

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 E. Aspen
	)	
Defendants.	)	

**JOINT MOTION OF PLAINTIFFS, DEFENDANT CHICAGO HOUSING AUTHORITY, .
AND THE RECEIVER FOR AN ORDER RECLASSIFYING
CENSUS TRACTS 0806 AND 0807 AS GENERAL AREAS,
DESIGNATING AN EXPANDED NEAR-NORTH REVITALIZING AREA
AND AUTHORIZING DEVELOPMENT OF PUBLIC HOUSING UNITS THEREIN**

The plaintiffs, defendant Chicago Housing Authority ("CHA"), and Daniel E. Levin and The Habitat Company (the "Receiver"), with the concurrence of the City of Chicago and the Cabrini-Green Local Advisory Council, respectfully move the Court to enter an order, in the form attached hereto, reclassifying census tracts 0806 and 0807 as General Areas, designating an expanded Near North Revitalizing Area and authorizing development of public housing units therein as described below. In support of this motion, the parties state as follows:

1. On November 6, 1997, this Court entered an Order designating a Near-North Revitalizing Area and authorizing CHA to arrange for the acquisition of leasehold interests in approximately 250 privately-developed units on four sites within that area for sub-lease to public housing families, provided that on each of the four sites the public

housing units should account for no more than 30 percent of the total number of units developed on each site. (See attached motion, affidavit and order, Exhibit A.)

2. On August 12, 1998 this Court entered an order requiring the parties in *Cabrini-Green Local Advisory Council v. CHA and City of Chicago, et al.*, No. 96C6949, to renegotiate their proposed consent decree with the full participation of the Receiver unless they obtained a waiver of the *Gautreaux* court orders from this Court. On September 28, 1999, having granted the Cabrini LAC's motion to intervene for the limited purpose of filing a motion for such a waiver, this Court denied the waiver.

3. On November 3, 1999 this Court authorized the Receiver to proceed with a working group to create a redevelopment plan for the Cabrini-Green public housing development. Since entry of that order, the parties to the Cabrini-Green LAC case, along with the Receiver and the *Gautreaux* plaintiffs, have been negotiating a revised consent decree to resolve the *Cabrini LAC* litigation and to create a blueprint for a redevelopment of the Cabrini-Green public housing development. After long and complicated negotiations, the parties, along with the Receiver and the *Gautreaux* plaintiffs, have successfully resolved the issues and embodied them in the revised consent decree presented to this Court simultaneously with this motion.

4. Under the revised consent decree a portion of the proposed redevelopment is to take place in the existing Near North Revitalizing Area authorized by the Court in its November 6, 1997 order. However, a substantial portion of the proposed redevelopment required by the decree is also to take place south and west of the existing revitalizing area. Thus, to effectuate the provisions of the consent decree, the parties now propose both a reclassification of census tracts 0806 and 0807 and an expansion of the existing Near North Revitalizing Area.

5. Census tracts 0806 and 0807, which lie to the west of the Cabrini-Green development and east of the Chicago River, are zoned as manufacturing and commercial areas (see Affidavit of Lawrence E. Grisham, attached hereto as Exhibit B). According to the 1990 census, tract 0806 contained 29 people, 10 of which were African-American, and tract 0807 contained 80 people, 72 of which were African-American. U.S Census of Chicago, Race and Latino statistics for Census Tracts, Community Areas and City Wards: 1980, 1990, February, 1991. It is believed that nearly all residential usage has now been abandoned. (See Exhibit B.) Under these circumstances, the parties are agreed that it is appropriate to classify the area as General rather than Limited. In addition, residential development planned for the area, both under the revised *Cabrini* consent decree and independently, is either market rate or mixed-income development.

6. The parties also propose that the existing Near North Revitalizing Area be expanded to include the area described as follows:

Beginning at the southwest corner of West Division and North Larrabee; south along North Larrabee to West Chicago Avenue; east on West Chicago Avenue to North Hudson; north on North Hudson to the first alley north of Chicago Avenue; west through the alley to the alley between North Cambridge and North Larrabee; north through the alley to the boundary of the first parcel south of West Oak; east along the boundary of that parcel to North Cambridge; north on North Cambridge to West Oak; east on West Oak to North Cleveland (vacated); north on North Cleveland to West Elm (vacated); east on West Elm to North Sedgwick; north on North Sedgwick to West Division; west on West Division to North

Cleveland; north on North Cleveland to West Scott; west on West Scott to North Larrabee; south on North Larrabee to West Division.

The existing and proposed expanded Near North Revitalizing Areas are depicted on the map attached hereto as Exhibit C. Exhibit C also depicts as shaded areas the properties proposed for residential redevelopment under the revised *Cabrini* consent decree.

7. Pursuant to the *Cabrini* decree, a large portion of the proposed expanded revitalizing area would be new mixed-income residential development. This new development would replace the existing Cabrini-Green Extension North. The decree requires (§II.D., p. 9) that the income mix for all housing developed pursuant to the decree on City- or CHA-owned land be 50 percent market rate, 20 percent affordable, and 30 percent public housing.

8. In his affidavit supporting the 1997 motion for the Near North Revitalizing Area, Andrew Rodriguez, then-Director of redevelopment for CHA, identified both existing and planned redevelopment in the Near North area surrounding the Cabrini-Green development. (See Exhibit A.) Since 1997, a great deal of the planned redevelopment described in the Rodriguez affidavit has taken place, enhancing the revitalizing characteristics of both the existing and proposed expanded revitalizing areas. For example:

- A. Crate and Barrel, a large retail housewares and furniture chain, has completed and opened its new store on Clybourn and North Avenues.
- B. One hundred thirteen units in the Old Town Square luxury condominium development on Sedgwick near Division are under

construction, 28 of which have been leased to CHA for public housing families.

- C. The Mohawk North development of 91 condominiums, townhomes and single family homes, on Mohawk north of Clybourn, has been completed and 16 units have been leased to CHA for public housing families.
- D. Fifty four units in the Orchard Park townhome development, on Clybourn south of North Avenue, are nearly completed, 13 units of which will be leased to CHA for public housing families.
- E. Fifteen units are under construction in the Mohawk Partners condominium development at Mohawk and Division, five of which are to be leased to CHA for public housing families.
- F. Phase I of the North Town Village development (formerly referred to as Halsted North), on Halsted north of Division, is under construction. North Town Village will comprise 261 total units, both rental and for-sale, of which 79 will be leased to CHA for public housing families. Eighty percent of Phase II, the for-sale portion of the development, has already been sold even though Phase II construction has not yet begun.
- G. A major shopping center has been completed at Sedgwick and Division, containing a Dominick's grocery store, a Starbucks coffee shop, a bank and other retail facilities.
- H. A new police station is under construction at Sedgwick and Larrabee.

- I. The City has approved the area covered by the Near North Revitalization Initiative as a Tax Increment Financing District.
- J. A new school has been built by the Chicago Public School district adjacent to the proposed expanded revitalizing area.

9. The revised *Cabrini* consent decree calls for the demolition of the remaining six Cabrini Extension North highrise buildings and their replacement with mixed-income housing. In all, the decree requires the development of at least 700 public housing replacement units in the Near North area. It is the parties' view that the demolition and replacement of existing Cabrini-Green highrises, together with the developments cited above, strengthen significantly the revitalizing character of the community.

10. In order to effectuate the demolition and replacement contemplated by the *Cabrini* decree, the parties request the Court to increase to 700 the number of public housing units authorized to be developed within the existing and expanded revitalizing area, developed through new construction, acquisition by lease or otherwise, or such greater number as may be authorized by further orders of this Court, provided that public housing shall account for no more than 30 percent of the total number of units developed pursuant to the *Cabrini* consent decree on City- or CHA-owned land.

WHEREFORE, the parties request that this Court enter the proposed order in the form attached.



One of the Attorneys for Plaintiffs

September 8, 2000

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Julie Elena Brown
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FOR THE PUBLIC INTEREST
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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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

AGREED ORDER

This matter coming to be heard on the Joint Motion of the plaintiffs, the defendant Chicago Housing Authority and the Receiver for an Order reclassifying census tracts 0806 and 0807 as General Areas, designating an Expanded Near North Revitalizing Area and authorizing development of public housing units therein; and

The Court being cognizant that the principal remedial purpose of the orders previously entered in this case has been 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 other than 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 having determined that the circumstances described in the Joint Motion and attached affidavit justify a reclassification of census tracts 0806 and 0807

from Limited to General and an expansion of the boundaries of the Near North Revitalizing Area as proposed in the Joint Motion; and

The Court being of the view that the aforementioned circumstances evidence a substantial likelihood that plaintiff class families will be provided desegregated housing opportunities if the terms and conditions of this order are met;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. Census tracts 0806 and 0807 of the City of Chicago are reclassified as General Area tracts;
2. The Near North Revitalizing Area is expanded to include the portion of the City of Chicago shown on Exhibit C of the Joint Motion;
3. The Receiver shall be authorized to arrange for the development within the existing and expanded Revitalizing Area of 700 public housing units, or such greater number as may be authorized by further order of this Court, by lease, new construction or otherwise. Pursuant to the consent decree entered in *Cabrini-Green LAC v. CHA and City of Chicago*, 96C6949, such public housing units shall account for no more than 30 percent of the total number of housing units in each development, except as otherwise permitted by the revised *Cabrini* consent decree.

ENTER:

Dated: September __, 2000

EXHIBIT A

RECEIVED
JUDGE MA
UNITED STATES
1907

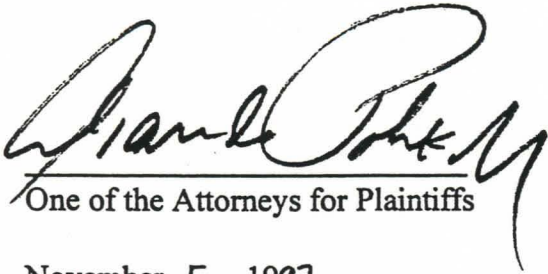
JUDGE MARVIN E. ASPEN
UNITED STATES DISTRICT COURT
1997
66 C 1459

66 C 1459

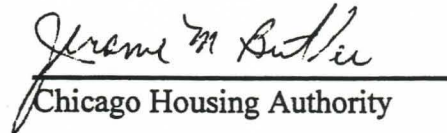
In support of this motion, the Court is respectfully referred to the Memorandum,

Affidavit of Andrew Rodriguez, and proposed Agreed Order submitted herewith.

Respectfully Submitted,



One of the Attorneys for Plaintiffs



Chicago Housing Authority

November 5 , 1997

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

RECEIVED

NOV 8 1997
JUDGE MARVIN E. ASPEN
UNITED STATES DISTRICT COURT

DOROTHY GAUTREAUX, et al.,)
)
Plaintiffs,)
)
)
CHICAGO HOUSING AUTHORITY, et al.)
)
Defendants.)

66 C 1459

**MEMORANDUM IN SUPPORT OF JOINT MOTION FOR AN ORDER
DESIGNATING A NEAR NORTH REVITALIZING AREA AND
AUTHORIZING THE ACQUISITION OF PUBLIC HOUSING UNITS THEREIN**

Plaintiffs and Defendant, Chicago Housing Authority ("CHA"), by their attorneys, jointly move this Court for an order, in the form attached hereto, designating as the Near North Revitalizing Area ("NNRA") that portion of the City of Chicago which is illustrated on the attached Exhibit 2 to Affidavit of Andrew Rodriguez and is described as follows:

Beginning at the southeast corner of North Avenue and Halsted Street;
East along North Avenue to Sedgwick Avenue;
South along Sedgwick Avenue to Division Street;
West along Division Street to Cleveland Avenue;
North along Cleveland to Scott Street;
Northwest along Scott Street to Larrabee Street;
North along Larrabee Street to Clybourn Avenue;
Northwest along Clybourn Avenue to Ogden Avenue;
Southwest along Ogden Avenue to the southwestern-most corner of Stanton Park;
South from that point to the northern boundary of the William Green Homes (the vacated Scott Street);
West along the vacated Scott Street to the vacated Burling Street;

South along the vacated Burling Street to Division Street;
West along Division Street to Halsted Street; and
North along Halsted Street to the beginning point at North Avenue.

