IN THE UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 00-3787

DOROTHY GAUTREAUX, et al.	)	
	)	
Plaintiffs,	)	Appeal from the United States District Court for the Northern District of Illinois, Eastern Division
	)	
v.	)	
	)	
CHICAGO HOUSING AUTHORITY, a corporation, and TERRY PETERSON Executive Director, in his official capacity.	)	No. 66 C 1459
	)	
	)	Chief Judge Marvin E. Aspen
	)	
Defendants.	)	

EXHIBITS IN SUPPORT OF APPELLEES'
JOINT MOTION TO DISMISS APPEAL

VOLUME 2

EXHIBITS IN SUPPORT OF APPELLEES' JOINT MOTION TO DISMISS APPEAL

Volume 1

Exhibit A	Minute Order of September 25, 2000
Exhibit B	June 19, 1998 Revitalizing Order
Exhibit C	November 4, 1999 Minute Order
Exhibit D	ABLA Plaintiffs' Motion to Intervene
Exhibit E	Statement of the Receiver in Response to Putative ABLA Plaintiffs' Motion to Intervene
Exhibit F	CHA's Memorandum in Opposition to the CRA Intervenors' Motion to Intervene

Volume 2

Exhibit G	HUD's Response to ABLA Plaintiffs' Motion to Intervene
Exhibit H	Memorandum of Gautreaux Plaintiffs In Response to ABLA Plaintiffs' Motion to Intervene
Exhibit I	The ABLA Plaintiffs Reply Memorandum In Support of Their Motion to Intervene

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.	)	
Plaintiffs,	)	
v.	)	No. 66 C 1459
THE CHICAGO HOUSING AUTHORITY, et al.,	)	Judge Aspen
Defendants.	)	

HUD'S RESPONSE TO ABLA PLAINTIFFS' MOTION TO INTERVENE

The ABLA plaintiffs seek to intervene in this cause and to file the Complaint attached to their motion. That complaint contains, among other things, several counts that allege that HUD has violated the law in several respects.

HUD opposes intervention that would add HUD as a Gautreaux party and institute new claims against HUD onto the Gautreaux case. First, such an intervention as of right should be denied because the ABLA plaintiffs have not presented any interests that would satisfy Article III standing requirements. All of their alleged interests are speculative, and, in any event, their dispute is with the Court's June 1998 order limiting the number of public housing units on the ABLA site, not any action by HUD. Additionally, any disposition in Gautreaux would not impair their interest in pursuing their claims, since HUD is not a party to the case and the Court would not otherwise be

adjudicating any of the claims against HUD denominated in the Intervenors' Complaint in the absence of an intervention.

Second, a permissive intervention that would add HUD as a Gautreaux defendant should be denied because it would prejudice the adjudication of HUD's right to be dismissed from Gautreaux. Accordingly, the court should deny a broad-based intervention or that would allow the allegations against HUD in plaiantiffs' proposed complaint to be filed.[1]

DISCUSSION

I. Allowing The ABLA Plaintiffs To Add HUD As A Gautreaux Defendant Through A New Complaint Would Not Satisfy The Criteria For Intervention As Of Right.

A proposed intervenor as a matter of right has the burden of proving each of the following elements: (1) that the intervenor has "an interest relating to the property or transaction at issue"; (2) that "the disposition of the action, as a practical matter, may impair or impede the ability to protect that interest"; (3) that the "interest is not adequately represented by existing parties"; and (4) that the

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[1] HUD takes no position as to the appropriateness of a limited intervention by the ABLA plaintiffs allowing them to challenge and seek to modify the Court's June 1998 order that designated ABLA from a Limited, to a Revitalizing, Area and limited to 1,084 the number of public housing units that could be developed on the ABLA site.

intervention motion is "timely." American National Bank & Trust v. City of Chicago, 865 F.2d 144, 146 (7th Cir. 1989). "[L]ack of even one element requires denial of the motion. Id. The ABLA plaintiffs' motion, insofar as it seeks intervention for the purpose of filing a complaint against HUD, should be denied for failure to meet the standards for intervention.

A. The Alleged Interests Are Insufficient To Justify A Broad-Based Intervention That Would Add HUD As A Gautreaux Defendant Through A New Complaint.

