

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

DOROTHY GAUTREAUX, at al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY and
Joseph Shuldiner, its Executive Director

Defendants.

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No. 66 C 1459

Chief Judge Marvin E. Aspen

**RECEIVER'S STATEMENT CONCERNING
THE LAKEFRONT COMMUNITY ORGANIZATION'S
MOTION FOR TRO AND PRELIMINARY INJUNCTION**

Introduction and Factual Statement

Daniel E. Levin and The Habitat Company (the "Receiver") file this Statement to advise the Court of the negative impact on the Receiver's housing development activities in the North Kenwood-Oakland Revitalizing Area should the Court enjoin demolition of four abandoned high rise buildings as sought by the Motion for TRO and Preliminary Injunction ("TRO Motion") filed by the Lakefront Community Organization ("LCO").^{1/} This Statement also describes the current status of the housing being developed by the Receiver – 221 to 241 units within North Kenwood-Oakland and the related 200 units outside that area.

The TRO Motion presents the question of whether a federal court should perpetuate a public nuisance by means of an injunction. As explained below, the Receiver believes that doing so would

^{1/} The TRO Motion is attached to the LCO's motion to intervene, about which the Receiver takes no position.

be contrary to the public interest and to the Receiver's ability to develop housing within North Kenwood-Oakland pursuant to this Court's Revitalizing Order of June 3, 1996.

The Receiver takes no position with respect to the proper construction of the 1995 "Revised Agreement" upon which the LCO relies. However, the Receiver does not believe that Agreement should be read or enforced in a way that limits the Receiver's ability, as an agent of this Court, to develop public housing in the North Kenwood-Oakland area. The Receiver was not a party to the Revised Agreement. Nevertheless, the Receiver's actions purportedly affect the duties and obligations of CHA and the LCO under the Agreement.

The Revised Agreement contemplates that approximately 441 replacement public housing units would be created. Paragraphs 3-6 of the Agreement purport to make demolition of the four high-rises dependent upon (i) the Receiver's ability to obtain site control within North Kenwood-Oakland for the construction of 141 units off-site and start construction of replacement units, Agreement ¶3, and (ii) the provision of "binding funding commitments" from HUD for approximately 300 units of replacement housing (100 on the sites of the buildings and 200 outside of North Kenwood-Oakland), which the Receiver is to develop, *id.* ¶¶3-5. In effect, the CHA apparently agreed to permit the LCO to hold the CHA's right to demolish the four buildings as a "hostage," presumably in order to provide some assurance to the LCO that the replacement housing would be developed as the CHA has promised.

The preconditions to demolition have been substantially met (particularly within North Kenwood-Oakland) because the Receiver has developed and turned over 30 units within the area, has another 41 units under development within the area, and has obtained site control for all 141 off-

site units within North Kenwood-Oakland. In addition, there are funding commitments for all of the units within North Kenwood-Oakland, and for 76 of the units outside of that area. Finally, 38 units in this program outside of the North Kenwood-Oakland area have been developed and turned over to CHA. See Declaration of Valerie Jarrett (Exhibit A hereto). The Receiver fully intends to develop the 441 units of replacement housing called for in the Agreement (assuming necessary additional funding is provided by HUD or CHA of approximately \$15,000,000 for the 124 units outside of North Kenwood-Oakland).

But regardless of whether the hostage provision has been satisfied, it should not be enforced by injunction. A hostage provision like paragraph 3 is contrary to the public interest generally and to the interests of the approximately 100 CHA tenants who would be able to reside earlier on the site of the four hostage buildings. Its enforcement would significantly hinder the Receiver in carrying out its duties to develop the replacement housing. If the provision were so enforced, a court of equity would be preserving a public nuisance solely for its use as a contractual hostage.^{2/}

The continued existence of the four buildings would significantly impair the Receiver's ability to perform its duties to develop housing that maximizes the opportunities for economic integration, with the resulting possibility of racial integration. The reasonable possibility of that process taking place was the basis upon which this Court entered its Order of June 3, 1996 authorizing the development of 241 units of replacement housing in the North Kenwood-Oakland area, an area that was and is predominantly African-American, and is therefore a Limited Area under the

^{2/} If the Court feels it would be helpful, the Receiver would be glad to participate in a tour by the Court and the parties of the four vacant buildings, as well as of the redevelopment efforts underway in the North Kenwood-Oakland community.

