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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	66 C 1459
	)	
CHICAGO HOUSING AUTHORITY,	)	Hon. Marvin Aspen
	)	
Defendant.	)	

JOINT MOTION OF GAUTREAUX PLAINTIFFS AND DANIEL E. LEVIN AND THE HABITAT COMPANY, GAUTREAUX RECEIVER, FOR ORDERS WHOSE EFFECT WOULD BE TO DISMISS THE ABLA COMPLAINT WITHOUT PREJUDICE TO THE RIGHT OF THE ABLA PLAINTIFFS TO SEEK LEAVE TO INTERVENE IN THIS CASE.

The Gautreaux plaintiffs, and Daniel E. Levin and The Habitat Company jointly as Gautreaux Receiver, move for entry of orders whose effect would be to dismiss the newly filed ABLA complaint (99 C 4959) without prejudice to the right of the ABLA plaintiffs to seek leave to intervene in this case. The new ABLA lawsuit substantially overlaps Gautreaux, particularly a specific, ABLA-related Gautreaux order (June 19, 1998) which is not mentioned in the ABLA complaint, and under well-established law involves issues that should only be litigated in Gautreaux.

In support of this motion, movants state:

1. Gautreaux is a class-action concerning racial discrimination in the location of public housing that resulted in segregated housing. The Gautreaux Court's

numerous remedial orders, including the appointment of a Receiver and a June 19, 1998 Order designating an "ABLA Revitalizing Area" and conditionally authorizing the development of public housing in such area, are directed toward remedying that segregation by, among other things, promoting opportunities for desegregation in the development of new public housing in mixed-income contexts.

2. In June 1998, on the joint motion of CHA, the Receiver and the Gautreaux plaintiffs, the Gautreaux Court entered an order, "[s]ubject to such terms and conditions as are specified by further orders of the Court," designating the ABLA Revitalizing Area and authorizing the Receiver to develop therein specified numbers of new public housing units, mixed with affordable and market units. Such order, attached hereto as Exhibit A, provides:

> "This matter coming on to be heard on the joint motion of the parties and the Receiver for an order designating an ABLA Revitalizing Area ("Revitalizing Area") and authorizing the development of non-elderly public housing units therein; and
>
> "The Court having heard the presentations of the parties and the Receiver respecting, and being advised that the City of Chicago supports entry of, the proposed order; and
>
> "The Court being further advised that the Receiver and the defendant, Chicago Housing Authority, in collaboration with the City of Chicago, are engaged in the preparation of an application for a FY1998 HOPE VI grant of $35 million for the ABLA Revitalizing Area to be submitted by them to the United States Department of Housing and Urban Development (HUD) on or before June 29, 1998; and
>
> "The Court also being advised that by arrangement with the plaintiffs and HUD, CHA received a HOPE VI grant of $24,483,250 in FY1996 for a portion of the Revitalizing Area, and that the current HOPE VI application contemplates and proposes that this prior grant be utilized in conjunction with the grant currently being applied for; and

"The Court being cognizant that the principal remedial purpose of the orders previously entered in this case 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 developed 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, based on the presentations of the parties and the Receiver, that subject to appropriate terms and conditions such a forecast can be made with respect to the Revitalizing Area should the Receiver and the defendant, Chicago Housing Authority (CHA), be awarded a FY1998 HOPE VI grant therefor pursuant to their proposed joint application;

"IT IS HEREBY ORDERED:

"1. Effective upon advice to the Court from the parties that a FY1998 HOPE VI grant has been made to the Receiver and CHA pursuant to a joint application to be submitted by them to HUD respecting the Revitalizing Area, the Court designates as the ABLA Revitalizing Area that portion of the City of Chicago that lies within the following boundaries: on the west, Ashland Avenue; on the south, the Burlington Northern Railway tracks immediately south of 15th Street; on the east along Racine Avenue from such Burlington Northern Railway tracks to Blue Island Avenue, northeast along Blue Island Avenue to Roosevelt Road, west along Roosevelt Road to Racine Avenue, and north along Racine Avenue to Cabrini Street; and on the north, along Cabrini Street to Loomis Street, north along Loomis Street to Polk Street, and west along Polk Street to Ashland Avenue; and

"2. Subject to such terms and conditions as are specified by further orders of the Court, the Receiver is authorized to develop such number of new public housing units within the Revitalizing Area as will result in public housing units comprising approximately 1,084 of a total of approximately 2,895 residential units within the Revitalizing Area, which is the approximate number of public housing and total residential units within the Revitalizing Area presently contemplated by such grant application, as part of an overall development including approximately 845 non-public housing units to be occupied by persons with incomes 36-120 percent of area median income, and 966 non-public housing units to be occupied by persons with incomes in excess of 120 percent of area median income."[1]

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[1] On May 19, 21 and 22, 1998, the Court had entered three orders in the wake of the failure of CHA's prior administration to cooperate with the Receiver in connection

3. Since the entry of this Court's June 19, 1998 ABLA Order: (a) HUD has made a FY 1998 HOPE VI award of $35 million to the Receiver and the Chicago Housing Authority pursuant to a joint application submitted by them respecting the ABLA area; and (b) various parties – the Receiver, the City of Chicago, CHA, HUD, counsel for the Gautreaux plaintiffs, and the elected representatives of the ABLA tenants – have met regularly concerning HOPE VI-funded redevelopment plans for the ABLA area. Among other things, a Memorandum of Understanding outlining how such parties will make development-related decisions at ABLA has been prepared and executed (copy attached hereto as Exhibit C), and on July 19, 1999, with the concurrence of all of such interested parties, the City of Chicago issued a Request for Proposals for a "development manager" for the ABLA HOPE VI development (copy attached hereto as Exhibit D). The Request for Proposals contemplates that it will be the responsibility of the selected development manager to propose a specific ABLA development plan, after which the parties to the Memorandum of Understanding will determine the precise number, location, density and mix of residential units as part of the ABLA HOPE VI plan.[2]

4. On July 29, 1999, certain CHA waiting list applicants and current and former residents of ABLA (who are not, however, the elected representatives of the

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with the preparation of the 1998 HOPE VI application for ABLA. Copies of these orders are attached hereto as Exhibit B.

[2] The RFP expressly provides, contrary to the allegations in the ABLA complaint, that "new public housing units are to be dispersed to the maximum extent throughout the redeveloped neighborhood, and in the full range of housing types and unit sizes developed." RFP, Ex. D hereto, at 18; see also id. at 3. (To reduce the bulk of this filing, some of the exhibits to the RFP are not included in Exhibit D.)

ABLA tenants), most or all of whom are members of the Gautreaux plaintiff class of black tenants in and applicants for public housing, Gautreaux v. CHA, 265 F.Supp. 582, 583 (N.D. Ill. 1967), filed an asserted class action concerning the proposed HOPE VI redevelopment of the ABLA area. Concerned Residents of ABLA, et al. v. Chicago Housing Authority, et al., No. 99 C 4959 (N.D. Ill.). A copy of the ABLA complaint is attached hereto as Exhibit E. The ABLA litigation was assigned to Judge Gettleman, and a courtesy copy of this motion is being delivered to Judge Gettleman.

5. The ABLA complaint describes itself as a "civil rights class action lawsuit." (¶1) Its thrust is to attack a "plan" – i.e., the ongoing HOPE VI redevelopment process described in paragraph 3 above – "which fails to alleviate the blight of segregation." (¶8.) It asks the Court to "forc[e] these public agencies [CHA and HUD] to . . . create a plan which provides the maximum amount of integrated housing . . ." (Id.) Other claims, such as an alleged breach of a duty to consult with the ABLA plaintiffs in the HOPE VI process (¶¶32-35), are intertwined with the carrying out of the HOPE VI plan. The relief sought includes, "Enjoining defendants from implementing the defendants' present ABLA redevelopment plans," and "Enjoining the awarding, transfer, or expenditure of any ABLA-related HOPE VI . . . funds until a new revitalization plan for the ABLA development is developed . . .'" (p. 33) Because the Receiver will receive from HUD much or all of the funds to be used in developing new public housing at ABLA, the relief sought in the ABLA complaint would, if granted, effectively prevent the Receiver from taking steps to implement the remedial effort begun with this Court's ABLA-related orders of May and June, 1998.

6. When the central allegations of the ABLA complaint are laid alongside the ABLA orders already entered in Gautreaux, it is obvious that the ABLA complaint is a collateral attack on relief already ordered in Gautreaux. Respecting such a collateral attack on an ongoing desegregation program, the cases make plain what must be done: the separate action attacking the desegregation program must be dismissed, with the collateral plaintiffs given leave to seek intervention in the original desegregation case; the dismissal is on procedural, not substantive, grounds, and is not an assessment of the merits of the collateral attackers' claims. Hines v. Rapides Parish School Bd., 479 F.2d 762, 765 (5th Cir. 1973); Davis v. Board of Sch. Comm'rs, 517 F.2d 1044, 1049 (5th Cir. 1975); Miller v. Board of Educ., 667 F.2d 946, 948-49 (10th Cir. 1982); Rivarde v. Missouri, 930 F.2d 641, 642-43 (8th Cir. 1991); Tompkins v. Alabama State University, 15 F.Supp. 2d 1160, 1161-67 (N.D. Ala. 1998), aff'd mem., 174 F.3d 203 (11th Cir. 1999); Harris v. Birmingham Bd. of Educ., 90 F.R.D. 263, 265 (N.D. Ala. 1981); Mannings v. School Bd. of Hillsborough County, 796 F.Supp. 1491, 1497 (N.D. Fla. 1992); Parents Against Controlled Choice v. Board of Educ., 1998 U.S. Dist. LEXIS 20547, No. 97 C 50326 (N.D. Ill. Jan. 8, 1999). A few brief quotations from the opinions will suffice to explain why this is a proper course to pursue:

> "To allow these actions to proceed independently would result in a duplication and waste of the time and effort of the litigants and the Court. The issue which plaintiffs seek to raise herein are already before the Court in Brown . . . . Furthermore, the continued prosecution of these actions risks inconsistent judgments." Miller, supra, 667 F.2d at 948.

> "'. . . separate actions attacking the implementation of [a] desegregation program . . . should not proceed separately,' but rather should be dismissed so that the collateral plaintiffs may petition for intervention in the original desegregation case." Tompkins, supra, 15 F.Supp. 2nd at 1164, quoting from Miller.

"'The petition for intervention would bring to the attention of the district court the precise issues which the new group sought to represent . . . . If the court felt that the new group had a significant claim which it could best represent, intervention would be allowed.'" Hines, supra, 479 F.2d at 765.

"Hines and its progeny can be boiled down to the following proposition: when absent members of a class of school desegregation plaintiffs seek to challenge an actively administered desegregation plan in a collateral action, the collateral action should be dismissed so that the class members can petition to intervene in the existing desegregation action. The dismissal is on procedural, rather than substantive, grounds and should not be interpreted in any way as an assessment of the merits of the class members' claims." Tompkins, supra, 15 F.Supp. 2d at 1165.

7. Another line of authority leads to the same conclusion. It has long been established that a receiver may not be sued without leave of the court that appointed him. Matter of Linton, 136 F.2d 544, 545 (7th Cir. 1998), citing Barton v. Barbour, 104 U.S. 126, 128-29 (1881). This "Barton Doctrine," as it is called, Matter of Krikava, 217 B.R. 275, 278 (Bankr. D.Neb. 1998), is not limited to suits against the receiver itself, but extends to suits against all "receivership entities." SEC v. Wencke, 622 F.2d 1363, 1365, 1367, 1369-72 (9th Cir. 1980). The power of the appointing court to prevent interference with the court's receiver includes enjoining parties and all "other persons" from proceeding with actions in another court. See Wencke, 622 F.2d at 1365 (affirming a blanket nationwide stay of all proceedings in other courts against receivership entities, entered without notice to, yet held to be binding upon, non-parties to the litigation); In re Lehal Realty Associates, 101 F.3d 272, 276-78 (2nd Cir. 1996); Eller Indus., Inc. v. Indian Motorcycle Manu., Inc., 929 F.Supp. 369, 372-73 (D. Col. 1995).

Here, although the Court's Receiver is not named as a defendant in the ABLA complaint, the relief requested is directed squarely against the development functions of

CHA that have been transferred by this Court's 1987 order to the Receiver, as well as against HUD's funding thereof – enjoining CHA and HUD "from implementing defendants' present ABLA redevelopment plans" and enjoining the "awarding, transfer, or expenditure of any ABLA-related HOPE VI . . . funds . . ." (ABLA complaint, p. 33.) Plainly the choice not to name the Receiver as a defendant, while seeking a broad injunction against activities which by repeated prior orders of this Court have been lodged exclusively with the Receiver, does not remove the ABLA complaint from the ambit of the Barton Doctrine.[3] This Court has recognized the appropriateness of exercising Barton Doctrine powers to protect its receivership by enjoining CHA from proceeding with a settlement in another matter, the Cabrini LAC case, 96 C 6949, which had been negotiated without authority. See 8/12/98 Order, Ex. G hereto. CHA's appeal from this Court's August 12, 1998 Order was dismissed for want of appellate jurisdiction. 178 F.3d at 958.

8. To implement the approach of Hines and its progeny, or to apply the Barton Doctrine, the Court may proceed in either of the following ways:

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[3] The Seventh Circuit recently summarized the Receiver's powers as follows:

> "all powers of CHA, respecting the scattered site program necessary and incident to the development and administration of such program, including: (a) Making all determinations governing the scattered site program in compliance with prior and future orders of this Court . . ."

Gautreaux v. CHA, 178 F.3d 951, at 953 (7th Cir. 1999). The Receivership Order also includes within the Receiver's powers "site selection and acquisition (including policies respecting the location of sites and buildings to be acquired) . . . and . . . [c]arrying out the determinations so made," Receivership Order at 3. A copy of the Receivership Order of August 14, 1987 is attached hereto as Exhibit F.

A. The Hines Approach. The ABLA complaint and Gautreaux are plainly related under Local General Rule 2.31A (they involve the same ABLA property and grow out of the same HOPE VI-funded development plan, among other commonalities), and the ABLA case may therefore be reassigned to this Court given that the conditions of Rule 2.31B are met, namely: both cases are pending in this District; the handling of both by the same judge is likely to result in a substantial saving of judicial time and effort (since the central issues in both are segregation and the remedies therefore); the ABLA phase of Gautreaux is just beginning (the RFP which is to lead to the formulation of a plan has not even been responded to yet and thus will not be substantially delayed by the designation of the ABLA case as related); and both Gautreaux and ABLA are of course susceptible of disposition in a single proceeding. Upon reassignment by the Executive Committee, this Court could then dismiss the ABLA complaint without prejudice to the right of the ABLA plaintiffs to seek leave to intervene in Gautreaux if they so choose.

B. The Barton Doctrine. Alternatively, applying the Barton Doctrine, the Court could simply enter an injunctive order in the exercise of its broad powers to prevent interference with its Receiver, enjoining the ABLA plaintiffs from carrying forward their ABLA complaint and directing them to promptly file a motion before Judge Gettleman to dismiss the same without prejudice to their right to seek leave to intervene in Gautreaux if they so choose.

WHEREFORE, the Gautreaux plaintiffs and the Gautreaux Receiver respectfully move this Court to enter orders as suggested in either paragraph 8A or paragraph 8B of this motion, whose effect will be to dismiss the ABLA complaint without prejudice to the right of the ABLA plaintiffs to seek leave to intervene in this case if they so choose.

Respectfully submitted,

One of the Attorneys for Plaintiffs

One of the Attorneys for the Receiver

August 18, 1999

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August 18, 1999

Via Messenger

Hon. Robert W. Gettleman
U.S. District Court
for the Northern District of Illinois
219 S. Dearborn St., Room 1788
Chicago, IL 60604

Re: *Gautreaux v. CHA*, 66 C 1459 ("Gautreaux") and
Concerned Residents of ABLA v. CHA, 99 C 4959 ("ABLA")

Dear Judge Gettleman:

Enclosed herewith is a courtesy copy of a Joint Motion filed by the *Gautreaux* plaintiffs and the *Gautreaux* Receiver in the *Gautreaux* case pending before Chief Judge Aspen. Mr. Polikoff and I are providing you with a copy because the enclosed motion relates to the above-captioned *ABLA* lawsuit on your docket.

Very truly yours,

Edward W. Feldman

EWF:co
Encls.

cc: Hon. Marvin E. Aspen
Counsel of Record in *Gautreaux*
Counsel of Record in *ABLA*
Alexander Polikoff

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

DOROTHY GAUTREAUX, at al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	66 C 1459
	)	Hon. Marvin E. Aspen
CHICAGO HOUSING AUTHORITY, et al.	)	
	)	
Defendants.	)	

NOTICE OF MOTION

TO: ALL COUNSEL (See attached Service List)

PLEASE TAKE NOTICE that on Friday, August 20, 1999 at 9:30 a.m., or as soon thereafter as counsel may be heard, we shall appear before the Honorable Marvin E. Aspen or any judge sitting in his stead, in Room 2541 of the U.S. District Court, 219 S. Dearborn Street, Chicago, Illinois and present **Joint Motion of *Gautreaux* Plaintiffs and Daniel E. Levin and The Habitat Company, *Gautreaux* Receiver, for Orders Whose Effect Would Be to Dismiss the ABLA Complaint Without Prejudice to the Right of the ABLA Plaintiffs to Seek Leave to Intervene in This Case**, a copy of which is hereby served upon you.

Respectfully submitted,

MILLER, SHAKMAN, HAMILTON,
KURTZON & SCHLIFKE

By: Edward W. Feldman
Edward W. Feldman

Dated: August 18, 1999

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on August 18, 1999 he served copies of the attached **Notice of Motion** and the separately bound **Joint Motion of *Gautreaux* Plaintiffs and Daniel E. Levin and The Habitat Company, *Gautreaux* Receiver, for Orders Whose Effect Would Be to Dismiss the ABLA Complaint Without Prejudice to the Right of the ABLA Plaintiffs to Seek Leave to Intervene in This Case**, on the parties attached Service List by causing true and correct copies thereof to be delivered to them via messenger delivery at their respective addresses.

Dated: August 18, 1999

Edward W. Feldman

Edward W. Feldman

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Exhibit A

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

DOROTHY GAUTREAUX, et al.,	)	
Plaintiffs,	)	
v.	)	66 C 1459
CHICAGO HOUSING AUTHORITY, et al.	)	Hon. Marvin Aspen
Defendant.	)	

O R D E R

This matter coming on to be heard on the joint motion of the parties and the Receiver for an order designating an ABLA Revitalizing Area ("Revitalizing Area") and authorizing the development of non-elderly public housing units therein; and

The Court having heard the presentations of the parties and the Receiver respecting, and being advised that the City of Chicago supports entry of, the proposed order; and

The Court being further advised that the Receiver and the defendant, Chicago Housing Authority, in collaboration with the City of Chicago, are engaged in the preparation of an application for a FY1998 HOPE VI grant of $35 million for the ABLA Revitalizing Area to be submitted by them to the United States Department of Housing and Urban Development (HUD) on or before June 29, 1998; and

The Court also being advised that by arrangement with the plaintiffs and HUD, CHA received a HOPE VI grant of $24,483,250 in FY1996 for a portion of the Revitalizing Area, and that the

current HOPE VI application contemplates and proposes that this prior grant be utilized in conjunction with the grant currently being applied for; and

The Court being cognizant that the principal remedial purpose of the orders previously entered in this case 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 developed 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, based on the presentations of the parties and the Receiver, that subject to appropriate terms and conditions such a forecast can be made with respect to the Revitalizing Area should the Receiver and the defendant, Chicago Housing Authority (CHA), be awarded a FY1998 HOPE VI grant therefor pursuant to their proposed joint application;

IT IS HEREBY ORDERED:

1. Effective upon advice to the Court from the parties that a FY1998 HOPE VI grant has been made to the Receiver and CHA pursuant to a joint application to be submitted by them to HUD respecting the Revitalizing Area, the Court designates as the ABLA Revitalizing Area that portion of the City of Chicago that lies within the following boundaries: on the west, Ashland Avenue; on the south, the Burlington Northern Railway tracks

immediately south of 15th Street; on the east along Racine Avenue from such Burlington Northern Railway tracks to Blue Island Avenue, northeast along Blue Island Avenue to Roosevelt Road, west along Roosevelt Road to Racine Avenue, and north along Racine Avenue to Cabrini Street; and on the north, along Cabrini Street to Loomis Street, north along Loomis Street to Polk Street, and west along Polk Street to Ashland Avenue; and

2. Subject to such terms and conditions as are specified by further orders of the Court, the Receiver is authorized to develop such number of new public housing units within the Revitalizing Area as will result in public housing units comprising approximately 1,084 of a total of approximately 2,895 residential units within the Revitalizing Area, which is the approximate number of public housing and total residential units within the Revitalizing Area presently contemplated by such grant application, as part of an overall development including approximately 845 non-public housing units to be occupied by persons with incomes 36-120 percent of area median income, and 966 non-public housing units to be occupied by persons with incomes in excess of 120 percent of area median income.