The interest necessary to satisfy Rule 24(a)(2) "must be greater than the interest sufficient to satisfy the standing requirement." U.S. v. 36.96 Acres of Land, 754 F.2d 855, 859 (7th Cir. 1985), cert. denied, 476 U.S. 1108 (1986); see also Keith v. Daley, 764 F.2d 1265, 1268 (7th Cir.), cert. denied, 474 U.S. 980 (1985)(citation omitted)(the "interest must be so direct that the applicant would have 'a right to maintain a claim for the relief sought'"); Ragsdale v. Turnock, 941 F.2d 501, 509 (7th Cir. 1991)(Posner, J., concurring)("to be allowed to intervene as a party you must have standing").

In pertinent part, to establish Article III standing, the ABLA plaintiffs must demonstrate two things. First, they must be facing an "injury or threat of injury [that] must be both 'real and immediate,' not 'conjectural' or 'hypothetical.'"

such treatment in the past and they had alleged that the police routinely applied chokeholds without provocation. Lyons, 461 U.S. at 104-06. The Supreme Court concluded that unless the plaintiffs alleged either that (1) individual police officers "always" employed chokeholds, or (2) the City "ordered or authorized" such treatment, the allegations were too speculative. Id. at 106.

In this case, the named ABLA plaintiffs include five current ABLA residents and one other public housing resident who used to live at ABLA. Intervenors' Complaint, ¶¶ 14-18, 21.[3] The relief each of these six public housing residents seek is to reside at the revitalized ABLA project. Intervenors' Complaint, ¶¶ 14-18, 21. These six public housing residents do not contend that there will be an insufficient number of family public housing units for them specifically. Rather, the ABLA plaintiffs assert that at least 656 public housing units for very low income families were proposed to be developed at ABLA. Intervenors' Complaint, ¶ 61. Nor do they allege that CHA has demanded that these six public housing

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[3] The ABLA plaintiffs cannot rely on the interests of others, such as certain members of an ABLA class that has not yet been certified. "The interest must be based on a right that belongs to the proposed intervenor...." Keith, 764 F.2d at 1268.

residents be prohibited from residing at the revitalized ABLA. Rather, they merely allege that CHA has provided no guarantee that they will get units at the revitalized ABLA. Id. Since these six public housing residents cannot say with certainty that they won't be able to live at the revitalized ABLA, by implication, they acknowledge that there is a distinct possibility, if not a probability, that they will be able to receive one of these 656 new ABLA units. Therefore, it is merely "speculative" that the six named ABLA plaintiffs who are current public housing residents will not be able to live in one of these 656 new ABLA units.

The interests of the two named ABLA plaintiffs who are not public housing residents, but who are former ABLA residents, Intervenors' Complaint, ¶ 19-20, and the interests of the three ABLA plaintiffs on CHA's waiting list, Intervenors' Complaint, ¶ 22-24, are also "speculative." Since the ABLA plaintiffs seek equitable relief, not damages, from HUD, they must allege some injury that will occur in the future if the relief they seek is not granted. See Lyons, 461 U.S. at 111. The Intervenors' Complaint does not allege that these two non-public housing residents who were former ABLA residents have applied for, or will apply for, public housing. Nor does the

Intervenors' Complaint allege whether the three ABLA plaintiffs on CHA's waiting list are at the top of the waiting list, or how likely it is they would be able to live at ABLA, even if the ABLA plaintiffs did obtain the relief they are seeking.[4] Accordingly, it is only "speculative" that these five non-public housing residents will be denied housing that they would otherwise be entitled to receive.[5]

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[4] Nor does the Concerned Residents of ABLA ("CRA") allege any interests sufficient to justify an intervention that would add HUD as a Gautreaux defendant. With regard to the alleged frustration to the CRA's mission to promote tenant involvement in the revitalization, see Intervenors' Complaint, ¶ 94, this concerns the claim against CHA, not HUD, that CHA has not consulted with plaintiffs in violation of Section 18 of the U.S. Housing Act of 1937. With regard to the alleged loss of members due to the relocation of residents utilizing Section 8, see id., this injury involves the claim against CHA, not HUD, that CHA has relocated ABLA residents in violation of Section 18 of the U.S. Housing Act of 1937 and in violation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act.