Judgment in this case. The LCO TRO Motion, if granted, would impair the revitalizing process that was the basis for this Court's authorization.

**Preserving the Four Buildings
Is Not in the Public Interest**

Keeping the buildings in place serves no valid public purpose, and would perpetuate ongoing damage to the community. They are a dangerous blight on the community. They are vacant, uninhabitable, and no one is requesting their rehabilitation, including the LCO. The LCO itself does not contend that the buildings serve any useful purpose. Nor does it oppose demolition per se. Indeed, the preamble to the 1995 Revised Agreement states that "rehabilitation of the four remaining Lakefront Properties . . . is neither desirable nor appropriate." Thus, there is no dispute that the buildings should come down.

Attached as Exhibits A-C are Declarations of Valerie Jarrett (Executive Vice-President of The Habitat Company), Toni Preckwinkle (Alderman of the 4th Ward) and Gladyse Taylor (a member of the North Kenwood-Oakland Conservation Community Council, a statutory urban renewal entity). The Declarations set forth several reasons (incorporated, but not repeated, here) why prompt demolition would promote the public interest.

In summary: the buildings are a nuisance; they are vacant, dilapidated and ugly; they attract criminals and prostitutes; they depress property values and impair the ability of neighbors to rehabilitate their own properties; they deter developers from building housing in the nearby community and they impede the sale or rental of market-rate units; and they are a breeding ground

for snakes and rodents. As Ms. Taylor states in her Declaration, the revitalization of the entire North Kenwood-Oakland community is significantly impaired by the presence of the four buildings.

Moreover, because CHA has begun asbestos abatement and has begun preparations to implode the buildings, there are gaping holes throughout the structures. These factors exacerbate the unacceptable condition of the buildings.

Injunctive Relief That Disserves the Public Interest Should Not Be Granted.

Under the familiar four-part test for preliminary injunctive relief, the Court should not enter an injunction that would disserve the public interest, as the LCO concedes. LCO TRO Motion ¶2. As established by the three attached Declarations, as well as by common sense, the immediate demolition of the four dilapidated high-rises would promote the public interest. Conversely, an injunction delaying such demolition would frustrate the public interest.

In evaluating the public interest, it is appropriate for the Court to consider the destructive role that abandoned buildings play in the community. See McKenzie v. City of Chicago, 118 F.3d 552, 556, 557 (7th Cir. 1997) (in vacating injunction barring demolition of vacant buildings, Court notes that “families that have moved to other dwellings lack any legal interest in preventing a city from treating empty shells as what they are,” and “[r]azing nuisances . . . is a time-honored use of a state’s police power”); Pelfresne v. Village of Williams Bay, 865 F.2d 877, 883 (7th Cir. 1989) (injunction barring demolition was correctly denied because, inter alia, buildings were a vacant, dilapidated

nuisance and therefore “the public interest would be furthered by allowing the demolition to proceed”).^{3/}

This Court Never Approved the Revised Agreement or the Hostage Provision it Contains. This Court’s Approval of the Kenwood-Oakland Area as Revitalizing Is Contrary to Enjoining Demolition.

Of particular concern to the Receiver is the impact the four buildings have on the revitalization prospects for North Kenwood-Oakland. Failure to demolish the buildings promptly would seriously impair the Receiver’s ability to develop mixed-income replacement housing and would undermine the premises upon which this Court’s June 3, 1996 Revitalizing Order was based. The Receiver’s development of the next phase of replacement housing involves economically-integrated projects comprised of market-rate and public housing units. Thus, to the extent that it is difficult to sell market-rate units, the development of public housing units is also delayed. As the attached Jarrett Declaration states, this has already occurred because of the presence of the four buildings.

