

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

DOROTHY GAUTREAUX, *et al.*

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY and  
JOSEPH SHULDINER, Executive Director,

Defendants.

66 C 1459

Hon. Marvin E. Aspen

RECEIVED

FEB 12 1999

MICHAEL W. DOBBINS  
CLERK, U. S. DISTRICT COURT

NOTICE OF FILING

TO: Counsel on attached service list

Please take notice that on February 12, 1999, the attached **Lakefront Community Organization's Memorandum in Support of its Second Motion to Intervene** was filed with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, a copy of which is herewith served upon you.



One of the Attorneys for the Lakefront  
Community Organization

Richard M. Wheelock  
Diana White  
Lawrence Wood  
Charles Petrof  
Legal Assistance Foundation of Chicago  
111 W. Jackson, 3<sup>rd</sup> floor  
Chicago, IL 60604  
312/341-1070

**Certificate of Service**

I, Charles R. Petrof, certify that I caused to be served a copy of **Lakefront Community Organization's Memorandum In Support Of Its Second Motion To Intervene** upon the counsel on the attached service list by depositing the same in the U.S. mail at 111 W. Jackson, Chicago, Illinois 60604 with proper postage prepaid on February 12, 1999.



**Service List**

Jerome M. Butler  
Chicago Housing Authority  
Office of General Counsel  
200 W. Adams, Suite 2100  
Chicago, IL 60606

Alex Polikoff  
BPI  
17 E. Monroe, Suite 212  
Chicago, IL 60603

Michael L. Shakman  
Barry A. Miller  
Edward W. Feldman  
Miller, Shakman, Hamilton, Kurtzon &  
Schlifke  
208 S. LaSalle St., Suite 1100  
Chicago, IL 60604

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

|                                       |   |                      |
|---------------------------------------|---|----------------------|
| DOROTHY GAUTREAUX, <i>et al.</i> ,    | ) |                      |
|                                       | ) |                      |
| Plaintiffs,                           | ) | 66 C 1459            |
|                                       | ) |                      |
| v.                                    | ) | Hon. Marvin E. Aspen |
|                                       | ) |                      |
|                                       | ) |                      |
| CHICAGO HOUSING AUTHORITY and         | ) |                      |
| JOSEPH SHULDINER, Executive Director, | ) |                      |
|                                       | ) |                      |
| Defendants.                           | ) |                      |

**LAKEFRONT COMMUNITY ORGANIZATION'S MEMORANDUM IN SUPPORT OF  
ITS SECOND MOTION TO INTERVENE**

**I. INTRODUCTION**

On November 23, 1998, the Lakefront Community Organization ("LCO") filed a motion to intervene in this litigation for the purpose of halting the scheduled December 12, 1998 demolition of four vacant public housing high rises, because the CHA had not fulfilled its 1995 contractual agreement with the LCO to build 341 out of 441 replacement units before demolishing the high rises. On December 10, 1998, this Court denied the LCO's motion to halt the demolition because it was not timely filed. See minute order attached hereto as Exhibit A. The Chicago Housing Authority ("CHA") subsequently demolished the buildings on the scheduled date.

The LCO now files a second motion to intervene to seek relief for the CHA's breach. The LCO seeks a court-ordered construction schedule for the replacement units that the CHA promised to build before it demolished the Lakefront Buildings, as well as a timetable for the 100 units to be built on the site where the now demolished high rises stood.

LCO's motion to intervene may be granted either as intervention of right (Rule 24(a)(2)) or as permissive intervention (Rule 24(b)(2)). LCO should be granted intervention of right because, by virtue of its agreement with the CHA, it has an interest in the subject matter of Gautreaux, i.e., the construction of replacement non-elderly public housing in the City of Chicago, and that interest will be impaired if it is not permitted to intervene. *A fortiori*, LCO satisfies the requirements for permissive intervention because its claims involve the construction of 441 public housing units in Chicago, approval for which has been or will be sought from the Gautreaux Court.

