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August 6, 1999

By Messenger

Hon. Marvin E. Aspen
Chief Judge U.S. District Court
Northern District of Illinois
219 S. Dearborn Street
Suite 2548
Chicago, IL 60604

Re: Gautreaux v. CHA

Dear Judge Aspen:

Enclosed is a copy of the Receiver's Statement in Response to Motion of the Cabrini LAC to Convene Settlement Conference Regarding Related Litigation, which was filed today with the Clerk of Court.

Sincerely,



Michael L. Shakman

MLS:ra
Enclosure

cc: All counsel of record (see attached service list)

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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,	)	Chief Judge Aspen
	)	
Defendant.	)	

RECEIVER'S STATEMENT IN RESPONSE TO MOTION OF THE CABRINI LAC TO
CONVENE SETTLEMENT CONFERENCE REGARDING RELATED LITIGATION

The Cabrini-Green Local Advisory Council's Motion of July 30, 1999 ("LAC Motion") asks this Court to convene a settlement conference to permit "a candid discussion of this Court's views on how dispute resolution has worked in Horner and whether the same method would apply in Cabrini . . ." (Motion at 2-3). The Receiver will, of course, participate in any settlement effort this Court wishes to pursue, but suggests that the Court consider the following in evaluating the LAC Motion:

1. The Receiver, the City of Chicago, the CHA, the LAC and the Gautreaux plaintiffs engaged in very extensive meetings for almost a year, including many with the Court's Special Master, Professor Leonard Rubinowitz. Although all parties other than the LAC ultimately agreed upon the major terms needed to resolve the dispute, the LAC indicated it would not agree on certain matters. The dispute resolution issue that the LAC proposes to discuss with the Court is only one of a half-dozen major issues on which the LAC disagreed with the other parties. The Receiver very much doubts that a "candid discussion" of that issue alone will materially advance the

prospects of reaching agreement. More likely, the Court would be led to recanvass the issues extensively negotiated by the parties with Professor Rubinowitz.

2. In addition, a discussion of the dispute resolution issue will be of little value because it will necessarily occur in a factual vacuum. It would be like an advisory opinion on an issue, something courts routinely avoid, for good reasons. Future disputes could involve many issues and could arise in many factual contexts. As matters now stand, any party seeking to modify a Gautreaux order, to bring an action against the Receiver or to modify or limit the Receiver's responsibilities, must apply to this Court. This is the proper and effective way to address the issues and follows controlling law.¹

CONCLUSION

Because of the extended discussions with the Cabrini LAC, redevelopment of the Cabrini area has been largely halted and public housing residents have been denied the replacement housing that they need. The Receiver will shortly file with the Court its request for instructions describing an approach to the Cabrini redevelopment with which the City of Chicago, the CHA and the Gautreaux plaintiffs

¹ The Receiver does not agree with the LAC's suggestion that the Horner case is an appropriate model to apply in the context of a redevelopment plan for Cabrini. In Horner, the Receiver has, unfortunately, been involved in a continuing dispute over whether the Horner Court may exercise jurisdiction over the Receiver. In that case Judge Zagel has stated that any dispute involving his exercise of coercive powers over the Receiver should be decided only in a specific factual context and upon the basis of a developed factual record. Transcript of January 15, 1997 at. 6. No such decision has been reached on any such issue in Horner since the Receiver has agreed with Judge Zagel's conclusions on those issues affecting the Receiver. For that reason and others, Horner does not provide a model for Cabrini.

agree. Additional settlement discussions should not be allowed to generate further delay in the redevelopment process. The Receiver hopes that these comments are of use to the Court.

Respectfully submitted,
Daniel E. Levin and The Habitat Company

By: Michael L. Shakman
One of their attorneys

Dated: August 6, 1999

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on August 6, 1999 he served copies of the *Notice of Filing* and *Receiver's Statement in Response to Motion of the Cabrini LAC to Convene Settlement Conference Regarding Related Litigation*, on the parties listed below by causing true and correct copies thereof to be delivered to them via messenger delivery at their respective addresses as indicated below:

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Dated: August 6, 1999


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