The Joint Motion filed in 1996 seeking this Court’s approval of a revitalizing area designation (attached as Ex.D to the LCO’s Intervenor Complaint, and referred to herein as the Revitalization Motion) does not mention and was not premised upon the hostage provision. Rather,

^{3/} It is no answer that the Revised Agreement might arguably be construed as barring demolition until all of the preconditions of paragraph 3 are met. Establishing a contractual right and a breach thereof is a necessary, but not sufficient, condition to obtaining injunctive relief. At most, that question bears on the “likelihood of success” factor. The Court must also satisfy itself that the other three factors for injunctive relief are met before an injunction can issue. Indeed, Courts routinely decline to enforce contracts by specific performance or injunction, even where the contracts provide expressly (as the Revised Agreement does not) for injunctive relief. See, e.g., Franklin Point v. Harris Trust & VAV. Bank, 277 Ill. App. 3d 491, 498, 660 N.E.2d 204, 208-09 (1st Dist. 1995) (court not obligated to provide specific performance even though contract sets forth such a right); Advent Electronics, Inc. v. Buckman, 112 F.3d 267, 274 (7th Cir. 1997) (court may not enforce restrictive covenant simply because contract provides it may be enforced by injunction).

it quotes the provisions from the Revised Agreement that “the rehabilitation of the four remaining Lakefront Properties . . . is neither desirable nor appropriate” and that the CHA and tenants share a “common goal of providing suitable housing choices to the former residents of the Lakefront Properties, including the choice to move back into the North Kenwood-Oakland community.” Revitalization Motion ¶6. The Revitalization Motion stated that:

- The Revised Agreement provides that the four high-rises “should be demolished,” and replaced with up to 241 units in North Kenwood-Oakland (made up of 80 to 100 units on the site of the to-be-demolished units and 141 units scattered throughout the revitalizing area), plus an additional 200 units outside of North Kenwood-Oakland. Revitalizing Motion ¶7. (It is important to note that funding has been committed for approximately 317 of these 441 units.)
- The replacement housing provisions in the Revised Agreement were “appropriate and desirable” because the “proposed demolition and replacement housing would complete a radical transformation of public housing in the Revitalizing Area,” reducing the density of public housing and creating a mixed-income community. Id. ¶9.

The Court’s June 3, 1996 Order designating the North Kenwood-Oakland Revitalizing Area stated that the “Receiver . . . shall be free to develop . . . up to 241 units of public housing within the Revitalizing Area” subject to certain locational and income-mix provisions. Order ¶2. It did not make such approval subject to the hostage provision.

Both the Revitalizing Motion and the resulting Order rested on the premise that the four buildings would be demolished. But the “radical transformation” promised in that Motion depended

upon both “demolition and replacement housing.” Without demolition there will be no transformation, undermining the justification for the designation of North Kenwood-Oakland as a “Revitalizing Area” warranting a waiver from the locational restrictions of the Gautreaux injunction.

The Current Status of the Development of Replacement Housing Does Not Warrant Enjoining Demolition of the Four Buildings.

In addition to the serious public interest concerns that weigh against enjoining demolition of the four buildings, there is no practical need for an injunction when other, less drastic, means are available to ensure that replacement housing is provided. First, as the letter of May 13, 1996 from Mr. Polikoff and Mr. Levin, attached as Ex.C to the LCO’s Intervenor’s Complaint, states, the Gautreaux plaintiffs and the Receiver have long felt that this Court should review any issue – whether raised by the broader Kenwood-Oakland community or the former tenants – concerning the pace of development of replacement housing and its coordination with market-rate revitalization with respect to the Lakefront and Drexel corridor sites in the area. That is precisely what the letter of May 13, 1996 states.

A familiar principle of equity holds that where there is a less drastic remedy available, a more drastic remedy ought not be employed. See, e.g., Soltex Polymer Corp. v. Fortex Indus., Inc., 832 F.2d 1325, 1329 (2d Cir. 1987) (stating the “basic principle of the law of equitable remedies . . . is that the relief granted should be no broader than necessary to cure the effects of the harm caused”); Sterling Drug, Inc. v. Bayer AG, 14 F.3d 733, 750 (2d Cir. 1994) (instructing trial court to narrow injunction based on this principle); United States v. United Steelworkers, 271 F.2d 676, 688-89 (3d Cir. 1959) (court of equity must consider availability of less drastic remedies). This is simply a

variation on the principles that an injunction should not issue when there is an adequate remedy at law or when the alleged injury is not “irreparable.”