Habitat and the Gautreaux plaintiffs have indicated in the past that they do not oppose intervention. Their position has supported intervention since May 13, 1996, when Alex Polikoff, on behalf of the Gautreaux Plaintiffs, and Daniel Levin, on behalf of Habitat, sent a letter to counsel for the LCO, indicating that if the LCO became dissatisfied with the pace of development of the replacement housing promised in the 1995 Agreement they would "support the request of [LCO] . . . for a hearing on that issue before the Gautreaux presiding judge." See Exhibit B.<sup>1</sup>

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<sup>1</sup> When the LCO filed its first motion to intervene, the Habitat took no position on LCO's petition to intervene. Receiver's Statement Concerning The Lakefront Community Organization's Motion For TRO And Preliminary Injunction, p. 1. The Gautreaux plaintiffs did not object to LCO's motion to intervene. Statement Of Gautreaux Plaintiffs Respecting Emergency Motion To Intervene And Motion For Temporary Restraining Order And Preliminary Injunction Of Lakefront Community Organization, p. 1. Indeed, both Habitat and the Gautreaux-Plaintiffs suggested that the appropriate resolution of this case might involve this Court enforcing

## II. FACTS

The LCO represents former tenants of 3939 South Lake Park Avenue, 3983 South Lake Park Avenue, 4040 South Oakenwald, 1130 East 41<sup>st</sup> Street, 4155 South Lake Park, 1132 East 42<sup>nd</sup> Street (hereinafter “the Lakefront properties”). These former tenants were moved out of the Lakefront properties in 1985. For the next ten years they waited for the CHA to rehabilitate the buildings, as it had promised to do in a written agreement (hereinafter “the 1986 Memorandum,” attached as Exhibit A to the complaint).

However, in or around the end of 1993 and the beginning of 1994, CHA approached LCO to negotiate a revision of the 1986 Memorandum. In 1995, LCO and CHA agreed to abandon their plans for rehabilitating the vacant high-rises and, instead, entered into a new agreement (hereinafter “the 1995 Agreement,” attached as Exhibit B to the complaint). The 1995 Agreement provided that CHA could demolish four of the buildings (4040 South Oakenwald, 1130 East 41<sup>st</sup> Street, 4155 South Lake Park, 1132 East 42<sup>nd</sup> Street) (hereinafter “the Lakefront Buildings”) once it built new replacement housing in the larger North Kenwood/Oakland area, and elsewhere in the City of Chicago.

Paragraphs 3 and 15 of the 1995 Agreement set forth the pre-conditions that CHA had to satisfy before starting the demolition procedure. First, the CHA was required to obtain both the funds and land necessary to construct replacement housing. Second, once the CHA secured the necessary funds and land, CHA had to comply with the construction schedule for the off-site units set forth in ¶ 15 of the Agreement. This schedule required the CHA to begin construction within

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a compliance order for the provision of replacement housing. Gautreaux Plaintiff’s Statement at 4, Habitat’s Statement at 9-10.

ten months of satisfying the pre-conditions set forth in ¶ 3 of the Agreement, and complete construction within a reasonable time thereafter. Therefore, under the terms of the agreement, CHA could not demolish the Lakefront Buildings until it had actually completed construction of 341 units of replacement public housing.

On May 13, 1996, Alexander Polikoff (attorney for the Gautreaux plaintiff class) and Daniel Levin (Habitat's chairman) sent a letter to William Wilen, then employed by the Legal Assistance Foundation of Chicago and acting as attorney for LCO, stating that if the former Lakefront tenants became dissatisfied with the pace of development of the replacement housing, the Gautreaux plaintiffs' counsel and the Receiver would support a request by the former Lakefront tenants for a hearing in front of the presiding Gautreaux judge on that issue. Exhibit B.

On May 22, 1996, the Gautreaux plaintiffs and CHA filed a joint motion to designate the North Kenwood/Oakland neighborhood as a Revitalizing Area and to authorize the construction or rehabilitation of 241 units of public housing in the Revitalizing Area. See Exhibit C to the complaint. This motion, which received Habitat's approval, was provided for in the 1995 Agreement. Furthermore, entry of the order requested in the motion was a condition precedent to the demolition of the Lakefront Buildings. See ¶ 3 of Exhibit B to the complaint. On June 3, 1996, this Court entered the requested order, a copy of which is attached as Exhibit D to the complaint.