The proposed order also authorizes the acquisition of leasehold interests in approximately 250 privately developed units to be used as public housing units in the Near North Revitalizing Area. In support of this joint motion, plaintiffs and CHA state:

1. CHA and the plaintiffs agree that designating the Near North Revitalizing Area is appropriate and desirable for number of reasons. First, the development of hundreds of new, high-quality residential properties within the NNRA, together with the proposed demolition of several hundred public housing units nearby, will decrease the concentrations of poverty in the NNRA and the adjacent community. The units acquired will be part of mixed-income developments and will serve as replacement housing for units demolished in connection with the HOPE VI revitalization efforts underway at the Cabrini Green public housing development. Second, the NNRA satisfies the Gautreaux "revitalizing" criteria, and would therefore be an appropriate location for the provision of new public housing units. In seeking this designation, CHA and the Plaintiffs hope to secure a foothold for public housing families in this rapidly changing community.

2. For the reasons set forth below, supported by the Affidavit of Andrew Rodriguez, the parties respectfully request the Court to enter the attached proposed Agreed Order.

I. A Revitalizing designation is appropriate because major activity by institutional actors and the private market is increasing and improving the housing stock in the affected census tracts.

A. New housing of high quality is being privately developed for sale to market rate buyers and for rental by low income families.

As stated above, the NNRA is currently experiencing a "boom" in upscale housing development. Comprised of parts of census tracts 804 and 805, the NNRA is the site of four (4) new housing developments which are part of the City of Chicago's Near North Redevelopment Initiative (the "City Initiative"). The four developments will contain approximately 700 of the 2400 units of high-quality, low density, privately owned housing, included in the City Initiative. Of these 700, approximately 250 will be for public housing families. The Chicago Housing Authority's HOPE VI Revitalization Plan for the Cabrini Extension (the "HOPE VI Plan") sets forth the CHA's plans for demolition of more than 1324 public housing units in the Cabrini Extension, which is located just south of the NNRA. The units "set aside" for public housing families will serve as replacement housing for units demolished as part of the HOPE VI Plan. (Affidavit of Andrew Rodriguez, Paragraphs 2 and 4). The concentration of public housing units in Cabrini Green will be reduced by the implementation of the HOPE VI Plan.

The City of Chicago has expressed its commitment to the "reservation" of units for public housing families in the privately developed projects by entering into agreements with developers which require the set-aside, and by planning to include the set-aside in the Requests For Proposals it will issue. Mayor Daley explicitly referenced this commitment in his letter of support for the HOPE VI Plan to HUD Secretary Andrew Cuomo. (See Exhibit 1 to Affidavit of Andrew Rodriguez). Housing development activity in the NNRA, specifically the inclusion of public housing families in mixed income developments, is an integral part of the City Initiative.

Two of the new developments are already under construction. "Mohawk North" is a 92-unit residential development on Mohawk Street comprised of condominiums, townhomes, and detached single-family homes.¹ (Paragraph 5, Affidavit of Andrew Rodriguez). 64 units have already been sold. The Developer of Mohawk North has offered approximately 20% of the Mohawk North units to the CHA, subject to HUD approval, for use as replacement public housing, pursuant to a long term lease. A few blocks east of Mohawk North, in a General Area Census Tract adjacent to the NNRA, another new high-quality housing development is under construction as well. 28 of the 113 units being developed in the project known as "Old Town Square" will be leased to public housing families, subject to HUD approval. (Affidavit of Andrew Rodriguez, Paragraph 5). The parties agree that the Mohawk North and Old Town Square units will provide public housing families with high-quality housing in a rapidly developing, racially and economically integrated community. Between Mohawk North and Old Town Square lies "Cleveland Courts," an upscale development containing 57 townhome units. 28 have already been sold. (Affidavit of Andrew Rodriguez, paragraph 5)

The NNRA also contains yet another new housing development called Orchard Park. Sited in the northwest corner of census tract 805 on land owned by the Chicago Housing Authority which was leased to a private developer, the project consists of 54 townhome units, 13 of which will be offered to the CHA as replacement housing. The first phase of the project – ten units – sold out quickly at prices ranging from \$160,000 to

¹ The Court had an opportunity to view Mohawk North, and several other of the development sites in the NNRA, during the tour sponsored by CHA conducted on July 21, 1997.

\$210,000. The second phase, which will include larger units with garages, will range in price from \$160, 000 to \$260,000 (Affidavit of Andrew Rodriguez, Paragraph 5).

Prior to this latest surge in development, evidence of the area's changing market was apparent to the banking community. From 1990 to 1995, home improvement and mortgage loans increased by 110% in Census Tract 804; a similar increase is reflected in lending data for Census Tract 805.²

B. Existing subsidized housing has been rehabilitated and is being privately managed.

Adjacent to the NNRA is the William Green Homes development, a 1058 unit public housing development that is part of the larger Cabrini-Green development. Earlier this year, the CHA entered into a contract with a Resident Management Corporation for the management of these units. The Resident Management Corporation ("RMC") has subcontracted the day-to-day operations of management to a private property management firm, who will, in turn provide training and technical assistance to the RMC in property management. One building in the William Green Homes, 1230 North Burling, has its own RMC which has been managing the building for several years. The 1230 Burling RMC recently oversaw the complete rehabilitation of that building. (Paragraph 5, Affidavit of Andrew Rodriguez)

Two Project-based Section 8 Developments are located within the boundaries of the NNRA. The Marshall Field Garden Apartments, comprised of 628 units in 10 five-story walk-up buildings, runs along Sedgwick Avenue, on the eastern border of the

² Home improvement and mortgage loans in census tract 804 increased from \$1,446,000 in 1990 to \$3,036,000 in 1995. In census tract 805, \$595,000 in loans were generated in 1990, compared to \$1,773,000 in 1995. *Chicago Lending By Area, Tract, and Reporter For Banks, Savings & Loans, and*

NNRA. The entire development was completely rehabilitated by new owners in 1992. The renovated units have new kitchens, bathrooms, and amenities like air-conditioning and carpeting. A community center and playground are located in the center of the development. The new owner also installed a hi-tech computerized 24 hour security system, which has resulted in lessened traffic in and out of the development and fewer security problems. The property management company utilizes strict resident screening procedures for admission including housekeeping inspections, criminal background checks, credit checks, and landlord references. The development is more than 95% occupied.³

The other Project-based Section 8 development in the NNRA is located just south of the Marshall Fields Garden Apartments. Comprised of 168 units on two sites Evergreen Terrace and Evergreen Sedgwick is also almost fully occupied. The townhouse and 3 story structures are managed by the owners of the development, a community based organization which has been an active participant in community support programs. Recently, the owners installed iron fences around the perimeter of the development. They are currently seeking funding to install attractive lighting in order to improve the appearance and security of the development. The owners also employ vigorous screening program which includes a family interview, credit check, and housekeeping inspection.⁴

C. Requests for Development Proposals will be issued later this year for two privately developed high-quality housing developments.

Mortgage Companies, (1990 and 1995). The Woodstock Institute, Chicago, Illinois. (1996)

³ Telephone interview with Karen Schein, Property Manager for Marshall Field Garden Apartments, July 24, 1997.

⁴ Telephone Interview with Al Burns, Vice President, William Moorehead & Associates. July 24, 1997.

The Larrabee North site, located just south of the Orchard park development along Clybourn Avenue, is an integral part of the City's Initiative. Approximately 345 units are planned for the site, of which 30% will be reserved for public housing families. The Board of Education currently owns the site and plans to issue a Request For Proposals for sale and development of the first 115 of these units in the fall of this year.

The City will also be issuing an RFP this winter for development of at least 200 units of housing to be located on City-owned land running north along Halsted Street from Division Street. 30% of these units will be for public housing families. (Affidavit of Andrew Rodriguez, Paragraph 6.)

II. A Revitalizing Designation Is Appropriate Because Several Other Gautreaux Revitalizing Criteria Are Satisfied.

A. The City of Chicago has made major investments in community resources and infrastructure.

In addition to the significant investment in housing development in the NNRA, substantial commercial and infrastructure development is planned as part of the City's Initiative. The City Council has designated an area which includes the NNRA as a Tax Increment Financing District (TIF) in order to fund development and infrastructure in the area. Two new schools are being built by the Board of Education. The City Initiative calls for development of a "Town Center" which will include a major grocery store, a bank, and other shopping facilities. Construction on the site, located in the southeast corner of the NNRA, has begun. A park in the NNRA will also be enhanced and linked to the programs offered by the neighboring YMCA. A new library opened recently on

Division Street, just east of the NNRA border. (Affidavit of Andrew Rodriguez, Paragraph 7).

B. The NNRA has existing amenities which favor continuation of the already occurring revitalization.

The NNRA's location can only be described as ideal. It is no wonder that private developers have flocked to the area, undeterred by the proximity and perceived problems of a large, dilapidated public housing development. Less than a mile from the lake and the Loop, with excellent access to public transportation, shopping, entertainment, and culture, the new housing in the NNRA would likely be too expensive for many Cabrini-Green families, were it not for the City's commitment to reserving these units. The excellent location is a large part of the reason why many Cabrini families want to stay in the area, and why CHA has vigorously pursued replacement housing opportunities there.

C. The NNRA is surrounded by established, vital, economically healthy communities.

The NNRA is bordered to the east and north by General Area census tracts which are among the wealthiest in the City of Chicago. Homeowners in Census Tracts 715 - 719, 802 and 803 had average incomes in excess of \$100,000 in 1990. The mean home value for these census tracts in 1990 exceeded \$300,000.⁵ These neighborhoods also support vibrant economies in the food industry, retail shopping, and entertainment industries. Dozens of restaurants, upscale shops, and theatres line the streets in these areas. A local retail housewares giant - Crate and Barrel - recently announced that it is

⁵ Mean household income for owner occupied housing units in the census tracts was as follows: CT715 - \$80,833; CT716 - \$143,863; CT717 - \$143,773; CT718 - \$124,626; CT719 - \$127,965. Mean household income for renter occupied housing units in the census tracts ranged from \$41,219 to \$58,817. 1990

opening a new store on the corner of North and Clybourn, across the street from the NNRA. (Paragraph 5, Affidavit of Andrew Rodriguez)

To the west of the NNRA, in Census Tracts 806 and 807, industrial use of the land predominates. Only 109 people resided in these Census Tracts in 1990. In Census Tract 807, 530 new units are planned for development during the final phase of the City Initiative. Of these units, 159 will be reserved for public housing families. (Affidavit of Andrew Rodriguez, Paragraph 6).

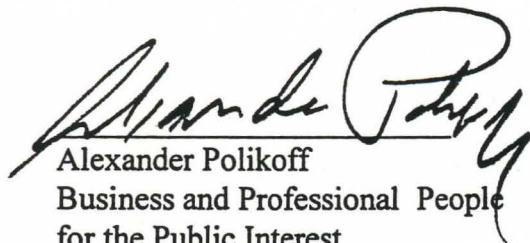
III. Conclusion

The NNRA is integrating racially and economically, and the housing planned for in the City Initiative, with 20 -30% of units set aside for public housing residents, will contribute to racial integration of the community. Designating a revitalizing area in this community will ensure that public housing families have integrated housing opportunities, as well as the opportunity to benefit from the economic development that will likely accompany the current development.

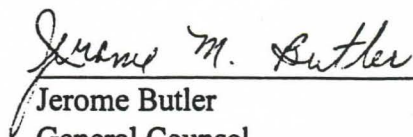
WHEREFORE, the parties respectfully request that this Court enter an Agreed Order in the form attached hereto Designating a Near North Revitalizing Area and

Authorizing the Acquisition of Public Housing Units Therein.

