

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

RECEIVED
MAR 29 2000
JUDGE MARVIN E. ASPEN
UNITED STATES DISTRICT COURT

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY,

Defendant.

)
)
)
)
) 66 C 1459
)
) Hon. Marvin Aspen
)
)

**JOINT MOTION TO MODIFY
THE NORTH KENWOOD-OAKLAND REVITALIZING AREA ORDER**

The Gautreaux Plaintiffs and Defendant Chicago Housing Authority ("CHA") hereby jointly move this Court to modify the June 3, 1996 North Kenwood-Oakland Revitalizing Area Order ("Revitalizing Area Order") to allow 20 public housing units that were designated for the CHA-owned Drexel property ("the Drexel site") to be developed instead on the CHA-owned Lakefront property ("the Lakefront site"). This modification, which is supported by the Receiver, would alter neither the total number of public housing units to be developed under the Revitalizing Area Order, nor the income mix prescribed in the Order. In support of this motion, Plaintiffs and CHA state:

1. On June 3, 1996, this Court entered an order (attached hereto as Exhibit A) which, among other things (1) designated a North Kenwood-Oakland Revitalizing Area; (2) permitted development of up to 241 scattered site public housing units within the Revitalizing Area; (3) specified that no more than 100 of those public housing units

could be located on the CHA-owned property known as the Lakefront site, and up to 50 units on the CHA-owned Drexel site; and (4) specified mixed income criteria for the units on both sites.

2. The Receiver and CHA have made substantial progress implementing the Revitalizing Area Order:

A. The Receiver has acquired sites for all 91 public housing units not located on the Lakefront and Drexel sites, and has either commenced or completed construction of 70 units. Construction of the remaining 21 units will commence this year.

B. CHA has demolished the four vacant high rises on the Lakefront site.

C. The Receiver and the City of Chicago developed and issued a Request for Proposals (RFP) to potential developers of the Lakefront and Drexel sites. The RFP was developed in consultation with CHA, the Gautreaux Plaintiffs, the Lakefront Community Organization and community residents, including the North Kenwood-Oakland Conservation Community Council.

D. The Receiver and the City convened a panel ("the Evaluation Panel") to evaluate the four proposals received from developers in response to the RFP. Representatives of the Receiver, the City, CHA, the Gautreaux Plaintiffs, and the Conservation Community Council participate actively on the panel.

E. Over the past three months, the Evaluation Panel has reviewed the four proposals in depth, including conducting extensive interviews with the

prospective developers and having each developer make multiple presentations at public meetings of the Conservation Community Council.

3. After carefully studying the proposals, interviewing developers, and soliciting the views of the community, the members of the Evaluation Panel have reached a consensus that in order to maximize the chances of creating successful mixed income communities on the Lakefront and Drexel sites, the 150 public housing units planned for the two sites should be redistributed. The Panel members believe that no more than 30 such units should be located on the Drexel site, and that 120 can be accommodated on the Lakefront site.

4. The attached affidavit of Receiver Daniel E. Levin of the Habitat Company (Exhibit B) explains the Evaluation Panel's reasoning in detail. The Receiver and the City seek to develop a mixed-income community on each site, with public housing units comprising no more than 25 percent of the total units on either site. The Evaluation Panel concluded that the Drexel site is too small to accommodate 50 public housing units along with the 150 additional market rate and affordable units that would be necessary to achieve the desired income mix. By contrast, the Evaluation Panel concluded that the larger, more attractive Lakefront site could successfully accommodate 120 public housing units, and 480 total units, without compromising the marketability of the market rate and affordable units.

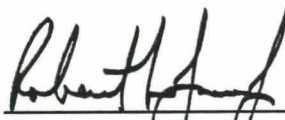
5. The parties seek no change in the total number of public housing units to be developed in the Revitalizing Area. Moreover, both the Drexel site and the

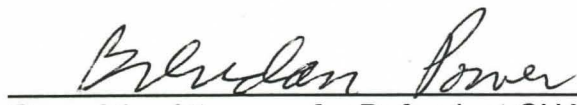
Lakefront site would continue to be subject to the Revitalizing Order's mixed income requirements.