On June 2, 1998, CHA advised LCO by letter that the CHA sought to demolish the Lakefront Buildings in the near future. On November 4, 1998, LCO's counsel first learned through an article in the Hyde Park Herald that CHA intended to demolish the Lakefront Buildings in early December 1998. On November 23, 1998, LCO filed its emergency motion to

intervene and motion for a temporary restraining order seeking a hearing on LCO's claims that the CHA was in violation of the 1995 Agreement before the CHA demolished the Lakefront Buildings. On December 10, 1998, this Court denied LCO's emergency motion to intervene as untimely.

On December 12, 1998, without satisfying the preconditions in the 1995 Agreement, CHA demolished the Lakefront Buildings. As of the filing of this suit, CHA has failed to complete construction of all 341 scattered site units to be located in the North Kenwood/Oakland neighborhood and elsewhere in the City of Chicago, and has failed to meet other prerequisite conditions.

### **III. THE LCO SATISFIES THE REQUIREMENTS FOR INTERVENTION OF RIGHT UNDER FED. R. CIV. PRO. 24(a)(2).**

The LCO satisfies the requirements of Rule 24(a)(2) to intervene as a matter of right.

Rule 24(a)(2) establishes four conjunctive criteria:

(1) timely application; (2) an interest relating to the subject matter of the action; (3) potential impairment, as a practical matter, of that interest by the disposition of the action; and (4) lack of adequate representation of the interest by the existing parties to the action.

Southmark Corp. v. Cagan, 950 F.2d 416, 418 (7<sup>th</sup> Cir. 1991), quoting Meridian Homes Corp. v.

Nicholas W. Prassas & Co., 683 F. 2d 201, 203 (7<sup>th</sup> Cir. 1982).

**A. Timeliness of Motion**

LCO's motion to intervene is timely under the four factors considered in City of Bloomington v. Westinghouse Electric Corp., 824 F.2d 531, 534 (7<sup>th</sup> Cir. 1987).<sup>2</sup> The four factors reviewed in that case were "(1) the length of time the intervenor knew or should have known of her or his interest in the case; (2) the extent of prejudice to the original litigating parties from the intervenor's delay; (3) the extent of prejudice to the would-be intervenor if her or his motion is denied; and (4) any unusual circumstances." Id. at 534.

The LCO seeks relief for the CHA's breach of the 1995 Agreement when it demolished the Lakefront Buildings on December 12, 1998. Only two months have passed since the time the LCO had cause to bring this breach of contract complaint. Therefore, the LCO satisfies the first City of Bloomington factor.

The second factor in City of Bloomington is the extent of prejudice to the original litigants caused by the intervenor's delay. Id. Nothing of a significant or relevant nature has transpired since December 12 to prejudice the CHA in its defense of LCO's breach of contract claim.

The third factor is whether LCO would suffer prejudice from a denial of its motion to intervene. LCO would be prejudiced because it would be denied the proper and experienced forum in which to raise its claims.

The fourth and final factor is whether any unusual factors exist in relation to the timing of the intervention. No such factors exist.

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<sup>2</sup> These four factors are "[a]mong the factors to be considered" in judging timeliness, not a four prong test. See Id.

**B. LCO Interest In The Subject Matter Of The Case**

The CHA's commitment to build the 441 replacement public housing units promised under the 1995 Agreement undoubtedly relates to the subject matter of this action -- CHA's desegregation obligations under Gautreaux. CHA, Habitat, and plaintiffs' counsel had to obtain this Court's permission to build 241 of those units on or near the site of the Lakefront Buildings because North Kenwood-Oakland is a "limited area" under the Gautreaux consent decree. The remaining 200 units count toward CHA's obligation to build scattered-site units in "general areas" of the City.

**C. Potential Impairment**

The LCO's ability to protect its interest in the Court-approved replacement housing will be impaired if the LCO cannot obtain an order for the timely construction of the replacement units promised under the 1995 Agreement as a remedy for the CHA's breach. The LCO cannot realistically go to any other court to seek such a remedy while Gautreaux is pending, given that this Court is the only one that supervises both CHA, which signed the 1995 Agreement, and Habitat, which is the CHA's Receiver, charged with carrying out the CHA's responsibilities for the construction of all replacement non-elderly public housing in Chicago.