ENTER:

Marvin E. Aspen

June 19, 1998

Exhibit B

Minute Order Form (06/97)

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	**DATE**	5/19/1998
CASE TITLE	Gautreaux,etal vs. CHA		

MOTION: [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.]

Receiver's emergency motion for entry of order implementing CHA's duty of cooperation.

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] Motion is granted.

(11) ■ [For further detail see order on the reverse side of the original minute order.]

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

Document Number

(Reserved for use by the Court)

ORDER

Now before us is the "Receiver's Emergency Motion for Entry of Order Implementing CHA's Duty of Cooperation." In it the Receiver asks that we order the CHA to cooperate with the Receiver and other parties in preparing and filing a 1998 HOPE VI application with HUD and to provide the Receiver with the information it needs to proceed with this project.

This motion is the outgrowth of three of our earlier decisions. In the first, issued August 14, 1987, we appointed the Receiver on the joint motion of the plaintiffs and the CHA. We gave the Receiver "all powers of CHA" with regard to the development and administration of the *Gautreaux* scattered site program, which included "all CHA non-elderly public housing development programs which may in the future be authorized by HUD during the pendency" of the *Gautreaux* litigation. In the second, issued February 23, 1998, we held that the Gautreaux "judgment order governs the CHA's use of HOPE VI funds" distributed by HUD. Our conclusion was compelled by the clear language of the judgment order and our view that there was no conflict between its requirements (as later amended) and those of the HOPE VI program. The CHA appealed this order. In the third, issued May 12, 1998, we denied the CHA's motion to stay our February 23 order pending appeal. The CHA filed today a motion to stay with the Seventh Circuit.

The CHA, in open court this morning, made clear that the basis for its objection to the Receiver's motion is its view that our February 23 order did not directly address the Receiver's status with regard to the HOPE VI program and that the Receiver's status is not obvious from our prior orders in this case. We disagree. HOPE VI is a "non-elderly public housing development program[] . . . authorized during the pendency" of the *Gautreaux* litigation, and it therefore fits entirely within the Receiver's jurisdiction. On February 23 we held that there was no reason to treat HOPE VI funds differently than any other funds for purposes of the *Gautreaux* judgment order, and we similarly see no reason to treat those funds differently for purposes of the order appointing the Receiver. Moreover, the Receiver has indicated its willingness to work with CHA to ensure that the 1998 HOPE VI proposal meets the requirements of both the HOPE VI program and the *Gautreaux* judgment order, as well as to assist in making that proposal as competitive as possible. The Receiver even indicated its interest in the CHA's thoughts on decisions which are ultimately the Receiver's responsibility. We hope that this open-minded and enthusiastic offer of cooperation sets an example for everyone involved in this case.

We denied the CHA's motion for stay pending appeal, and unless and until the Seventh Circuit issues its own stay or reverses our underlying order, the parties must comply with our orders. Our order of August 14, 1987, appointing the Receiver, obligates the CHA to cooperate with the Receiver and to provide the Receiver with the information it needs. It is now clear, if it was not before, that this means that the CHA is to coordinate its 1998 HOPE VI application with the Receiver and to provide the Receiver with the information it has requested.

It is so ordered.

MGL

Minute Order Form (06/97)

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	5/21/1998
CASE TITLE	Gautreaux,etal vs. CHA		

MOTION: [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.]

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] Plaintiffs' motion for further relief is denied as moot.

(11) ■ [For further detail see order on the reverse side of the original minute order.]

	No notices required, advised in open court.	4 number of notices	Document Number
	No notices required.		
✓	Notices mailed by judge's staff.	date docketed	
	Notified counsel by telephone.	docketing deputy initials	
	Docketing to mail notices.	5/21/1998 date mailed notice	
	Mail AO 450 form.	GL mailing deputy initials	
	Copy to judge/magistrate judge.		
GL	courtroom deputy's initials	Date/time received in central Clerk's Office	

ORDER

Now before us is the plaintiffs' "Motion for Further Relief." In it they register their concerns with the CHA's conduct vis-à-vis the Receiver and ask that we enter a detailed order directing the CHA to take certain steps to rectify the situation.

We do not believe that such an order will be necessary. In an order issued on May 19 in response to an emergency motion from the Receiver, we wrote that "we [have previously] held that there was no reason to treat HOPE VI funds differently than any other funds for purposes of the Gautreaux judgment order, and we similarly see no reason to treat those funds differently for purposes of the order appointing the Receiver." Accordingly, we held that the parts of the HOPE VI program discussed in our opinion of February 23 "fit[] entirely within the Receiver's jurisdiction." We do not wish to be misunderstood; our order neither gave sole authority over HOPE VI in Chicago to the Receiver nor gave the Receiver sole authority to prepare Chicago's 1998 HOPE VI application, as a motion filed earlier today by the CHA states. *See* CHA's Emergency Mot. to Stay Order Pending Appeal at ¶¶ 13, 14, 27.) Many of the problems detailed in the plaintiffs' motion concern the CHA's HOPE VI-related activity, and those problems were addressed by our prior order.

To the extent that the plaintiffs' motion raises issues unrelated to the Receiver's role in the HOPE VI program, we think it best that the Receiver bring those issues to this Court's attention if it so chooses.

It is so ordered.

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	5/22/1998
CASE TITLE	Gautreaux,etal 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] CHA's emergency motion to stay order of May 19, 1998, pending appeal is denied.

(11) ■ [For further detail see order on the reverse side of the original minute order.]

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

ORDER

Now before us is the CHA's "Emergency Motion to Stay Order of May 19, 1998, Pending Appeal." In that order we held that the terms of the receivership order in this case clearly encompassed construction paid for by HOPE VI dollars and that the CHA was duty-bound to cooperate with the Receiver on HOPE VI matters, specifically the CHA's 1998 HOPE VI application, insofar as those matters fell within the Receiver's delegated duties.

We first observe that the CHA's motion rests at least in part on untenable overreadings of our May 19 order. That order did not "turn over all of the CHA's powers and responsibility for the 1998 HOPE VI application to the Receiver." CHA's Mot. ¶ 13; *see also id.* ¶ 14. It merely stated that the Receiver would have to be involved (i.e. that the Receiver and the CHA would have to cooperate) in preparing the application in light of the fact that the receivership order gave the Receiver "all powers of CHA" with regard to the development and administration of "all CHA non-elderly public housing development programs which may in the future be authorized by HUD during the pendency" of the *Gautreaux* litigation. (Of course, if the 1998 HOPE VI application will not request funds for the development of new housing, the Receiver would not need to be involved with it.) We do not believe that this order may fairly be characterized as a new "mandatory injunction," CHA's Mot. ¶ 13, since it does nothing more than reaffirm that the receivership order means what it already says. Also, the CHA's position that we committed an error by not making factual findings, *see* CHA's Mot. at pp. 5-7, has the situation in reverse: only if we modified or terminated the receivership order (and the CHA has repeatedly threatened to make a motion to that effect but has not yet made one) would factual findings be necessary.

We do not believe that the traditional four "stay" factors favor the CHA. *See Thomas v. City of Evanston*, 636 F. Supp. 587, 590 (N.D. Ill. 1986) (Aspen, J.). First, we doubt that the CHA will win its appeal. It has never offered any argument as to how the plain language of the receivership order could be interpreted to give the Receiver no role in HOPE VI-funded development, and we are aware of none. The CHA's only hope of achieving that outcome is to move for a modification (or termination) of the receivership order, but it has not made such a motion, it has not presented any evidence justifying such a motion, and a modification of the receivership order is not before the appellate court. Second, we doubt that the CHA will suffer irreparable injury if we do not issue a stay. The Receiver and the plaintiffs, responding to the CHA's motion, presented substantial, credible evidence that the CHA's prior HOPE VI applications acknowledged the role of the Receiver and of the *Gautreaux* requirements in proposed HOPE VI development projects. Also, the HUD representative present at the February oral argument stated that from HUD's perspective compliance with the *Gautreaux* requirements was a "non-issue," so we do not credit the CHA's claim that it will not be able to prepare a competitive HOPE VI application if the Receiver is involved. Third, a stay may harm the plaintiffs, for if the CHA is permitted to submit a HOPE VI application without the Receiver's input, that application may violate the *Gautreaux* requirements and cause further unnecessary delay in the desegregation of Chicago public housing. Fourth, a stay would not be consistent with the public interest. We know of no possible justification for the presumption offered by the CHA on this issue -- that since it is a public agency, its interests are the public's interests, for under this logic the original segregation of Chicago public housing was in the public interest. The public's interest is in the speedy desegregation and modernization of its public housing, and nothing in the CHA's motion convinces us that our order is inconsistent with these goals.

Accordingly, the CHA's motion for a stay pending appeal is denied. It is so ordered.

Exhibit C

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is made as of the 21st day of May, 1999, by and between the following parties: The Chicago Housing Authority ("CHA"), the Habitat Company ("Habitat"), the City of Chicago Department of Planning and Development ("DPD"), the City of Chicago Department of Housing ("DOH"), the ABLA Local Advisory Council ("LAC") and Plaintiff's counsel in Gautreaux vs. CHA et. al., (collectively, "the Parties"). The purpose of this Memoradum is to clarify and confirm the understandings of the parties regarding their current intentions relative to the collective efforts proposed to be undertaken in order to revitalize the ABLA Homes Community as contemplated in the HOPE VI Revitalization Plan. The Parties acknowledge and understand that the statements contained in the Memorandum are subject to the approval of the governing body of each Party as may be required by law or by the Charter or rules governing each Party.

Recitals

The Parties propose to undertake a project to redevelop the ABLA Homes ("the Project"). Subject to applicable legal requirements, and recognizing that each participant brings certain resources and responsibilities:

The Parties propose to meet on a regular basis in order to collectively make decisions regarding the Project;

The Parties pledge good faith and best efforts to make each such decision by concensus;

It is the intent of the Parties that each Party will participate in the decision-making process as fully as possible;

It is the intent of the Parties to ensure that no single Party has more control than any other Party in the working group decision-making process;

It is the intent of the Parties to work with a Development Manager for the Project to develop a Master Plan and to work diligently to implement the Master Plan for the benefit of the entire ABLA Homes Community.

THEREFORE, the Parties set forth their respective contributions and responsibilities as follows:

The CHA and Habitat

The Chicago Housing Authority ("CHA") and The Habitat Company, as receiver for CHA's development of non-elderly housing programs ("Habitat") have authorized DOH to issue a Request for Proposals and to manage the process of selecting a Development Manager. However, CHA and Habitat shall remain separately responsible for those duties imposed respectively upon each under the HOPE VI and other public housing capital funding rules and regulations, orders of the Gautreaux court, and all federal, state and local laws.

At the appropriate point in the process, CHA and Habitat will enter into separate contracts with entities and individuals for matters that fall within their various areas of responsibility under the Recievership Order of August 14, 1987 in the Gautreaux case and subsequent orders of the court.

CHA will lease its land to an approved Developer(s) who will be responsible for constructing certain physical improvements. CHA will be responsible for ensuring that applicable HUD and CHA management requirements are met and that relocation services provided for all residents choosing Section 8 relocation will be provided by CHA's private contractors.

City of Chicago Department of Planning and Development ("DPD)

DPD will oversee and coordinate the participation of all City Departments and other agencies of local government involved in the redevelopment process, including but not limited to, the Chicago Board of Education and the Chicago Park District. DPD will also coordinate assistance and communication with other government agencies to ensure the compatibility of various redevelopment projects in the area. DPD will coordinate and fund via the Roosevelt/ Racine TIF the acquisition of private parcels to be redeveloped in the Project, subject to the required process and approval.

City of Chicago Department of Housing ("DOH")

DOH will issue the Request for Proposal ("RFP") for a Development Manager. On behalf of the Parties, DOH will be responsible for coordinating all meetings and conferences regarding the RFP. DOH will provide technical advice regarding the financial structuring for the Project. DOH will coordinate and provide identified funds for the development of homes subject to the required process and approval.

ABLA Local Advisory Council ("LAC")

LAC is the elected representative body of the ABLA residents. The LAC will represent the concerns and interest of the residents to the other Parties and convene meetings of its membership to keep the tenants apprised of all phases of the redevelopment process. The LAC will have two (2) representatives as a part of the working group.

Plaintiff's Counsel in Gautreaux

Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement of 7/25/96 between plaintiff's counsel and CHA respecting a portion of the funding for the HOPE VI Revitalization Plan.

University of Illinois Chicago ("UIC")/Illinois Medical District ("IMD")

One representative will serve as the liaison for both UIC and IMD. This representative will participate in the redevelopment process to ensure that assistance from both or either entity is properly coordinated. The representative will be responsible for keeping both UIC and IMD apprised of the redevelopment process. UIC and IMD will submit the name(s) of the representative to the Alderman. The Alderman will submit one name to the working group. The working group parties will by consensus approve or reject the Alderman's recommendation.

Other Provisions

This Agreement shall not create a partnership or joint venture among the Parties hereto. There are no third-party beneficiaries of this Agreement and no third-party shall have any rights hereunder.

By executing below the parties indicate that the foregoing correctly sets forth their understanding regarding their respective obligations and contributions to the ABLA Homes revitalization project.

City of Chicago
Department of Planning and Development

BY: _____
Commissioner

City of Chicago
Department of Housing

BY: _____
Commissioner

Chicago Housing Authority

BY: _____
Executive Director

The Habitat Company

BY: _____
Vice President

ABLA Local Advisory Council

BY: _____
President

Plaintiff's Counsel in Gautreaux vs. CHA et. al.

BY: _____
One of the Attorney's for the Plaintiff

Exhibit D

REQUEST FOR PROPOSALS

DEVELOPMENT MANAGEMENT SERVICES
for the

MIXED-INCOME REDEVELOPMENT OF ABLA HOMES
Chicago, Illinois

City of Chicago
Richard M. Daley
Mayor

Department of Housing
John Markowski
Acting Commissioner

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REQUEST FOR PROPOSALS

DEVELOPMENT MANAGEMENT SERVICES
for the

MIXED-INCOME REDEVELOPMENT OF ABLA HOMES
Chicago, Illinois

EXHIBITS

(Exhibits are bound separately from the text of the RFP unless otherwise noted.)

Exhibit 1:	Memorandum of Understanding between the member organizations of the ABLA HOPE VI Working Group (bound with the text of the RFP)
Exhibit 2:	Revitalizing Order entered in the Gautreaux case on June 19, 1998
Exhibit 3:	Memorandum of Agreement among the City of Chicago, the Illinois Historic Preservation Officer, the United States Department of Housing and Urban Development, and the Advisory Council on Historic Preservation for the ABLA Redevelopment Project (the Jane Addams Memorandum)
Exhibit 4:	ABLA Post-Redevelopment map, showing the Site Map of the Tax Increment Financing District designated November 11, 1998 Map showing existing conditions on the Site (All bound with the text of the RFP)
Exhibit 5:	Residential market study commissioned as part of the HOPE VI application process
Exhibit 6:	Draft HOPE VI Grant Agreement
Exhibit 7:	Listing of some of the laws, ordinances, and regulations applicable to master plan implementation
Exhibit 8:	Regulation regarding the use of HOPE VI funds in mixed-finance developments Listing of evidentiary materials required for the use of HOPE VI funds
Exhibit 9:	Information on Chicago Department of Housing resources available for the ABLA redevelopment project
Exhibit 10:	1998 ABLA HOPE VI application section on physical revitalization (For information only)
Exhibit 11:	City of Chicago Planned Unit Development Handbook executive summary
Exhibit 12:	Information on Chicago Housing Authority requirements with respect tot the creation of employment and business opportunities for public housing residents, resident-owned businesses, and MBE/WBEs
Exhibit 13:	Required statements, affadavits and other materials for Respondents (Bound with the text of the RFP)
Exhibit 14:	Standard contract information that will apply to contracts for services entered as a result of this RFP

REQUEST FOR PROPOSALS

The City of Chicago, on behalf of the Chicago Housing Authority (CHA) and The Habitat Company, the court-appointed receiver for CHA's non-elderly public housing development[1], and the ABLA HOPE VI Working Group, is requesting proposals from development managers to plan and implement a mixed income residential development on the site of CHA's ABLA Homes and certain adjacent parcels. ABLA Homes is located on the Near West Side of Chicago, easily accessible to downtown, the United Center and the cultural, educational, economic and health care activities of the University of Illinois at Chicago (UIC) and the Illinois Medical District, which includes UIC medical facilities, the Rush-Presbyterian Medical Center, Cook County Hospital and West Side Veterans' Administration Hospital.

The proposal to redevelop ABLA Homes is the result of a joint effort by the City of Chicago, the CHA, the plaintiff's counsel in the case of Gautreaux vs. CHA et.al., The Habitat Company, and the ABLA Local Advisory Council. This group, along with a representative of the Illinois Medical District and the University of Illinois at Chicago, is known as the ABLA HOPE VI Working Group (the Group), and a Memorandum of Understanding between its member organizations is attached as Exhibit 1. It represents a commitment to create and sustain a range of attractive, secure housing options for a mix of income levels, including public housing, in this revitalizing neighborhood. The redevelopment of the ABLA Homes site and neighborhood will create a much more positive living environment for public housing residents and contribute to the stability and growth of the Near West Side community and the city as a whole. The redevelopment effort will take place alongside major investment in new commercial and residential development by both the University of Illinois at Chicago and the Illinois Medical District, and which can provide employment opportunities for ABLA public housing residents.

Holistic Urban Redevelopment Approach

The Near West Side is the focus of intensive private and public investment. The inclusion of public housing redevelopment as part of this activity is intended to demonstrate the transformation of neighborhood economies and opportunities that is possible through collaboration among the parties mentioned above and private investors and implementers. It will create a model for redevelopment in other neighborhoods across the city. Four basic principles form the foundation of the ABLA model:

* ***Create diverse, mixed-income communities***, eliminating the isolation of public housing families from the rest of the community and supporting the market for continued investment in the neighborhood

* ***Establish collaborative partnerships among public and private interests***, creating opportunities for private participation and creativity in the redevelopment process and leveraging public resources

[1] Pursuant to a 1987 order of the Federal District Court in Gautreaux vs. CHA et. al., a Receiver, Daniel E. Levin and The Habitat Company, has and exercises all powers of CHA respecting the development of non-CHA elderly housing.

* ***Give public housing families a choice*** to stay in the redeveloped neighborhood, relocate to new public housing units located off-site, or seek other housing, with support in all cases for residents' efforts to achieve economic self-sufficiency

* ***Help public housing families become self-sufficient***, by targeting the challenges of job training, finding and keeping good jobs, handling family finances, meeting housekeeping and home maintenance responsibilities, fulfilling parental responsibilities, and locating safe and affordable child care

The CHA, The Habitat Company and the City of Chicago have also committed to provide 383 public housing replacement units in other areas of the city. The development of those units is not part of the scope of services to which this Request for Proposals (RFP) for master planning, financial planning and development management pertains.

The Group also contemplates commercial redevelopment along Ashland Avenue, and residential rehabilitation of a property at 15th and Loomis Streets, which will be expected to be incorporated into the master plan developed pursuant to this RFP, but which will not be the subject of financial planning or the development management under this RFP.

1. PROGRAM GOALS

Collaborative leadership by the Group has secured new HOPE VI funding for the ABLA holistic urban redevelopment plan from the U.S. Department of Housing and Urban Development (HUD). The development manager selected as a result of this RFP (the Selected Respondent) will demonstrate the highest capacity to accomplish the Scope of Services and deliver the outcomes detailed below (the Program Goals). The Selected Respondent will produce a master plan for the redeveloped neighborhood that includes land use and development planning for the area described in the section of this RFP (entitled Development Site and Parcel Specifics), produce a financial plan for the residential components of the redevelopment project as discussed in Section 2, and manage the process of implementing the physical development of the residential components specified in the Section 2 by coordinating the activities of all team members and consultants, conducting solicitations for development teams to carry out the individual components of the master plan, and negotiating with the developers on behalf of the Group. In order to avoid conflict of interest, the Selected Respondent will not have any interest or participate in any way in development activities other than as specified in the Scope of Services, which may be amended from time to time (see Section 3, Scope of Services, for further information). The following outcomes are considered Program Goals by the Group:

1.1 Create an attractive, secure, diverse and viable mixed income community with appropriate amenities and services to provide a stable and positive environment for Chicago residents

1.2 Create a variety of housing options within that community including market rate, affordable and public housing, including home ownership and rental options. At least 50 home ownership units will be made available to purchasers who are residents of public housing, in particular for eligible residents of the ABLA public housing development

1.3 Ensure that housing units targeted for public housing families are indistinguishable in quality and visual appearance from those targeted for other levels of income

1.4 To the maximum extent, disperse units for public housing families throughout the redeveloped neighborhood and in the full range of housing types and unit sizes developed

1.5 Achieve income tiering in new residential development for which the implementation is overseen by the Selected Respondent as follows: [2]

Income tier by % of Area Median		# of units	% of total
0-35%	(Public Housing)	1,084	37%
36-120%	(Affordable)	845	29%
Over 120%	(Market Rate)	966	34%
		---	---
		2,895	100%

1.6 Reduce the public housing units' dependence on public housing operating subsidies, while maintaining affordability

1.7 Maximize the use of private financing by strategic use of public resources, including public housing and City of Chicago resources

1.8 Ensure quality maintenance and management of the entire development, including home ownership and rental housing units for all levels of income, to promote the marketability, attractiveness, security and overall strength of the redeveloped neighborhood

1.9 Establish a vehicle to engage residents of all income levels and backgrounds, local institutions and other stakeholders in the ongoing affairs of the neighborhood

---

[2] The Revitalizing Order entered in the Gautreaux case on June 19, 1998 authorizes the Receiver in the Gautreaux case to develop new public housing units within the Revitalizing Area subject to such terms and conditions as are specified by further orders of the Court. The Revitalizing Order is attached as Exhibit 2.