6. Thus, the proposed modification is faithful to the underlying purpose of the Revitalizing Area Order – to facilitate the development of successful, mixed income housing in North Kenwood-Oakland.

WHEREFORE, the parties jointly and respectfully request that this Court enter an order, in the form attached hereto, modifying the North Kenwood-Oakland Revitalizing Order to allow 20 public housing units to be shifted from the Drexel site to the Lakefront site.

Respectfully submitted,


One of the Attorneys for Plaintiffs


One of the Attorneys for Defendant CHA

March 29, 2000

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

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

ORDER

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

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

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

The Court also being cognizant that on occasion it has

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

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

Now, therefore, IT IS HEREBY ORDERED:

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

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

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

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

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

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

ENTER:

Marion E. Asper

Judge

Date: *June 3*
~~June 1~~, 1996

AFFIDAVIT

1. The Undersigned, Daniel E. Levin, is the Receiver appointed jointly with The Habitat Company by this Court's order of August 14, 1987.

2. As Receiver, I support the motion for an order amending the June 3, 1996 order designating a North Kenwood-Oakland Revitalizing Area. The motion would increase the number of public housing units to be developed on the "Lakefront Site" (Exhibit 1) from 100 units to 120 units, and would decrease the number of public housing units to be developed on the "Drexel Site" (Exhibit 1) from 50 units to 30 units. The total number of public housing units to be developed on both sites, 150 units, would remain the same, only the distribution would change.

3. I support the motion for the following reasons:

a) Reduction of the Density of the Drexel Site

A shift of 20 public housing units from the Lakefront Site to the Drexel Site would allow us to reduce the density of housing units on the Drexel Site. The size of the Drexel Site (4.3 acres) is only one-fourth the size of the Lakefront Site (16.5 acres). However, but for the proposed amended order, the Drexel Site would contain one-half as many public housing units (50 units) as the Lakefront Site (100 units).

Following a lengthy community process, it was determined that both sites would be redeveloped as mixed-income communities, and that the public housing units on each site would represent no more than 25% of the total

housing units on each site. This means that the minimum total number of units on the Lakefront Site would have to be 400 units, while the minimum total number of units on the Drexel Site would have to be 200 units. In other words, the Drexel Site would contain one-half of the total units of the Lakefront Site on only one-fourth of the land.

Shifting 20 public housing units from the Drexel Site to the Lakefront Site, resulting in 120 public housing units on the Lakefront Site but only 30 public housing units on the Drexel Site, would make both the total density and the public housing density of each site approximately the same, as illustrated in the following tables:

LAKEFRONT SITE --- 16.5 Acres

	Total Units	Units / Acre	P.H. Units	Units / Acre
Old Density	400 units	24.2 units/acre	100 units	6.1 units/acre
New Density	480 units	29.1 units/acre	120 units	7.3 units/acre

DREXEL SITE --- 4.3 Acres

	Total Units	Units / Acre	P.H. Units	Units / Acre
Old Density	200 units	46.5 units/acre	50 units	11.6 units/acre
New Density	120 units	27.9 units/acre	30 units	7.0 units/acre

b) Elimination of the Need for a Mid-Rise Building on the Drexel Site

Planning studies conducted by the Receiver's staff indicated that in order to achieve 200 total units on the Drexel Site, there would have to be at least one

mid-rise, elevator building. This conclusion was borne out when we received proposals in response to the Request for Proposals ("RFP") for the Drexel Site which was issued on September 15, 1999. The respondents stated that the only way they could physically locate 200 units on the Drexel Site would be to include a mid-rise, elevator building on the site. Shifting 20 public housing units from the Drexel Site to the Lakefront Site, thereby substantially reducing the total number of units on the Drexel Site, would eliminate the need for a mid-rise, elevator building and allow for the development of all low-rise buildings on the site.

c) Mid-Rise Construction Costs

One of the respondents to the RFP indicated that the cost to construct a mid-rise, elevator building would substantially increase the construction cost per square foot. According to the respondent, construction costs for a low-rise residential building are approximately \$130 / s.f., but the construction costs for a mid-rise residential building are approximately \$160 / s.f. The respondent said that this difference in construction costs would adversely affect their ability to finance the project.