Respectfully Submitted,



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STATE OF ILLINOIS)
)
COUNTY OF COOK)

ANDREW RODRIGUEZ, being first duly sworn on oath, deposes and states as follows:

1. I am the Director of the Redevelopment Division of the Chicago Housing Authority (CHA). As part of my duties, I am responsible for planning replacement housing for public housing demolished as part of the CHA's efforts to revitalize troubled public housing.
2. At Cabrini-Green, a public housing development on the Near North Side of Chicago, the CHA has received HOPE VI funds from the U.S. Department of Housing and Urban Development (HUD) to demolish high-rise towers in the portion of the development known as the Cabrini-Green Extension and build replacement public housing units as part of developments with a mix of income groups, called mixed-income housing.
3. On June 30, 1997, the CHA submitted its HOPE VI Revitalization Plan for the Cabrini Green Extension to HUD. The City of Chicago supported the submission of this plan. (see Exhibit 1) On September 18, 1997, CHA received conditional approval from HUD for the aforementioned Revitalization Plan.
4. **The City of Chicago's Plan.** On June 27, 1996, the Mayor of the City of Chicago announced the City's Near North Side Redevelopment Initiative, which represents the City's commitment to undertake comprehensive revitalization of the Near North Side community. The area covered by the HOPE VI Revitalization Plan is included in the Near North Redevelopment Initiative, which area also includes the proposed Near North Revitalizing Area ("NNRA"). Census Tracts 804 and 805, which include the NNRA, are slated for housing, commercial and infrastructure development as part of the Mayor's blueprint for a complete community on the Near North Side. Earlier this Spring, the City of Chicago hosted a planning Charette, an intensive two day series of discussions and workshops during which architects and urban planners conceived the basic designs for the revitalized Near North community. Phasing of construction and unit density were debated and discussed, and the results published.
5. **Existing Conditions.** Both the City's plans, described in paragraph 4 above, and CHA's plans, described herein, take advantage of existing revitalizing activity in the neighborhood surrounding and including the NNRA. For example:
 - A. Crate and Barrel, a large retail housewares and furniture chain, has begun construction of a new store on the northwest corner of Clybourn and North Avenues;

- B. Further east along North Avenue approaching Sedgwick Street, upscale commercial and residential development is abundantly evident;
- C. In General Area Census Tract 803, which abuts the NNRA on the east, a luxury condominium development containing 113 units called Old Town Square is under construction. Of these, 28 are reserved for lease to public housing families, subject to HUD approval;
- D. In Census Tract 804, a large portion of which is located within the NNRA, a boom in upscale housing development is taking place. Cleveland Courts -- at Cleveland and Blackhawk -- is a new development containing 57 townhomes selling at prices ranging from \$187,000 to \$346,200. Of the 57 townhomes at Cleveland Courts, 28 thus far have been sold on the market. Of the 28 townhomes sold, approximately 95% of the purchasers were white. Mohawk North, a 92-unit residential development comprised of condominiums, townhomes, and detached single-family homes, is also located in Census Tract 804, on the 1400 and 1500 blocks of North Mohawk and Larrabee Streets. 76 of the 92 units will be for sale to market-rate buyers. The selling prices of the market units range from \$125,000 to \$425,000. As of June 11, 1997, 64 of the 76 market units (84%) were sold to white families;
- E. In Census Tract 805, a large portion of which is also located within the NNRA, more housing development is underway. Orchard Park, as it is called, is located in the northwest corner of the census tract along the north side of Clybourn Avenue. The site is owned by the CHA and is subject to a long term ground lease to a private developer. 54 townhomes are planned for the site. Twenty are complete. The first ten (10) units sold at prices ranging from \$160,000 - \$210,000.
- F. Within Census Tract 805, but outside of the boundaries of the NNRA, are the William Green Homes. Part of the Cabrini-Green public housing development, the 1058 unit sub-development was recently placed under private management by the resident management corporations in charge of day-to-day operations;
- G. Census Tract 806, which abuts the NNRA to the west, consists mainly of well-maintained office and light industrial buildings.

6. **Planned residential improvements.** Within the NNRA, a great deal of development activity is planned as part of the City's Near North Redevelopment Initiative and the CHA's HOPE VI Revitalization Plan. Of the 2400 new units contemplated by the City's plan, approximately 700 will be located within the NNRA. Of these 700, approximately 250 will be for public housing families. The new units will be built in four locations over 5-7 years. (see Exhibit 2)

A. **Mohawk North.** As described above, Mohawk North is an upscale condominium development in Census Tract 804 comprised of 92 units. Of the

92 units in Mohawk North , 76 units are being sold on the market, and 16 are being reserved for public housing families, subject to HUD's approval, pursuant to an executed Agreement for the Sale and Redevelopment of Land between the developer and the City of Chicago recorded with the Cook County Recorder on June 11, 1996. These units are almost complete.

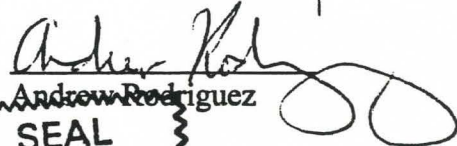
- B. **Orchard Park.** As described above, Orchard Park is a new housing development located within Census Tract 805. 54 units are planned for the development; 20 are complete. Of the 54 units, 13 will be leased to public housing families, pursuant to an agreement with the developer.
- C. **Larrabee North.** A third development site within the NNRA, also located within Census Tract 805, is known as Larrabee North. Larrabee North is comprised of 10.5 acres located west of Larrabee and North of Clybourn. The site is currently owned by the Public Buildings Commission on behalf of the Board of Education, and contains the Near North Magnet High School, which will be torn down and rebuilt nearby. The southern portion of the site, which is not presently used by the high school, is slated for 115 units of housing. 35 of these units will be reserved for public housing families. Officials of the City of Chicago Department of Planning have informed the CHA that they plan to issue an RFP for development of the southern portion of the site in the fourth quarter of 1997. 230 units are planned for the northerly remainder of the Larrabee North site, of which 69 will be reserved for public housing families. This portion of Larrabee North will be available for construction in the third quarter of 1999.
- D. **Halsted North.** The fourth and final site for which new housing development is scheduled is located in the southwest corner of Census Tract 805 and is known as Halsted North. Running north on Halsted Street from Division Street, the site is comprised of 4.8 acres of vacant land currently owned by the City of Chicago. The City plans to issue an RFP for development of the site in the fourth quarter of 1997. 200 units of housing are planned for the site, of which 60 will be reserved for public housing residents.

7. **Other improvements.** In addition to housing development activity described above, the City's plan contemplates other "revitalizing" activities in the area which includes and surrounds the NNRA:

- A. A new Near North Branch of the Chicago Public Library has already opened on Division Street, just east of Sedgwick.
- B. City of Chicago officials have informed the CHA that construction is underway for a shopping center development at the corner of Sedgwick and Division which will contain a major grocery store, a bank and other shopping facilities.

- C. City of Chicago Officials have informed the CHA that a new 18th District Police station will be built along Division Street between Sedgwick and Larrabee, adjacent to the existing fire station.
 - D. The City Council is in the process of approving the designation of the community as a Tax Increment Financing District, which will enable the City to issue bonds to finance land acquisition, infrastructure improvements, and job training.
 - E. Two new schools will be built by the Board of Education
8. The HOPE VI Revitalization Plan and the City's Near North Redevelopment Initiative also includes housing development in Census Tract 807, which lies to the south and west of the NNRA. The site, called the Spanjer Parcel, comprises 11.7 acres running along the west side of Larrabee street, south of Division. The Spanjer Parcel is currently owned by several private individuals, including one of the entities which is developing Mohawk North and Old Town Square. City of Chicago officials have informed the CHA that the City plans to acquire several of the privately owned portions of the Spanjer Parcel to make the land available for housing development. The City plans to issue an RFP for development of the site in the second quarter of 1999. Plans for the Spanjer Parcel include development of 530 housing units, of which 159 will be reserved for public housing residents.
9. CHA's HOPE VI Revitalization Plan for the Cabrini Extension, located to the south of the NNRA, is scheduled to take place in two phases over 5-7 years. The first phase includes the demolition of four buildings containing 725 units. Two buildings containing a total of 398 units (1117-19 N. Cleveland and 1157-59 N. Cleveland) have already been demolished. The CHA plans to issue an RFP for development of the site of these buildings within the next six months. The CHA projects that 418 units will be developed on the site, of which 30% would be for public housing families. During phase two, another four buildings will be demolished, containing 599 units. The CHA plans to issue an RFP for development on these sites in the fourth quarter of 1999. The CHA projects that 505 units will be developed on the site, with 153 being reserved for public housing families. As implemented, the Plan would result in a decrease in density of public housing units on the existing building sites. Thus, 1324 public housing units will have been demolished, which will be replaced on the same sites by 286 public housing units and 638 market-rate units.

Further affiant sayeth not.


Andrew Rodriguez

Signed and sworn to before
me this 29th day of Oct.,
1997.

Notary Public







OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 27, 1997

The Honorable Andrew Cuomo
Secretary
U.S. Department of Housing and
Urban Development
451 West Seventh Street, S.W.
Room 1000
Washington, D.C. 20401

Dear Secretary Cuomo:

I am pleased to write to express my firm support for and commitment to the Chicago Housing Authority's (CHA) HOPE VI Urban Revitalization Demonstration Plan for the Cabrini-Green Development. As you know, the City of Chicago has incorporated the HOPE VI plan into a comprehensive blueprint for the revitalization of the entire Near North community that includes Cabrini-Green. As such, I believe this plan represents one of the best, most important opportunities in the country for HUD, CHA and the City of Chicago to show that public housing revitalization can work.

The comprehensive nature of the Near North Revitalization Plan and the level of local commitment to it is unprecedented. The Near North plan is expected to produce over 2,000 new units of housing, (including 700 replacement public housing units), new commercial facilities, and numerous employment opportunities for community residents. In addition, my administration is building a number of new public facilities for the community. These include a new library, two new schools, expanded park space, a new police station, and a new child/parent center. Further, and to help draw private investment to the Near North, my administration is making available over 70 acres of land for residential development, and the City Council recently approved the designation of a Tax Increment Financing District for the Near North, which will generate funding for infrastructure improvements, public facilities improvements, and job creation and training.

I understand that the HOPE VI plan being submitted replaces a plan submitted over two years ago by the previous CHA administration and rejected by HUD. I believe that the breadth and comprehensiveness of the Near North plan, unlike the previous plan, meets and far exceeds the HOPE VI program's goals.

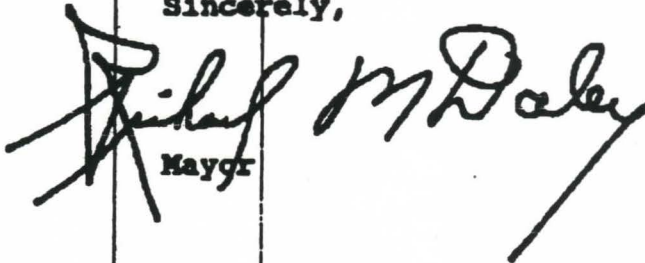
The Honorable Andrew Cuomo
June 27, 1997
Page 2