As to the alleged injury to the CRA members, see id., the CRA does not have associational standing because the CRA's members do not have standing in their own right. See Hunt v. Washington State Apple Advertising Commission, 432 U.S. 333, 343 (1977). The complaint neither alleges how many members the CRA contains, nor that its members would be unable to reside in one of the many revitalized ABLA public housing units that will be developed. As discussed above, it is only "speculative" that the CRA's members would not be able to live at one of the new units to be developed at ABLA. Thus, since the CRA's members do not have standing in their own right, the CRA does not have associational standing.

[5] When this Court reassigned the ABLA suit to the Gautreaux case, HUD's and CHA's motions to dismiss for lack of Article III standing were pending. A declaration by HUD's Deputy Assistant Secretary Elinor Bacon supported HUD's motion. Ex. 1 attached. In that declaration, she stated, in pertinent part, two things. First, the HOPE VI application proposed 1,467 public housing units (1,084 on-site and 383 off-site) for

(2) Since HUD Has Not Caused Their Alleged Injuries, The ABLA Plaintiffs Lack Standing To Sue HUD.

Plaintiffs' claims are not fairly traceable to HUD because it is the Court's orders that are limiting the number of public housing units that can be developed back on the ABLA site. For all practical purposes, this Court has prohibited the development of public housing in a Limited Area, unless the Gautreaux court designates such Area as a Revitalizing Area. See Gautreaux v. Landrieu, 523 F.Supp. 665, 668 (N.D. Ill. 1981), aff'd, 690 F.2d 616 (7th Cir. 1982). The June 1998 order that designated ABLA from a Limited, to a Revitalizing, Area has limited the number of public housing units that can be developed back on ABLA to 1,084. Gautreaux v. CHA, No. 66 C

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people with income levels at 0-35% of Area Median Income. Declaration of Elinor Bacon, ¶ 6. Second, it is anticipated that the ABLA Revitalization Plan may be updated to account for changes in the needed number of bedrooms per unit for those ABLA residents choosing to return to the ABLA development. Declaration of Elinor Bacon, ¶ 11.

Although the ABLA plaintiffs were fully aware of the deficiencies in their original complaint, they have not cured these defects in the Intervenors' Complaint, except for the fact that Nona Young, who was a current ABLA resident and named plaintiff in the July 1999 complaint, is now a former ABLA resident in the Intervenors' Complaint. It is, therefore, fair to assume that the ABLA plaintiffs have no new facts which would show that the six named plaintiffs who are current public housing residents will not receive new ABLA housing, or that the five named plaintiffs who are not current ABLA residents would even be eligible for new housing at ABLA, if the ABLA plaintiffs received the relief they are seeking.

1459, slip op. at 3 (N.D. Ill. June 19, 1998). HUD was not a party to the joint motion suggesting this numerical limit of 1,084; HUD has been merely acquiescing to the June 1998 order. The injury the ABLA plaintiffs allege is that the ABLA revitalization will not produce the same number of public housing units at ABLA as are demolished. See Intervenors' Complaint, ¶ 91. Because it is the June 1998 order, not any action by HUD, that has limited the number of public housing units that can be developed at ABLA, HUD has not caused the alleged injury.

The appropriate course for the ABLA plaintiffs is to make a direct challenge to the June 1998 order itself.[6] The Court should not allow the ABLA plaintiffs to make a backhanded attack on the Court's June 1998 order by attacking those

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[6] The Supreme Court has stated that "one of the most usual procedural rules is that an intervenor is admitted to the proceeding as it stands, and in respect of the pending issues, but is not permitted to enlarge those issues or compel an alteration of the nature of the proceeding." Vinson v. Washington Gas Light Co., 321 U.S. 489, 498 (1944); see also Columbia Gas & Electric Corp. v. American Fuel & Power Co., 322 U.S. 379, 383 (1944)("[a]s an intervenor the United States was limited to the field of litigation open to the original parties"); Washington Elec. Coop., Inc. v. Massachusetts Mun. Wholesale Elec. Co., 922 F.2d 92,97 (2d Cir. 1990)(intervention "is not intended to allow for the creation of whole new suits by intervenors"); 6 Moore's Federal Practice, § 24.03[5][b] (Matthew Bender 3d ed.)("if allowing intervention would radically transform the nature of the existing action, intervention should be denied").