Here there is a less drastic remedy for the end sought by the hostage provision. That less drastic remedy makes the “injury” caused by the demolition – the loss of a “hostage” that is allegedly needed to spur the development of replacement housing in a timely fashion – not irreparable: the opportunity for the LCO and others to bring to this Court any claims they may have about the pace of development of replacement housing.^{4/} It is significant that although the LCO has been aware of the pace of development of replacement housing, and of the serious obstacles that the Receiver has had to overcome to generate such housing in conjunction with market-rate housing (Jarrett Dec. ¶¶ 13-14), the LCO has not previously asked the Court to take action to advance the production of housing – and even now does not articulate any specific objections to the Receiver’s actions in that

^{4/} The Receiver expresses no opinion on another respect in which the LCO may have an adequate alternative remedy, *i.e.*, an adequate remedy at law. If the LCO is correct that the 1995 Agreement commits CHA to the development of all 441 replacement units, then perhaps the LCO has available a remedy under which the CHA would be compelled to fund the currently-unfunded units.

regard.^{5/} Moreover, LCO waited until late November to seek relief, even though it was informed of the demolition in June, raising a serious *laches* issue.

The LCO's theory that delaying demolition spurs development is misguided. Besides hurting the community generally, the failure to demolish the buildings will actually delay redevelopment efforts, making the redevelopment of the approximate 100 public housing units on-site impossible and impairing market-rate development in the balance of the area.

It is important to note, as noted above, that the funding for the 241 units within the Revitalizing Area has been committed. See Jarrett Dec. ¶4. The additional funding needed, about which the LCO complains, pertains to approximately 124 scattered units outside the Revitalizing Area, id., units which are irrelevant to the success of the redevelopment of North Kenwood-Oakland. Thus, the redevelopment of public housing within North Kenwood-Oakland has begun and can continue. But it cannot continue successfully pursuant to the Court's June 1996 Order unless and until the four buildings come down. That is because (i) the 100 replacement units to be built on-site

^{5/} The LCO tacitly concedes that it has an alternative remedy adequate to protect its interests. In its Intervenor's Complaint at 6 it prays that if "this Court should allow demolition to proceed," the Court should "enter an order requiring defendants to comply with its [sic] commitments under the 1995 Agreement within a set period of time after the demolition, including commencing construction of all the units, both on-site and off-site, and completing them within 20 months, as provided for in ¶15."

However, the Receiver submits that the Court should not grant such a remedy in the precise form requested by the LCO. Because the Receiver is not a party to the 1995 Agreement, it should not be held to the CHA's unilateral unreasonable promise of a 20 month deadline for completion of construction, or any other firm deadline, particularly where funding is not secured. Such a promise concerning development was *ultra vires*, since it concerned matters transferred to the Receiver through the 1987 Receivership Order. Nevertheless, as discussed in the text, it would not be inappropriate to permit the LCO to enforce the Agreement by seeking review from this Court concerning the pace of development under a general reasonableness standard.

cannot be built while the buildings remain standing; and (ii) the continued existence of the blight created by the four empty high rises impairs the willingness and the ability of developers to build public housing units off-site within mixed-income developments. Put another way, developers are justifiably reluctant to attempt marketing the market-rate units while the four buildings remain in place. Jarrett Dec. ¶¶10-12.

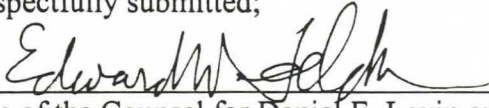
The requested injunction would, therefore, spawn perverse consequences. The common goal of all, as reflected in various provisions of the Revised Agreement, is to build replacement housing, and to give public housing residents the opportunity to return to North Kenwood-Oakland. Yet preventing demolition will frustrate that common goal. Because funding is not yet “committed” for about 124 units outside of North Kenwood-Oakland, the LCO seeks to enjoin demolition that would permit the construction of 100 units on the buildings’ sites, for which funding is committed. The result would be to delay indefinitely construction of 100 on-site units that are already funded unless HUD, CHA or another funding source commits the funds for the 124 units outside the Area. Meanwhile, a nuisance destructive to the community would continue to exist long after it should have been eradicated. The Receiver respectfully submits that a Court of equity should not be the engine creating such damaging consequences for CHA tenants, the community and its other residents.