It is expected that certain current ABLA public housing residents who earn more than 35% of area median income will be among the initial residents of public housing units in the redeveloped community. In addition, the overall percentage of units rented to families between 0-35% of area median income is expected to decrease over time, as a commitment is implemented that 50% of public housing replacement units will be occupied by families earning between 36% and 50% of area median income. This increase in incomes will be accomplished as original residents leave the units, find employment or otherwise increase their incomes.

1.10 Fulfill the City's and CHA's obligations under the Memorandum of Agreement among the City of Chicago, the Illinois Historic Preservation Officer, HUD, the Advisory Council on Historic Preservation for the ABLA Redevelopment Project (the Jane Addams Memorandum). [3]

1.11 Maximize employment opportunities for ABLA public housing residents (who shall receive priority), other public housing residents, other low-income residents of the community in which the project is located, and Chicago residents, and maximize business opportunities for public housing resident owned businesses, minority and women-owned businesses and Chicago residents in the planning and implementation of the ABLA redevelopment project

[3]The Jane Addams Memorandum makes certain stipulations regarding the consideration of rehabilitating or demolishing Jane Addams Homes buildings as part of the overall ABLA redevelopment strategy. If it is determined that buildings can be retained as part of a viable, marketable mixed income development, the Jane Addams Memorandum stipulates that they will be rehabilitated in accordance with standards promulgated by the Secretary of the Interior. If buildings are to be demolished, methods and standards are stipulated for proper recordation. The Jane Addams Memorandum is attached as Exhibit 3, and further information is provided in Section 6 on Development Guidelines and Information.

2. DEVELOPMENT SITE AND PARCEL SPECIFICS

2.1 Development Site

The ABLA redevelopment area (the Site) is shown on the map entitled ALBA Post-Redevelopment, included in Exhibit 4. It is bounded by Blue Island Avenue and Racine Avenue on the east; Cabrini Street, Grenshaw Street and Roosevelt Road on the north; Throop, Loomis and Ada Streets, and Ashland Avenue, on the west; and parcels to the south of 15th Street on the south. The Site is contained within a Tax Increment Financing (TIF) district designated by the City in November, 1998. Maps outlining the TIF district and showing existing Site conditions are included as Exhibit 4.

The Site includes major parcels that will be redeveloped as new mixed income housing, parcels targeted for new commercial, existing institutional and community uses such as churches, parks, and schools. For the major mixed income housing parcels, the Selected Respondent will be responsible for master planning, financial planning, developer solicitation, and management and oversight of the development process. The new commercial sites along the east side of Ashland Avenue, the proposed residential rehabilitation project at 15th and Loomis Streets, the existing institutional and community facilities (for example, churches, parks, and schools) are not to be the subject of detailed master planning, financial planning, developer solicitation or development management by the Selected Respondent. These uses and their relationship to the master plan for the mixed income residential development should be incorporated into the Selected Respondent's work product.

2.2 Development Parcel Specifics

2.2.1. Brooks Homes: Brooks Homes, an existing public housing development located among the parcels described above, is being rehabilitated under CHA's Comprehensive Grant modernization program. 132 units have been rehabilitated as the first phase of this project, and plans to rehabilitate an additional 220 units have been finalized. Master planning for the entire Site must incorporate the modernized Brooks Homes. The income tiering described in the Program Goals includes 352 rehabilitated Brooks Homes units in the 1,084 units to be available initially to present ABLA residents.

2.2.2. Jane Addams Homes: Jane Addams Homes, an existing public housing development which comprises one of the parcels identified above, has been determined eligible for listing on the National Register of Historic Places. It will be the Selected Respondent's responsibility to manage and oversee redevelopment in such a way that development activities involving Jane Addams buildings are carried out in accordance with the stipulations of the Jane Addams Memorandum.

2.2.3. Addams Park: The current site of Addams Park will be made available for redevelopment. The master plan will incorporate a physical and financial plan for redevelopment on the current Addams Park site, and the Selected Respondent as a result of this RFP will be responsible for managing the process of implementing development activities on this parcel.

2.2.4. Fosco Park: Expansion plans for the existing Fosco Park are currently being developed. The Chicago Park District is planning to construct a 80,000 square foot community center in the expanded Fosco Park that will include an indoor swimming pool and other recreational facilities, facilities for day and evening child care, a health and wellness center, a computer learning center, the Eisenberg Boys & Girls Club, and offices for the City Department of Human Services, Mayor's Office of Workforce Development, the Chicago Board of Education, and the ABLA Local Advisory Council. The master plan must incorporate the expanded Fosco Park and the community center, but the Selected Respondent will not be expected to prepare a financial plan or manage the solicitation and development implementation process for the redevelopment of this park or the community center.

2.2.5. 15th Street and Ashland Avenue parcels: The City plans to acquire certain parcels along the south side of 15th Street between Loomis Street and Ashland Avenue for residential development and open space, and along the east side of Ashland Avenue between 15th Street and Roosevelt Road for commercial re-use. The City will make these parcels available for development under separate development solicitation processes. The master plan must take into account the redevelopment of these parcels for such uses, but the Selected Respondent will not be expected to prepare a financial plan or manage solicitation and development implementation process for the redevelopment of these parcels.

2.2.6. Chicago Public Schools: Medill School and Jacob Riis School will continue to operate as a school facilities. Both schools will receive expanded outdoor campus parks. The master plan will take into account the continued use of these properties as schools, the Selected Respondent will not be expected to prepare a financial plan or manage the developer solicitation and development implementation process for the redevelopment of the school parcels.

3. SCOPE OF SERVICES

The Group seeks a lead development manager to provide development management services for the physical redevelopment of the Site, including the day-to-day management of the planning and implementation process. Development management organizations or teams responding to this request for proposals (Respondents) should demonstrate that they possess all of the capacities necessary to successfully produce a master plan, a financial plan for the mixed-income housing and other components of the redevelopment as specified in Section 2 and this Section 3. Respondents should also demonstrate the capacity to manage the implementation of the specified components of the redevelopment. Respondents will be expected to operate under arrangements that tie their compensation to performance criteria related as directly as possible to project milestones, and, ultimately, achievement of the Program Goals.

Respondents are expected to bring all necessary capacities to provide day-to-day management, on behalf of the Group, of the master planning and implementation of the entire mixed income residential development contemplated in the 1998 HOPE VI proposal to HUD, including each of the tasks listed below. If a Respondent does not include all of the technical or other capacities necessary to complete the scope, the Respondent must discuss in its proposal the way in which such capacities would be engaged at the appropriate points in the planning and development process. Respondents must at minimum include all necessary capacities to complete the master planning, financial planning, and development management components of the scope, and to establish and sustain involvement by groups and individuals with a stake in the long-term strength of the redeveloped neighborhood.

In order to avoid conflict of interest, the Selected Respondent will not have any interest or participate in any way in development activities other than as specified in the Scope of Services, which may be amended from time to time

3.1. General Responsibilities

The Selected Respondent will at all times work in the interest of achieving the Program Goals to the maximum extent. The Selected Respondent will work closely with and on behalf of the Group to develop a master plan and financial plan for the redevelopment, and to provide day-to-day oversight of their implementation, including the following activities. A Memorandum of Understanding between the member organizations of the Group is attached as Exhibit 1.

3.1.1. Supervising and coordinating Respondent team members and/or other consultants for all aspects of master planning, financial planning and development management

3.1.2. Coordinating information flow, progress and decision meetings with Group members, their designated representatives, and others as necessary

3.1.3. Coordinating communications to interested parties in the neighborhood and city-wide

3.1.4. Provide day-to-day management of implementation activities for physical redevelopment of the Site as specified in Section 2, including:

3.1.4.1. Designing and managing solicitations for developers

3.1.4.2. Making recommendations with respect to the evaluation of proposals by developers, in order to realize the Program Goals to the maximum extent

3.1.4.3. Negotiating with selected developers in the interest of achieving the Program Goals to the maximum extent

3.1.4.4. Supervising the activities of developers during development process

3.1.4.5. Preparing and maintaining master schedules, budgets and progress tracking materials related to the master plan and implementation of the master plan, through full occupancy of the new development

3.1.4.6. Preparing compliance and reporting materials for the physical redevelopment as required by the HOPE VI grant agreement

3.1.4.7. Preparing compliance and reporting materials as required by the documents, regulations and laws governing those funds and approvals

3.1.5. Creating employment and business opportunities for public housing residents, resident businesses and MBE/WBEs (see Section 7 on Employment and Business Opportunities for further information on requirements)

3.1.6. Establishing vehicles for ongoing involvement by interested community stakeholders in the ongoing affairs of the neighborhood

3.2. Specific Work Products and Responsibilities

In carrying out the responsibilities set forth below, the Selected Respondent will provide the services of master planning, financial planning and management of implementation activities with respect to each parcel of the Site as specified in Section 2 on Development Site and Parcel Specifics, and as further detailed in this Section 3 on Scope of Services.

3.2.1. Detailed master plan that achieves the Program Goals: The master plan will include a site plan. For each parcel or area the site plan will include a proposal for the number and type of buildings, unit mix, home ownership and/or rental status, income targeting and bedroom counts among units. Bedroom distribution among the public housing units to be made available in any phase of development will take into account the family size of residents actually choosing to remain in the redeveloped ABLA community. The site plan will also address open space, parking, density and massing of buildings.

The master plan will also address the phasing of redevelopment activities. In carrying out this responsibility, the Selected Respondent will integrate schedules for relocation, heat decentralization, demolition, site assembly and preparation with planned development phasing. In planning for the phasing and implementation of the ABLA redevelopment project, the master plan will take into account the stipulations of the Jane Addams Memorandum.

The master plan will include a master development schedule for the redevelopment project, to be updated on an ongoing basis throughout project implementation. The updated master development schedule will be used in monitoring progress, reporting and communicating to the Group and government agencies, community stakeholders and other interested parties about the status of project.

The master plan will provide for development, in consultation with the Group (in particular the ABLA Local Advisory Council), local historical organizations and former residents, of a museum or interpretative exhibit on the significance of the Jane Addams Homes buildings in the development, planning and management of public housing in Illinois (see Section 6.2).

It is anticipated that the site plan and phasing plan for the redevelopment may also be updated at various points during the development process, to account for changes in market conditions, the needed number of bedrooms among ABLA residents returning to the development, and other issues.

In developing the master plan, the Selected Respondent will incorporate the results of the financial plan, including the market study, as discussed below.

The Selected Respondent will engage the Group and other organizations and individuals with a stake in the long-term strength of the community in the master planning process.

3.2.2. Realistic financial plan for development: The financial plan will address the allocation of HOPE VI and other public funds to different phases of the redevelopment, and estimate the amounts and types of private funds to be sought for each phase. The financial plan will specify the use of specific financing vehicles, such as tax exempt bonds, TIF proceeds, low income housing tax credits, historic rehabilitation tax credits, and estimate the amount and sources of funds to be raised using these vehicles (see Section 4 on Resources for Physical Redevelopment for further information). It is anticipated that the financial plan will be revisited periodically as proposals for the development of individual phases or components of the master plan are finalized, and as significant market shifts occur. However, the financial plan should demonstrate the overall feasibility of the master plan and thus contribute to the basis for solicitations for developers to implement it.

As part of the financial plan, a market study will be produced for the entire redevelopment project. Additional market studies will be produced as necessary thereafter for each phase of development, either by the Selected Respondent or by development teams solicited to produce detailed plans and develop the individual phases or components of redevelopment. The market studies will form the basis of financial plans for each phase and for ongoing financial planning for the redevelopment, will address the needs of the potential residents at all levels of income, and may lead to revisions of the site plan,

phasing or schedule. The City of Chicago commissioned a residential market study as part of the planning process for the 1998 HOPE VI application, which was submitted to the City in April, 1998, and is included as Exhibit 5.

3.2.3. Obtain necessary government approvals to allow for implementation of the master plan: The master plan and financial plan will form the basis from which more detailed design, financing and development plans will be created. In developing the master plan and financial plan, the Selected Respondent will also work with the appropriate public agencies and others to identify and address any potential barriers to receiving other necessary permits and approvals that may arise in the implementation of the master plan. The Selected Respondent will work with the Chicago Plan Commission and City Council to implement a new Planned Unit Development that reflects the master plan. The Selected Respondent will work with the U.S. Department of Housing and Urban Development to gain approval of the master plan and financial plan as the basis for developing mixed finance proposals for each phase of the ABLA mixed income development, as required by the HOPE VI Grant Agreement. A copy of the HOPE VI Grant Agreement is included as Exhibit 6.

3.2.4. Create employment and business opportunities for public housing residents and resident owned businesses, minority and women-owned businesses and Chicago residents: The Selected Respondent will conduct its master planning, financial planning and development management activities in such a way as to maximize such opportunities (see Section 7 on Employment and Business Opportunities for further information).

3.2.5. Establish a vehicle to engage all interested residents of the redeveloped community in decisions about its future: Residents of the redeveloped ABLA community, local institutions and other organizations and individuals with a stake in the future of the neighborhood will be engaged in the affairs of their neighborhood on an ongoing basis. Residents of all levels of income and backgrounds, who are renters or home owners, will be included. The Selected Respondent, working with the Group, will establish a vehicle or vehicles to facilitate discussion and coordination with respect to decisions affecting the future of the entire community.

3.2.6. On-site office: In order to promote achievement of the Program Goals, the Selected Respondent shall establish an office on the redevelopment site.

3.2.7. Provide daily oversight and project management for the high-quality implementation of the redevelopment project: The Selected Respondent will manage the day-to-day implementation activities of the master plan to maximize achievement of the Program Goals, and will be directly responsible for assuring compliance with the terms of the HOPE VI Grant Agreement (see Exhibit 6) on the part of all developers, contractors, consultants and others involved in the implementation of the master plan. Duties include the following responsibilities:

3.2.7.1. Design and manage solicitations for developers to implement each phase or component of the master plan: The Selected Respondent will develop requests for proposals and/or qualifications for development partners to implement the individual phases or

components of the master plan. The Selected Respondent will manage the processes for choosing from among the candidates the development teams offering the best value in terms of their ability to maximize achievement of the Program Goals, compensation and other factors considered. The Selected Respondent will be expected to manage the solicitation process for developers in accordance with all applicable Federal, state and local regulations. CHA and The Habitat Company will be responsible for ensuring that appropriate procurement processes under the HOPE VI program and legal requirements are used.

The Selected Respondent will negotiate arrangements with the development teams that include economic incentives for sustained performance with respect to the Program Goals.

3.2.7.2. Review and evaluate architectural designs for individual phases or components of the master plan: The Selected Respondent will work with the City of Chicago's Department of Planning and Development to oversee the development of designs such that they adhere to the City of Chicago Residential Development Design Guidelines, including its townhouse ordinance, the Chicago Zoning Ordinance and applicable requirements of the U.S. Department of Housing and Urban Development. Designs must comply with Federal, state and local accessibility requirements and will be encouraged to exceed them. If a building or buildings of the Jane Addams Homes is to be rehabilitated, designs affecting that building must also comply with the stipulations of the Jane Addams Memorandum (see Section 6 on Development Guidelines and Information.)

3.2.7.3 Monitor acquisition of all necessary permits and approvals to implement the master plan: During the implementation of the master plan, the entities involved in the development of the individual phases or components of the master plan will be directly responsible for acquiring the permits and approvals from local, state and federal government agencies that are necessary for development to proceed. The Selected Respondent will monitor the progress of the permit and approval acquisition as part of its development management responsibility, and assist as necessary and appropriate, based on its identification of potential barriers during the development of the master plan and financial plan.

A listing of some of the laws, ordinances and regulations applicable to the implementation of the redevelopment project is attached as Exhibit 7[3]. The regulation regarding use of HOPE VI funds in mixed-finance developments, and a listing of evidentiary materials required by the U.S. Department of Housing and Urban Development for such transactions are included in Exhibit 8. The Jane Addams Memorandum, which discusses points at which consultation with the Illinois Historic Preservation Agency is necessary, is attached as Exhibit 3.

[3] The listing provided in Exhibit 7 contains most laws, ordinances, statutes and regulations thought to be generally applicable to developments of the type anticipated by this RFP. Depending upon the specifics of the master plan, however, laws, ordinances, statutes and regulations not listed may be applicable.

3.2.7.4. Oversee proper coordination by development teams with CHA and others as necessary with respect to demolition, site preparation and relocation: The Selected Respondent will supervise and facilitate coordination between development teams implementing individual phases of the master plan and other entities as appropriate, for the effective demolition of structures not targeted for rehabilitation, for site preparation, for environmental remediation, and for the temporary and permanent relocation of current residents. The demolition schedule will be affected by the schedule for planned changes to the heating infrastructure for existing buildings, which will allow them to be demolished without interrupting service to remaining buildings.

In addition, it is intended that temporary relocation for current ABLA residents wishing to remain at ABLA after redevelopment will be accommodated on-site in public housing. The development process and timeline must be closely coordinated during the period in which existing tenants are relocated for construction and then relocated to the newly developed units.

3.2.7.5. Oversee completion of construction or rehabilitation: For each phase of development in the master plan, improvements must be constructed or rehabilitated and all necessary permits obtained for all structures and facilities to be placed in service. The Selected Respondent will monitor completion of planned construction through full occupancy.

3.2.7.6. Oversee and coordinate the creation of business and employment opportunities for ABLA public housing residents and resident-owned businesses, MBE/WBEs, and Chicago residents by entities involved in implementing the master plan: All parts of the redevelopment process, including master planning, design, construction and property management will create employment and business opportunities for ABLA public housing residents and resident-owned businesses (which shall have priority), minority and women owned business enterprises, and low-income residents of the surrounding community, and other Chicago residents (see Section 7 on Employment and Business Opportunities and Information). The Selected Respondent will be responsible for overseeing, coordinating and tracking the creation of such opportunities during the implementation activities for the project.

3.2.7.7. Establish property management arrangements and long-term maintenance priorities for the redevelopment that promote the Program Goals to the maximum extent: Each development phase in the master plan must have high-quality long-term management.

Management of public housing units may be provided under different contractual arrangements with CHA depending upon the development approach and ownership status proposed and approved for such components of the development. For ownership units, activities include the formation and staffing of neighborhood and/or home owners' associations, and maintenance of common areas and amenities. For rental components of the development, activities include: leasing, tenant income and application verifications, rent collections, project accounting and financial reporting, record keeping, preventative and

emergency maintenance and replacements, responding to tenant requests and complaints, and generally performing or causing to be performed all duties required for the management of high-quality, secure, attractive and marketable rental property. It is anticipated that property managers or contractors for related functions will report to the owning entities of redeveloped rental housing and/or any associations of owners of single family housing. However, the Selected Respondent will be responsible for establishing contractual and other arrangements with the owning entities and any associations that promote and enforce high-quality ongoing maintenance and management of the properties.

4. RESOURCES FOR PHYSICAL REDEVELOPMENT

4.1 HOPE VI Funds

The U.S. Department of Housing and Urban Redevelopment recently awarded $35 million for the redevelopment of the ABLA public housing project, which will be combined with a 1996 HOPE VI award of $24.8 million. Of these funds, a total of $43,440,197 has been targeted for physical development activities in the 1998 HOPE VI application.

4.2 Public Housing Operating Subsidy

The CHA receives operating subsidy for public housing units in the City of Chicago. Depending upon the availability of federal operating subsidy, the CHA will make available approximately $350 per unit per month (including tenant rent contribution) for each unit of public housing provided. Amounts up to $450 per unit per month will be available if utilities are included in the rent. These figures are generally equivalent to the allowable expense level per unit per month under the Performance Funding System (PFS), which governs the level of public housing operating subsidy that CHA receives from HUD.

A significant consideration in the future of public housing is the potential for change in the level of operating subsidy approved by Congress over time. In 1996, Congress approved only enough operating funds to subsidize units at 95% of the need calculated under the PFS formula used by HUD and housing authorities to do so. CHA is willing to make limited guarantees as to the amount of subsidy allowed per unit as changes in the PFS system occur.