**D. Inadequate Representation**

Finally, LCO's interests are not adequately represented by the CHA, Habitat or plaintiffs' counsel. The CHA is the party that breached the 1995 Agreement and is adverse to the LCO.

Neither plaintiffs' counsel nor Habitat were signatories to the 1995 Agreement. Moreover, Habitat and plaintiffs' counsel have indicated in past correspondence and pleadings

that they have no objection to intervention by the LCO. That should be dispositive on the issue of whether the LCO is “adequately represented” by existing parties under 24(a)(2).

There is no principled basis for distinguishing this case from Gautreaux v. Pierce, 548 F. Supp. 1284 (N.D. Ill. 1982), *aff’d* 707 F.2d 265 (7<sup>th</sup> Cir. 1983), in which this Court allowed two groups to intervene as of right so that the Court could decide their conflicting claims that HUD was required to or enjoined from authorizing Section 8 payments to a particular Near West Side development under the “revitalizing area” criteria of the consent decree.

#### **IV. THE LCO SATISFIES THE REQUIREMENTS FOR PERMISSIVE INTERVENTION UNDER FED. R. CIV. PRO. 24(b)(2).**

LCO satisfies the requirements for permissive intervention in Rule 24(b)(2). Permissive intervention is appropriate “when an applicant’s claim or defense and the main action have a question of law or fact in common,” and when application is timely made. F. Rule Civ. Pro. 24(b)(2). Here, the fact in common is the construction of new non-elderly public housing in Chicago, and the law in common is the body of law created in Gautreaux. There can be no dispute that the relief requested by LCO in its intervenor’s complaint is governed by the Gautreaux injunction. CHA’s obligation to build replacement housing for LCO under the 1995 Agreement is inextricably commingled with CHA’s obligations under Gautreaux. CHA cannot build non-elderly public housing without impacting the Gautreaux litigation. For that reason, the CHA and plaintiffs’ counsel, with Habitat’s concurrence, presented the 1995 Agreement to this Court to seek the necessary locational waiver.

If LCO's motion to intervene is denied, LCO will be required to file its complaint in state court. Orders entered by a state court judge may contradict orders entered in Gautreaux and threaten to delay or impede the provision of public housing to Gautreaux class members. In the interest of judicial economy and to avoid such potential conflict, this Court should grant LCO's motion. See Venegas v. Skaggs, 867 F.2d 527, 531 (9<sup>th</sup> Cir. 1989), aff'd 495 U.S. 82 (1990)..

Finally, as discussed above at III. A., LCO's motion to intervene is timely under the four factors considered in City of Bloomington v. Westinghouse Electric Corp., 824 F.2d 531, (7<sup>th</sup> Cir. 1987).

## **V. CONCLUSION.**

This Court should grant LCO's motion to intervene as a matter of right because CHA's commitment to build 441 replacement units of public housing (341 off-site, 100 where the high rises formerly stood) undoubtedly relates to the CHA's desegregation obligations under Gautreaux. In the alternative, this Court should grant LCO's motion under the requirements for permissive intervention. The issues raised by intervenor's complaint are inextricably linked to the Gautreaux litigation, and considerations of judicial economy favor intervention.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "R. M. Wheelock", written over a horizontal line.

One of the Attorneys for  
Intervenor

Richard M. Wheelock  
Diana White  
Lawrence Wood  
Charles R. Petrof  
Legal Assistance Foundation  
of Chicago  
111 West Jackson - 3<sup>rd</sup> Floor  
Chicago, IL 60604  
(312) 341-1070

# United States District Court, Northern District of Illinois

|                                                       |                    |                                                       |            |
|-------------------------------------------------------|--------------------|-------------------------------------------------------|------------|
| <b>Name of Assigned Judge<br/>or Magistrate Judge</b> | Marvin Aspen       | <b>Sitting Judge if Other<br/>than Assigned Judge</b> |            |
| <b>CASE NUMBER</b>                                    | 66 C 1459          | <b>DATE</b>                                           | 12/10/1998 |
| <b>CASE<br/>TITLE</b>                                 | Gautreaux' 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:**