entities who are simply acquiescing to, or complying with, it.[7] Accordingly, since the ABLA plaintiffs lack standing to sue HUD, the interests they allege are insufficient to justify an intervention that would add HUD as a Gautreaux defendant.[8]

B. No Impairment Of The Ability To Protect Their Interests.

The ABLA plaintiffs have failed to show that any future resolution by this court with respect to HUD in the ABLA plaintiffs' absence "would as a practical matter foreclose [the ABLA plaintiffs'] rights" to bring their concerns against HUD "in a subsequent proceeding." American National Bank & Trust, 865 F.2d at 147-48.[9] At this point, there are no legal claims

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[7] In the event that the Court grants the ABLA plaintiffs a limited intervention to challenge the June 1998 order, HUD is confident that all of the ABLA plaintiffs' claims, including those claims based on alleged statutory violations that Gautreaux did not cover, will also be resolved. Indeed, the Court stated in its November 4, 1999 order reassigning the ABLA suit that "although the ABLA Intervenors' Complaint alleges new statutory violations in addition to those covered by the Gautreaux decree, the entirety of the Intervenors' Complaint attacks the revitalization plan created pursuant to this Court's June 19, 1998 order." Thus, any intervention should be limited to the challenges to that order.

[8] Because Intervenors' Complaint shows that the ABLA plaintiffs do not have standing to sue HUD, and because the Court "lacks jurisdiction of the subject matter" with regard to the claims against HUD, an intervention adding HUD as a Gautreaux defendant should be denied. See Fed. R. Civ. P. 12(h)(3).

[9] HUD takes no position as to whether a legal resolution in Gautreaux of the ABLA plaintiffs' specific challenges to the June 1998 order without the ABLA plaintiffs would foreclose their rights. HUD takes no position as to a limited intervention to address those specific challenges to the June 1998 order. On the other hand, HUD does object to any

against HUD pending before this court. Indeed, HUD has been dismissed from Gautreaux and is no longer a party. Gautreaux v. CHA, 981 F.Supp. 1091, 1094-95 (N.D. Ill. 1997). As a result, there will be no future resolution by the Gautreaux court with respect to HUD.

The ABLA plaintiffs' interests are described in the Intervenors' Complaint, which alleges HUD statutory violations. Since this court will not adjudicate any issues with regard to HUD, it will not otherwise adjudicate the ABLA plaintiffs' interests with regard to HUD. Thus, there will be no future resolution by the Gautreaux court with respect to HUD in the absence of the ABLA plaintiffs that would cause any foreclosure of the ABLA plaintiffs' rights with respect to HUD in a subsequent proceeding.[10] Accordingly, this Court should not allow intervention for the purpose of raising these new claims against HUD.[11]

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intervention that would add HUD as a Gautreaux defendant.

[10] While it is true that this court's November 4, 1999 order dismissed the ABLA plaintiffs' independent lawsuit against HUD, the ABLA plaintiffs had the opportunity to appeal that order, but chose to waive that opportunity.

[11] In addition, because the ABLA plaintiffs have not alleged an interest sufficient to justify intervention, they do not have an "interest that could be impaired or impeded" and "have no right to assert that their interests are inadequately represented." Wade v. Goldschmidt, 673 F.2d 182, 186 (7th Cir. 1982). Therefore, the ABLA plaintiffs cannot satisfy the second and third elements of intervention as of right.

CONCLUSION

For the foregoing reasons, the court should deny a broad-based intervention that would add HUD as a Gautreaux defendant and introduce new claims against HUD.

Respectfully submitted,

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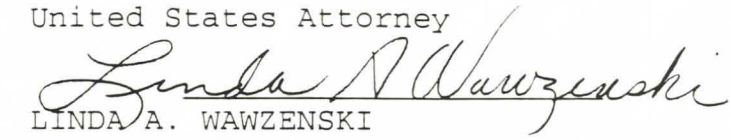

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STATE OF ILLINOIS)
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COUNTY OF COOK)

PAULA M. GABRIEL being first duly sworn on oath deposes and says that she is employed in the Office of the United States Attorney for the Northern District of Illinois; that on the 7th day of January 2000, she placed a copy of a:

1. HUD'S RESPONSE TO ABLA PLAINTIFFS' MOTION TO INTERVENE

in a prepaid envelope addressed to each of the following named individual(s) and caused each envelope to be deposited in the United States mail chute located in the Everett McKinley Dirksen Building, Chicago, Illinois on said date at the hour of 5:00 p.m.