An RFP for developers for the Lakefront Site was also issued on September 15, 1999. Each respondent included mid-rises in their proposals, and each respondent indicated that they would have no difficulty developing a minimum of 480 total units on the Lakefront Site.

While the same difference between low-rise and mid-rise construction costs indicated by the respondent to the Drexel RFP would also apply to the Lakefront Site, it would have less impact on the development at the Lakefront

Site because the financial impact would be spread over more than twice as many total units.

d) Ability to Successfully Develop the Drexel Site

The respondents to the Drexel RFP stated that they would prefer a lower density on the Drexel Site. They said that their ability to successfully develop the Drexel Site as a mixed-income community containing public housing units would be greatly enhanced if the density on the site were reduced. The reduced density would allow for more open space, ease parking, and give more flexibility to the housing types that could be built on the site. Since the Lakefront Site is four times as large, these issues are much more readily dealt with on that site.

4, There has been substantial community involvement in the planning process for the Lakefront and Drexel Sites. At seven regularly scheduled meetings of the Kenwood-Oakland Conservation Community Council ("CCC") and at two executive meetings of the CCC between February 1999 and September 1999, the Receiver's staff presented a number of planning studies and engaged the community in a thorough discussion of the various planning issues ---such as density, building types, design guidelines, and income mix. We also conducted an all-day planning workshop for the working group and for CCC members in July 1999. The key provisions of the Lakefront Site and Drexel Site RFP's were presented to and approved by the CCC. Among the many issues discussed during these community meetings was the possibility of moving 20 public housing units from the Drexel Site to the Lakefront Site. In January and February 2000, four entire CCC meetings --- two regularly scheduled meetings and two

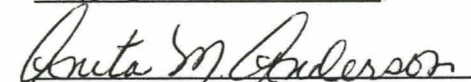
pecially-called meetings --- were devoted to two community presentations each by the respondents to the Lakefront Site and Drexel Site RFP's. Again, the possibility of moving 20 public housing units from the Drexel Site to the Lakefront Site was discussed at these community presentations. The Receiver is not aware of any community opposition which arose during this extensive community planning process to the idea of moving 20 public housing units from the Drexel Site to the Lakefront Site.

5. For the reasons described above, I support the motion to amend the June 3, 1996 order designating a North Kenwood-Oakland Revitalizing Area to shift 20 public housing units from the Drexel Site to the Lakefront Site.



Daniel E. Levin, as Receiver
THE HABITAT COMPANY

SUBSCRIBED and SWORN to
before me this 29 day of
March, 2000.


Notary Public



My commission expires: August 26, 2001

Adrianne A. Lee, AIA
 Planning & Urban Design
 888 North La Grange Road
 Chicago, Illinois 60611