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**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] The Organization's emergency motion to intervene (0-1) is denied. The Organization's motions for temporary restraining order and (0-1 & 0-2) and for preliminary injunction are denied as moot.
- (11) ☒ [For further detail see order on the reverse side of the original minute order.]

|                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                    |                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                        |
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| <input type="checkbox"/> No notices required, advised in open court.<br><input type="checkbox"/> No notices required.<br><input checked="" type="checkbox"/> Notices mailed by judge's staff.<br><input type="checkbox"/> Notified counsel by telephone.<br><input type="checkbox"/> Docketing to mail notices.<br><input type="checkbox"/> Mail AO 450 form.<br><input type="checkbox"/> Copy to judge/magistrate judge. | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         GL       </div> courtroom<br>deputy's<br>initials | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         Date/time received in<br/>central Clerk's Office       </div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         number of notices       </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         date docketed       </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         docketing deputy initials       </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         12/10/1998       </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         date mailed notice       </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">         GL       </div> <div style="border: 1px solid black; padding: 5px;">         mailing deputy initials       </div> | <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <b>Document<br/>Number</b> </div> <div style="border: 1px solid black; height: 100px;"></div> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

May 13, 1996

Honorable Toni Preckwinkle  
Alderman, 4<sup>th</sup> Ward  
4646 South Drexel Boulevard  
Chicago, Illinois 60653

Mr. William Wilen  
Legal Assistance Foundation  
343 South Dearborn Street  
Chicago, Illinois 60604

Ms. Shirley Newsome, President  
Conservation Community Council  
4140 South Lake Park  
Chicago, Illinois 60653

Dear Alderman Preckwinkle, Mr. Wilen and Ms. Newsome:

In connection with our anticipated request to Judge Aspen to designate North Kenwood-Oakland as a Revitalizing Area and to permit the development of public housing therein, we make the following assurances:

- (1) The Receiver will use its best efforts to achieve the development of market rate as well as public housing on both the Lakefront and Drexel corridor sites which have been the subject of discussion among us; and
- (2) In the event that community representatives or former Lakefront Properties tenants become dissatisfied with the pace of progress in developing either form of housing, Gautreaux plaintiffs' counsel and the Receiver will support the request of either or both groups for a hearing on that issue before the Gautreaux presiding judge.

Sincerely,

  
Daniel Levin  
Gautreaux Receiver

  
Alexander Polikoff  
Attorney for the Gautreaux  
Plaintiff Class

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

DOROTHY GAUTREAUX, et al.

**Plaintiffs,**

**VS.**

CHICAGO HOUSING AUTHORITY and  
HENRY CISNEROS, Secretary of  
Department of Housing and Urban  
Development,

**Defendants.**

**66 C 1459**

**66 C 1460**

(Consolidated)

JOINT MOTION OF PLAINTIFFS, AND DEFENDANTS  
CHICAGO HOUSING AUTHORITY AND DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT, FOR AN ORDER  
DESIGNATING A NORTH KENWOOD-OAKLAND REVITALIZING AREA AND  
AUTHORIZING THE DEVELOPMENT OF  
SCATTERED SITE PUBLIC HOUSING UNITS THEREIN

Plaintiffs, and Defendants Chicago Housing Authority and Department of Housing and Urban Development, by their respective attorneys, move this court for an order in the form attached hereto:

(1) designating as the North Kenwood-Oakland Revitalizing Area that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-way on the east, 47<sup>th</sup> Street on the south, and Cottage Grove Avenue on the west (the "Revitalizing Area"), and

(2) authorizing the development, through new construction or rehabilitation of existing buildings, of not more than 241 units of public housing within the Revitalizing Area.

In support of this motion, the parties state as follows:

1. In 1986, the proposed Revitalizing Area contained

approximately 1,066 family public housing units. Nine hundred and three units were in six CHA high-rise buildings, known as the Lakefront Properties, located along Lake Park Avenue between Oakwood Boulevard on the north and 42<sup>nd</sup> Place on the south. Of the remaining 163 units, 151 were in a combination of high-rise and mid-rise buildings in CHA's Washington Park homes development, on a block bounded by 41<sup>st</sup> Street on the north, Drexel Boulevard on the east, Bowen Avenue on the south and Cottage Grove Avenue on the west (the "Washington Park site"). The remaining 12 were in a small building at 900 East 40<sup>th</sup> Street ("the 900 Building").