4.3 Other Affordable Housing Subsidies

The City of Chicago's Department of Housing (DOH) will work with the Selected Respondent and the development teams selected to implement individual phases or components of the master plan to determine the amount and combination of DOH resources necessary to achieve the Program Goals of the ABLA redevelopment. Resources are also available from the Illinois Housing Development Authority (IHDA), upon application. For purposes of the 1998 HOPE VI application, a preliminary plan was developed to demonstrate potential redevelopment solutions. This plan estimated that almost $120 million in City subsidies would be used to create residential opportunities for a range of incomes. Funds identified included approximately $32 million in multifamily mortgage revenue bonds, low income housing tax credits generated by these bonds which would leverage about $37 million in equity investment, secondary mortgage financing of about $20 million, and Tax Increment Financing support.

More detailed information on Chicago Department of Housing programs which may contribute to the project is included as Exhibit 9.

4.4 Historic Preservation Tax Credits

If any development proposals involve the rehabilitation of Jane Addams Homes as a rental development, they could be eligible to apply for historic preservation tax credits equal to 20% of eligible development costs.

4.5 Tax Increment Financing

The Tax Increment Financing (TIF) district was approved on November 2, 1998. The City will dedicate portions of increased local property taxes to the financing of infrastructure improvements. TIF proceeds may also support the issuance of multifamily mortgage revenue bonds by the Department of Housing or IHDA, by supporting up to 30% of the interest portion of the development's debt service to the bondholders. TIF proceeds may also be used for other public benefits.

5. POTENTIAL TRANSACTION ELEMENTS

During the development of the successful application for the 1998 HOPE VI grant for ABLA Homes, several transactional mechanisms were suggested as potential vehicles to combine public housing funding sources with other public and private sources of funds to create the new mixed-income community. Many potential ownership and transaction structures exist for the individual phases or components of the master plan, ranging from the CHA holding no ownership interest, a partial ownership interest, or 100 percent of the ownership interest of the public housing units that are to be developed. The Selected Respondent will work with the Group to ensure that all the approaches it develops to financing the development, and the approaches implemented by the development teams for the individual phases or components of the master plan, will maximize achievement of the Program Goals.

A copy of the HOPE VI application narrative on the physical revitalization of the ABLA public housing development, for information only, is attached as Exhibit 10. Additional information on the transaction structures discussed in the application is available upon request.

5.1 Site Ownership and Control

The Site consists of parcels currently owned by CHA and parcels that will be acquired by the City. It is expected that CHA will enter into a long-term land lease or leases to allow for redevelopment on parcels it owns. The City intends to acquire other parcels and make them available for redevelopment as necessary either by lease or sale.

6. DEVELOPMENT GUIDELINES AND INFORMATION

In general, the master plan and architectural designs should include low-rise attached, semi-attached or free standing structures that are comparable to the density and character of the surrounding neighborhood. Mid-rise structures may be considered if they are well integrated into the master plan , compatible with surrounding development, consistent with HUD regulations with respect to placement of public housing units for families, and promote the achievement of the Program Goals. Buildings, units and layouts should provide functional, attractive and marketable housing arrangements for housing units targeted to all levels of income in the redeveloped community. Architectural and site designs should promote efficient project operations, lower maintenance costs, energy efficiency and the safety and security of the occupants.

Specifically, the master planning and design of the project must address the City of Chicago's Residential Design Objectives and Townhouse Ordinance, HUD Housing Quality Standards, the Chicago Zoning Ordinance, requirements and guidelines for accessibility and visitability by people with disabilities promulgated both by HUD and the Mayor's Office for People with Disabilities, orders of the court in the Gautreaux case, and any other federal, state and local requirements. Development activities affecting buildings of the Jane Addams Homes must comply with the Jane Addams Memorandum with respect to rehabilitation or recordation and demolition.

6.1 City of Chicago Residential Development Design Objectives

As stated in the Program Goals, the ABLA redevelopment is intended to create an attractive, economically integrated and positive community environment. Townhouse development will adhere to the City's townhouse ordinance, as applicable. The City of Chicago's design objectives are intended to reinforce and strengthen the physical, economic and social aspects of the entire community. The master plan and each phase of development will be expected to contain the following elements:

6.1.1. Neighborhood planning that restores a traditional urban fabric and adds to the Near West Side's character as a compact, pedestrian-friendly, mixed use and secure urban neighborhood, consistent with the City's open space and parking requirements for new residential development

6.1.2. Housing that mixes building scales, housing types and densities to create a model for a livable and economically viable mixed-income development

6.1.3. Architecture and landscape design that draws on familiar and successful Chicago neighborhoods and promotes principles of defensible space

6.1.4. Architecture and infrastructure that promote the independence of people with disabilities and enable them to participate equally in all facets of community life

Design objectives based on these principles, and intended to describe more fully the desired character of new residential development, and copies of relevant ordinances are available upon request.

6.2 Historic Preservation

Jane Addams Homes has been determined eligible for listing on the National Register of Historic Places. It will be the Selected Respondent's responsibility to conduct master planning, financial planning and development management and oversight such that the City's and CHA's responsibilities under the Jane Addams Memorandum are met. If any historic buildings are to be retained, they will be rehabilitated to the maximum extent feasible in accordance with the *Secretary of the Interior's Standards for Rehabilitation of Historic Buildings*. If any historic buildings are to be demolished, they will be recorded in accordance within the Jane Addams Memorandum. The Jane Addams Memorandum is included as Exhibit 3, and the *Standards* are available upon request. The National Park Service guidelines on interpreting the Standards may be obtained from the Illinois Historic Preservation Agency.

The master plan will provide for development, in consultation with the Group (in particular the ABLA Local Advisory Council), local historical organizations and former residents, of a museum or interpretative exhibit on the significance of the Jane Addams Homes buildings in the development, planning and management of public housing in Illinois. As stipulated by the Jane Addams Memorandum, the Jane Addams Homes museum will be located on the original site of the Jane Addams development, and in an existing building, if feasible, or in a new building or structure on the Jane Addams parcel that is accessible to the public. An architectural review will be completed to determine whether use of an existing building is feasible. The Selected Respondent will work with the Group to develop a plan for the financing, development, ownership and operation of the museum or exhibit, and to recruit or organize entities to realize the plan.

6.3 Public Housing Unit Mix and Dispersal throughout the Development

As noted in the Program Goals, new public housing units are to be dispersed to the maximum extent throughout the redeveloped neighborhood, and in the full range of housing types and unit sizes developed. As noted in the Scope of Services, bedroom counts of public housing units will take into account the actual family size of ABLA public housing residents choosing to remain in the redeveloped ABLA community.

6.4 Access by Persons with Disabilities

Designs developed by teams selected to implement the individual phases or components of the master plan will be required to comply with all applicable federal, state and local accessibility statutes. HUD requires that 5% of all public housing units be accessible to the physically disabled under the regulations of the Uniform Federal Accessibility Standards (UFAS), and that an additional 2% of public housing units be equipped with devices for the visually or hearing impaired. In addition, respondents will be encouraged to provide for both accessible and adaptable units that exceed the minimum requirements

and indicate the inclusion of both accessible and adaptable units in all types and styles of housing, not concentrated in one part of the development. For more information and suggestions, the City of Chicago's *A Guide to Fair Housing: Creating Options for People with Disabilities* is available upon request.

6.5 Open Space and Parking Objectives

The Selected Respondent will be expected to develop a master plan providing adequate open space for each unit in the redeveloped community, and to ensure that in the detailed planning and implementation of each phase or component of the master plan that parking and open space are provided. The Selected Respondent will be responsible for working with the Chicago Park District, the CHA, and the City to include the expansion of Fosco Park and the development of other neighborhood parks in the master plan. Developments are generally expected to provide a minimum of 150 square feet of usable common open space per unit. If the development cannot accommodate the required open space within the development, a fee can be paid in lieu of providing the open space. The development will provide convenient and safe parking for all residents who require parking, and parking for people with disabilities, in compliance with applicable City of Chicago ordinances and design objectives.

6.6 City of Chicago Zoning

The parcels containing Jane Addams, Brooks, Brooks Extension and Grace Abbot Homes are ~~is~~ currently zoned for residential use as part of Planned Development #4, which approved their existing design and construction. Addams Park, although most recently used as a public park, is zoned R-4 as a General Residence District. The strip of land along the south side of Roosevelt Road between Ashland and Racine Avenues, and along the south side of 15th Street between Ashland Avenue and Throop Street will be rezoned to accommodate residential development.

The Selected Respondent will work with City of Chicago's Department of Planning and Development to implement a new Planned Unit Development for the Site, based on the master plan, which will be subject to approval by the Chicago Plan Commission and City Council. the City of Chicago's Planned Unit Development Handbook is included as Exhibit 11. A listing of applicable statutes, laws, ordinances and regulations is attached as Exhibit 7.

6.7 Gautreaux Revitalizing Order

The redevelopment project is subject to a Revitalizing Order entered in the Gautreaux case on June 19, 1998. The Revitalizing Order authorizes the Receiver in the Gautreaux case to develop new public housing units within the Revitalizing Area subject to such terms and conditions as are specified by further orders of the Court. The Revitalizing Order is included in Exhibit 2.

7. EMPLOYMENT AND BUSINESS OPPORTUNITIES

The Selected Respondent must comply with all Federal, state and local laws and ordinances in relation to the development of the project, including requirements related to participation by minority and women-owned businesses, and Section 3 employment, business and training opportunities for ABLA public housing residents (who will have priority) and low and very low income residents of the community area in which the project is located, and Chicago resident employment. The City and CHA will to use CHA's standards and procedures for compliance with Section 3 and MBE/WBE requirements, including contractual requirements related to Section 3 hiring and business opportunities. Respondents will be evaluated on the approach they propose to provide employment and business opportunities during the creation of the master plan and the financial plan for the development. Respondents will also be evaluated on the approach they propose to oversee the creation of business and employment opportunities by teams selected to develop individual components or phases of the master plan. In addition, for development involving any type of federal funding (HOPE VI, HOME, CDBG, public housing modernization funds and/or operating subsidy), must comply with the requirements of the Davis-Bacon Act, and Executive Order 11246 on equal opportunity.

Further information on CHA's requirements, procedures and documentation is attached as Exhibit 12.

8. SUBMISSION REQUIREMENTS

8.1 Responsive Proposals

In order to be considered responsive to this Request for Proposals, Respondents must address each of the items listed in the Section 10.4 on Submission Format in their submissions. Responses must be submitted in the form specified in Section 10.4; however, portions of submissions may be cross referenced to avoid duplication. Submissions will be reviewed for omissions of items upon receipt, and Respondents notified of any omissions. Respondents will be asked to provide any missing information within a specified period, if in the Evaluation Panel's sole discretion the nature of the omitted material is such that additional time to provide it would not constitute a competitive advantage to the Respondent that made the omission.

The Evaluation Panel reserves the right to recommend that any or all submittals, and/or any parts thereof, be accepted or rejected, and that any informality in any submittal be disregarded, if in the opinion of the Evaluation Panel the achievement of the Program Goals will be served thereby.

The Respondent will provide sixteen (16) full copies of the Submission. All documents which require signatures will have original signature on all sixteen (16) copies of the Submission.

The Selected Respondent will be required to provide original signatures on all Previous Participation Certificates (HUD Form 5030) in six (6) additional copies that will be submitted to HUD for approval.

8.2 Deadline for Submissions

Submissions must be received at no later than 4:00 p.m. Central Standard Time on September 16, 1999 for submissions originating within the Chicago metropolitan area. Submissions arriving in overnight delivery packages originating outside the Chicago metropolitant area must be received no later than 10:00 a.m. Central Standard Time on Friday, September 17, 1999. Submissions must be received at the following address:

ABLA Development Manager Request for Proposals
c/o Dana Sutton
City of Chicago Department of Housing
318 South Michigan Avenue, 6th Floor
Chicago, IL 60604

If received after the time indicated, submissions will be rejected and returned unopened. Submissions will be opened immediately after the time that they are due.

9. SELECTION PROCESS

9.1 Role of the City of Chicago Department of Housing

The City of Chicago Department of Housing has agreed to oversee the selection process on behalf of CHA, The Habitat Company and the Group. The Department of Housing will convene the Evaluation Panel, manage communications and document flow with respect to the selection process, document the proceedings and facilitate the engagement of expert advisors.

9.2 Evaluation Panel

Responsive submissions will be rated and ranked by an Evaluation Panel representing the Group. As a result of the process described below, the Evaluation Panel will provide recommendations to the the Chicago Housing Authority and The Habitat Company as to the selection of a Respondent. The Evaluation Panel will include representatives of each of the entities participating in the Group.

9.3 Expert Advisors

Experts in fields such as the development of large-scale mixed-income housing including public housing, partnership structuring for large-scale development, real estate finance, historic preservation, architectural design and/or master planning may be selected by the Department of Housing to advise the Evaluation Panel during the selection process. It is anticipated that the ABLA resident representative may also choose to involve an expert advisor and/or legal counsel during Evaluation Panel deliberations. Such expert advisors will not rate and rank Respondent submissions.

9.4 Process

The Evaluation Panel will rate and rank submissions in response to this Request for Proposals based upon the Selection Criteria listed below, and recommend a Respondent for selection. Based upon its initial review of the Submissions and information gathered as a result of inquiries clarifying the initial submissions, the Evaluation Panel may recommend that some number of Respondents be selected as Finalists. Finalists will be interviewed and asked to present their approach and proposal for the Scope of Services to the community. Finalists may also be asked to submit additional or more detailed material in response to issues and questions discussed during the interview and community presentation process.

In making recommendations to CHA and The Habitat Company, it is expected that the Evaluation Panel will select the Respondent whose submission offers the best value in terms of the long-term achievement of the Program Goals, considering the quality of the proposal, the Respondent's qualifications, compensation structure, price and other factors.

The Evaluation Panel may also elect not to recommend a Respondent as a result of this process. In addition, the Evaluation Panel reserves the right at any time to recommend withdrawal of this RFP.

In no event shall the City, CHA or other participants in the selection process under this RFP be liable to Respondents for any cost or damages incurred by Respondents or Respondent team members, subconsultants, or other interested parties in connection with this request for proposals process, including but not limited to any and all costs of preparing the Proposal and participation in any conferences, oral presentations or negotiations.

9.5 Confidentiality

Respondents may designate portions of the submissions which contain proprietary information to remain confidential. Each page of each item regarded as confidential should be clearly marked "CONFIDENTIAL". Respondent financial statements, submitted in accordance with the section on Submission Format below, will be considered confidential material regardless of whether or not they are so marked.

10. SELECTION CRITERIA AND SUBMISSION REQUIREMENTS

10.1 Ranking System

The Evaluation Panel will have a 100-point scoring system. Percentages of total points for each selection criterion are listed in parentheses, below.

10.2 Factors Considered for Each Selection Criterion

For all of the selection criteria listed below, the Evaluation Panel will evaluate the approach outlined in the Respondent's Submission, along with the Respondent team's experience and qualifications to plan and manage the implementation of a detailed strategy that effectively addresses the Program Goals. While the development manager will not be expected to develop the various components of the master plan directly, practical experience in the direct design, development, financing, marketing, property management, maintenance and/or asset management of real estate will be taken into account by the Evaluation Panel in considering the capacity of the Respondent to produce realistic master plans and financial plans, and to negotiate arrangements with developers for the implementation of the master plan and to ensure effective implementation. To the extent that the Respondent team has worked with projects that have similar characteristics to those envisioned for the ABLA redevelopment project, either as part of a development manager team or as part of an implementing development team, the Evaluation Panel will take the characteristics of those projects into account as they relate to the selection criteria. The Evaluation Panel will consider the past experience of each member of the Respondent team, the team's capacity as a whole, and the team's experience in working together (if any).

10.3 Selection Criteria

10.3.1. Proposal for Project Master Planning, Financial Planning and Development Management (30% of total): The Evaluation Panel will consider the extent to which the Respondent team's proposal for master planning, financial planning and development management is likely to promote the Program Goals. The Evaluation Panel will consider the potential to realize the Program Goals represented by the Respondent's approach to developing a master plan and realistic financing plan for the development, and the anticipated types of relationships between public and private sector organizations that it envisions may be necessary and appropriate to carry out its master plan, and the way in which it proposes to fulfill the Scope of Services.

The Evaluation Panel will also consider the Respondent's commitment, approach and process for creating employment, business and training opportunities for ABLA public housing residents (who shall have priority), other public housing residents and low or very-low income residents of the project's community service area, and business opportunities for resident-owned businesses, Minority and Women Enterprises (MBE/WBE), employment opportunities for Chicago residents.

10.3.2. Qualifications for master planning, financial planning and development management (45% of total): The Evaluation Panel will consider the Respondent's capacity and previous experience to plan and manage the implementation process of a redevelopment program at the scale and complexity of the ABLA Redevelopment, comply with all statutory and regulatory requirements, and successfully achieve the Program Goals. In doing so, the Evaluation Panel will consider the proposal provided by the Respondent alongside the team's prior experience in planning and managing the implementation of similar projects.

The Evaluation Panel will consider the Respondent team's capacity to establish arrangements with individual developers and other entities involved in the implementation of the master plan that will result in high-quality marketing, management and maintenance of components of a large mixed income rental and home ownership community, including ongoing compliance with all applicable laws and regulations as well as economic performance and resident satisfaction.

The Evaluation Panel will also consider the degree to which the Respondent team's stated approach, experience and track record indicate an ability to carry out both the general and specific responsibilities, and deliver the work products, stated in its proposal.

In the submission related to this criterion, Respondents should provide the required information for team members responsible for completing each component of the Scope of Services in a timely, responsible, professional and high-quality fashion. The Evaluation Panel will also consider the level of current commitments engaging important staff of the Respondent team and the expected duration of those commitments.

10.3.3. Resident and Community Participation (15% of total): The Evaluation Panel will consider the Respondent team's proposed process and programmatic strategies for achieving meaningful participation by all residents and stakeholders of the redeveloped community in the decision-making and ongoing operations of the development. The Evaluation Panel will consider the Respondent Team's track record and experience in resident and community involvement in evaluating proposals under this criterion.

10.3.4. Compensation and Business Approach (10% of total): The Evaluation Panel will consider the roles and responsibilities contemplated for each member of the Respondent team and the fees or other compensation structure proposed for their involvement, and the way in which their compensation is proposed to be tied to performance for the component of the Scope of Services for which they are responsible.

Respondents are required to outline compensation structures that they would propose for all of the activities described in their proposal, and discuss how these compensation approaches will contribute to the achievement of the project's Program Goals.

10.4 Submission Format

Responses must be submitted in the form of the submission format, below. However, portions of submissions may be cross referenced to avoid duplication, and exhibits may be included in submissions in addition to the required exhibits listed below.

10.4.1. Executive Summary: To be written by the Respondent and to precede the following letter, submissions and exhibits.

10.4.2. Letter: Respondents should certify, under signature, to the content of the entire proposal. The letter will include sections and subsections as detailed below, and provide all the information requested in this RFP as well as all assurances required by HUD and CHA.

10.4.2.1. Organization of Respondent team

a. Organization chart showing all legal entities involved in the Respondent team, their relationships to one another, their responsibilities under the Respondent's proposal, and personnel with individual responsibilities in the proposal. (Respondents should include agreements, letters of intent or other documents regarding relationships between the entities of the Respondent team, if any, as an Exhibit to their submissions.)

b. If the Respondent team includes more than one legal entity, identification of the legal entity considered the "lead" in the Respondent team, which would expect to enter into direct contracts to fulfill the Scope of Services.

c. Designation of a contact person and alternate contact person for purposes of communications related to this RFP. The contact person will function as the single point of contact for the Department of Housing throughout the selection process. The Respondent will provide address, telephone and facsimile information for both the contact person and the alternate.

10.4.2.2. Proposal: The Respondent's proposal should address at minimum all the components of the Scope of Services, in the order that they are set forth in Section 3 on Scope of Services, cross-referencing as necessary. Work products and project milestones for each component specified in the Scope of Services in Section 3 should be identified and described. A proposed project schedule should be included, noting estimated delivery of work products and achievement of project milestones.

10.4.2.3. Qualifications: The Respondent should provide a discussion of the qualifications of each member of the Respondent team with respect to each component of the proposal, referencing prior relevant experience in master planning, financial planning and development management, and/or direct development, financing, marketing, property or asset management,

or other experience the Respondent considers relevant to its proposal and the Scope of Services. In this discussion, the Respondent should note particular experience with communities or developments containing mixed-income rental and/or home ownership housing or both, and experience with specific government subsidy programs, if any.

