

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY,	)	
	)	Hon. Marvin Aspen
Defendant.	)	

**STATEMENT OF POSITION OF CITY OF CHICAGO WITH
RESPECT TO RECEIVER'S JULY 30, 1998, EMERGENCY MOTION**

The City of Chicago ("City"), a defendant in the action of Cabrini Green Local Advisory Council v. Chicago Housing Authority, et al., No. 96 C 6949, ("Cabrini Green LAC") presently pending in the United States District Court for the Northern District of Illinois before Judge David Coar, respectfully submits this Statement of Position in response to this Court's July 30, 1998, Order arising out of the Receiver's Motion dated the same day.

1. The City was named as a defendant in the Cabrini Green LAC lawsuit by an Amended Complaint filed April 1997. (The original complaint had named as defendants the Chicago Housing Authority ("CHA") and its director.) The Amended Complaint alleges a series of claims relating to the Near North Redevelopment Initiative ("NNRI"), a proposed plan for redevelopment of a portion of the Near North side of Chicago in which the Cabrini-Green public housing development is located. One of the principal aspects of the NNRI is the development of mixed-income housing on certain parcels of land.

2. The case was vigorously litigated and a trial date was set for June 1998. Starting in September 1997 and proceeding through December 1997, the parties and their trial

attorneys participated in a structured set of sessions (transcribed by court reporter but designated to remain confidential) to attempt to resolve the lawsuit. Settlement discussions continued thereafter, including several sessions before Executive Magistrate Judge Rebecca Pallmeyer, in early- to mid-1998.

3. It appears that the Cabrini-Green development necessarily implicates the Gautreaux judgment order. Moreover, the City understood throughout the settlement discussions that any effective settlement would require review and approval of its terms (a) by the Corporation Counsel, (b) by the Receiver, and (c) by the Court.

4. The general parameters of a possible settlement were arrived at by the parties and their trial counsel by July 1998.

5. After reviewing the Receiver's Emergency Motion, which articulates the extent to which the Receiver believes its powers and duties may be implicated by the terms of the proposed settlement agreement, the City believes that further Orders of Court are required. Thus, it is the City's position that the proper course of action is to review the terms of the proposed settlement agreement in the Cabrini Green LAC litigation with the Receiver and this Court and that any agreement reached with the participation of the Receiver be reviewed and approved by the Corporation Counsel and the Court.

Respectfully submitted,

BRIAN L. CROWE
Corporation Counsel for the City of Chicago

BY:

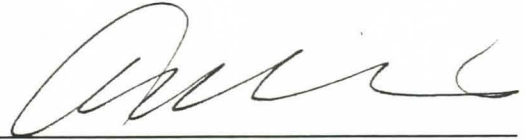
A handwritten signature in black ink, appearing to read 'AM', is written over a horizontal line.

ANDREW S. MINE

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CERTIFICATE OF SERVICE

I, Andrew S. Mine, an attorney, certify that this 10th day of August, 1998, I caused to be served by hand delivery before 5:00 p.m., on the persons listed on the attached Service List, the foregoing **Notice of Filing and Statement of Position of City of Chicago With Respect to Receiver's July 30, 1998, Emergency Motion.**



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No. 66 C 1459

Hon. Marvin Aspen

NOTICE OF FILING

TO: COUNSEL ON ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that this 10th day of August, 1998, the undersigned will cause to be filed with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, the **Statement of Position of City of Chicago With Respect to Receiver's July 30, 1998, Emergency Motion**, a copy of which is attached and hereby served on you.

Respectfully submitted,

BRIAN L. CROWE
Corporation Counsel for the
City of Chicago

By: _____

ANDREW S. MINE

Julia E. Getzels
Chief Assistant Corporation Counsel
Andrew S. Mine
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