GENERAL NOTES

PROJECT LOCATION

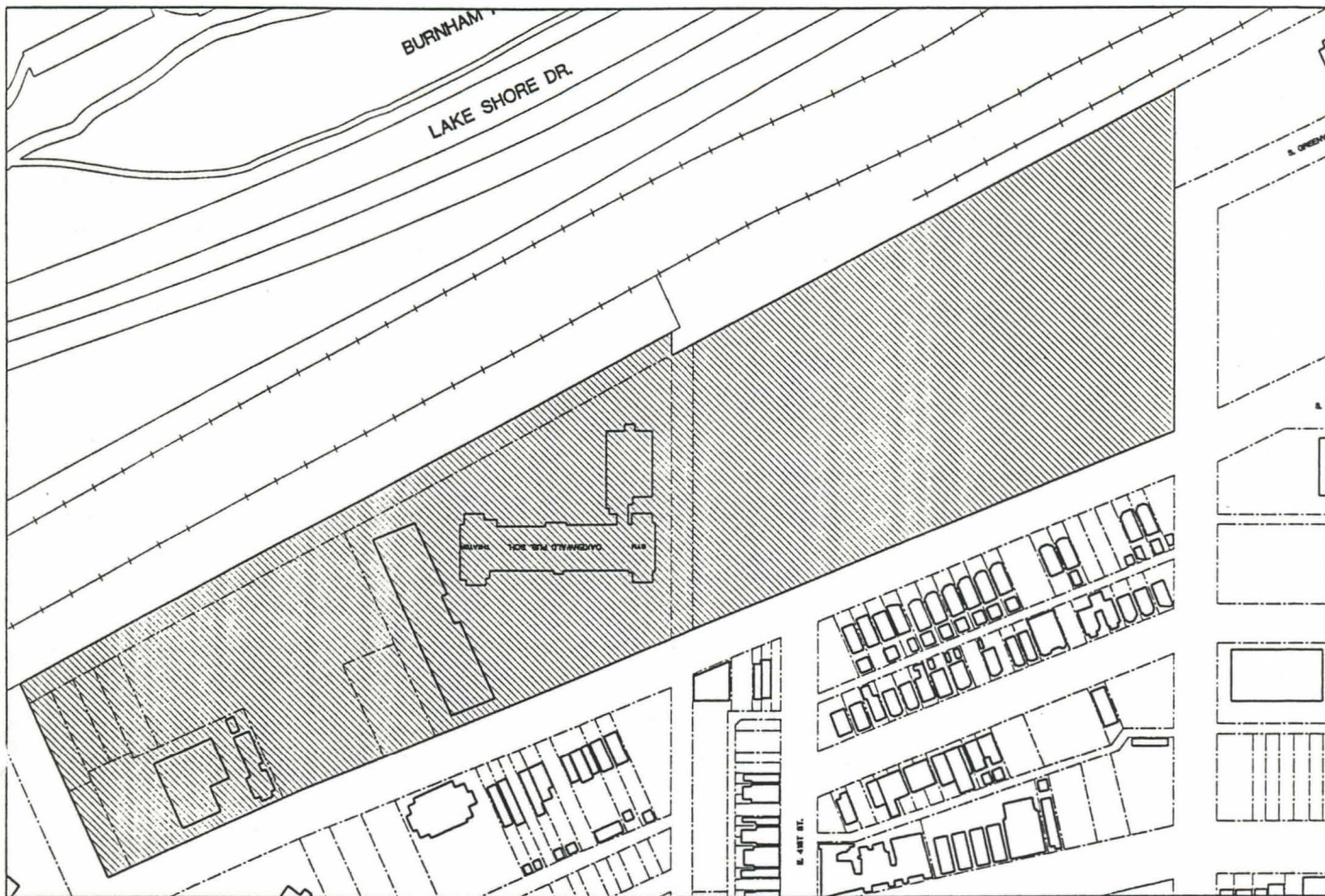


Exhibit 1

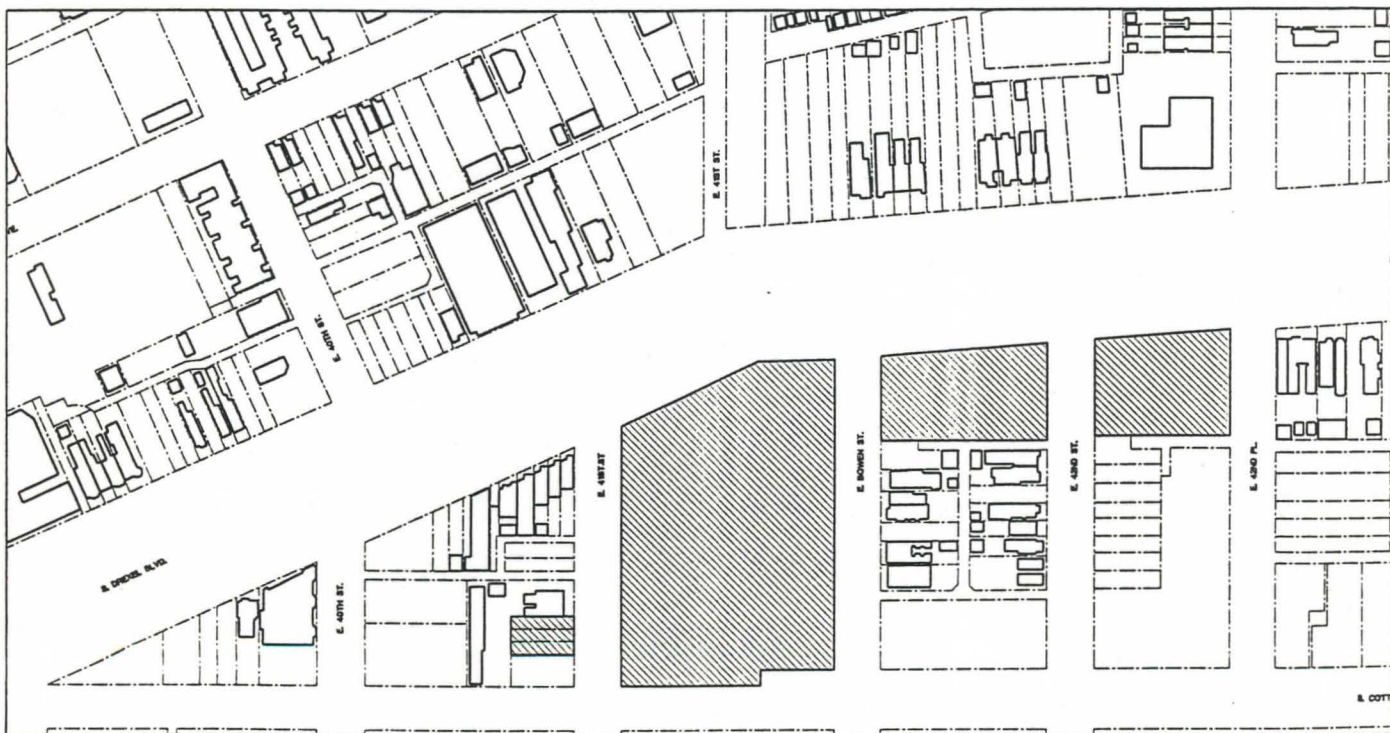
KENWOOD OAKLAND
 PLANNING STUDY

SITE PLAN

9535 SP101



2 LAKE FRONT SITE



1 DREXEL SITE

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FOR THE NORTHERN DISTRICT OF ILLINOIS
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DOROTHY GAUTREAUX, et al.,

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v.

CHICAGO HOUSING AUTHORITY,

Defendant.

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66 C 1459

Hon. Marvin Aspen

ORDER

This matter coming to be heard on the Gautreaux Plaintiffs' and Chicago Housing Authority's Joint Motion to Modify the North Kenwood-Oakland Revitalizing Area Order, with the support of the Receiver, and this Court being fully advised in the premises,

It is hereby ordered that this Court's June 3, 1996 Order is modified to allow the development of no more than 120 public housing units on the Lakefront site and no more than 30 public housing units on the Drexel site, provided there is no change in the total number of public housing units or the income mix requirements for those sites.

Enter: _____

Date: _____

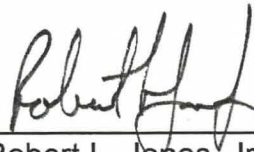
59
E. Aspen

Hon. Marvin E. Aspen

Wrong day
Tues. April 11, 2000

CERTIFICATE OF SERVICE