In addition to this discussion, the Respondent should provide:

a. Resumes of principals and specific personnel to be assigned to the ABLA redevelopment project. Please note prior experience of team members working together, if any, and locations of each individual's home office.

b. Listing of previous projects for which the Respondent team or team members produced the master plan or the financial plan and/or acted as development manager, or for which the Respondent team or team members acted as part of the implementing development team or as a property manager or asset manager. Respondent teams should include all projects considered relevant by the Respondent, including as appropriate team members' experience in the master planning, design, financing, development, marketing and property management of urban rental and home ownership projects, including:

   (i) Affordable and/or mixed income components, with unit mix and mix of incomes, if any;
   (ii) Subsidy programs used, if any;
   (iii)Historic rehabilitations, or projects in which historic buildings were integrated into larger master plans and/or developments, if any;
   (iv) Developments containing both commercial and residential components, if any, and;
   (v) For each project listed, include date placed in service, names of clients and any public sector partners, with contact names, addresses, and telephone numbers.

c. If members of the Respondent team have acted as property managers or asset managers, discussion of the financial and programmatic performance history and status of the projects in their portfolio, including identification of low or mixed income projects (if any) and the types of government subsidies (if any) involved in the financing of the projects.

d. Discussion of strategies used in previous projects by Respondent team members for creating employment and business opportunities for public housing residents and resident-owned businesses, low income residents of project communities, and MBE/WBEs, and the outcomes of those strategies. For each project discussed, provide a reference or references including name, title or position, telephone number and address.

e. For the "lead" member of the Respondent team, the most recent three years' financial statements of the organization, including balance sheet and income and expense information. The Respondent should provide the statements in a separate envelope (in other words, not bound with the remainder of the Submission) and reference them in the body of the Submission. Financial statements will be considered confidential information and will be reviewed separately by DOH. DOH will be the only one of the Evaluation Panel organizations to review financial statements.

f. Discussion of existing commitments and their potential impact on key staff's ability to commit time and/or travel to Chicago, if necessary, during the periods of time when their expertise would be needed.

g. Listing and brief description of all legal actions for the past three years in which any Respondent team member has been barred from participating in Federal contracts, a debtor in bankruptcy, a defendant in a lawsuit for deficient performance under a contract, a defendant in an administrative action for deficient performance on a project, or a defendant in any criminal action. Indicate resolutions that have been reached.

10.4.2.4. Resident and community participation: Respondents should provide the following:

a. Discussion of their approach and process contemplated for creating meaningful opportunities for resident, community and stakeholder participation and involvement.

b. Discussion of their experience with creating vehicles for engaging residents and community members in the ongoing affairs of the development or neighborhood for any previous public housing, affordable, or mixed-income, rental or home ownership projects, and the outcomes of those strategies. For each project discussed, provide a reference or references including name, title or position, and contact information.

10.4.2.5. Proposed pricing for services:

a. Narrative describing the legal and organizational approach employed by Respondent team members in development manager situations in which they have participated in the past, discussing outcomes achieved to date.

b. Detailed compensation proposal based upon the proposal for the Scope of Services. The compensation proposal should address each component of the proposal for the scope of work, addressing work products and milestones as appropriate. Respondents should outline how compensation would be paid and what events would trigger payments. Compensation proposals should be comprehensive and will be subject to negotiation. Respondents should outline the following details, for each member of the Respondent team:

(i) Identification of team member
(ii) Responsibilities under the Scope of Services

(iii) Calculation of compensation, including, for each component of the proposal:
-- List of staff members involved
-- Estimated gross work hours per staff member, for each year of the schedule
-- Hourly rates including salary, overhead and indirect costs per staff member
-- Estimated out of pocket expenses
-- Sum of costs for each specific deliverable and for each other component of the proposal
(v) Total estimated compensation for completing the entire proposal and all deliverables
(iv)Proposed linkages between compensation and performance under the component(s) of the proposal for which the team member is responsible

10.4.2.6. Exhibits: Respondents will also complete and submit all of the statements, affadavits and other materials included on the following forms, which are included in this RFP as Exhibit 13:

(i) Statement of Bidder's Qualifications
(ii) Subcontractor Information Submittal
(iii)Contractor's Affadavit
(iv)MBE/WBE Utilization Plan and Amendment
(v) Section 3 Opportunities Plan

Respondents should review the standard contract information that will apply to service contracts entered as a result of this RFP, which are included in this RFP in Exhibit 14.

EXHIBIT 1:

Memorandum of Understanding between the member organizations of the ABLA HOPE VI Working Group

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is made as of the 21st day of May, 1999, by and between the following parties: The Chicago Housing Authority ("CHA"), the Habitat Company ("Habitat"), the City of Chicago Department of Planning and Development ("DPD"). the City of Chicago Department of Housing ("DOH"), the ABLA Local Advisory Council ("LAC") and Plaintiff's counsel in Gautreaux vs. CHA et. al., (collectively, "the Parties"). The purpose of this Memoradum is to clarify and confirm the understandings of the parties regarding their current intentions relative to the collective efforts proposed to be undertaken in order to revitalize the ABLA Homes Community as contemplated in the HOPE VI Revitalization Plan. The Parties acknowledge and understand that the statements contained in the Memorandum are subject to the approval of the governing body of each Party as may be required by law or by the Charter or rules governing each Party.

Recitals

The Parties propose to undertake a project to redevelop the ABLA Homes ("the Project"). Subject to applicable legal requirements. and recognizing that each participant brings certain resources and responsibilities:

The Parties propose to meet on a regular basis in order to collectively make decisions regarding the Project;

The Parties pledge good faith and best efforts to make each such decision by concensus;

It is the intent of the Parties that each Party will participate in the decision-making process as fully as possible:

It is the intent of the Parties to ensure that no single Party has more control than any other Party in the working group decision-making process:

It is the intent of the Parties to work with a Development Manager for the Project to develop a Master Plan and to work diligently to implement the Master Plan for the benefit of the entire ABLA Homes Community.

THEREFORE, the Parties set forth their respective contributions and responsibilities as follows:

The CHA and Habitat

The Chicago Housing Authority ("CHA") and The Habitat Company, as receiver for CHA's development of non-elderly housing programs ("Habitat") have authorized DOH to issue a Request for Proposals and to manage the process of selecting a Development Manager. However, CHA and Habitat shall remain separately responsible for those duties imposed respectively upon each under the HOPE VI and other public housing capital funding rules and regulations. orders of the Gautreaux court, and all federal. state and local laws.

At the appropriate point in the process. CHA and Habitat will enter into separate contracts with entities and individuals for matters that fall within their various areas of responsibility under the Recievership Order of August 14. 1987 in the Gautreaux case and subsequent orders of the court.

CHA will lease its land to an approved Developer(s) who will be responsible for constructing certain physical improvements. CHA will be responsible for ensuring that applicable HUD and CHA management requirements are met and that relocation services provided for all residents choosing Section 8 relocation will be provided by CHA's private contractors.

City of Chicago Department of Planning and Development ("DPD)

DPD will oversee and coordinate the participation of all City Departments and other agencies of local government involved in the redevelopment process, including but not limited to, the Chicago Board of Education and the Chicago Park District. DPD will also coordinate assistance and communication with other government agencies to ensure the compatibility of various redevelopment projects in the area. DPD will coordinate and fund via the Roosevelt/ Racine TIF the acquisition of private parcels to be redeveloped in the Project, subject to the required process and approval.

City of Chicago Department of Housing ("DOH")

DOH will issue the Request for Proposal ("RFP") for a Development Manager. On behalf of the Parties, DOH will be responsible for coordinating all meetings and conferences regarding the RFP. DOH will provide technical advice regarding the financial structuring for the Project. DOH will coordinate and provide identified funds for the development of homes subject to the required process and approval.

ABLA Local Advisory Council ("LAC")

LAC is the elected representative body of the ABLA residents. The LAC will represent the concerns and interest of the residents to the other Parties and convene meetings of its membership to keep the tenants apprised of all phases of the redevelopment process. The LAC will have two (2) representatives as a part of the working group.

Plaintiff's Counsel in Gautreaux

Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement of 7/25/96 between plaintiff's counsel and CHA respecting a portion of the funding for the HOPE VI Revitalization Plan.

University of Illinois Chicago ("UIC")/Illinois Medical District ("IMD")

One representative will serve as the liaison for both UIC and IMD. This representative will participate in the redevelopment process to ensure that assistance from both or either entity is properly coordinated. The representative will be responsible for keeping both UIC and IMD apprised of the redevelopment process. UIC and IMD will submit the name(s) of the representative to the Alderman. The Alderman will submit one name to the working group. The working group parties will by consensus approve or reject the Alderman's recommendation.

Other Provisions

This Agreement shall not create a partnership or joint venture among the Parties hereto. There are no third-party beneficiaries of this Agreement and no third-party shall have any rights hereunder.

By executing below the parties indicate that the foregoing correctly sets forth their understanding regarding their respective obligations and contributions to the ABLA Homes revitalization project.

City of Chicago
Department of Planning and Development

BY: _____
Commissioner

City of Chicago
Department of Housing

BY: _____
Commissioner

Chicago Housing Authority

BY: _____
Executive Director

The Habitat Company

BY: _____
Vice President

ABLA Local Advisory Council

BY: _____
President

Plaintiff's Counsel in Gautreaux vs. CHA et. al.

BY: _____
One of the Attorney's for the Plaintiff

EXHIBIT 4:

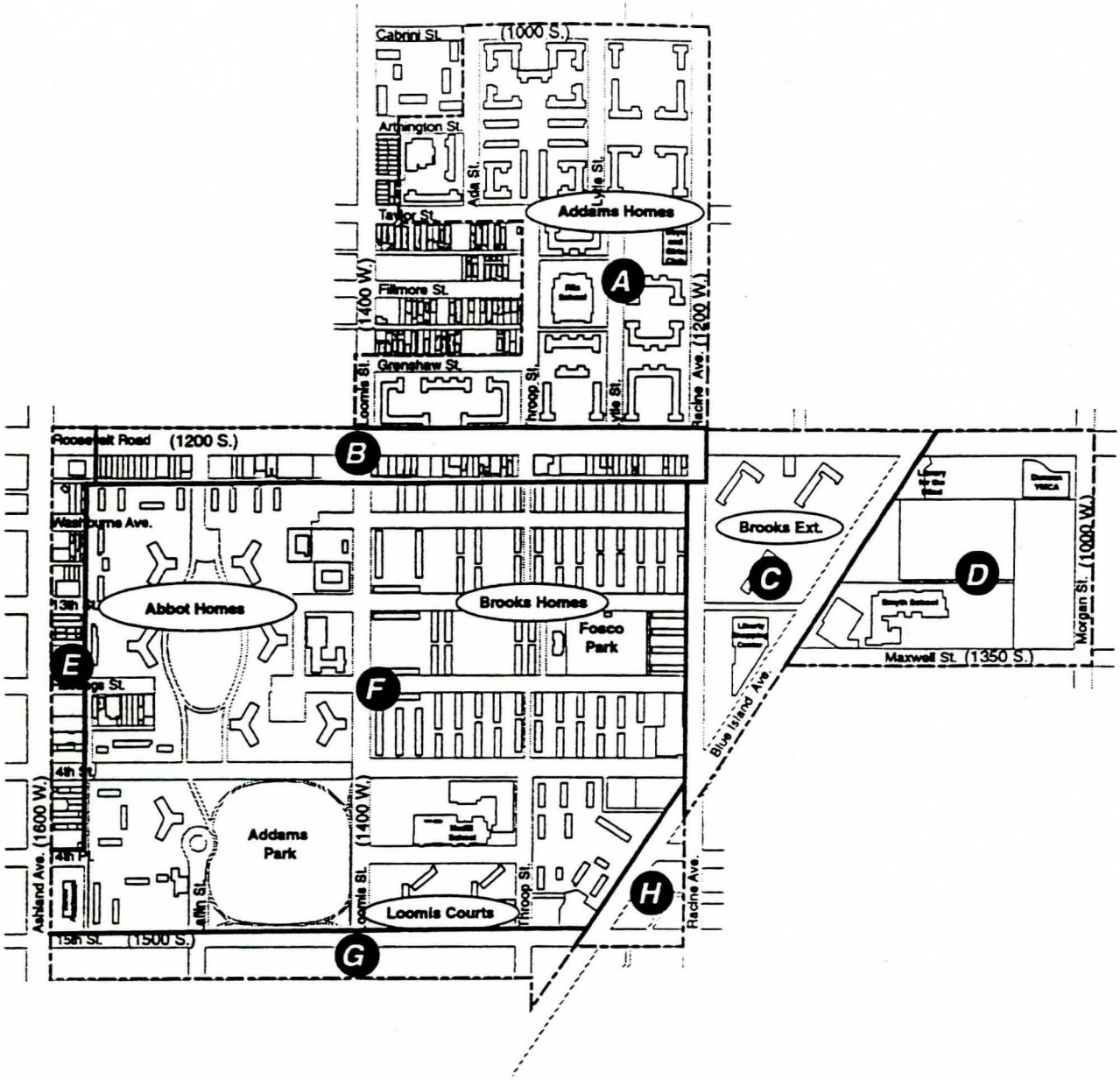
ABLA Post-Redevelopment map, showing the Site

Map of the Tax Increment Financing District designated November 11, 1998

Map showing existing conditions on the Site

ABLA Post - Redevelopment

- Residential
- Mixed Use
- Institutional
- Commercial
- Parks



Project Area Boundary

Sub- Area Boundary

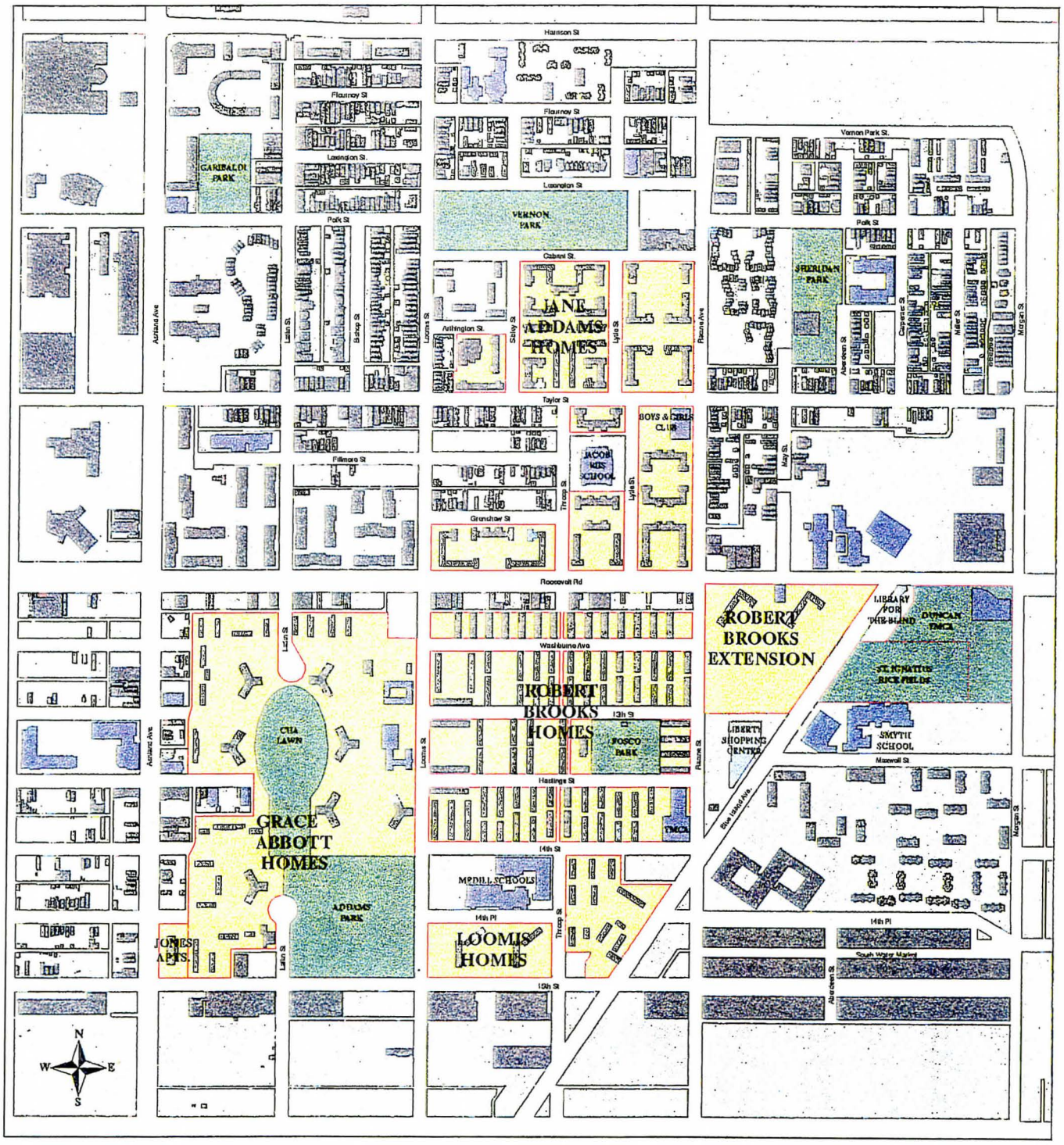
F Sub- Area

ning Subareas

Roosevelt Rd.\ Racine Ave. **Chicago, Illinois**

x Increment Financing Redevelopment Project Area

Prepared By: Trkla, Pettigrew, Allen, & Payne, Inc.



ABLA REDEVELOPMENT

EXISTING CONDITIONS

JUNE 1998

CHA PROPERTY

INSTITUTIONS

PARKS

Exhibit E

RECEIVED

JUL 29 1999

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

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

990 4959

CONCERNED RESIDENTS OF ABLA, FERRELL FREEMAN, NONA YOUNG, CAROLYN NANCE, WANDRA STIMAGE, VIOLA SINGLETON, and VERA SMITH, on behalf of themselves, and AFRICA SIMPSON, KIZZIE JOHNSON, LATONYA MAXWELL, LATONYA WILLETT, and LORREE BROWN, on behalf of themselves and all others similarly situated,	No.
Plaintiffs,	Complaint for Declaratory and Injunctive Relief
vs.	
THE CHICAGO HOUSING AUTHORITY ("CHA"), an Illinois Municipal Corporation; PHILLIP JACKSON, In His Official Capacity as Chief Executive Officer of the CHA; THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD"); and ANDREW CUOMO, In His Official Capacity as Secretary of HUD,	JUDGE GETTLEMAN MAGISTRATE JUDGE ASHMAN
Defendants.	

COMPLAINT

I. PRELIMINARY STATEMENT

1. This civil rights class action lawsuit is brought to redress the harm to current and former residents of the Addams, Brooks, Loomis, and Abbott ("ABLA") public housing development on Chicago's Near West Side and to people on CHA's waiting list. ABLA is in the recently gentrified Near West Side medical district area and abuts Little Italy. As the neighborhood has become more desirable, the ABLA projects, blighted by years of neglect, stand in the way of "progress."

2. The Chicago Housing Authority ("CHA"), using $60 million of HUD money, developed a plan to tear down most of ABLA, destroying 3,000 housing units needed by the impoverished, very low-income, African American, female-headed households with children who live or recently lived in ABLA, or who have applied for public housing in Chicago and are waiting for an available unit.

3. The CHA has already displaced over 1,000 ABLA families, and hundreds more will be relocated to "revitalize their neighborhood."

4. Ninety-nine percent of the residents of ABLA are African American. They have lived for decades both to the north and south of Roosevelt Road. The defendants' "revitalization" plans would change that. Where today there are very low income African American residents in ABLA on both sides of Roosevelt Road, "revitalization" will concentrate those who remain almost exclusively south of Roosevelt Road -- away from the gentrifying and predominately white areas of Little Italy and University Village that are north of Roosevelt Road, and away from the new market and above-market rate construction which is the centerpiece of CHA's "revitalization" plan.

5. Under the defendants' plans, more than 2,500 units of public housing for very low income residents will be lost at ABLA, while hundreds of new homes unaffordable to them will be built. Approximately three-fourths of the new homes will be occupied predominantly by higher-income families, many of whom are likely to be white families.

6. Although one-half of the new units to be constructed at ABLA are set aside for "public housing eligible" families, these units will be for what federal guidelines term "low income" families (families with an average annual income between 50% and 80% of the area median income ("AMI") for the Chicago area (between $28,700 and $45,920 for a family of

three). ABLA residents are overwhelmingly "very low income" families (with an average annual family income of $5,883). Under defendants' plans, only a small portion of the proposed new units will be set aside for them. The "very low income" ABLA families will be given rehabilitated public housing units, not newly constructed homes, or will be relocated away from the community. More than two-thirds of very low income units at ABLA will be eliminated.

7. On July 13, 1999, the CHA defendants caused to be issued a Request for Proposal ("RFP") for a development manager to implement CHA's "revitalization plan" for ABLA. Responses to the RFP are due on or before September 16, 1999.