See Attached Service List

Paula M. Gabriel

SUBSCRIBED AND SWORN TO before me this 7th day of January, 2000

Mary Anne Martin

NOTARY PUBLIC

My Commission Expires: 9/28/2002

"OFFICIAL SEAL"
MARY ANNE MARTIN
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 9/28/2002

SERVICE LIST

CONCERNED CITIZENS OF ALBA, et al., v THE CHICAGO HOUSING AUTHORITY, et al.

Case No. 99 C 4959

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CONCERNED RESIDENTS OF ABLA, et al. Plaintiffs, v. THE CHICAGO HOUSING AUTHORITY, et al., Defendants.	)	No. 99 C 4959 Judge Gettleman

DECLARATION OF ELINOR BACON

I, Elinor Bacon, do hereby declare and state as follows:

1. I have been employed by the U.S. Department of Housing and Urban Development ("HUD") since June 1997. I am currently the Deputy Assistant Secretary for the Office of Public Housing Investments in the Office of Public and Indian Housing. My responsibilities involve, among other things, oversight of the HOPE VI program, which is described below. The information set forth herein is based on my personal knowledge or based on my review of relevant documents or based on knowledge gained from my discussions with my staff at the Office of Public Housing Investments

2. In 1992, Congress originally created the HOPE VI program though a demonstration program called "Homeownership and Opportunity for People Everywhere." Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Acts, 1993, Pub. L. 102-389 (Oct. 6, 1992). As pertinent to the ABLA HOPE VI

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GOVERNMENT EXHIBIT
_____

revitalization, the Congressional authorization for the HOPE VI program has been included in HUD's annual appropriation bills.

3. The HOPE VI program seeks to revitalize severely distressed or obsolete public housing developments by funding a mixture of local public housing authority activities. Local public housing authorities may use HOPE VI grant monies for a variety of purposes, including, among other things, planning revitalization projects, demolition, renovation, providing Section 8 rent vouchers, social services, and building replacement dwellings.

4. The Chicago Housing Authority ("CHA") received a Fiscal Year ("FY") 1996 HOPE VI grant in the amount of $24,483,250 for the development of 200 ABLA replacement public housing units. This award was made to satisfy in part a HUD obligation under the HUD consent decree in Gautreaux v. CHA, No. 66 C 1459.

5. The CHA, in collaboration with Daniel E. Levin and the Habitat Company ("Gautreaux Receiver" or "Receiver"), which controls CHA's family public housing development activities, applied for and was awarded an FY98 HOPE VI grant in the amount of $35 million to revitalize ABLA.

6. The FY98 HOPE VI application proposed to combine the $24 million FY96 HOPE VI grant and the $35 million FY98 HOPE VI grant to leverage over $84 million in funding from the City of Chicago and over $287 million in private funds to create a $430 million redeveloped community. The application

proposed 1,467 public housing units (1,084 on-site and 383 off-site) for income levels at 0-35% Area Median Income ("AMI"), 845 affordable rental/for sale units for income levels at 36-120% of AMI, and 966 market rate rental/for sale units. Copy of the Executive Summary of the FY98 HOPE VI application is attached as Exhibit 1. Copy of an ABLA redevelopment fact sheet is attached as Exhibit 2. Copy of the FY98 HOPE VI Site Visit letter is attached as Exhibit 3. Copy of the ABLA Development Manager RFP [without exhibits] is attached as Exhibit 4.

7. Pursuant to HUD requirements, HUD's approval of a full Revitalization Plan for the project and HUD's approval of a Mixed-Finance Proposal for each phase is necessary before HOPE VI funds, other than pre-development funds, can be drawn down by CHA and the Receiver.