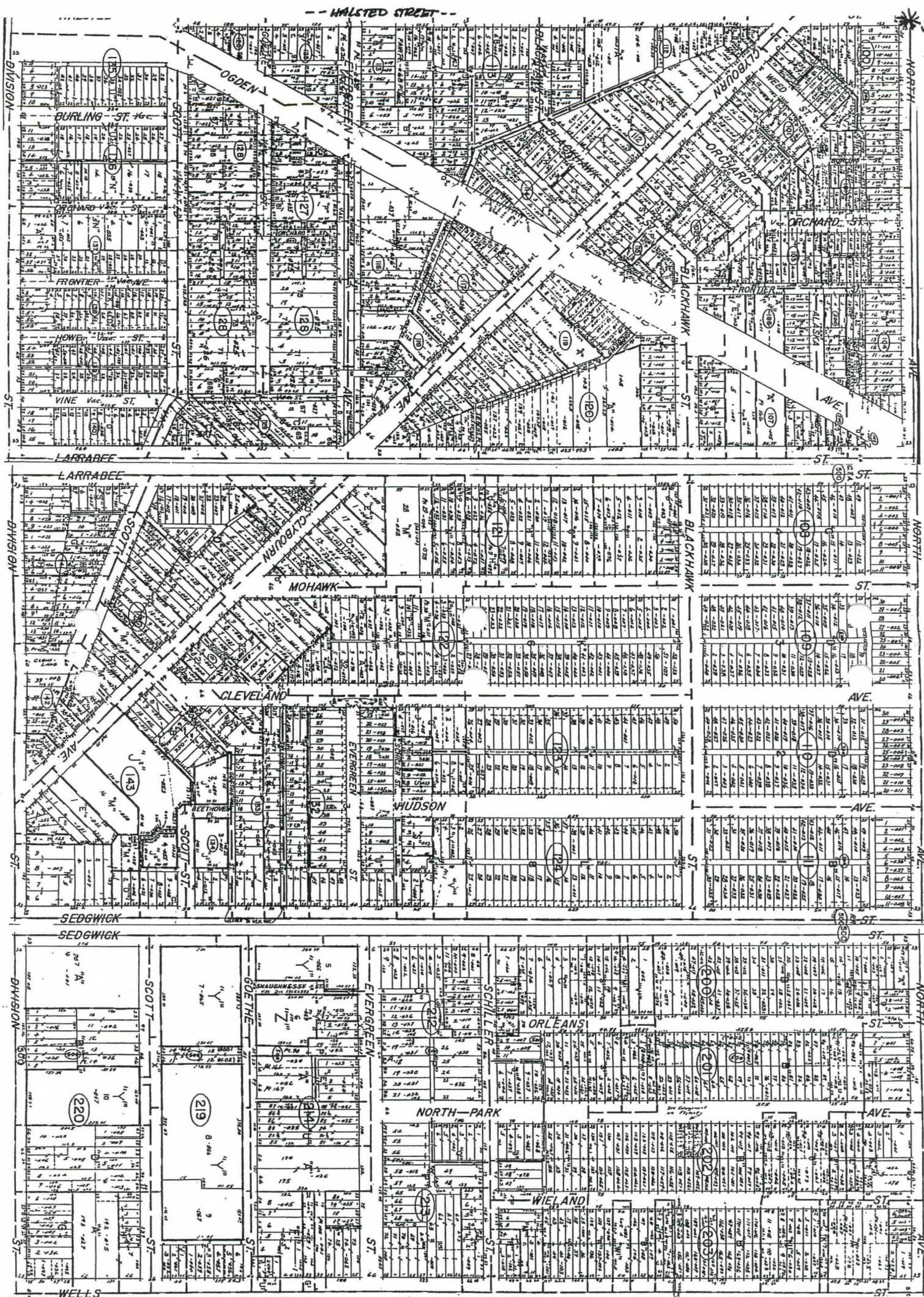
One critical, distinguishing element of the Near North plan is the commitment to build replacement public housing units within mixed income developments in the community. My administration is requiring that 30 percent of the over 2,000 units that will be privately developed on publicly owned land be made available to the CHA for replacement housing and that these units be disbursed among and indistinguishable from the other residential units to be developed. My administration has further committed that an additional 20 percent of the units built be affordable to families at between 80 percent and 120 percent of the area median income.

Also critical is the commitment that my administration, along with the CHA, has made to accommodate every lease-compliant family that will be displaced by the demolition proposed in the Near North plan that wants to remain in the Near North community.

I urge your swift approval of the HOPE VI component of the Near North Revitalization plan, and look forward to working with HUD to ensure its speedy and successful implementation.

Sincerely,


Mayor



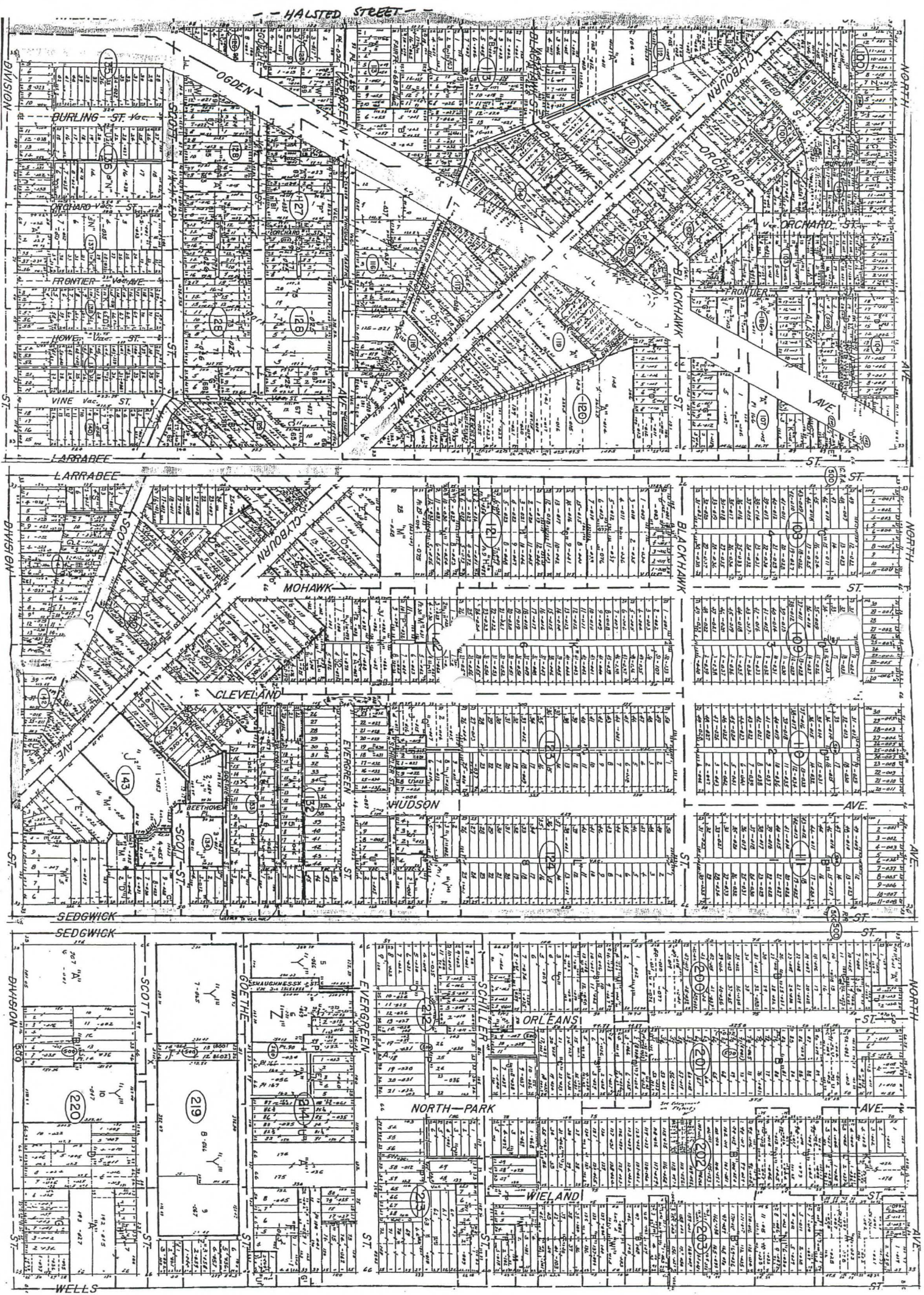




EXHIBIT B

AFFIDAVIT

1. The Undersigned, Lawrence E. Grisham, is a Vice President in the Scattered Site Program for The Habitat Company ("Habitat"). Daniel E. Levin and Habitat were appointed as Receiver for the Chicago Housing Authority's ("CHA") Scattered Site Program by this Court's order of August 14, 1987.

2. This affidavit concerns the motion for an order designating Census Tracts 807 and 806 in the Near North Side Community Area as General Area Census Tracts. Based on driving every block of both census tracts and visually ascertaining what is on each block, I affirm that the following conditions exist:

3. Census Tract 807

- Census Tract 807 is bounded by Larrabee Street on the east, Chicago Avenue on the south, the North Branch of the Chicago River on the west, and Division Street on the north.
- There are currently no residential structures in Census Tract 807.
- East of the North Branch Canal of the Chicago River, all of the structures are commercial or industrial. The former Montgomery Ward's headquarters comprises the predominant set of structures in this part of the census tract.
- The part of the census tract that is west of the North Branch Canal of the Chicago River is approximately half of Goose Island, all of which is designated as an industrial zone by the City of Chicago.

4, Census Tract 806

- Census Tract 806 is bounded by Halsted Street on the east, Division Street on the south, the North Branch of the Chicago River on the west, and North Avenue on the north.
- The few residential buildings that are within Census Tract 806 are scattered among four different buildings. Two of these buildings are storefront types, with a commercial space on the ground floor and a small number of apartments on the second floor. One building is a small, loft-type conversion. The remaining building consists of four recently constructed townhouses. The loft conversion and the townhouses appear to be market rate housing.
- East of the North Branch Canal of the Chicago River, virtually all of the structures are commercial or industrial.
- The part of the census tract that is west of the North Branch Canal of the Chicago River is the other half of Goose Island, all of which is designated as an industrial zone by the City of Chicago.

5. Exhibits

- Exhibit A -- a census tract map of the Near North Side Community Area
- Exhibit B -- an aerial photograph of Census Tracts 807 and 806
- Exhibit C -- a zoning map of Census Tracts 807 and 806

L.E. Grisham
Lawrence E. Grisham, Vice President
THE HABITAT COMPANY

SUBSCRIBED and SWORN to
before me this 8 day of
September, 2000.

Anita M. Anderson
Notary Public

My commission expires: August 26, 2001



COMMUNITY AREA 8
NEAR NORTH SIDE

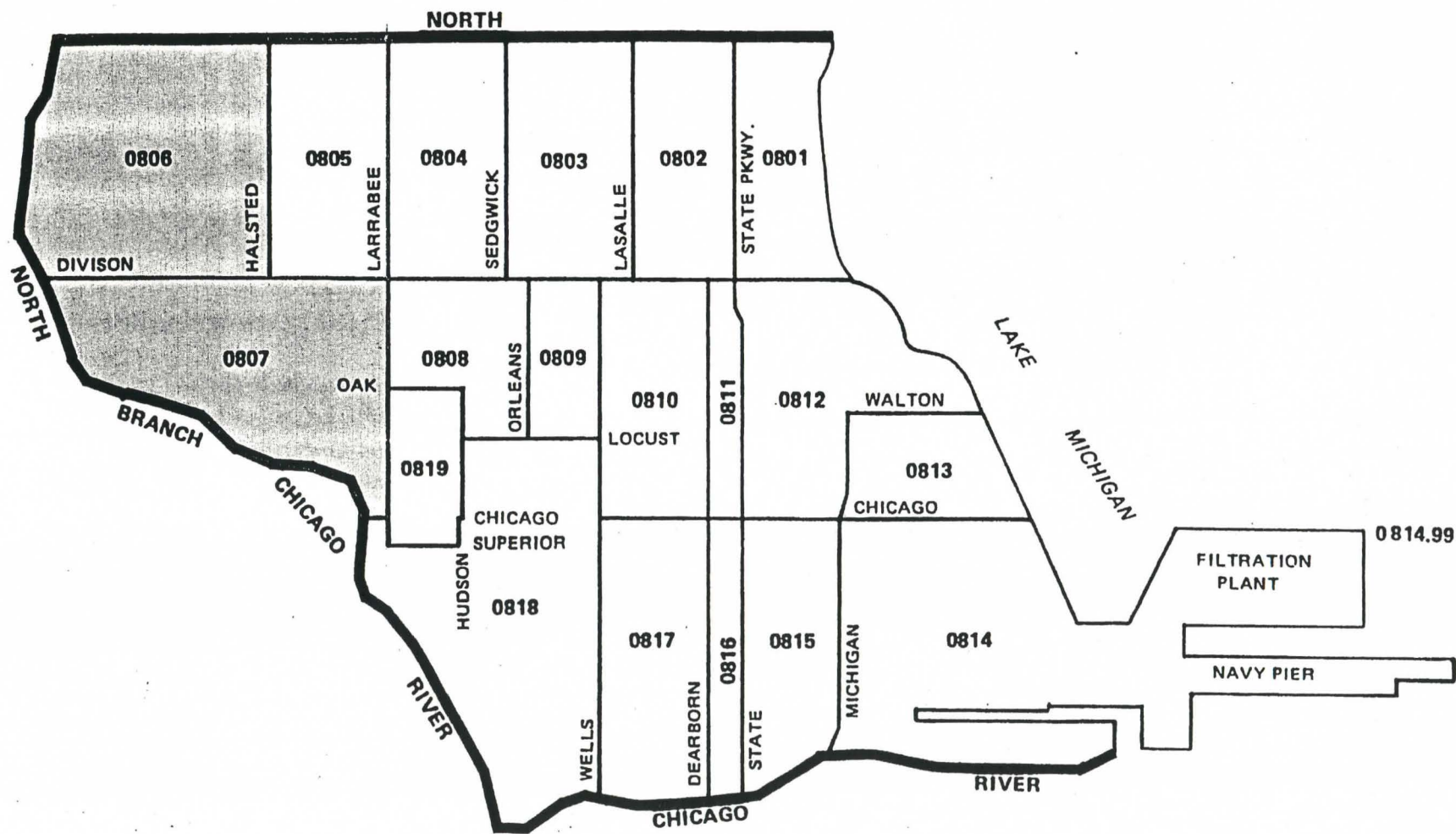


Exhibit B

NORTH AVE.