8. This suit has been filed because all reasonable steps short of litigation have failed. The sad fact is that less discriminatory means of consolidating, repairing and replacing the public housing at ABLA are available to the defendants, but defendants have ignored these alternatives and have excluded plaintiff Concerned Residents of ABLA ("CRA"), the individually-named plaintiffs, and plaintiff class members from participating or consulting in the formulation of plans for ABLA despite explicit statutory mandate to include them. (See § IV.B., infra.) Unfortunately, the people already displaced were not informed of their rights and instead of being offered the opportunity to remain in a revitalized ABLA, were shuffled off to segregated areas of Chicago, either by intent or culpable inaction, once again in violation of these residents' statutory rights. Shamefully, these public agencies mandated to use public money to reduce racial segregation have conceived a plan which fails to alleviate the blight of segregation for these very poor, African American, female-headed households. These people are seeking to have the Court protect them by forcing these public agencies to do what the law requires – fully informing the present and former ALBA residents of their rights, and requiring consultation with the residents to create a plan which provides the maximum amount of integrated housing for very

low income families. (See, § IV., infra) Despite statutes and regulations requiring such conduct, defendants have to date failed to do this and have taken numerous actions in direct violation of federal housing, relocation and civil rights laws.

II. JURISDICTION AND VENUE

9. This court has jurisdiction over plaintiffs' claims under 28 U.S.C. §§ 1331 (federal question) and 1343 (civil rights), and 42 U.S.C. § 3613 (fair housing). Venue is proper in this judicial district under 28 U.S.C. § 1391(b).

III. PARTIES

The Plaintiffs

The Concerned Residents of ABLA

10. The Concerned Residents of ABLA ("CRA") is an association of tenants living in the ABLA public housing development. CRA is incorporated as an Illinois non-profit organization. CRA's mission is to act as an advocate for ABLA residents in the residents' efforts to protect their rights as tenants of the CHA, to stimulate self-determination for the residents, and to encourage all ABLA residents to become responsible citizens of the community. CRA also seeks to represent the best interests of all ABLA tenants. All ABLA tenants are eligible to join CRA and to participate in CRA activities.

11. ABLA residents formed CRA in the fall of 1996 when it became clear to them that CHA had plans to demolish much of ABLA and to relocate many ABLA families. CRA was concerned that tenants' rights would not be upheld in this process, specifically, that tenants would be forcibly relocated and would not be able to live in the new replacement housing being built at ABLA.

12. Under federal housing statutes and HUD HOPE VI requirements discussed below, tenant organizations such as CRA are to be afforded a meaningful opportunity to participate in planning, development, implementation and monitoring of local urban revitalization programs. Instead, defendants have shut CRA out.

Individual Residents of ABLA

13. Plaintiff Ferrell Freeman is an African American female. For over 40 years, Ms. Freeman lived in the Jane Addams portion of ABLA. Prior to her relocation south of Roosevelt Road in June 1997, Ms. Freeman lived for 25 years in a low-rise three-story walk-up apartment building located at 1328 W. Taylor Street. In October 1996, CHA informed Ms. Freeman that the municipal building court had issued a vacate order for her building, which order had been agreed to by CHA, and that she had six (6) days to move or face being set out of her unit. After she contested the unlawfully short notice, CHA eventually relocated Ms. Freeman to 1433 W. 13th Street, a 15-story high-rise in Grace Abbott Homes, an ABLA sub-development located south of Roosevelt Road. Ms. Freeman wants to return to the revitalized Jane Addams community, although CHA has not provided her any guarantee that she will be able to do so. Ms. Freeman is President of CRA.

14. Plaintiff Nona Young is an African American female who lives at 840 S. Lytle, in Jane Addams. For years Ms. Young has complained to CHA about the severe damage caused to her apartment by chronic water leakage through the roof. CHA never made anything other than cosmetic repairs. Now CHA is insisting that, due to deteriorating conditions, Ms. Young's building must be vacated and that she must move. CHA is trying to force Ms. Young to move to Altgeld Gardens, a racially segregated development on the far South Side of Chicago. CHA has not offered any guarantee to Ms. Young that she can return to the revitalized Jane Addams community, although she would like to do so. Ms. Young is a member of CRA.

15. Carolyn Nance is an African American female who lives at 916 S. Ada, in Jane Addams, with her daughter. She has lived in Jane Addams for almost 10 years. CHA has never personally interviewed Ms. Nance as to her housing needs or preferences, nor has it provided her with any notices regarding its plans to redevelop Jane Addams or ABLA. The only alternative housing which CHA has mentioned as being available to Ms. Nance is ABLA housing south of Roosevelt Road. Ms. Nance wants to stay in the revitalized Jane Addams community, but CHA has given her no guarantee that she will be able to do so. Ms. Nance is a member of CRA.

16. Wandra Stimage is an African American female who lived from the early 1990's until January 1997 in a 16-story high-rise building at 1239 S. Racine with her children. In January 1997, her apartment became uninhabitable due to lack of heat, burst pipes, and flooding. CHA subsequently moved Ms. Stimage's family into an adjacent 16-story high-rise building at 1111 W. Roosevelt. CHA has never personally interviewed Ms. Stimage as to her housing needs or choices and has never provided her with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the federal Uniform Relocation Act ("URA"). See § IV.D, infra. CHA refused to allow Ms. Stimage's attorney to accompany her to a meeting where the CHA was discussing plans for Brooks Extension. She wants to remain and live at the new housing in Brooks Extension, but CHA has not provided her any assurance that she will be able to do so. Ms. Stimage is a member of CRA.

17. Viola Singleton is an African American female who has lived at 1111 W. Roosevelt for 37 years. CHA has never personally interviewed Ms. Singleton as to her housing needs or choices and has never provided Ms. Singleton with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the URA. CHA refused to allow Ms. Singleton's attorney to accompany her to a meeting where the CHA was discussing

plans for Brooks Extension. She wants to stay and live at the new housing in Brooks Extension, but CHA has not provided her any guarantee that she will be able to do so. Ms. Singleton is a member of CRA.

18. Vera Smith is an African American female who has lived in ABLA for almost 20 years, most recently with her grandchildren at 1209 S. Racine. CHA has never personally interviewed Ms. Smith as to her housing needs or choices and has never provided Ms. Smith with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the URA. She wants to stay and live at the new housing in Brooks Extension, but CHA has not provided her any guarantee that she will be able to do so. Ms. Smith is a member of CRA.

Individual Residents Displaced from ABLA

19. Africa Simpson is an African American female who grew up in ABLA and lived with her children in 1239 S. Racine until January 1997, when burst pipes caused flooding in her apartment. Ms. Simpson made repeated calls for service, but to no avail. Instead, CHA offered to move Ms. Simpson into a 15-story Abbott high-rise. Ms. Simpson, concerned about her and her children's safety, refused, and CHA then encouraged her to accept a Section 8 certificate, which she did. A Section 8 certificate is a federal rental subsidy which authorizes a local Section 8 administrator to pay rent to private landlords for privately owned apartments. Ms. Simpson lived with friends until she found a private landlord willing to accept her Section 8 certificate. However, Ms. Simpson's landlord failed to properly maintain the apartment. When the apartment subsequently failed its federally-required annual Housing Quality Standards ("HQS") inspection, Ms. Simpson was forced to vacate the apartment and remained homeless for several months. She has now found another apartment but wants to move back to ABLA to be close to

her job and her children's school. Ms. Simpson was never offered relocation assistance, nor did CHA inform her about the new units to be built at Brooks Extension. If CHA had informed her about the new units, she would have stayed at ABLA in order to obtain one of them.

20. Kizzie Johnson is an African American female who grew up in ABLA and lived with her children in 1239 S. Racine until late in 1996. At that time, 1239 S. Racine was deteriorating to the point of uninhabitability, and CHA was vacating the building, so CHA moved Ms. Johnson to 1111 W. Roosevelt. CHA subsequently offered Ms. Johnson a Section 8 certificate, which she accepted because she did not want to stay in 1111 W. Roosevelt and see it suffer the same fate as 1239 S. Racine. Ms. Johnson rented a private apartment with her Section 8 certificate, but was subsequently forced to move when it failed an HQS inspection. Ms. Johnson has since found another apartment but wants to move back to ABLA to be close to her job and her children's school and day care. Ms. Johnson was never offered relocation assistance, nor did CHA inform her about the new units to be built at Brooks Extension. If CHA had informed her about the new units, she would have stayed at ABLA in order to obtain one of them.

CHA Waiting List Plaintiffs

21. Latonya Maxwell is an African American female with four minor children. She first applied for CHA housing approximately four years ago, and she recently renewed her application for CHA housing. For approximately the past year, Ms. Maxwell has been homeless and has either resided in a temporary shelter or has doubled up with relatives. Ms. Maxwell has no foreseeable prospect of permanent housing and would like to live in a new or rehabilitated unit at ABLA.

22. Latonya Willett is an African American female who lives with her husband and two minor children. She applied for CHA housing approximately three years ago. Since that time

Ms. Willett's family has lived in two different apartments, and in each case has had difficulty paying the private market rents which are a high percentage of her family's income. Ms. Willett has no foreseeable prospect of affordable housing and would like to live in a new or rehabilitated unit at ABLA.

23. Lorree Brown is an African American female with four minor children. She applied for CHA housing approximately ten years ago. Since that time, Ms. Brown's family has lived in numerous apartments, and in each case has had difficulty paying the private market rents which are a high percentage of her income. Ms. Brown has no foreseeable prospect of affordable housing and would like to live in a new or rehabilitated unit at ABLA.

Class Action Allegations and Class Definition

24. The named plaintiffs bring this action on behalf of themselves and, pursuant to Fed. R. Civ. P. 23(a) and (b)(2), on behalf of all persons similarly situated. The plaintiff class (sometimes referred to herein as "class plaintiffs") is defined as: all persons who, on or after August 1, 1995: (a) resided in and left the ABLA development, or (b) did not reside in the ABLA development, but had applied to live in public housing operated by the CHA by a Registration for Housing application submitted to CHA. The class is so numerous that joiner of all members is impractical, consisting of approximately 1,000 former ABLA families and approximately 20,000 families who have applied for public housing and are waiting for available units. There are questions of law and fact common to the class as a whole. The claims of representative parties are typical of the claims or the class, and the representative parties will fairly and adequately protect the interests of the class. The defendants have acted and refused to act on grounds generally applicable to the plaintiff class, thus making appropriate final injunctive and declaratory relief with respect to the class as a whole.

The Defendants

The CHA Defendants

25. Defendant CHA is an Illinois municipal corporation, created and existing under the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq. The CHA is a Public Housing Agency within the meaning of 42 U.S.C. § 1437 and administers federally subsidized and assisted low-rent housing as authorized by the United States Housing Act ("USHA"). See § IV.A., infra.

26. Defendant Phillip Jackson is the Chief Executive Officer of the CHA. He is charged with establishing and administering the policies of the CHA, including those related to the daily operation, administration, and maintenance of all public housing in the City of Chicago.

27. The ABLA public housing development is owned and managed by the CHA defendants.

The Federal Defendants

28. Defendant HUD is the federal agency charged with administration and enforcement of the United States Housing Act and of federal laws and contracts relating to the operation, administration, maintenance, rehabilitation and demolition of public housing projects.

29. Defendant Andrew Cuomo is the Secretary of HUD, and, as such, is charged with the administration and enforcement of all functions, powers and duties of HUD, including those relating to the public housing programs.

IV. STATUTORY AND REGULATORY SCHEME

A. The United States Housing Act

30. Over sixty years ago, Congress passed the United States Housing Act of 1937 ("USHA"), declaring that it is "the policy of the United States to promote the general welfare of the Nation by employing its funds and credit . . .to remedy the unsafe and unsanitary housing

conditions and the acute shortage of decent, safe and sanitary dwellings for families of lower income . . . ." 42 U.S.C. § 1437.

31. The national housing goal as stated in the USHA is the realization as soon as feasible of "a decent home and suitable living environment for every American family." 42 U.S.C. §§ 1441 and 1441a; 12 U.S.C. § 1701t.

B. Defendants' Duty to Consult with Plaintiffs as to Future Plans

32. Section 18 of the USHA, 42 U.S.C. § 1437p, governs demolition of public housing developments. Sections 18(b)(1) and 18(b)(2) require that public housing agencies: (1) consult with affected tenants and tenant organizations regarding demolition and redevelopment plans, and (2) relocate tenants displaced by demolition to replacement housing of their choice, to the maximum extent practicable.

33. Section 18(b)(1) provides that all applications for demolition submitted to HUD must have been "developed [by a public housing agency] in consultation with tenants and tenant councils, if any, who will be affected by the demolition . . ." 42 U.S.C. § 1437p(b)(1).

34. HUD has promulgated federal regulations implementing Section 18(b)(1). These regulations provide that public housing agencies must consult "with tenants of the project involved, any tenant organizations for the project, and any PHA-wide tenant organizations that will be affected by the demolition or disposition." 24 C.F.R. § 970.4(a).

35. HUD is supposed to require public housing agencies receiving HOPE VI funds to involve all affected tenants in the redevelopment process:

> Residents are to be included in all phases of the application preparation, planning, implementation and operation of the HOPE VI development ... [Public Housing Authorities or "PHAs"] are responsible for communicating and disseminating information to all affected residents and ensuring that all affected residents have opportunities to participate .... Resident involvement often starts with the duly elected resident council [in this case, the ABLA Local Advisory Council or

"LAC"], but the PHA must make sure that the resident council is truly representative. PHAs must give all affected residents reasonable notice of meetings about HOPE VI planning and implementation, and provide them with opportunities to provide input. Such meetings should be open to all affected residents and their representatives.

HUD's FY 1998 HOPE VI Guidebook at 1 (emphasis added).

C. Defendants' Duty to Assist in Relocation, Alleviate Segregation, and Provide Residents Their Choice of Replacement Housing

36. The ABLA "revitalization" is being funded with $59.5 million of HOPE VI funds appropriated in 1996 and 1998.

37. Section 18(b)(2) provides that "all tenants to be displaced as a result of the demolition or disposition will be given assistance by the public housing agency and are [to be] relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice, including housing assisted under Section 1437f [the Section 8 housing program] of this title . . ." 42 U.S.C. § 1437p(b)(2).

38. HUD's applicable regulations regarding Section 18(b)(2) provide:

> *Relocation of displaced tenants on a nondiscriminatory basis.* Tenants who are to be displaced as a result of demolition and or disposition must be offered opportunities to relocate to other comparable/suitable . . . decent, safe, sanitary and affordable housing (at rents no higher than permitted under the Act) which is, to the maximum extent practicable, housing of their choice, on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, familial status, or sex, in compliance with applicable Federal and State laws. 24 C.F.R. § 970.5(a).

39. In October 1998, Congress amended Sections 18(b)(1) and 18(b)(2) of USHA. See Quality Housing and Work Responsibility Act of 1998 ("QHWRA"), Pub. L. 105-276, 112 Stat. 2461 (Oct. 21, 1998). HUD subsequently determined that all demolition applications received by HUD on or before the effective date of QHWRA, October 21, 1998, are to be processed pursuant to the provisions of Section 18(b)(1),

Section 18(b)(2) and 24 C.F.R. Part 970 that were in effect prior to October 21, 1998. 64 Fed. Reg. 8203 (Feb. 18, 1999).

D. Defendants' Duty to Help Relocate and Not Resegregate

40. Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act (the "Uniform Relocation Act" or "URA"), 42 U.S.C. § 4601 et seq., in order to ensure that persons displaced from their homes as a result of government action are resettled into new homes following certain procedures and are not materially disadvantaged by their forced relocation.

41. In particular, the URA and its implementing regulations specify that:

a. "A displacing agency, before approving a project, must assess the characteristics and needs of the households to be displaced (42 U.S.C. § 4625(c), 49 C.F.R. § 24.205 (c)(2)(i)), and determine whether qualified replacement housing is available to meet those needs." 49 C.F.R. § 24.205(a)(2), 24 C.F.R. § 970.8(d)(3).

b. A displacing agency must "[a]ssure that a person not be required to move from a dwelling unless the person has had a reasonable opportunity to relocate to a comparable replacement dwelling. . ." 42 U.S.C. § 4625(c)(3). The URA defines the term "comparable replacement dwelling" as a "dwelling that is (1) decent, safe and sanitary; (2) adequate in size to accommodate the occupants; (3) within the financial means of the displaced person; (4) functionally equivalent; (5) in an area not subject to unreasonable adverse environmental conditions; and (6) in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment." 42 U.S.C. § 4601(10).

c. "Wherever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means." 49 C.F.R. § 24.205(c)(2).

d. Every family covered by the URA is entitled to 42 months of relocation assistance payments in the amount that the family's rent increased as a result of relocation, up to a maximum total disbursement of $5,250. 49 C.F.R. § 24.402.

42. In QHWRA (see supra ¶ 39) Congress amended Section 18 of the USHA by providing that the URA would no longer apply to demolition and relocation activities under Section 18. However, HUD has determined that the URA shall continue to apply to (a) any person displaced before October 21, 1998, (b) any person displaced as a result of HUD's approval of a demolition before October 21, 1998, and (c) any person displaced as a result of a demolition that is part of a HOPE VI project. 64 Fed. Reg. 8203-8204 (Feb. 18, 1999).

D. Defendants' Duty to Maintain Neighborhoods

43. The Community Development Block Grant ("CDBG") Program was created pursuant to Title I of the Housing and Community Development Act ("HCDA"), as amended, codified at 42 U.S.C. § 5301 et seq. The primary objective of the HCDA is "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." 42 U.S.C. § 5301(a). For purposes of the HCDA, "low income" is defined as 0% to 50% of area median income, and "moderate income" is defined as 50% to 80% of area median income. 24 C.F.R. § 570.3.

44. In any development project assisted under the CDBG Program, there must be a residential anti-displacement and relocation assistance plan in place that provides, among other things, that:

> a. governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing low and moderate income persons, and provide that such replacement

housing may include existing housing assisted with project based assistance provided under section 1437f of this title. 42 U.S.C. § 5304(d)(2)(A)(i).

b. such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy. 42 U.S.C. § 5304(d)(2)(A)(ii).

c. in the case of displaced persons of low and moderate income, provide . . . compensation sufficient to insure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent. 42 U.S.C. § 5304(d)(2)(A)(iii)(I).

d. Persons displaced shall be relocated into comparable replacement housing that is –

(I) decent, safe and sanitary;
(II) adequate in size to accommodate the occupants;
(III) functionally equivalent;
(IV) in an area not subject to unreasonably adverse environmental conditions.

42 U.S.C. § 5304(d)(2)(A)(iv).

F. Defendants' Duty Not to Segregate and Not to Adversely Affect Protected Classes

45. The Fair Housing Act provides that "it shall be unlawful":

a. "To . . . make unavailable or deny [] a dwelling to any person because of race, color, . . . sex, [or] familial status . . ." 42 U.S.C. § 3604(a); or

b. "To discriminate against any person in the terms, conditions, or privileges of . . . rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, sex [or] familial status. . ." 42 U.S.C. § 3604(b).

46. The Fair Housing Act provides further that HUD shall administer its programs and activities relating to housing and urban development in a manner affirmatively to further fair housing. 42 U.S.C. § 3608(e)(5).

47. Title VI of the Civil Rights Act of 1964 provides that "[n]o person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be

denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance." 42 U.S.C. § 2000d.

48. HUD has promulgated federal regulations implementing Title VI which provide, in pertinent part, that:

> [a] recipient, in determining the types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of person to be afforded an opportunity to participate in any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin.