2. In 1986, CHA and the Lakefront Community Organization ("LCO"), representing the tenants of the Lakefront Properties, entered into a Memorandum of Accord. A copy of the 1986 Memorandum of Accord is attached hereto as Exhibit A. Under the Memorandum of Accord the tenants agreed to leave their homes voluntarily, and CHA agreed to rehabilitate the Lakefront Properties buildings and grant to the displaced families "the right to return as a tenant in the Lakefront Properties after the rehabilitation is completed." (§ 6)

3. In 1990 and 1991, CHA extensively rehabilitated the two northernmost Lakefront Properties high-rises, turning them into attractive, landscaped buildings, now known as Lake Parc Place. As authorized by Congressional legislation, CHA established a mixed-income tenancy for Lake Parc Place, reserving half the units for working families, i.e., families earning between 50%-80% of the median income for the Chicago Metropolitan Area (for a

family of four in 1996, an income of \$27,500 - \$41,600).

4. Also in 1990-1991, the Receiver developed 15 new scattered site public housing units at 4525 South Lake Park Avenue.

5. In 1995, while discussions were underway concerning the remaining four Lakefront high-rises, CHA demolished the 151 units on the Washington Park site and the 12-unit 900 Building.

6. After lengthy discussions, in September, 1995, CHA and LCO entered into a supplemental agreement modifying the Memorandum of Accord ("Revised Agreement"). The Revised Agreement is attached hereto as Exhibit B. The Revised Agreement reflects a "shared recognition and understanding that the rehabilitation of the four remaining Lakefront Properties . . . is neither desirable nor appropriate," as well as 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." (p. 1)

7. The Revised Accord provides that, instead of rehabilitation, the four remaining high-rises, containing approximately 603 units, should be demolished. (§1) The Revised Accord provides further that replacement housing for the demolished units should take the following form: (1) up to 241 units in North Kenwood-Oakland, including 80-100 units on the site of the to-be-demolished Lakefront high-rises and an additional 141 units scattered throughout the area, including on the Washington Park site; (2) 200 additional units outside of North Kenwood-Oakland; and (3) up to 302 Section 8 certificates.

(1994-7)

8. The Revised Accord also provides that CHA shall achieve a mixed-income occupancy of the 80-100 new units on the site of the Lakefront high-rises by maintaining a "parity ... between eligible low income [50-80% of median income] and very low income families...." (¶9) Finally, the Revised Accord provides that the displaced Lakefront tenant families should have first priority, subject to Court approval, to all of the replacement units. (¶8)

9. Movants believe the replacement housing provisions in the Revised Accord are appropriate and desirable for a number of reasons. First, the proposed demolition and replacement housing would complete a radical transformation of public housing in the Revitalizing Area. The number of family public housing units in the Revitalizing Area would be reduced by approximately 50% from 1986 levels, i.e., from 1,066 to 538. In addition, the concentration of the remaining units would be greatly reduced. The family units in the Revitalizing Area would be privately managed and in mixed-income configurations.

10. Second, the proposed Revitalizing Area satisfies the Gautreaux "revitalizing" criteria, and would therefore be an appropriate location for the provision of low-rise public housing. The revitalizing character of the area is evidenced by the following:

- Major ongoing efforts by institutional actors, including the City and the Fund For Community Redevelopment and Revitalization (which is funded by the MacArthur Foundation), to bring about revitalization in North Kenwood-Oakland;
- An increasingly active private residential real estate market in the Revitalizing Area, including the

construction of new, market rate housing, and plans to develop additional market rate housing;

- Substantial and increasing investment by residents of the Revitalizing Area in home repair and rehabilitation;
- Steady increases in the number and value of bank loans within the Revitalizing Area;
- New commercial development, both completed and planned, along 47<sup>th</sup> Street;
- Substantial efforts to improve area schools, including two new public schools planned to open in the Revitalizing Area in September, 1996;
- Community amenities favoring continuation of the already-occurring revitalization, including a choice lakefront location, excellent access to transportation, and ample available land for development at reasonable prices; and
- Burgeoning development in nearby areas, particularly South Kenwood.