In short, an injunction would actually retard the development of replacement housing within North Kenwood-Oakland. A far more practical and sensible remedy – a completely “adequate

remedy at law," if one is ever needed – is for the Court to review the reasonableness of the pace of the replacement housing program, as discussed earlier.

Respectfully submitted;

Date: November 30, 1998


One of the Counsel for Daniel E. Levin and
The Habitat Company, as Receiver Pursuant
to the Court's Order of August 14, 1987

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on November 30, 1998 he served copies of the *Receiver's Statement Concerning The Lakefront Community Organization's Motion For TRO And Preliminary Injunction* on the parties listed below by causing true and correct copies to be delivered to them via messenger delivery at their respective addresses as indicated below:

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Dated: November 30, 1998



Edward W. Feldman

Exhibit A

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

DOROTHY GAUTREAUX, at al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY and	)	Chief Judge Marvin E. Aspen
Joseph Shuldiner, its Executive Director	)	
	)	
Defendants.	)	

DECLARATION OF VALERIE JARRETT

Valerie Jarrett, being duly sworn upon oath, declares:

1. I am the Executive Vice President of The Habitat Company and supervise the activities of Habitat as Receiver in this litigation. Immediately prior to joining Habitat in 1995, I served as the Commissioner of the Department of Planning and Development for the City of Chicago.

2. I am familiar with the four CHA high-rises (1130 E. 41st St., 1132 E. 42nd St., 4155 South Lake Park, and 4040 Oakenwald) that are the subject of the "Emergency Motion of the Lakefront Community Organization ("LCO") to Intervene" and the LCO's "Motion for Temporary Restraining Order and Preliminary Injunction" that are pending before the Court. I am also familiar with and have personally participated in the Receiver's efforts to oversee development of replacement housing in the North Kenwood-Oakland area pursuant to the Court's Revitalizing Order of June 3, 1996.

3. I have reviewed the 1995 "Revised Agreement," attached as Exhibit B to the LCO's Intervenor's Complaint, between the LCO and CHA. The Receiver was not a party to that Agreement.

4. Paragraphs 3-6 of the Revised Agreement make reference to HUD having "entered binding funding commitments with CHA" for (i) the development of "approximately 100 units, but not less than 80 units, of public housing" on the sites of the four high-rises and (ii) the development of 200 scattered site units outside of North Kenwood-Oakland. Currently, the Receiver has been informed that such funding commitments have been made with respect to the 241 units within North Kenwood-Oakland and 76 of the scattered units outside of North Kenwood-Oakland, but HUD has not made funding commitments with respect to 124 of the scattered units outside of North Kenwood-Oakland.

5. Paragraph 3 of the Revised Agreement also refers to identification and site control of 141 units of scattered site housing within North Kenwood-Oakland. Funding is already in place for these units pursuant to the Gautreaux Consent Decree. Identification and site control has in fact been obtained for at least 141 units.

6. I understand that the LCO's pleadings question whether "site control" has been obtained for at least the 141 units contemplated by the Revised Agreement. I believe the LCO is operating from the premise that "site control" means transfer of title to the Receiver or CHA. That is not how the term "site control" has customarily been used in the development community. Site control means either that title has been transferred, binding purchase contracts have been entered into, or other arrangements have been made to secure the sites.

7. The 141 units break down as follows: Title has been obtained for sites for the development of 71 units, 30 of which are completed and transferred to CHA, 5 of which are under construction, and 36 of which are expected to be under construction within 60 days, subject to the issuance of permits for which we have already applied. An additional 71 public housing units are being developed by private developers as part of mixed-income developments that will include market-rate housing. These 71 units in the North Kenwood-Oakland area consist of 52 units to be built on CHA and City land; 12 units to be developed by The Thrush Company; 5 to be built by New Kenwood LLC; and 2 units by the Fund for Community Redevelopment and Revitalization. Each developer has provided Habitat with a written commitment to provide these units.