I, Robert L. Jones, Jr., an attorney, certify that on March 29, 2000 I caused copies of the foregoing Notice and the Joint Motion to Modify the North Kenwood-Oakland revitalizing Area Order, together with the proposed Order, to be served upon the persons whose names appear on the attached service list in the manner stated therein.



Robert L. Jones, Jr.

GAUTREAU SERVICE LIST

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B P I

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25 East Washington Street - Suite 1515, Chicago, Illinois 60602

Phone: 312/641-5570

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FAX

FAX

FAX

FAX

From: Robert L. Jones, Jr.

**To: G. A. Finch) Please copy and
Brendan Power) distribute
312/726-6053**

**Michael L. Shakman) Please copy and
Barry Miller) distribute
Edward Feldman)
312/263-3270**

**Daniel Levin
312/527-4639**

Date: March 30, 2000

Number of Pages (Including Cover): 1

In case of trouble, contact: Marissa Manos

REMARKS:

Re: Gautreaux v. CHA

PLEASE NOTE:

The Notice of Motion filed yesterday erroneously indicated the motion date as Wednesday, April 11. The correct date is TUESDAY, April 11.

MODE = MEMORY TRANSMISSION

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003	OK	2	5274639	001/001	00:00'14"

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FAX

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312/726-6053

Michael L. Shakman) Please copy and
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