HALSTED ST.

DIVISION ST.

LARABEE ST.

CHICAGO AVE.



[illegible]

EXHIBIT C

8/31/2000

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PROPOSED

Crabonin nap

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

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY, et al.,

Defendants.

66 C 1459

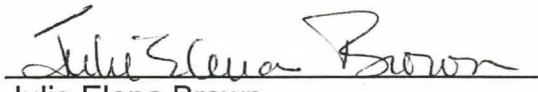
Hon. Marvin E. Aspen

RECEIVED
SEP - 8 2000
Judge Marvin E. Aspen
U.S. District Court

NOTICE OF MOTION

To: Attached List

PLEASE TAKE NOTICE that on Tuesday, September 12, 2000, at 9:30 a.m., we shall appear before the Honorable Marvin E. Aspen, Judge of the United States District Court, and then and there present the attached Joint Motion of Plaintiffs, Defendant Chicago Housing Authority, and the Receiver for an Order Reclassifying Census Tracts 0806 and 0807 as General Areas, Designating an Expanded Near-North Revitalizing Area and Authorizing Development of Public Housing Units Therein, a copy of which, together with a proposed Order, is hereby served upon you.


Julie Elena Brown
One of the Attorneys for Plaintiffs

September 8, 2000

Alexander Polikoff
Julie Elena Brown
Business and Professional People
for the Public Interest
25 East Washington Street - #1515
Chicago, Illinois 60602
(312)641 - 5570; fax: (312)641-5454

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Robert Whitfield
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Chicago, IL 60603
By Hand Delivery

CERTIFICATE OF SERVICE

I, Julie Elena Brown, an attorney, certify that on September 8, 2000, I caused copies of the foregoing Notice and Motion, together with a proposed Order, to be served upon the persons whose names appear on the service list in the manner stated therein.

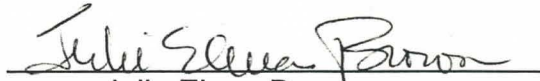

Julie Elena Brown

EXHIBIT A

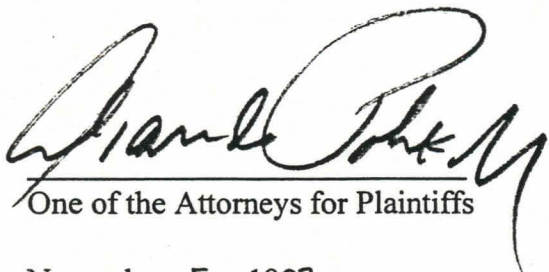
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JUDGE MARVIN E. ASPEN
UNITED STATES DISTRICT COURT
C 1459

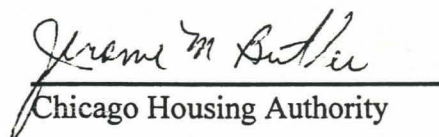
66 C 1459

In support of this motion, the Court is respectfully referred to the Memorandum,

Affidavit of Andrew Rodriguez, and proposed Agreed Order submitted herewith.

Respectfully Submitted,


One of the Attorneys for Plaintiffs


Chicago Housing Authority

November 5, 1997

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for the Public Interest
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Chicago, Illinois 60603
312-641-5570

Jerome M. Butler
General Counsel
Chicago Housing Authority
200 West Adams Street, Ste. 2100
Chicago, Illinois 60606
312-791-8415

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

RECEIVED

NOV 5 1997
JUDGE MARVIN E. ASPEN
UNITED STATES DISTRICT COURT

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

CHICAGO HOUSING AUTHORITY, et al.

Defendants.

66 C 1459

**MEMORANDUM IN SUPPORT OF JOINT MOTION FOR AN ORDER
DESIGNATING A NEAR NORTH REVITALIZING AREA AND
AUTHORIZING THE ACQUISITION OF PUBLIC HOUSING UNITS THEREIN**

Plaintiffs and Defendant, Chicago Housing Authority ("CHA"), by their attorneys, jointly move this Court for an order, in the form attached hereto, designating as the Near North Revitalizing Area ("NNRA") that portion of the City of Chicago which is illustrated on the attached Exhibit 2 to Affidavit of Andrew Rodriguez and is described as follows:

Beginning at the southeast corner of North Avenue and Halsted Street;
East along North Avenue to Sedgwick Avenue;
South along Sedgwick Avenue to Division Street;
West along Division Street to Cleveland Avenue;
North along Cleveland to Scott Street;
Northwest along Scott Street to Larrabee Street;
North along Larrabee Street to Clybourn Avenue;
Northwest along Clybourn Avenue to Ogden Avenue;
Southwest along Ogden Avenue to the southwestern-most corner of Stanton Park;
South from that point to the northern boundary of the William Green Homes (the vacated Scott Street);
West along the vacated Scott Street to the vacated Burling Street;

South along the vacated Burling Street to Division Street;
West along Division Street to Halsted Street; and
North along Halsted Street to the beginning point at North Avenue.

The proposed order also authorizes the acquisition of leasehold interests in approximately 250 privately developed units to be used as public housing units in the Near North Revitalizing Area. In support of this joint motion, plaintiffs and CHA state:

1. CHA and the plaintiffs agree that designating the Near North Revitalizing Area is appropriate and desirable for number of reasons. First, the development of hundreds of new, high-quality residential properties within the NNRA, together with the proposed demolition of several hundred public housing units nearby, will decrease the concentrations of poverty in the NNRA and the adjacent community. The units acquired will be part of mixed-income developments and will serve as replacement housing for units demolished in connection with the HOPE VI revitalization efforts underway at the Cabrini Green public housing development. Second, the NNRA satisfies the Gautreaux "revitalizing" criteria, and would therefore be an appropriate location for the provision of new public housing units. In seeking this designation, CHA and the Plaintiffs hope to secure a foothold for public housing families in this rapidly changing community.

2. For the reasons set forth below, supported by the Affidavit of Andrew Rodriguez, the parties respectfully request the Court to enter the attached proposed Agreed Order.

I. A Revitalizing designation is appropriate because major activity by institutional actors and the private market is increasing and improving the housing stock in the affected census tracts.

A. New housing of high quality is being privately developed for sale to market rate buyers and for rental by low income families.

As stated above, the NNRA is currently experiencing a "boom" in upscale housing development. Comprised of parts of census tracts 804 and 805, the NNRA is the site of four (4) new housing developments which are part of the City of Chicago's Near North Redevelopment Initiative (the "City Initiative"). The four developments will contain approximately 700 of the 2400 units of high-quality, low density, privately owned housing, included in the City Initiative. Of these 700, approximately 250 will be for public housing families. The Chicago Housing Authority's HOPE VI Revitalization Plan for the Cabrini Extension (the "HOPE VI Plan") sets forth the CHA's plans for demolition of more than 1324 public housing units in the Cabrini Extension, which is located just south of the NNRA. The units "set aside" for public housing families will serve as replacement housing for units demolished as part of the HOPE VI Plan. (Affidavit of Andrew Rodriguez, Paragraphs 2 and 4). The concentration of public housing units in Cabrini Green will be reduced by the implementation of the HOPE VI Plan.

The City of Chicago has expressed its commitment to the "reservation" of units for public housing families in the privately developed projects by entering into agreements with developers which require the set-aside, and by planning to include the set-aside in the Requests For Proposals it will issue. Mayor Daley explicitly referenced this commitment in his letter of support for the HOPE VI Plan to HUD Secretary Andrew Cuomo. (See Exhibit 1 to Affidavit of Andrew Rodriguez). Housing development activity in the NNRA, specifically the inclusion of public housing families in mixed income developments, is an integral part of the City Initiative.

Two of the new developments are already under construction. "Mohawk North" is a 92-unit residential development on Mohawk Street comprised of condominiums, townhomes, and detached single-family homes.¹ (Paragraph 5, Affidavit of Andrew Rodriguez). 64 units have already been sold. The Developer of Mohawk North has offered approximately 20% of the Mohawk North units to the CHA, subject to HUD approval, for use as replacement public housing, pursuant to a long term lease. A few blocks east of Mohawk North, in a General Area Census Tract adjacent to the NNRA, another new high-quality housing development is under construction as well. 28 of the 113 units being developed in the project known as "Old Town Square" will be leased to public housing families, subject to HUD approval. (Affidavit of Andrew Rodriguez, Paragraph 5). The parties agree that the Mohawk North and Old Town Square units will provide public housing families with high-quality housing in a rapidly developing, racially and economically integrated community. Between Mohawk North and Old Town Square lies "Cleveland Courts," an upscale development containing 57 townhome units. 28 have already been sold. (Affidavit of Andrew Rodriguez, paragraph 5)

The NNRA also contains yet another new housing development called Orchard Park. Sited in the northwest corner of census tract 805 on land owned by the Chicago Housing Authority which was leased to a private developer, the project consists of 54 townhome units, 13 of which will be offered to the CHA as replacement housing. The first phase of the project – ten units – sold out quickly at prices ranging from \$160,000 to

¹ The Court had an opportunity to view Mohawk North, and several other of the development sites in the NNRA, during the tour sponsored by CHA conducted on July 21, 1997.

\$210,000. The second phase, which will include larger units with garages, will range in price from \$160, 000 to \$260,000 (Affidavit of Andrew Rodriguez, Paragraph 5).

Prior to this latest surge in development, evidence of the area's changing market was apparent to the banking community. From 1990 to 1995, home improvement and mortgage loans increased by 110% in Census Tract 804; a similar increase is reflected in lending data for Census Tract 805.²

B. Existing subsidized housing has been rehabilitated and is being privately managed.

Adjacent to the NNRA is the William Green Homes development, a 1058 unit public housing development that is part of the larger Cabrini-Green development. Earlier this year, the CHA entered into a contract with a Resident Management Corporation for the management of these units. The Resident Management Corporation ("RMC") has subcontracted the day-to-day operations of management to a private property management firm, who will, in turn provide training and technical assistance to the RMC in property management. One building in the William Green Homes, 1230 North Burling, has its own RMC which has been managing the building for several years. The 1230 Burling RMC recently oversaw the complete rehabilitation of that building.

(Paragraph 5, Affidavit of Andrew Rodriguez)

Two Project-based Section 8 Developments are located within the boundaries of the NNRA. The Marshall Field Garden Apartments, comprised of 628 units in 10 five-story walk-up buildings, runs along Sedgwick Avenue, on the eastern border of the

² Home improvement and mortgage loans in census tract 804 increased from \$1,446,000 in 1990 to \$3,036,000 in 1995. In census tract 805, \$595,000 in loans were generated in 1990, compared to \$1,773,000 in 1995. *Chicago Lending By Area, Tract, and Reporter For Banks, Savings & Loans, and*

NNRA. The entire development was completely rehabilitated by new owners in 1992. The renovated units have new kitchens, bathrooms, and amenities like air-conditioning and carpeting. A community center and playground are located in the center of the development. The new owner also installed a hi-tech computerized 24 hour security system, which has resulted in lessened traffic in and out of the development and fewer security problems. The property management company utilizes strict resident screening procedures for admission including housekeeping inspections, criminal background checks, credit checks, and landlord references. The development is more than 95% occupied.³

The other Project-based Section 8 development in the NNRA is located just south of the Marshall Fields Garden Apartments. Comprised of 168 units on two sites Evergreen Terrace and Evergreen Sedgwick is also almost fully occupied. The townhouse and 3 story structures are managed by the owners of the development, a community based organization which has been an active participant in community support programs. Recently, the owners installed iron fences around the perimeter of the development. They are currently seeking funding to install attractive lighting in order to improve the appearance and security of the development. The owners also employ vigorous screening program which includes a family interview, credit check, and housekeeping inspection.⁴

C. Requests for Development Proposals will be issued later this year for two privately developed high-quality housing developments.