8. In addition to the above sites, the Receiver currently holds title to 11 lots within North Kenwood-Oakland, upon which at least 22 units could be developed. These lots are not included within the count of 141 units described in the preceding paragraph. They are located at 4204 S. Drexel, 4100 S. Ellis, 4154 S. Lake Park, 4593-5 S. Oakenwald, 4599 S. Oakenwald, 1012, 1014, 1016, 1018 and 1034 E. 41st Place, and 4430 S. University. It is my understanding that these addresses and copies of deeds were sent to Izora Davis by Joseph Shuldiner with his letter of June 2, 1998 stating that demolition would commence. These sites have not been included in the count of 141 units because they have been targeted to be transferred to the City in exchange for land already swapped from the City to the Receiver.

9. The Receiver has developed and turned over 30 units within the North Kenwood Oakland area, and has another 41 units under development within the area. In addition, 38 units in this program outside of the North Kenwood-Oakland area have been developed and turned over to CHA.

10. The four high rises are a blight on the North Kenwood-Oakland community, and present a serious impediment to the successful development of mixed-income, potentially integrated housing pursuant to this Court's June 3, 1996 Revitalizing Order. As noted above, 71 of the replacement units are being developed as part of a mixed-income development with market rate units. Based on my own experience and on conversations with the developers who are currently building or intending to build in the North Kenwood-Oakland area, the continuing presence of the high-rises would seriously discourage market-rate development because their presence dampens demand for, depresses the price of, and slows down the sale of the market rate units. This in turn would retard the pace of economic integration and the hoped-for racial integration to follow. For example, New England Builders is constructing a mixed-income development two blocks from the three high rises known as the "horseshoe," but has delayed construction of the market rate component until demolition has occurred.

11. When the Receiver supported the 1996 "Joint Motion" that resulted in this Court's June 3, 1996 Revitalizing Order, it did so on the assumption that the buildings would be demolished. The revitalization prospects that justified the Order depend upon the demolition taking place.

12. Not only does the presence of the four high-rises jeopardize the successful development of the 141 units off-site within North Kenwood-Oakland, it makes it impossible to develop the "approximately 100 units" contemplated for the site of the four buildings. Those units cannot go up until the buildings come down.

13. Izora Davis of the LCO has been heavily involved in the redevelopment process over the last three years: she has participated in numerous meetings; received information concerning each property acquired; served on the North Kenwood-Oakland Conservation Community Council; received regular status reports; and toured the first six replacement units completed.

14. Although the Receiver is not a party to the 1995 Revised Agreement, the task of obtaining the sites and developing the replacement housing contemplated by that Agreement is the Receiver's responsibility under the August 14, 1987 Order appointing the Receiver. The process is more complex and difficult than the parties to that Agreement apparently contemplated when they negotiated it without involving the Receiver. For example, the task of identifying and obtaining 141 units within North Kenwood-Oakland was not a simple matter of going out and buying property. There was overwhelming community resistance to the replacement housing program. Initially, the North Kenwood-Oakland Conservation Community Council ("CCC") rejected the Receiver's proposal to acquire any City-owned property. Only after the Receiver obtained site control for over 90 units was the CCC willing to negotiate to exchange City-owned property for Receiver-controlled property to provide a more balanced distribution of replacement units in the community. This land swap involved a lengthy and complicated government approval process. The Receiver pursued this process to develop a more balanced allocation of public housing units. By the end of the process, the Receiver had developed support and approval for the program by both the CCC, the local Alderman and the City Council.

15. In addition, as noted above, the Receiver is turning to the private sector to develop about half of the 141 units as part of mixed-income developments. This entire process necessarily

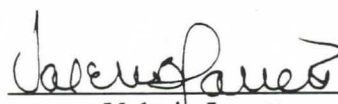
takes longer than the deadlines set in the 1995 Agreement, but will result in economic integration and better housing opportunities for the Gautreaux class.