24 C.F.R. §§ 1.4(b)(2) and (3).

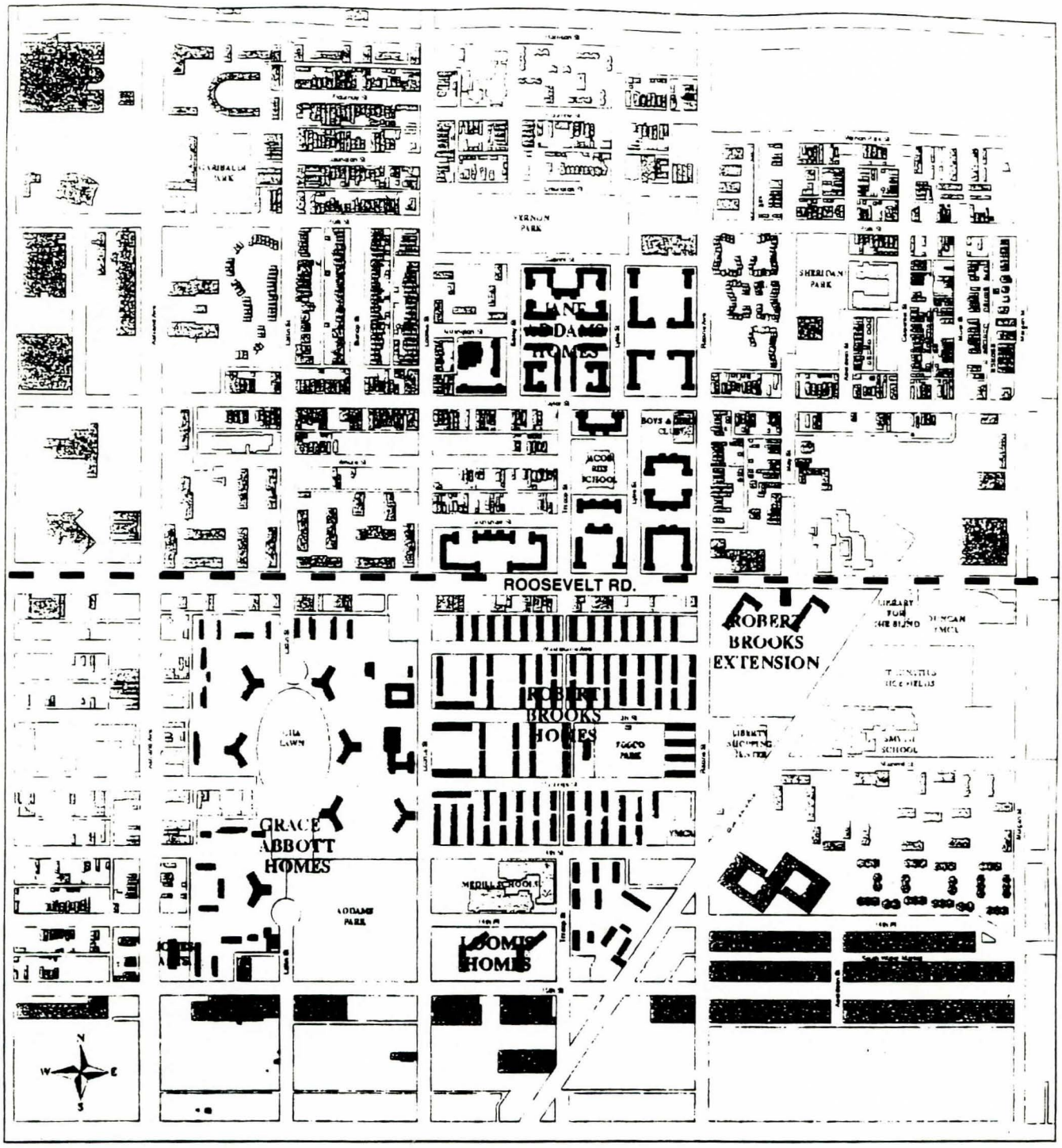
V. STATEMENT OF FACTS

A. The ABLA Development

49. ABLA is a family public housing development located on 100.5 acres of land on the Near West Side of Chicago. It consists of four different sub-developments: Jane Addams Homes, Robert Brooks Homes and Brooks Extension, Loomis Courts, and Grace Abbott Homes. **See ABLA Site Plan below on the following page 16A**:

50. Approximately 99% of the residents at ABLA are African American. Approximately 82% of the residents at ABLA are female, and 48% of the residents are under 18 years of age.

51. The average ABLA household size is 2.7 persons. The average annual family income at ABLA is $5,883. For 1999, the area median income ("AMI") in Chicago for a comparable family (i.e., three persons) is $53,750.



ABLA BEFORE REDEVELOPMENT

Existing Conditions
June 1998

■ Existing CHA Housing
□ CHA Property

52. To determine eligibility for public housing, HUD has created two categories of public housing based on income limits: "low income" and "very low income" housing. For 1999, the income limit in Chicago for eligibility for "low income" housing is $43,000 for a family of three. For "very low income" housing, the ceiling is $28,700 for a family of three. Virtually all of the families who reside in ABLA qualify as "very low income" households under HUD's guidelines, and most of the housing in ABLA is categorized as "very low income" housing.

53. Since 1995, the CHA has been preparing for "revitalization" by consolidating, vacating and demolishing ABLA buildings. CHA has already displaced over 1,000 (or about 40%) of ABLA's families. Almost all of these families are now living in racially segregated areas.

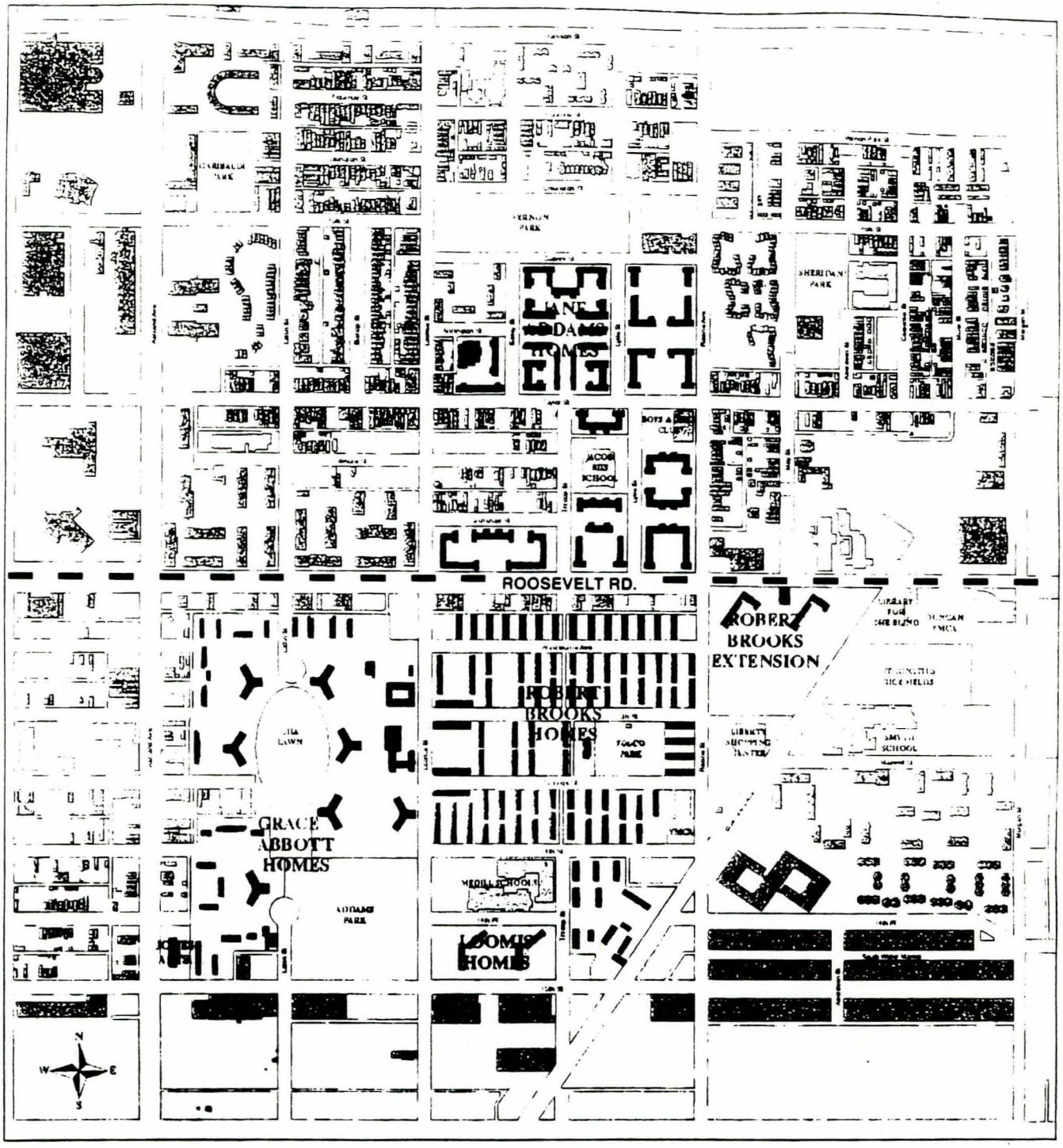
B. Defendants' Redevelopment Plans for ABLA

54. Through a combination of demolition, rehabilitation, and new construction, the defendants intend to reduce the number of very low income public housing units at ABLA by 70%.

55. Under defendants' "revitalization" plans, almost 3,000 public housing units at ABLA will be demolished:

ABLA SUB-DEVELOPMENT	TOTAL UNITS: PRE-REVITALIZATION	UNITS TO BE DEMOLISHED
Jane Addams Homes	987	987
Robert Brooks Homes	835	375
Brooks Extension	450	450
Loomis Courts	126	0
Grace Abbott Homes	1,198	1,180
TOTAL	**3,596**	**2,992**

See ABLA Demolition Plan, below at page 17A. (Buildings shown in red are to be demolished.)



ABLA AFTER REDEVELOPMENT

1998 HOPE VI Application
Chicago Housing Authority
Proposed Buildings for Demolition
June 1998

- Proposed buildings for demolition
- **Proposed buildings to be retained**
- **CHA Property**

56. This massive elimination of public housing units will be undertaken by the defendants as an "urban revitalization demonstration program" under the HOPE VI program. The CHA defendants have detailed their plans to "revitalize" ABLA in three separate HOPE VI applications, as a result of which they have received HUD approvals for $59.5 million in federal funds. The CHA intends to combine these federal funds with an additional $345.5 million of funds from the city and private developers.

57. Under the defendants' plans, 2,417 units of housing will be built on CHA-owned land at ABLA, of which:

a. 40% (966) will be market rate units sold to families with incomes exceeding 120% of the AMI (over $68,880 for a family of three);

b. 33% (795) will be low and moderate income units sold or rented to families with incomes between 51% and 120% of AMI (between $28,700 and $68,880 for a family of three); and

c. Only 27% (656) will be very low income units rented to families with incomes at or below 50% of AMI (under $28,700).

58. Upon information and belief, the federal defendants have provided the City of Chicago with Community Development Block Grant ("CDBG") funds pursuant to 42 U.S.C. § 5301 et seq., and the CHA defendants will in part fund the implementation of the ABLA "revitalization" plan with monies received through the CDBG program.

59. At least 2,995 occupied and vacant occupiable very low income units will be or already have been demolished as part of the defendants' plans. See ABLA Demolition Plan, supra at page 17A.

60. CHA submitted demolition applications for ABLA to HUD pursuant to Section 18 of the USHA prior to October 21, 1998.

C. The Jane Addams Homes

61. Defendants' plans will most severely impact the Jane Addams Homes, which are located north of Roosevelt Road. Addams is surrounded by areas commonly known as Little Italy and University Village. The Illinois Medical District lies immediately to its west, and the University of Illinois at Chicago immediately to its east. These are all gentrified or rapidly gentrifying areas.

62. In the census tract in which Jane Addams is situated, 87.1% of the residents are African American. By contrast, all but one of the five adjoining census tracts is majority white -- the sole exception being tract #2831, which has slightly more African Americans than whites.

Census Tract	% African American	% White
#2832 (Jane Addams)	87.1%	11.9%
#2833 (E. of Jane Addams)	7.9%	54.4%
#2822 (N.E. of Jane Addams)	8.0%	62.4%
#2823 (N. of Jane Addams)	0.0%	93.4%
#2824 (N.W. of Jane Addams)	13.5%	66.7%
#2831 (W. of Jane Addams)	41.7%	37.5%

63. There are currently 26 walk-up (low-rise) apartment buildings at Jane Addams, providing 859 units of "very low income" housing. This housing is occupied exclusively by families earning between 0% and 50% of the AMI. Under defendants' HOPE VI/CDBG plans, all of these very low income units will be demolished. In their place, private developers will build 700 or more new units, with 80% of these expected to be sold at market-rate prices. None of the contemplated new units have been identified as replacement units for very low income residents.

64. If Hope VI/CDBG "revitalization" goes forward unchanged, virtually all Jane Addams residents will be moved south of Roosevelt Road. In a 1997 Hope VI filing with HUD, the CHA explicitly stated that federal funds were being sought to demolish Jane Addams and to concentrate replacement housing for Addams residents, to the extent it was being provided, south of Roosevelt Road (around Addams Park which is located at 14th and Loomis Streets); in fact, the CHA has already relocated many Addams residents south of Roosevelt Road.

65. Since 1995, the CHA has engaged in a conscious policy of displacing Addams residents by allowing their units to deteriorate to the point of near or actual uninhabitability. The CHA has allowed and encouraged uninhabitable conditions and then used these same poor building conditions as a reason to vacate and/or demolish Addams units. In April 1997, 567 families lived at Jane Addams; by April 1998, approximately 430 families lived there; by December 1998, only 353 families were left. These actions constitute de facto relocation and demolition, an emptying out of Addams without complying with the requirements of the USHA, the URA and the CDBG Program.

66. To further advance its program of demolition and displacement, CHA has aggressively marketed its Section 8 program to ABLA residents in general and to Addams residents in particular, encouraging as many families as possible to move out. Between 1995 and 1998, more families were relocated from ABLA with Section 8 certificates and vouchers than from any other CHA development. About 25% of all Section 8 certificates or vouchers went to ABLA families, who make up only 8% of the total CHA resident population. The targeting of ABLA residents increased in 1998. Beginning in March 1998, about 40% of all Section 8 certificates or vouchers went to ABLA families. The actual numbers of ABLA residents displaced under the Section 8 program from March 1, 1998 to September 30, 1998 compared to other CHA developments are as follows:

CHA Development	Number of Families Displaced By CHA Under the Section 8 Program March-September 1998
ABLA	104
Lakefront	34
Robert Taylor Homes	33
Cabrini Green	22
Washington Park	21
Rockwell Gardens	12

67. The CHA and federal defendants have failed to provide Jane Addams residents with their choice of replacement housing, as required by Section 18 of the USHA, failed to provide them personal notices or other benefits as required by the URA, and failed to provide sufficient replacement units as required by the CDBG Program. Nor have defendants conducted the area housing availability survey or comprehensive individual tenant assessments and interviews as required by the URA. CHA has also sought to expedite the emptying of Jane Addams buildings by, in some cases, providing tenants with unlawfully short notices to vacate.

68. Almost all of the families leaving Addams have been relocated into racially segregated areas. CHA's intra-development relocation of Jane Addams residents has led to the perpetuation and exacerbation of residential racial segregation as Addams tenants have been, and continue to be, relocated to predominantly African American communities south of Roosevelt Road.

69. In addition, of those ABLA families who have been displaced out of ABLA altogether through the Section 8 program, the majority have relocated to racially segregated areas. Between 1995 and 1998 about 80% of CHA families relocated through the Section 8 program moved to Chicago census tracts that were at least 90% African American. In addition, of the thirty

Chicago census tracts receiving the most CHA families, all but two are at least 97% African American.

D. The Robert Brooks Extension

70. Brooks Extension lies in a triangular area south of Roosevelt Road and between Blue Island Avenue and Racine Avenue. See ABLA Site Plan, supra at page 16A. Until last year, the Brooks Extension consisted of three high-rise buildings, each containing 150 units. In 1998, the CHA defendants vacated and demolished one of them (1239 S. Racine) and have expressed their intent to demolish the remaining two buildings, for a total loss of 450 units.

71. The defendants' 1998 Hope VI/CDBG plans call for the construction of 108 replacement units, although in 1996, CHA secured approval from HUD to construct 250 replacement units. As a result, where there were once 450 units, the defendants' "revitalization" plans will result in 108 units. This will be insufficient to house even the current Brooks Extension residents. As of December 1998, and despite steady deterioration of their living conditions, sometimes to the point of near or actual uninhabitability, 200 families remain living at Brooks Extension. Obviously 108 new units will not accommodate these families -- even if every new unit were reserved for very low income families.

72. The Hope VI/CDBG revitalization plans do not specifically reserve these 108 new units for very low income families. Under the plan, as few as half of the new units (54) might be reserved for very low income families. As a result, there will be insufficient units for residents who want to stay at Brooks Extension or for those who left Brooks Extension without being provided full and complete information about their replacement housing choices and who, therefore, may want to return.

73. The CHA and federal defendants have failed to provide Brooks Extension residents with their choice of replacement housing as required by Section 18 of the USHA, failed to provide them with personal notices or other benefits as required by the URA, and failed to provide sufficient replacement housing units as required by the CDBG Program. Nor have defendants conducted the area housing availability survey or comprehensive individual tenant interviews that are required by the URA.

74. As in the case of Jane Addams, CHA's current and planned relocation of Brooks Extension residents has led and will lead to the perpetuation and exacerbation of residential racial segregation as tenants have been and will continue to be relocated to predominantly African American communities.

E. <u>The Grace Abbott Homes</u>

75. Abbott presently provides 1,198 units of housing in 166 row houses and seven 15-story high-rises. These buildings are located south of Roosevelt Road, in an area bounded by Loomis Street on the east and Ashland Avenue on the west. The area is severely racially segregated: according to the 1990 census, approximately 99% of the residents of the census tract where Abbott buildings are located are African American.

76. The defendants' HOPE VI/CDBG revitalization plans call for demolishing all seven Abbott high-rises, including a newly rehabilitated building at 1440 West 13th Street. At least 1,180 units of housing will therefore be lost, and only 100 to 300 units of very low income housing will be constructed in their place. Under the defendants' plans, the new units will be built on what is now Addams Park or on Abbott land, all of which is south of Roosevelt Road.

F. Brooks Homes and Loomis Courts.

77. The defendants intend to demolish approximately 58% of the units in Brooks Homes (483 of 835) and to rehabilitate the remaining 352 units (132 Brooks Homes units have thus far been rehabilitated). All 126 units at Loomis Courts are also to be rehabilitated. Defendants intend to house only very low income families at the 352 rehabilitated Brooks Homes units and in one-half (63) of the Loomis Courts units, all of which are located south of Roosevelt Road.

G. Plaintiffs' Attempts to Consult with CHA

78. The CHA defendants know about the rights of ABLA residents and former residents under the USHA, the URA, and Titles VI and VIII of the Civil Rights Acts, and of the obligations these laws impose on them when implementing consolidation, demolition and HOPE VI programs for ABLA. Nonetheless, the CHA has encouraged (and in some cases forced) ABLA tenants to move out without providing them proper notice of or full information about redevelopment plans for ABLA, without offering them the choice to live in the new housing, and without providing them the full range of federally-mandated relocation benefits, such as advisory services, a choice among three comparable replacement units, and relocation expenses.

79. The CHA defendants have also long been on notice that conditions at the Robert Brooks Extension violate even the minimal health and safety requirements of the Chicago Building Code. These unsafe and unsanitary conditions have been documented by plaintiffs, with the help of a structural engineering firm, Crest Consulting Engineers, P.C.

80. Plaintiffs have attempted to work with the CHA defendants. The CHA defendants, however, have refused to include plaintiffs in the process of formulating and implementing plans for the ABLA community, stating that it is CHA's policy to negotiate all major redevelopment and modernization activities only with the local LAC.

81. CHA and the LAC, however, have refused to admit Ms. Freeman, other CRA members, and their counsel to CHA and LAC meetings concerning the revitalization of ABLA, and have excluded them from participating in the preparation of HOPE VI applications to HUD.

82. Specifically, on February 20, 1998, CHA and the LAC forcibly prevented Ms. Freeman, other CRA members, and CRA's legal counsel from attending a meeting to discuss the CHA's plans for replacement housing for ABLA residents. CHA Police Department and Redevelopment personnel were called in to physically block CRA members and their attorneys from entering the meeting. Even after ABLA residents at the meeting informed the LAC's President, Deverra Beverly, and CHA's Redevelopment Director, Andrew Rodriguez, that they wished to be represented at the meeting by CRA members and the CRA's legal counsel, CRA and legal counsel were still barred from entering.

83. The LAC does not represent plaintiffs' views and has refused to present plaintiffs' views to the CHA in its consultations with the CHA. The LAC fails to represent the views of many ABLA residents.

H. CHA's Waiting List

84. There are approximately 20,000 families on CHA's waiting list for public housing.

85. Upon information and belief, the vast majority of these waiting list families are very low income African Americans, women, and families with children under 18 years of age.

VI. INJURY TO THE NAMED PLAINTIFFS AND THE PLAINTIFF CLASS

86. According to the 1990 United States census, 39% of the families living in the City of Chicago are African American. African American families, however, constitute 63% of the households living below the poverty line.

87. According to the 1990 United States census, 31% of the families living in Chicago are female-headed families. Female-headed families, however, constitute 66% of the families living below the poverty line.

88. According to the 1990 United States census, 26% of the families living in Chicago had related children under the age of 18. Families with children, however, constitute 40% of the families living below the poverty level.

89. The defendants' plans for ABLA, as described above, reduce the number of housing units available both to current and to recently displaced ABLA residents, as well as to public housing eligible families on CHA's waiting list. These plans have an adverse discriminatory impact on African Americans, females, and children because these groups are disproportionately eligible for public housing as compared to their representation in the general population, and they are disproportionately represented among ABLA residents.

90. The defendants' plans for ABLA and the relocation activities already undertaken by the CHA defendants, as described above, also exacerbate and perpetuate racial residential segregation, and they deny current and recently displaced ABLA residents the opportunity to reside in integrated neighborhoods.

91. These actions will cause and have caused irreparable injury to the named plaintiffs and to members of the plaintiff class. As a result of the defendants' actions, the plaintiffs and members of the plaintiff class have lost or will lose their homes, have suffered or will suffer displacement, and will be denied the opportunity to reside in the replacement housing currently proposed by the defendants. The defendants are in the midst of destroying the community in which the plaintiffs have lived and established personal ties.