Mortgage Companies, (1990 and 1995). The Woodstock Institute, Chicago, Illinois. (1996)

³ Telephone interview with Karen Schein, Property Manager for Marshall Field Garden Apartments, July 24, 1997.

⁴ Telephone Interview with Al Burns, Vice President, William Moorehead & Associates. July 24, 1997.

The Larrabee North site, located just south of the Orchard park development along Clybourn Avenue, is an integral part of the City's Initiative. Approximately 345 units are planned for the site, of which 30% will be reserved for public housing families. The Board of Education currently owns the site and plans to issue a Request For Proposals for sale and development of the first 115 of these units in the fall of this year.

The City will also be issuing an RFP this winter for development of at least 200 units of housing to be located on City-owned land running north along Halsted Street from Division Street. 30% of these units will be for public housing families. (Affidavit of Andrew Rodriguez, Paragraph 6.)

II. A Revitalizing Designation Is Appropriate Because Several Other Gautreaux Revitalizing Criteria Are Satisfied.

A. The City of Chicago has made major investments in community resources and infrastructure.

In addition to the significant investment in housing development in the NNRA, substantial commercial and infrastructure development is planned as part of the City's Initiative. The City Council has designated an area which includes the NNRA as a Tax Increment Financing District (TIF) in order to fund development and infrastructure in the area. Two new schools are being built by the Board of Education. The City Initiative calls for development of a "Town Center" which will include a major grocery store, a bank, and other shopping facilities. Construction on the site, located in the southeast corner of the NNRA, has begun. A park in the NNRA will also be enhanced and linked to the programs offered by the neighboring YMCA. A new library opened recently on

Division Street, just east of the NNRA border. (Affidavit of Andrew Rodriguez, Paragraph 7).

B. The NNRA has existing amenities which favor continuation of the already occurring revitalization.

The NNRA's location can only be described as ideal. It is no wonder that private developers have flocked to the area, undeterred by the proximity and perceived problems of a large, dilapidated public housing development. Less than a mile from the lake and the Loop, with excellent access to public transportation, shopping, entertainment, and culture, the new housing in the NNRA would likely be too expensive for many Cabrini-Green families, were it not for the City's commitment to reserving these units. The excellent location is a large part of the reason why many Cabrini families want to stay in the area, and why CHA has vigorously pursued replacement housing opportunities there.

C. The NNRA is surrounded by established, vital, economically healthy communities.

The NNRA is bordered to the east and north by General Area census tracts which are among the wealthiest in the City of Chicago. Homeowners in Census Tracts 715 - 719, 802 and 803 had average incomes in excess of \$100,000 in 1990. The mean home value for these census tracts in 1990 exceeded \$300,000.⁵ These neighborhoods also support vibrant economies in the food industry, retail shopping, and entertainment industries. Dozens of restaurants, upscale shops, and theatres line the streets in these areas. A local retail housewares giant - Crate and Barrel - recently announced that it is

⁵ Mean household income for owner occupied housing units in the census tracts was as follows: CT715 - \$80,833; CT716 - \$143,863; CT717 - \$143,773; CT718 - \$124,626; CT719 - \$127,965. Mean household income for renter occupied housing units in the census tracts ranged from \$41,219 to \$58,817. 1990

opening a new store on the corner of North and Clybourn, across the street from the NNRA. (Paragraph 5, Affidavit of Andrew Rodriguez)

To the west of the NNRA, in Census Tracts 806 and 807, industrial use of the land predominates. Only 109 people resided in these Census Tracts in 1990. In Census Tract 807, 530 new units are planned for development during the final phase of the City Initiative. Of these units, 159 will be reserved for public housing families. (Affidavit of Andrew Rodriguez, Paragraph 6).

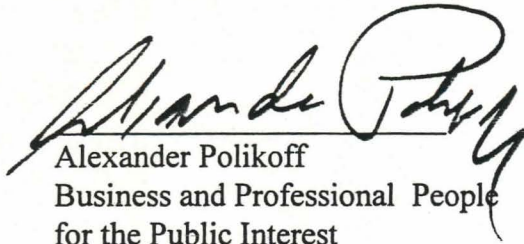
III. Conclusion

The NNRA is integrating racially and economically, and the housing planned for in the City Initiative, with 20 -30% of units set aside for public housing residents, will contribute to racial integration of the community. Designating a revitalizing area in this community will ensure that public housing families have integrated housing opportunities, as well as the opportunity to benefit from the economic development that will likely accompany the current development.

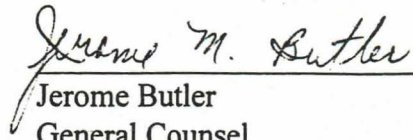
WHEREFORE, the parties respectfully request that this Court enter an Agreed Order in the form attached hereto Designating a Near North Revitalizing Area and

Authorizing the Acquisition of Public Housing Units Therein.

Respectfully Submitted,



Alexander Polikoff
Business and Professional People
for the Public Interest
17 East Monroe Street #212
Chicago, Illinois 60603
312-641-5570



Jerome Butler
General Counsel
Chicago Housing Authority
200 West Adams Street, Suite 2100
Chicago, Illinois 60606
312-791-8415

STATE OF ILLINOIS)
)
COUNTY OF COOK)

ANDREW RODRIGUEZ, being first duly sworn on oath, deposes and states as follows:

1. I am the Director of the Redevelopment Division of the Chicago Housing Authority (CHA). As part of my duties, I am responsible for planning replacement housing for public housing demolished as part of the CHA's efforts to revitalize troubled public housing.
2. At Cabrini-Green, a public housing development on the Near North Side of Chicago, the CHA has received HOPE VI funds from the U.S. Department of Housing and Urban Development (HUD) to demolish high-rise towers in the portion of the development known as the Cabrini-Green Extension and build replacement public housing units as part of developments with a mix of income groups, called mixed-income housing.
3. On June 30, 1997, the CHA submitted its HOPE VI Revitalization Plan for the Cabrini Green Extension to HUD. The City of Chicago supported the submission of this plan. (see Exhibit 1) On September 18, 1997, CHA received conditional approval from HUD for the aforementioned Revitalization Plan.
4. **The City of Chicago's Plan.** On June 27, 1996, the Mayor of the City of Chicago announced the City's Near North Side Redevelopment Initiative, which represents the City's commitment to undertake comprehensive revitalization of the Near North Side community. The area covered by the HOPE VI Revitalization Plan is included in the Near North Redevelopment Initiative, which area also includes the proposed Near North Revitalizing Area ("NNRA"). Census Tracts 804 and 805, which include the NNRA, are slated for housing, commercial and infrastructure development as part of the Mayor's blueprint for a complete community on the Near North Side. Earlier this Spring, the City of Chicago hosted a planning Charette, an intensive two day series of discussions and workshops during which architects and urban planners conceived the basic designs for the revitalized Near North community. Phasing of construction and unit density were debated and discussed, and the results published.
5. **Existing Conditions.** Both the City's plans, described in paragraph 4 above, and CHA's plans, described herein, take advantage of existing revitalizing activity in the neighborhood surrounding and including the NNRA. For example:
 - A. Crate and Barrel, a large retail housewares and furniture chain, has begun construction of a new store on the northwest corner of Clybourn and North Avenues;

- B. Further east along North Avenue approaching Sedgwick Street, upscale commercial and residential development is abundantly evident;
- C. In General Area Census Tract 803, which abuts the NNRA on the east, a luxury condominium development containing 113 units called Old Town Square is under construction. Of these, 28 are reserved for lease to public housing families, subject to HUD approval;
- D. In Census Tract 804, a large portion of which is located within the NNRA, a boom in upscale housing development is taking place. Cleveland Courts -- at Cleveland and Blackhawk -- is a new development containing 57 townhomes selling at prices ranging from \$187,000 to \$346,200. Of the 57 townhomes at Cleveland Courts, 28 thus far have been sold on the market. Of the 28 townhomes sold, approximately 95% of the purchasers were white. Mohawk North, a 92-unit residential development comprised of condominiums, townhomes, and detached single-family homes, is also located in Census Tract 804, on the 1400 and 1500 blocks of North Mohawk and Larrabee Streets. 76 of the 92 units will be for sale to market-rate buyers. The selling prices of the market units range from \$125,000 to \$425,000. As of June 11, 1997, 64 of the 76 market units (84%) were sold to white families;
- E. In Census Tract 805, a large portion of which is also located within the NNRA, more housing development is underway. Orchard Park, as it is called, is located in the northwest corner of the census tract along the north side of Clybourn Avenue. The site is owned by the CHA and is subject to a long term ground lease to a private developer. 54 townhomes are planned for the site. Twenty are complete. The first ten (10) units sold at prices ranging from \$160,000 - \$210,000.
- F. Within Census Tract 805, but outside of the boundaries of the NNRA, are the William Green Homes. Part of the Cabrini-Green public housing development, the 1058 unit sub-development was recently placed under private management by the resident management corporations in charge of day-to-day operations;
- G. Census Tract 806, which abuts the NNRA to the west, consists mainly of well-maintained office and light industrial buildings.

6. **Planned residential improvements.** Within the NNRA, a great deal of development activity is planned as part of the City's Near North Redevelopment Initiative and the CHA's HOPE VI Revitalization Plan. Of the 2400 new units contemplated by the City's plan, approximately 700 will be located within the NNRA. Of these 700, approximately 250 will be for public housing families. The new units will be built in four locations over 5-7 years. (see Exhibit 2)

- A. **Mohawk North.** As described above, Mohawk North is an upscale condominium development in Census Tract 804 comprised of 92 units. Of the

92 units in Mohawk North , 76 units are being sold on the market, and 16 are being reserved for public housing families, subject to HUD's approval, pursuant to an executed Agreement for the Sale and Redevelopment of Land between the developer and the City of Chicago recorded with the Cook County Recorder on June 11, 1996. These units are almost complete.

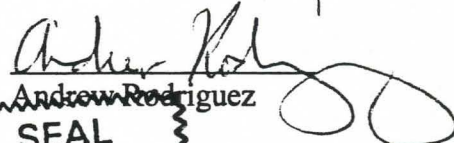
- B. **Orchard Park.** As described above, Orchard Park is a new housing development located within Census Tract 805. 54 units are planned for the development; 20 are complete. Of the 54 units, 13 will be leased to public housing families, pursuant to an agreement with the developer.
- C. **Larrabee North.** A third development site within the NNRA, also located within Census Tract 805, is known as Larrabee North. Larrabee North is comprised of 10.5 acres located west of Larrabee and North of Clybourn. The site is currently owned by the Public Buildings Commission on behalf of the Board of Education, and contains the Near North Magnet High School, which will be torn down and rebuilt nearby. The southern portion of the site, which is not presently used by the high school, is slated for 115 units of housing. 35 of these units will be reserved for public housing families. Officials of the City of Chicago Department of Planning have informed the CHA that they plan to issue an RFP for development of the southern portion of the site in the fourth quarter of 1997. 230 units are planned for the northerly remainder of the Larrabee North site, of which 69 will be reserved for public housing families. This portion of Larrabee North will be available for construction in the third quarter of 1999.
- D. **Halsted North.** The fourth and final site for which new housing development is scheduled is located in the southwest corner of Census Tract 805 and is known as Halsted North. Running north on Halsted Street from Division Street, the site is comprised of 4.8 acres of vacant land currently owned by the City of Chicago. The City plans to issue an RFP for development of the site in the fourth quarter of 1997. 200 units of housing are planned for the site, of which 60 will be reserved for public housing residents.

7. **Other improvements.** In addition to housing development activity described above, the City's plan contemplates other "revitalizing" activities in the area which includes and surrounds the NNRA:

- A. A new Near North Branch of the Chicago Public Library has already opened on Division Street, just east of Sedgwick.
- B. City of Chicago officials have informed the CHA that construction is underway for a shopping center development at the corner of Sedgwick and Division which will contain a major grocery store, a bank and other shopping facilities.

