impasse.



5. At that point Ms. Jarrett told me to, "let her know if there was anything she could do."

Brenda L. Grauer
BRENDA L. GRAUER

Subscribed and sworn to before me

this 6th day of August, 1998.

Sharon Knight
NOTARY PUBLIC



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

RECEIVED
AUG 07 1998
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

DOROTHY GAUTREAUX, ET AL.,)
)
Plaintiffs,)
)
v.)
)
CHICAGO HOUSING AUTHORITY,)
)
Defendants.)

CASE NO. 66 C 1459

NOTICE OF FILING

TO: SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE, that on Friday, August 7, 1998, I caused to be filed with the Clerk of the United States District Court, Northern District of Illinois, Eastern Division, the attached **REVISED MEMORANDUM ON BEHALF OF PLAINTIFF CABRINI-GREEN LOCAL ADVISORY COUNCIL IN CIVIL ACTION NO. 96 C 6949, SUBMITTED BY LEAVE OF COURT**, a copy of which is attached hereto and served upon you.

Dated: August 7, 1998


One of the Attorneys for the Plaintiff,
CABRINI-GREEN LOCAL ADVISORY
COUNCIL, in Civil Action No. 96 C 6948

Robert D. Whitfield
10 South LaSalle Street
Suite 1301
Chicago, Illinois 60603-1002
(312) 917-8888

SERVICE LIST

Michael P. Shakman
Barry A. Miller
Miller, Shakman, Hamilton,
Kurtzan and Schifke
208 South LaSalle street
Suite 1100
Chicago, Illinois 60604

Susan Getzandanner
Nancy Eisenhauer
Skadden, Arps, Slate, Meager and Flam
333 West Wacker Drive
Chicago, Illinois 60606-1285

Alexander Polikoff
Julie Elena Brown
Business and Professional People
for the Public Interest
17 East Monroe Street, Suite 212
Chicago, Illinois 60603

Thomas E. Johnson
36 South Wabash
Suite 1310
Chicago, Illinois 60603

Richard Wheelock
Legal Assistance Foundation
111 West Jackson Blvd., 3rd Fl.
Chicago, Illinois 60604-3502

Jerome Butler
General Counsel
Chicago, Housing Authority
200 West Adams, 2nd Fl.
Chicago, Illinois 60606

Andrew Mines
Assistant Corporation Counsel
City of Chicago Law Department
30 North LaSalle Street
Chicago, Illinois 60602

CERTIFICATE OF SERVICE

I, ROBERT D. WHITFIELD, an attorney, hereby certify that I caused copies of the foregoing Notice of Filing and **REVISED MEMORANDUM ON BEHALF OF PLAINTIFF CABRINI-GREEN LOCAL ADVISORY COUNCIL IN CIVIL ACTION NO. 96 C 6949, SUBMITTED BY LEAVE OF COURT** to be served upon the persons listed in the Notice of Filing Service List, by hand delivery and/or U.S. Mail on Friday, August 7, 1998 before 5:00 p.m.