92. The defendants' plans and actions as described above have caused and will cause irreparable injury to plaintiff Concerned Residents of ABLA, in that:

a. CRA represents the interests of its members, each of whom has been or will be harmed by defendants' proposed redevelopment plans;

b. The above-described activities of defendants have frustrated CRA's mission to promote tenant involvement in the redevelopment process and to facilitate a redevelopment plan that furthers the interests of all ABLA residents;

c. CRA has lost actual and potential members due to CHA's ongoing pattern of encouraging and/or forcing ABLA tenants to move out of the development by, inter alia, allowing units to deteriorate, relocating tenants with Section 8 certificates and vouchers, and transferring tenants to other public housing developments.

93. All of defendants' actions described herein constitute a pattern, practice and policy of housing discrimination and discrimination in general on the basis of race, gender and familial status.

94. Plaintiffs have no adequate remedy at law.

VII. CLAIMS FOR RELIEF AGAINST ALL DEFENDANTS

Claims Under Title VIII of the Civil Rights Act of 1968

COUNT I – Against All Defendants

95. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

96. The defendants' actions as described above will have an adverse discriminatory effect upon African Americans and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of race . . . ."

COUNT II – Against All Defendants

97. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

98. Defendants' actions as described above will have an adverse discriminatory effect upon female-headed households and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of . . . sex . . ."

COUNT III – Against All Defendants

99. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

100. Defendants' actions as described above will have an adverse discriminatory effect upon families with children and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of . . . familial status . . ."

COUNT IV – Against All Defendants

101. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

102. The defendants' plans for Jane Addams as described above will deny current and displaced ABLA residents and future public housing residents the opportunity to reside in a racially integrated neighborhood, in violation of the Fair Housing Act, 42 U.S.C. § 3604.

COUNT V – Against All Defendants

103. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

104. The defendants' actions as described above have and will exacerbate and perpetuate residential housing segregation and therefore constitute a violation of 42 U.S.C. § 3604.

VIII. CLAIMS FOR RELIEF AGAINST THE CHA DEFENDANTS

Claims Under Title VI of the Civil Rights Act of 1964

COUNT VI – CHA Defendants Only

105. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

106. The CHA defendants' plans as described above will have an adverse discriminatory effect upon African Americans, and therefore violate plaintiffs' rights secured by Title VI, which provides that "[n]o person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." 42 U.S.C. § 2000d; 24 C.F.R. §§ 1.4(b)(2) and (3) (HUD's implementing regulations).

COUNT VII – CHA Defendants Only

107. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

108. The CHA defendants' actions as described above have and will exacerbate and perpetuate residential racial segregation and therefore constitute a violation of 24 C.F.R. §§ 1.4(b)(2) and (3) (regulations implementing 42 U.S.C. § 2000d).

Claims Under Section 1983 and Section 18 of the USHA

COUNT VIII – CHA Defendants Only

109. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

110. The CHA defendants are each "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

111. The CHA defendants failed to meaningfully consult with plaintiffs CRA and individual ABLA residents who will be affected by the proposed demolition plans for ABLA and therefore violated Section 18(b)(1) of the USHA. 42 U.S.C. § 1437p(b)(1).

COUNT IX – CHA Defendants Only

112. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

113. The CHA defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

114. In implementing their plans to redevelop ABLA, the CHA defendants have failed to relocate displaced ABLA tenants to decent, safe, sanitary, and affordable housing which is, to the maximum extent practicable, housing of their choice. Defendants have thereby violated plaintiffs' rights under Section 18(b)(2) of the USHA, 42 U.S.C. § 1437(b)(2).

Claim Under Section 1983 and the Uniform Relocation Act

COUNT X – CHA Defendants Only

115. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

116. The CHA defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

117. The CHA defendants' relocation of families residing in Jane Addams and Brooks Extension has violated the Uniform Relocation Act and regulations promulgated thereunder because CHA has:

(a) Failed to adequately assess the needs and preferences of the displaced families pursuant to 42 U.S.C. § 4625(c)(1) and 49 C.F.R. § 24.205(c)(2)(1);

(b) Failed to give displaced families reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings within their financial means that are not located in areas of African American concentration pursuant to 49 C.F.R. § 24.205(c)(2)(C);

(c) Failed to provide the displaced families comparable replacement housing, including housing that is decent, safe and sanitary pursuant to 42 U.S.C. §§ 4625(c)(3), 4630(3) and 49 C.F.R. § 24.2(d) and (f).

(d) Failed to provide the displaced families up to 42 months of relocation assistance payments in the amounts that the families' rent increased as a result of the relocation, up to a maximum total disbursement of $5,250, pursuant to 49 C.F.R. § 24.402.

IX. CLAIMS FOR RELIEF AGAINST THE FEDERAL DEFENDANTS

Claim Under the Fair Housing Act

COUNT XI - Federal Defendants Only

118. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

119. In approving the CHA defendants' plans for ABLA, the federal defendants violated their duty under 42 U.S.C. § 3608(e)(5) affirmatively to further fair housing.

Claims Under the Housing and Community Development Act

COUNT XII – Federal Defendants Only

120. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

121. Defendants' plans provide for only 1,249 very low and low income replacement housing units. The plans therefore fail to provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the 2,992

occupied and vacant occupiable very low and low income dwelling units demolished, in violation of 42 U.S.C. § 5304(d)(2)(A)(i).

COUNT XIII – Federal Defendants Only

122. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

123. Defendants' plan fails to guarantee that 2,992 comparable replacement dwellings in the community remain affordable to persons of low and moderate income for 10 years from the date of initial occupancy and fails to provide compensation sufficient to insure that, for a five-year period, the displaced families will not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent, in violation of 42 U.S.C. § 5304(d)(2)(A)(ii) and (iii).

Claim Under the Administrative Procedure Act

COUNT XIV - Federal Defendants Only

124. Plaintiffs re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

125. Defendant HUD is an agency within the meaning of 5 U.S.C. § 701(b)(1) of the Administrative Procedure Act ("APA").

126. In approving the CHA defendants' plans for ABLA despite the violations alleged above, the federal defendants took actions that were arbitrary, capricious, an abuse of discretion, not in accordance with law, in excess of statutory authority and without observance of procedures required by law, within the meaning of 5 U.S.C. § 706(2)(A)(C) and (D).

X. RELIEF REQUESTED

WHEREFORE, plaintiffs respectfully request that this Court:

A. Declare that the actions and omissions of the defendants, as set forth above, violate Title VIII, Title VI, Section 18 of the United States Housing Act, the Uniform Relocation Act and the Housing and Community Development Act.

B. Enter a preliminary and permanent injunction:

(1) Enjoining defendants from implementing the defendants' present ABLA redevelopment plans, including any efforts to relocate the residents of ABLA in violation of the United States Housing Act, the Uniform Relocation Act, the Housing and Community Development Act, and the Civil Rights laws.

(2) Enjoining the awarding, transfer, or expenditure of any ABLA-related HOPE VI or CDBG funds until a new revitalization plan for the ABLA development is developed by CHA after full consultation with CRA and all other ABLA residents; and

(3) Enjoining defendants from failing to reprocess applications for replacement housing of the approximately 1,000 families forced to relocate from ABLA since August 1995, to offer these families the right to return to a new or rehabilitated unit at ABLA, and, to otherwise insure that each family's relocation comports with the United States Housing Act, the Uniform Relocation Act and the Housing and Community Development Act.

(4) Enjoining defendants from failing to maintain the ABLA development in substantial compliance with the health and safety provisions of the Chicago Municipal Code until a new revitalization plan for the ABLA development can be implemented;

C. Enter an order requiring defendants to pay plaintiffs' reasonable costs and attorneys' fees for the prosecution of this action.

D. Enter an order that the plaintiffs shall not be required to post bond as security for the issuance of a temporary restraining order or preliminary injunction; and

E. Grant plaintiffs such further relief as this Court deems just and proper.

Dated: July 29, 1999

Respectfully submitted,

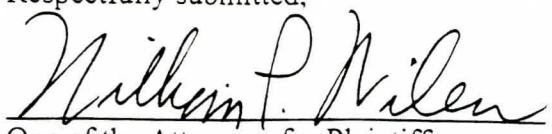


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Exhibit F

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

DOROTHY GAUTREAUX, et al., Plaintiffs, vs. SAMUEL R. PIERCE, JR., Secretary of the Department of Housing and Urban Development, and CHICAGO HOUSING AUTHORITY, et al., Defendants.	)	Civil Action No. 66C1459 66C1460 (Consolidated)

ORDER

This matter coming on to be heard pursuant to plaintiffs' motion dated May 8, 1987 for the appointment of a receiver for the scattered site program (defined below), due notice having been given and the Court having heard the presentations of the parties, the Court makes the following findings of fact and conclusions of law:

(A) The Chicago Housing Authority (the "CHA") has joined in plaintiffs' motion for the appointment of a receiver for the reasons which CHA has heretofore stated in this cause.

(B) This Court has concluded that it has no reasonable alternative but to exercise its inherent power to effectuate its own orders and to so appoint said receiver for the scattered site program in accordance with the provisions of this order. It is the expectation of this Court that the appointment of a receiver will facilitate cooperation between the United States

Department of Housing and Urban Development ("HUD"), CHA and the receiver respecting the scattered site program.

(C) For purposes of this Order the "scattered site program" shall mean (i) the buildings and vacant sites listed in Exhibit A attached hereto (collectively, the "Uncompleted Units") and (ii) CHA Development Programs numbered Il 2-096, Il 2-098, Il 2-103 through Il 2-109, and Il 2-113 (excluding any completed buildings in such programs) and all CHA non-elderly public housing development programs which may in the future be authorized by HUD during the pendency of Civil Action No. 66 C 1459.

WHEREFORE, IT IS HEREBY ORDERED:

1. The Court hereby appoints Daniel E. Levin and The Habitat Company jointly as receiver ("Receiver") to develop and administer the scattered site program as effectively and expeditiously as possible in compliance with the orders of this Court, such appointment to be effective as of the Effective Date (defined below). Until the Effective Date, CHA shall continue to be responsible for implementing the scattered site program in compliance with the prior orders of this Court. On the Effective Date CHA shall turn over to the Receiver possession and control of the Uncompleted Units, it being understood, however, that title to the Uncompleted Units shall remain in the name of CHA.

2. The Receiver shall have and exercise all powers of CHA respecting the scattered site program necessary and incident to the development and administration of such program, including:

a Making all determinations governing the scattered site program in compliance with prior and future orders of this Court, including without limitation (i) submission to HUD of applications for funding, development programs and other documents, (ii) site selection and acquisition (including policies respecting the location of sites and buildings to be acquired), (iii) the relocation of occupants, when necessary and (iv) construction and rehabilitation of dwelling units and the design and specifications therefor in compliance with applicable laws and ordinances; and

(b) Carrying out the determinations so made, including without limitation (i) negotiating and executing any contracts or other documents necessary or appropriate to implement the scattered site program, (ii) employing, transferring and discharging staff for the scattered site program, (iii) purchasing insurance insuring the Receiver, and the interest of CHA if feasible and available at no additional cost, against liability for such risks and in such amounts as the Receiver and HUD shall from time to time agree upon, (iv) managing and administering buildings included within the scattered site program prior to the turnover thereof to the CHA in accordance with Paragraph 5 below, and (v) doing such other acts and things, including site selection and acquisition in the name of CHA, construction and rehabilitation of dwelling units and retaining the services of such personnel, consultants, attorneys, accountants and other professionals, as are determined by the Receiver to be necessary and appropriate to implement the scattered site

program and to enable the Receiver to discharge its duties pursuant to the provisions hereof.

3. The Receiver shall have the right at any time, upon due notice to the parties hereto, to make application to the Court requesting that the Receiver be excused from complying with some or all of the provisions set forth in the Annual Contributions Contracts heretofore entered into between HUD and CHA (collectively, the "ACC"), the HUD Procurement Handbook for Public Housing Agencies No. 7460.8, the HUD Public Housing Development Handbook No. 7417.1, or other applicable rules and regulations, or applicable laws or ordinances, or that as to the Receiver, the requirements of such agreements, provisions, laws, ordinances, rules and regulations be modified, if the Receiver determines that compliance therewith would be costly, inefficient or otherwise impede or restrict its ability to carry out this Court's orders. Nothing contained herein shall be deemed to constitute a determination by the Court, or the consent or an acknowledgement by HUD or CHA, that the Court has the jurisdiction or authority to grant any of the foregoing relief.

4. The Receiver shall have no obligation to make any expenditure except from funds provided by HUD in accordance with procedures to be agreed upon between HUD and the Receiver. The Receiver shall keep separate accounts for costs incurred in connection with the scattered site program from and after the Effective Date. The Receiver shall not be responsible for (i) payment of any costs or performance of any obligations incurred

by CHA prior to the Effective Date, except obligations incurred pursuant to the ACC unless the Receiver is excused from complying with the terms thereof pursuant to Paragraph 3 above, or (ii) payment of any costs or performance of any obligations incurred by CHA thereafter, except as may be specifically authorized by the Receiver in writing. Notwithstanding the foregoing, the Receiver shall not be responsible for (iii) compliance with the provisions of any ACC with respect to buildings and sites previously acquired or completed by CHA except those described in Exhibit A, or (iv) any act or omission of CHA either before or after the Effective Date.

5. The Receiver shall promptly turn over to CHA, and CHA shall accept, any building within the scattered site program upon completion of construction or rehabilitation of each such building. For purposes hereof, subject to the reasonable approval of HUD, construction or rehabilitation of a building shall be deemed to be completed when the Receiver's project architect determines that such building is ready for occupancy, and, if required by applicable law or ordinance, a certificate of occupancy has been issued for such building.

6. The Receiver shall prepare reports respecting the status and implementation of the scattered site program as of the end of each month in the year 1987, commencing with the month of September, 1987, and thereafter quarter.y as of March 31, June 30, September 30 and December 31 of each year. Copies of the same shall be filed with the Court and served on

the parties within 20 days following the end of the period covered by each such report.

7. CHA, its agents, servants and employees shall provide full cooperation and assistance to, and shall not interfere with, the Receiver in the performance of the Receiver's responsibilities hereunder, including without limitation providing full access to all information, records, documents, files relating to the scattered site program.

8. There shall be paid to the Receiver from funds provided by HUD pursuant to the ACC or Annual Contributions Contracts entered into between the Receiver and HUD, or by CHA if appropriate, (i) all direct costs and expenses reasonably incurred by the Receiver in connection with the performance by the Receiver of its duties pursuant hereto, (ii) to the extent not included in clause (i), a pro-rata share of all salary, compensation and other direct costs of those employees of The Habitat Company (other than Daniel E. Levin, James P. McHugh and Douglas R. Woodworth), James McHugh Construction Co. (other than James P. McHugh) or other entities which are affiliates of or controlled either directly or indirectly by the Receiver, who at the direction of the Receiver perform services on behalf of the scattered site program, for the actual time devoted by said employees to the performance of services for the scattered site program, and (iii) a fee in the amount of three percent (3%) of the aggregate development costs (excluding the costs described in clause (ii) above and any costs previously incurred by CHA)

for each building in the scattered site program (except buildings developed pursuant to a turnkey development) as reflected on the original development budget(s) therefor submitted by the Receiver and approved by HUD, the fee for such building being payable upon the completion thereof as determined in accordance with Paragraph 5 hereof. The Court will set a reasonable fee with respect to turnkey developments. The Court hereby determines that included in the category of expenditures for which the Receiver shall be entitled to reimbursement are all costs, expenses and liabilities (including reasonable attorneys' fees and court costs) reasonably incurred or sustained by the Receiver by reason of the performance by the Receiver of its duties pursuant to the provisions hereof to the extent said costs, expenses and liabilities are not covered by the insurance described in Paragraph 2(b)(iii) above.

9. Nothing in this Order shall (i) preclude or restrict the Receiver or any party hereto from asserting any claims against the Receiver or any other party hereto for any matter in connection with the scattered site program or otherwise; provided, however that the foregoing shall not constitute a waiver by the Receiver or any other party of any defense which it may have to such claim, including, but not limited to, a defense by the Receiver that it enjoys immunity from such claim, (ii) obligate HUD to furnish funds to the Receiver in addition to any funds which HUD would otherwise be obligated to provide

to CHA by virtue of any previous order of this Court or otherwise, or (iii) constitute a determination of the amount of funds which HUD is obligated to furnish by virtue of such previous orders or otherwise.

10. The Receiver is hereby excused from complying with Rule 9(b) of the Civil Rules of the United States District Court for the Northern District of Illinois.

11. The effective date of this Order (the "Effective Date") shall be the date upon which the Receiver has filed with this Court and served upon the parties hereto a notice signifying that the Receiver is satisfied that there is in force the insurance coverage referred to in Paragraph 2(b)(iii) above.

12. Except as and to the extent specifically provided in this Order, this Court's judgment orders previously entered herein, as previously modified, remain in full force and effect. The Court retains jurisdiction of this matter for all purposes, including enforcement and issuance, upon proper notice and motion, of orders modifying or supplementing the terms of this order upon the presentation of relevant information or material changes in conditions existing at the time of this order or any other matter.

ENTER:

United States District Judge

August 14, 1987

Exhibit G

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	**DATE**	8/12/1998
CASE TITLE	Gautreaux vs. CHA		

MOTION: [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.]

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] Receiver's motion for the entry of an order directing the CHA to comply with the 1987 receivership order and our 1988 HOPE VI orders is granted.

(11) ■ [For further detail see order attached to the original minute order.]

	No notices required, advised in open court.		Document Number
	No notices required.	number of notices	
✓	Notices mailed by judge's staff.	date docketed	
	Notified counsel by telephone.	docketing deputy initials	
	Docketing to mail notices.	8/12/1998 date mailed notice	
	Mail AO 450 form.	GL mailing deputy initials	
	Copy to judge/magistrate judge.		
GL	courtroom deputy's initials	Date/time received in central Clerk's Office	

(Reserved for use by the Court)

ORDER

The Receiver has moved for the entry of an order directing the CHA to comply with the 1987 receivership order and our 1998 HOPE VI orders. The plaintiffs and the City of Chicago support this motion. The CHA contests it.

The receivership order in this case gives the Receiver "all powers of CHA respecting the scattered site program necessary and incident to the development and administration of such program." It specifies that these powers include, *inter alia*, "negotiating any contracts or other documents necessary or appropriate to implement the scattered site program." It also provides that the CHA must provide the receiver with "full access to all information, records, documents, [and] files relating to the scattered site program." As we have instructed the CHA previously, compliance with our orders is not optional and we will take every necessary step to ensure the compliance of all parties.

The present dispute arose when the local media reported that the CHA had reached an agreement with representatives of residents of the Cabrini-Green housing development with regard to future development on the Cabrini-Green site. This agreement, if approved, would settle a case brought by the residents against the CHA which is now pending before Judge Coar. The Receiver complains that it was not allowed to participate in the discussions which led to this agreement, and it asks that we enjoin the CHA from further unilateral non-elderly housing development activities and from implementing the Cabrini (and any other similar) deal, and that we compel the CHA to turn over control of such development to the Receiver and to disclose all information about CHA's non-elderly development activities to the Receiver.

The CHA's only meaningful objection to this request is that it has intended all along to seek a waiver of the primary injunction in this case, which, if we consented, would mean that the Receiver would have no role in development at Cabrini-Green. The problem is that *no waiver has been sought*. Without a waiver the CHA lacks the authority to unilaterally negotiate *any* contract or agreement respecting the construction of housing, for the receivership order provides that the scattered site program includes *all* non-elderly housing.

The CHA is hereby enjoined from developing or negotiating or otherwise pursuing any agreement with any person or entity regarding the development of dwelling units (a term defined in the original injunction in this case) without the full participation of the Receiver unless, of course, it has already secured a waiver for the contemplated development. By full participation we mean that the Receiver must have timely and unfettered access to "all information, records, documents, [and] files" relating to the contemplated development and that the Receiver must be given advance notice of all meetings (whether conducted in person or by any other means of communication) related to such development and allowed to attend and give his input. The Receiver, of course, possesses *all* of the CHA's development authority, so the CHA may not come to any agreement regarding development without his written consent.

As for the CHA's agreement with the Cabrini-Green representatives, the parties must now return to the drawing board and renegotiate their agreement with the full participation of the Receiver since the CHA has not yet secured a waiver of the injunction. If the CHA chooses instead to seek a waiver, it should know that we will consult the Receiver on the merits of the proposed waiver (and we will require the CHA to provide "all information, records, documents, [and] files" concerning the Cabrini-Green development and proposed waiver to the Receiver so that he may offer us intelligent and informed comments on the proposed waiver). So, the more prudent, effective, and efficient course will be to negotiate with the Receiver prior to seeking our involvement.

The Receiver's motion is granted. It is so ordered.