- C. City of Chicago Officials have informed the CHA that a new 18th District Police station will be built along Division Street between Sedgwick and Larrabee, adjacent to the existing fire station.
 - D. The City Council is in the process of approving the designation of the community as a Tax Increment Financing District, which will enable the City to issue bonds to finance land acquisition, infrastructure improvements, and job training.
 - E. Two new schools will be built by the Board of Education
8. The HOPE VI Revitalization Plan and the City's Near North Redevelopment Initiative also includes housing development in Census Tract 807, which lies to the south and west of the NNRA. The site, called the Spanjer Parcel, comprises 11.7 acres running along the west side of Larrabee street, south of Division. The Spanjer Parcel is currently owned by several private individuals, including one of the entities which is developing Mohawk North and Old Town Square. City of Chicago officials have informed the CHA that the City plans to acquire several of the privately owned portions of the Spanjer Parcel to make the land available for housing development. The City plans to issue an RFP for development of the site in the second quarter of 1999. Plans for the Spanjer Parcel include development of 530 housing units, of which 159 will be reserved for public housing residents.
9. CHA's HOPE VI Revitalization Plan for the Cabrini Extension, located to the south of the NNRA, is scheduled to take place in two phases over 5-7 years. The first phase includes the demolition of four buildings containing 725 units. Two buildings containing a total of 398 units (1117-19 N. Cleveland and 1157-59 N. Cleveland) have already been demolished. The CHA plans to issue an RFP for development of the site of these buildings within the next six months. The CHA projects that 418 units will be developed on the site, of which 30% would be for public housing families. During phase two, another four buildings will be demolished, containing 599 units. The CHA plans to issue an RFP for development on these sites in the fourth quarter of 1999. The CHA projects that 505 units will be developed on the site, with 153 being reserved for public housing families. As implemented, the Plan would result in a decrease in density of public housing units on the existing building sites. Thus, 1324 public housing units will have been demolished, which will be replaced on the same sites by 286 public housing units and 638 market-rate units.

Further affiant sayeth not.


Andrew Rodriguez

Signed and sworn to before
me this 29th day of Oct.,
1997.

Notary Public







OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 27, 1997

The Honorable Andrew Cuomo
Secretary
U.S. Department of Housing and
Urban Development
451 West Seventh Street, S.W.
Room 1000
Washington, D.C. 20401

Dear Secretary Cuomo:

I am pleased to write to express my firm support for and commitment to the Chicago Housing Authority's (CHA) HOPE VI Urban Revitalization Demonstration Plan for the Cabrini-Green Development. As you know, the City of Chicago has incorporated the HOPE VI plan into a comprehensive blueprint for the revitalization of the entire Near North community that includes Cabrini-Green. As such, I believe this plan represents one of the best, most important opportunities in the country for HUD, CHA and the City of Chicago to show that public housing revitalization can work.

The comprehensive nature of the Near North Revitalization Plan and the level of local commitment to it is unprecedented. The Near North plan is expected to produce over 2,000 new units of housing, (including 700 replacement public housing units), new commercial facilities, and numerous employment opportunities for community residents. In addition, my administration is building a number of new public facilities for the community. These include a new library, two new schools, expanded park space, a new police station, and a new child/parent center. Further, and to help draw private investment to the Near North, my administration is making available over 70 acres of land for residential development, and the City Council recently approved the designation of a Tax Increment Financing District for the Near North, which will generate funding for infrastructure improvements, public facilities improvements, and job creation and training.

I understand that the HOPE VI plan being submitted replaces a plan submitted over two years ago by the previous CHA administration and rejected by HUD. I believe that the breadth and comprehensiveness of the Near North plan, unlike the previous plan, meets and far exceeds the HOPE VI program's goals.

The Honorable Andrew Cuomo

June 27, 1997

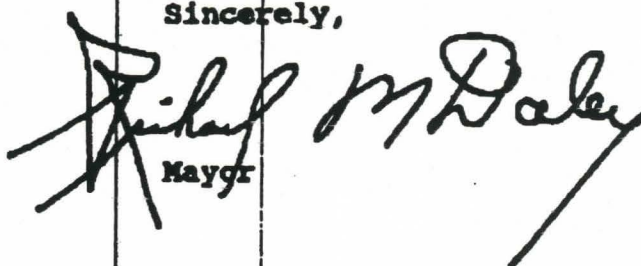
Page 2

One critical, distinguishing element of the Near North plan is the commitment to build replacement public housing units within mixed income developments in the community. My administration is requiring that 30 percent of the over 2,000 units that will be privately developed on publicly owned land be made available to the CHA for replacement housing and that these units be disbursed among and indistinguishable from the other residential units to be developed. My administration has further committed that an additional 20 percent of the units built be affordable to families at between 80 percent and 120 percent of the area median income.

Also critical is the commitment that my administration, along with the CHA, has made to accommodate every lease-compliant family that will be displaced by the demolition proposed in the Near North plan that wants to remain in the Near North community.

I urge your swift approval of the HOPE VI component of the Near North Revitalization plan, and look forward to working with HUD to ensure its speedy and successful implementation.

Sincerely,


Mayor

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
v.	)	
	)	66 C 1459
	)	66 C 1460
CHICAGO HOUSING AUTHORITY, et al.	)	
	)	
Defendants.	)	

AGREED ORDER

This matter coming to be heard on the Joint Motion of the Plaintiffs and the Defendant Chicago Housing Authority for an order Designating a Near North Revitalizing Area and Authorizing the Acquisition of Public Housing Units Therein; and

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

The Court being cognizant that the circumstances described in the Joint Motion and supporting affidavit evidence revitalizing activity in the affected census tracts such that designation as a Revitalizing Area is appropriate; and

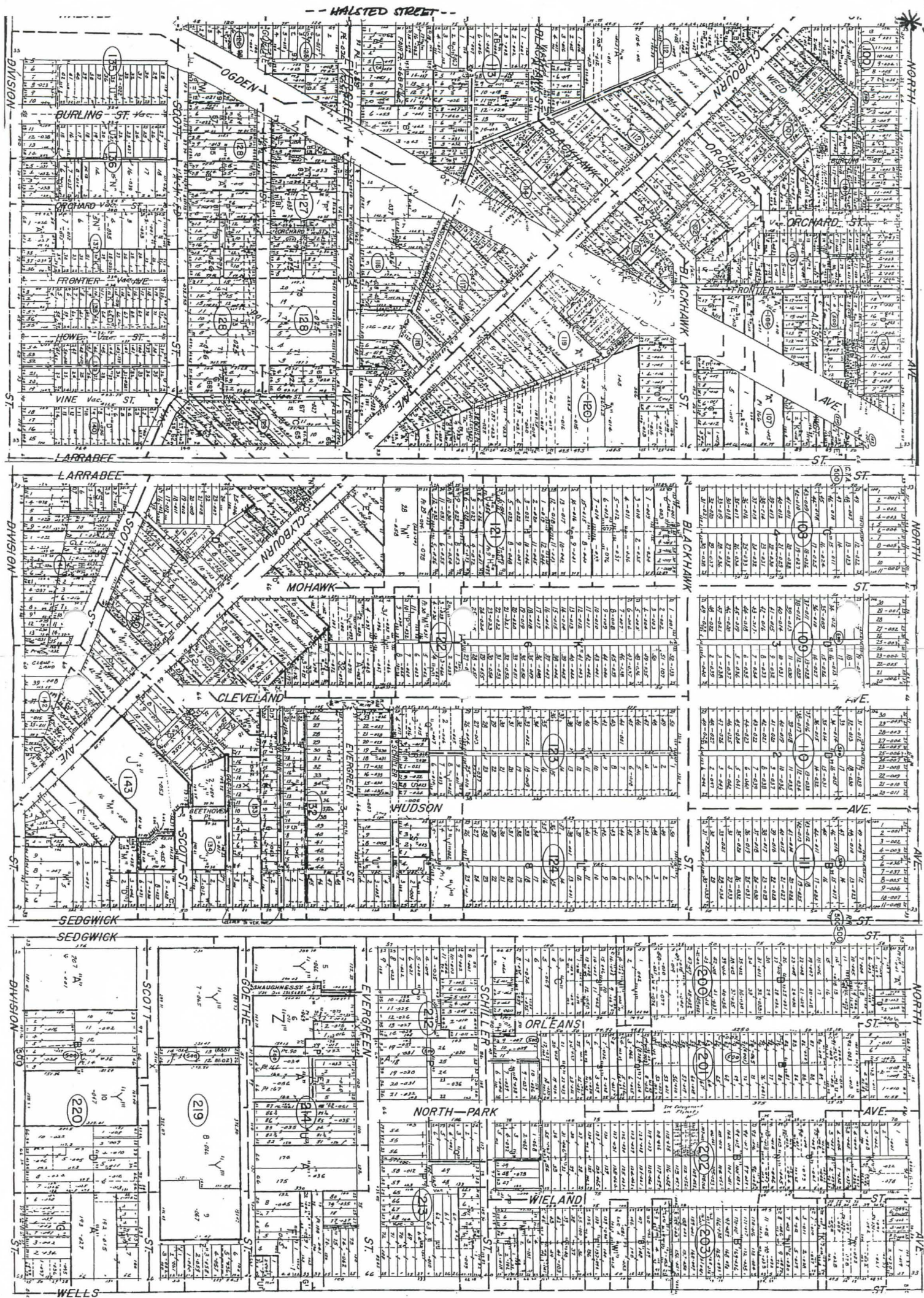
The Court being of the view that the aforementioned circumstances evidence a substantial likelihood that plaintiff class families will be provided desegregated housing opportunities if the terms and conditions of this order are met;

Now, therefore, IT IS HEREBY ORDERED :

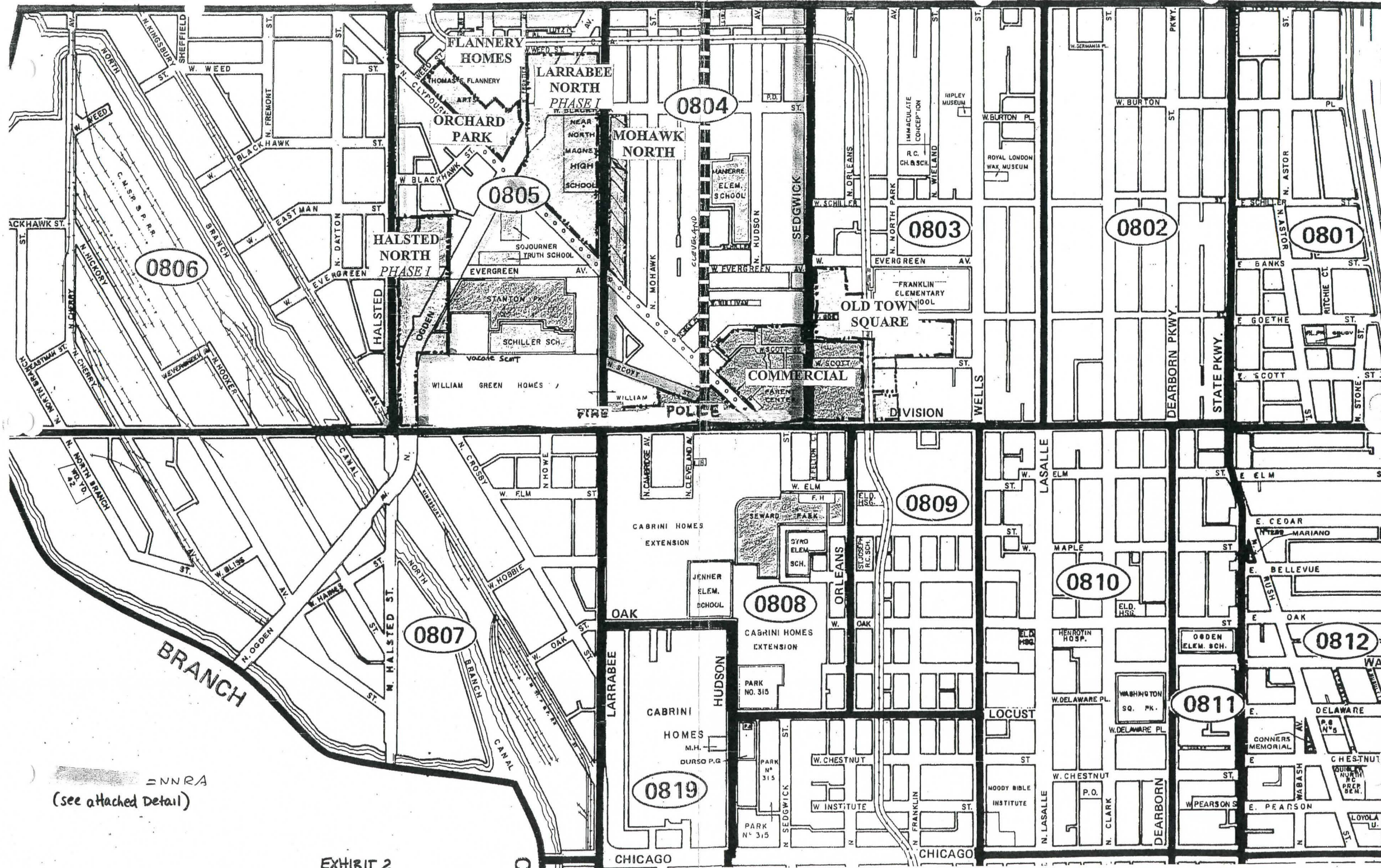
1. The portion of the City of Chicago described on Exhibit A hereto is designated the Near North Revitalizing Area ("NNRA");
2. CHA shall be authorized to arrange for the acquisition of leasehold interests in, and HUD shall be free to provide funding for, approximately 250 privately developed units on four (4) sites within the NNRA, known as Halsted North, Mohawk North, Larrabee North and Orchard Park (each as located on Exhibit A), for sublease to public housing families, provided that on each of the aforementioned sites, the public housing units shall account for no more than 30% of the total number of units developed on each site; and
3. None of the arguments presented in connection with the granting of this Order, nor the decision to seek or grant this Order, shall be used by the parties in connection with the pending litigation, nor shall any arguments by either party in the pending litigation be waived or estopped by the arguments presented in connection with the granting of this Order or the decision to seek or grant this Order.