11. Movants are authorized to represent to the Court that the Receiver supports this motion and that the City of Chicago has no objection thereto.

12. Proposals to locate new public housing in the Revitalizing Area have been the subject of several meetings of community residents. The community is divided respecting the development of new public housing in the area, with some residents in support and many others opposed.

WHEREFORE, Plaintiffs, and Defendants Chicago Housing Authority and the Department of Housing and Urban Development, request the Court to enter an order in the form attached hereto, (1) designating as the North Kenwood-Oakland Revitalizing Area that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-

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

|                                 |   |                |
|---------------------------------|---|----------------|
| DOROTHY GAUTREAUX, et al.       | ) |                |
| Plaintiffs,                     | ) |                |
|                                 | ) |                |
| vs.                             | ) | 66 C 1459      |
|                                 | ) | 66 C 1460      |
| CHICAGO HOUSING AUTHORITY and   | ) |                |
| HENRY CISNEROS, Secretary of    | ) | (Consolidated) |
| Department of Housing and Urban | ) |                |
| Development,                    | ) |                |
| Defendants.                     | ) |                |

ORDER

This matter coming to be heard on the Joint Motion of Plaintiffs, and Defendants Chicago Housing Authority and Department of Housing and Urban Development, for an order designating a North Kenwood-Oakland Revitalizing Area and permitting development of family public housing units therein, and the Court having heard presentations concerning the proposed order; and

The Receiver, Daniel Levin and The Habitat Company, having represented to the Court that they have examined the proposal respecting the appropriate number of public housing units to be provided therein and the conditions to be made applicable thereto, and that they support the Joint Motion; and

The Court being cognizant that the principal remedial purpose of the orders previously entered in these consolidated cases has been and is to provide plaintiff class families with desegregated housing opportunities; and

The Court also being cognizant that on occasion it has

permitted public or assisted housing to be provided in census tracts not within the General Public Housing Area upon a sufficient showing of "revitalizing" circumstances such that a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made; and

The Court being of the view that such a forecast can be made with respect to the North Kenwood-Oakland Revitalizing Area if the terms and conditions of this order are met;

Now, therefore, IT IS HEREBY ORDERED:

1. The Court designates as the North Kenwood-Oakland Revitalizing Area ("Revitalizing Area") that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-way on the east, 47<sup>th</sup> Street on the south, and Cottage Grove Avenue on the west;

2. The Receiver, previously appointed by the Court to develop scattered site public housing on behalf of the defendant, Chicago Housing Authority, shall be free to develop, through new construction or rehabilitation of existing buildings, up to 241 units of public housing within the Revitalizing Area, subject to the following conditions:

- a) No more than 100 units of public housing shall be developed on CHA-owned land that is the site of CHA's Lakefront high-rise buildings (the area bounded by 40<sup>th</sup> Street on the north, the Illinois Central Railroad right-of-way on the east, 42<sup>nd</sup> Place on the south, and Lake Park Avenue on the west).

- b) No more than approximately 50 units of public housing shall be developed on the site of the demolished Washington Park buildings (the CHA-owned property bounded by 41<sup>st</sup> Street on the north, Drexel Avenue on the east, Cottage Grove Avenue on the west, and Bowen Avenue on the south) and adjacent property.
- c) The balance of such units of public housing within the Revitalizing Area, in addition to those referred to in subparagraphs (a) and (b) above, shall be developed on other sites distributed throughout the Revitalizing Area.
- d) One-half of the public housing units developed pursuant to subparagraphs (a) and (b) above shall be occupied by families whose incomes are in the range of 50-80% of the median income in the Chicago Metropolitan Area, and such units shall be geographically distributed approximately evenly among the units developed pursuant to subparagraphs (a) and (b).

3. The CHA Tenant Selection and Assignment Plan previously approved by this Court shall be modified to afford eligible displaced Lakefront tenant families, as defined in the "Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future Use of Those Properties," dated September 22, 1995, between CHA and the Lakefront Community Organization, first

priority to all public housing units developed pursuant to subparagraphs 2(a), (b) and (c) of this Order, subject only to the provisions of subparagraph 2(d) of this Order.

ENTER:

*Major E. C. Caper*

Judge

Date: *June 3*  
~~May 3~~, 1996