16. The community area immediately to the south of the North Kenwood area is Kenwood (beginning at 47th Street and continuing south to 51st Street, where the Hyde Park neighborhood begins). The Hyde Park-Kenwood community is racially integrated, and contains a substantial number of public housing units, both free-standing and through Section 8. The presence of the four buildings, in my opinion, also has a negative impact on property values in Hyde Park-Kenwood, although that impact is lessened somewhat by the geographic separation of the buildings from Hyde Park-Kenwood.

17. The foregoing matters are based upon my own personal knowledge except where another source is noted above, and in such cases is on information and belief; in those instances I believe the information to be true and correct. I would so testify if called as a witness.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on November 30, 1998



Valerie Jarrett

Exhibit B

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

DOROTHY GAUTREAUX, at al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY and	)	Chief Judge Marvin E. Aspen
Joseph Shuldiner, its Executive Director	)	
	)	
Defendants.	)	

DECLARATION OF TONI PRECKWINKLE

Toni Preckwinkle, being duly sworn upon oath, declares:

1. I am Alderman of the Fourth Ward in Chicago, and have served in that capacity since first being elected in 1991. I also live in the Fourth Ward.
2. I am familiar with the four CHA high-rises (1130 E. 41st St., 1132 E. 42nd St., 4155 South Lake Park, and 4040 Oakenwald) that are the subject of the "Emergency Motion of the Lakefront Community Organization ("LCO") to Intervene" and the LCO's "Motion for Temporary Restraining Order and Preliminary Injunction" that are, I am informed, pending before the Court. The four high rises are within my Ward.
3. The first three of the buildings, known as the "horseshoe," have been vacant since 1986. The Oakenwald building has been vacant since 1991 or 1992.

4. When I first ran for and was elected Alderman in 1991, one of the primary issues in my platform called for the prompt demolition of the four buildings and their replacement with mixed-income low rises. I remain committed to that goal, and have been working toward it since 1991.

5. The attempt by the LCO to block the demolition of the four high-rises is very much contrary to the interests of the public. The buildings are a serious public nuisance and a blight on the community. The buildings serve no valid public purpose.

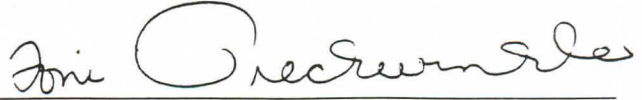
6. The four-high rises substantially impede development efforts in the community. As Alderman I speak regularly with developers considering investing in my Ward. Most developers are not interested in pursuing residential development until the timetable for the demolition is firmly established. Developers routinely express the view that the buildings should be demolished.

7. As Alderman I regularly receive complaints from my constituents concerning the safety and security of the buildings. They are not properly secured or maintained. I have received complaints that the buildings were occupied by homeless individuals, and that drug users and prostitutes gain access to the buildings and grounds. They are a nesting ground for criminals and criminal activity.

8. The foregoing matters are based upon my own personal knowledge except where another source is noted above, and in such cases is on information and belief; in those instances I believe the information to be true and correct. I would so testify if called as a witness.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on November 30, 1998

A handwritten signature in cursive script, reading "Toni Preckwinkle", written over a horizontal line.

Toni Preckwinkle

Exhibit C

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

DOROTHY GAUTREAUX, at al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY and	)	Chief Judge Marvin E. Aspen
Joseph Shuldiner, its Executive Director	)	
	)	
Defendants.	)	

DECLARATION OF GLADYSE TAYLOR

Gladys Taylor, being duly sworn upon oath, declares:

1. I own and live in a home at 3965 South Ellis Avenue in the North Kenwood-Oakland neighborhood of Chicago. I have lived there since 1994.
2. I am also one of fifteen members of the North Kenwood-Oakland Conservation Community Council, a planning body appointed by Mayor of the City of Chicago to oversee redevelopment of that part of North Kenwood-Oakland that has been designated a "conservation community area."
3. I am familiar with the four CHA high-rises that are the subject of the "Emergency Motion of the Lakefront Community Organization ("LCO") to Intervene" and the LCO's "Motion for Temporary Restraining Order and Preliminary Injunction" that are, I am informed, pending before the Court. I live approximately a block away from three of the buildings, known as the "horseshoe" because of their layout (1130 E. 41st St., 1132 E. 42nd St., and 4155 South Lake Park),

and also live near the building at 4040 Oakenwald. I am also familiar with the buildings and their affect on the community because of my duties as a member of the North Kenwood-Oakland Conservation Community Council.