ENTER:

_____ Date: _____, 1997



NORTH



ENNRA
(see attached Detail)

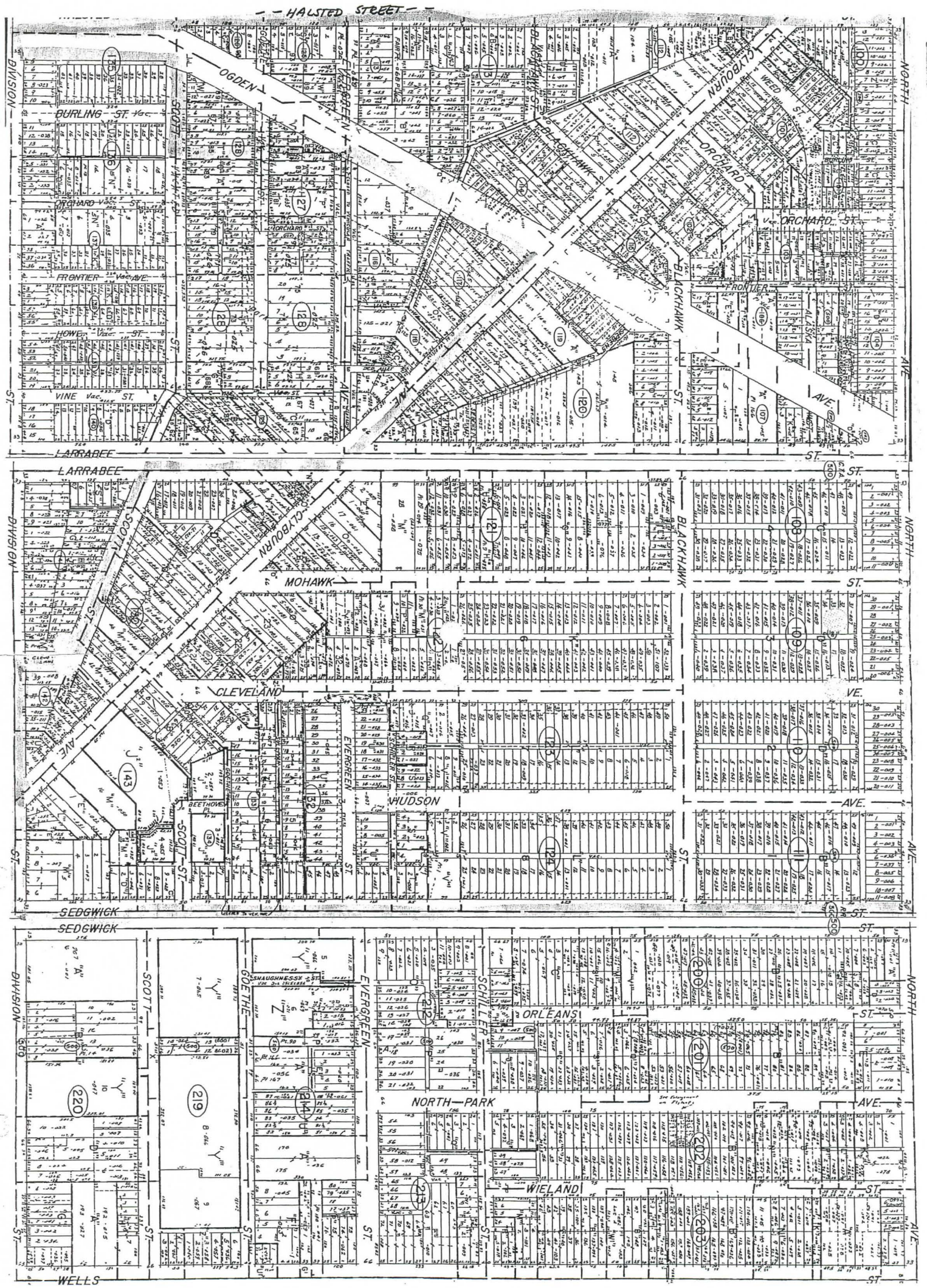


EXHIBIT B

AFFIDAVIT

1. The Undersigned, Lawrence E. Grisham, is a Vice President in the Scattered Site Program for The Habitat Company ("Habitat"). Daniel E. Levin and Habitat were appointed as Receiver for the Chicago Housing Authority's ("CHA") Scattered Site Program by this Court's order of August 14, 1987.

2. This affidavit concerns the motion for an order designating Census Tracts 807 and 806 in the Near North Side Community Area as General Area Census Tracts. Based on driving every block of both census tracts and visually ascertaining what is on each block, I affirm that the following conditions exist:

3. Census Tract 807

- Census Tract 807 is bounded by Larrabee Street on the east, Chicago Avenue on the south, the North Branch of the Chicago River on the west, and Division Street on the north.
- There are currently no residential structures in Census Tract 807.
- East of the North Branch Canal of the Chicago River, all of the structures are commercial or industrial. The former Montgomery Ward's headquarters comprises the predominant set of structures in this part of the census tract.
- The part of the census tract that is west of the North Branch Canal of the Chicago River is approximately half of Goose Island, all of which is designated as an industrial zone by the City of Chicago.

4, Census Tract 806

- Census Tract 806 is bounded by Halsted Street on the east, Division Street on the south, the North Branch of the Chicago River on the west, and North Avenue on the north.
- The few residential buildings that are within Census Tract 806 are scattered among four different buildings. Two of these buildings are storefront types, with a commercial space on the ground floor and a small number of apartments on the second floor. One building is a small, loft-type conversion. The remaining building consists of four recently constructed townhouses. The loft conversion and the townhouses appear to be market rate housing.
- East of the North Branch Canal of the Chicago River, virtually all of the structures are commercial or industrial.
- The part of the census tract that is west of the North Branch Canal of the Chicago River is the other half of Goose Island, all of which is designated as an industrial zone by the City of Chicago.

5. Exhibits

- Exhibit A -- a census tract map of the Near North Side Community Area
- Exhibit B -- an aerial photograph of Census Tracts 807 and 806
- Exhibit C -- a zoning map of Census Tracts 807 and 806

Lawrence E. Grisham
Lawrence E. Grisham, Vice President
THE HABITAT COMPANY

SUBSCRIBED and SWORN to
before me this 8 day of
September, 2000.

Anita M. Anderson
Notary Public

My commission expires: August 26, 2001



COMMUNITY AREA 8 NEAR NORTH SIDE

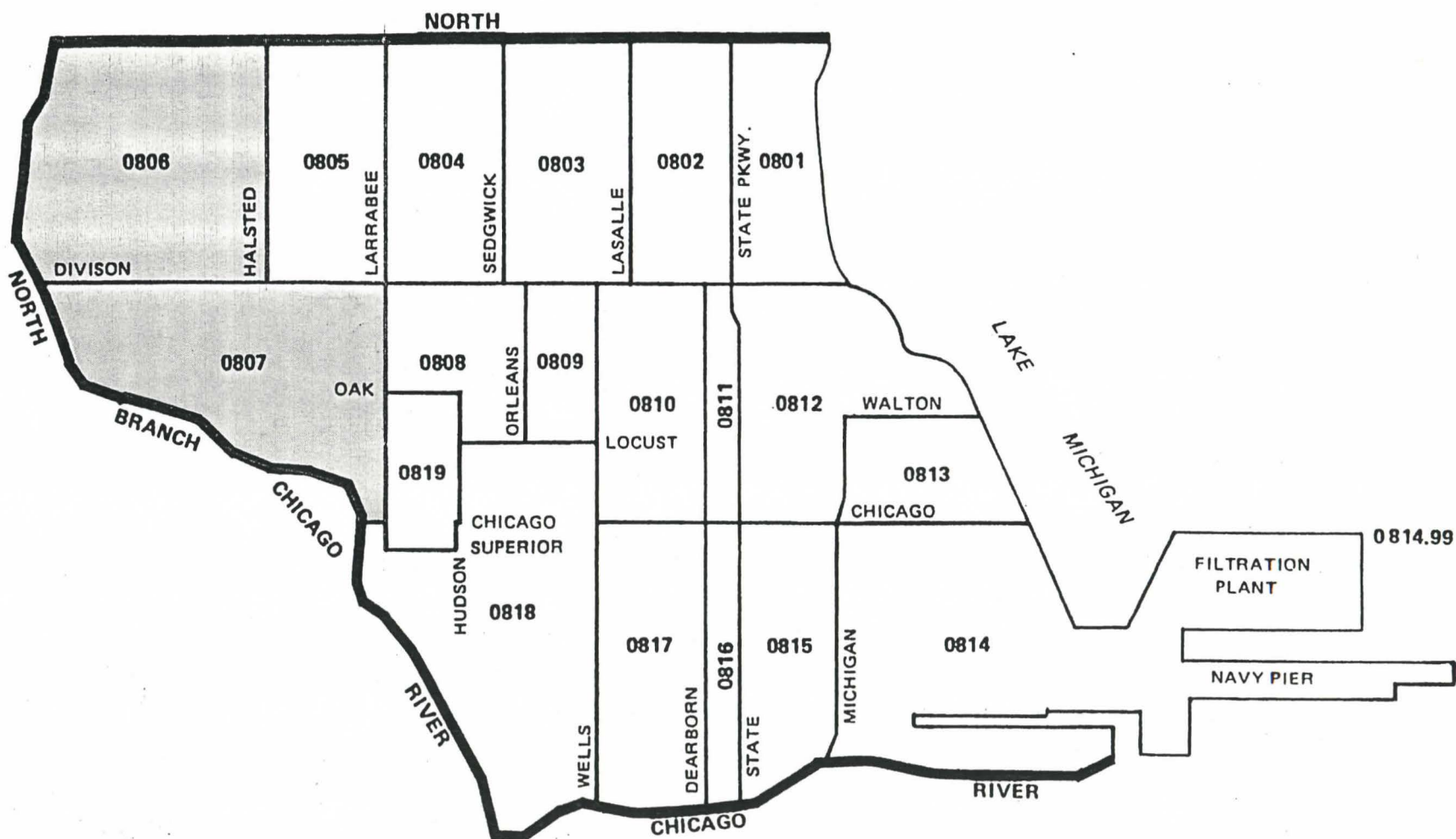


Exhibit A



Exhibit B

NORTH AVE.

HALSTED ST.

DIVISION ST.

LARABEE ST.

CHICAGO AVE.



EXHIBIT C

8/31/2000

STANTON
PARK

PROPOSED