4. In my view, and in the view of the vast majority of community members, the four buildings should be demolished immediately. These vacant, dilapidated buildings have had, and continue to have, serious negative impact on the community, on redevelopment efforts, and on individual property owners in the neighborhood.

5. The buildings have been vacant for several years. The CHA does not maintain the buildings or the grounds surrounding the buildings. Because they are vacant and not well-maintained, several nuisances are created. High winds have blown windows out of the high-rises, requiring neighbors to remove panes from their properties. Such occurrences could result in personal or property injuries. Trash accumulates around the buildings and is blown across the street to the yards and parkways of houses nearby. My neighbors regularly have to clean up this trash.

6. The grass surrounding the buildings has been overgrown by weeds and small trees. During the last two summers, snakes and rodents have been breeding in and traveling from the CHA properties.

7. The presence of the vacant buildings and abandoned grounds create an attractive nuisance. Kids in the neighborhood regularly sneak onto the grounds, and occasionally they have set fire to the weeds for entertainment. Neighbors have had to call the Fire Department to put out such fires. In addition, prostitution occurs behind one of the buildings.

8. Because the buildings are so large, vacant and dilapidated, they are a serious eyesore that has a negative affect on our efforts to revitalize the community. My position on the North Kenwood-Oakland Conservation Community Council puts me in regular contact with developers considering whether to develop housing in the area. Such developers always ask when the buildings are going to be demolished, and have expressed reluctance to develop housing until the buildings are demolished. There is no question that the buildings discourage investment in the area.

9. The four buildings also take a toll on property owners in the area. Most of my neighbors are working hard to revitalize the community. They care about their surroundings and want to improve their properties. But the continuing presence of the high-rises depresses property values and thereby diminishes our ability to obtain financing to renovate our properties.

10. I had an experience recently that is not unusual in our area. I had performed renovation work on my house. I had applied for a loan to finance the renovation. I was informed by the appraiser that the appraised value of my home was \$50,000 lower than it would have been if the buildings had been demolished. As a result I received a substantially smaller loan, which affected the scope of my renovation. I have received similar reports from other members of the community.

11. The negative appearance of the buildings and grounds has gotten worse in recent weeks. Recently gaping holes have been cut into the buildings. Mounds of dirt are piled two stories high; trees are uprooted; and sidewalks have been removed. I am informed that was done in preparation for the demolition.

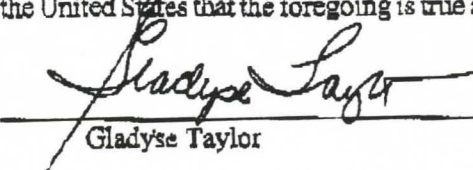
12. In my capacity as a member of the North Kenwood-Oakland Conservation Community Council, I regularly come into contact with community groups and individuals concerning development issues, including issues concerning the four high-rises and the development of replacement public housing. I am currently aware of no person in the community advocating against the demolition of the high-rises other than Izora Davis, the executive director of the LCO and possibly her constituency.

13. In sum, I consider the four CHA high-rises to be a looming shadow over a community that is on the rise. I am informed that the LCO is seeking to use the four buildings as a "hostage" for development of replacement public housing. However, delaying the demolition serves to hold the redevelopment of the entire North Kenwood-Oakland community hostage. I feel that other assurances could and should be afforded Ms. Davis to satisfy her concerns about failure to adhere to the Revised Agreement, if such be the case.

14. The foregoing matters are based upon my own personal knowledge except where another source is noted above, and in such cases is on information and belief; in those instances I believe the information to be true and correct. I would so testify if called as a witness.

I declare under penalties of perjury under the laws of the United States that the foregoing is true and correct.

Executed on November 30, 1998


Gladys Taylor