8. A Revitalization Plan creates a master plan for the project describing, among other things, the proposed design of the development, the proposed total number of units and the breakdown of public housing, tax credit, or market-rate units, the targeted income groups, the unit type, their location, density, whether they will be rental or homeownership, the number of units to be developed in each phase, the proposed development schedule for each phase, the proposed sources and uses for the entire project, and how the HOPE IV funds will be used for the development of public housing units. Bedroom distribution among the public housing units will take into account the family size of residents

actually choosing to remain at the redeveloped ABLA community.

9. Pursuant to the completion of a Revitalization Plan, CHA and the Receiver will then be required to submit a detailed Mixed-Finance Proposal for each phase of the ABLA project. The Proposal provides, among other things, a final financing plan and budget for that phase, the final number of public housing, tax credit and market units to be developed in that phase and the respective responsibilities of CHA, the Receiver, the project's developer and other parties. Construction on that phase only may begin only after, evidentiary documents, which memorialize all agreements and responsibilities between the parties and commit funding to the project, are submitted to and approved by HUD.

10. CHA and the Receiver have not yet submitted the ABLA Revitalization Plan for HUD's approval. CHA, the Receiver and the City are now conducting a procurement process to hire a Development Manager who will oversee the completion of a Revitalization Plan and to manage the ABLA development process. It is expected that the development of a Revitalization Plan will take approximately six months to complete and will include the development of a detailed master plan, financial plan and market study. The Request for Proposal for the Development Manager specifies that the Development Manager must engage organizations and individuals in the master planning process that have a stake in the long-term strength of the ABLA community.

11. Only when CHA and the Receiver submit an ABLA Revitalization Plan to HUD at the end of this planning process, and only when HUD approves that Revitalization Plan, will there be more certainty as to how many ABLA public housing, tax credit and market units will be developed, where they will be located, the targeted income groups, the number of rental versus homeownership, the type of units and the bedroom distribution, and how the development will be phased. It is anticipated that the Revitalization Plan may be updated at various points during the development process to account for changes in market conditions, the needed number of bedrooms for those ABLA residents returning to the development and other issues.

12. I hereby declare under penalty of perjury that the foregoing is true and correct based on my personal knowledge or based on my review of relevant documents or based on knowledge gained from my discussions with my staff at the Office of Public Housing Investments.

Elinor Bacon
Deputy Assistant Secretary
Office of Public Housing Investments
Office of Public and Indian Housing
U.S. Department of Housing
and Urban Development

Executed on the 6th day of October, 1999.

EXHIBIT 1

A. *EXECUTIVE SUMMARY*

Through collaborative leadership, the ABLA Local Advisory Council (LAC), ABLA residents, the Chicago Housing Authority (CHA), the Receiver*, the *Gautreaux* Plaintiff's counsel and the City of Chicago have initiated an ambitious effort to completely revitalize and transform one of the largest and most distressed developments in CHA's inventory: ABLA Homes. The goal is to develop a desirable, diverse mixed-income community that can be replicated in Chicago and throughout the entire nation. The CHA requests $35 million in HOPE VI funds to leverage a $430 million development plan and to complete the revitalization of a 100-acre severely distressed public housing development.

ABLA Homes is comprised of six contiguous developments consisting of over 3,500 original units and occupied by over 1,500 very low-income families who are concentrated in a racially and economically segregated enclave within an otherwise revitalizing community. The severity of distress at the site is reflected in a vacancy rate of 52%, in thousands of ongoing fines and vacate orders by the local Housing Court, in the presence of asbestos and lead-based paint throughout, in the high crime rate, and in engineering reports recommending demolition of more than 2,700 units.

CHA proposes to combine its $24 million 1996 ABLA HOPE VI grant and $35 million from this 1998 HOPE VI application to leverage over $84 million in City funding and over $287 million in private funds to create a $430 million redeveloped community. The City will combine use of incremental taxes from a Tax Increment Finance District, Low Income Housing Tax Credits (LIHTC), tax exempt bonds, and direct capital investments to match CHA funds and encourage private investors to invest in the area. Over 8 years, there will be 1,467 public housing units (1,084 on-site and 383 off-site), 845 affordable units, and 966 market rate units. The public housing units will be distributed throughout the 100 acre site and will be indistinguishable from private housing in the neighborhood.

CHA's 1998 HOPE VI application is a public/private partnership created to develop a holistic, self-sufficient and sustainable mixed income community. ABLA Homes is located in a dynamic market area adjacent to three communities experiencing major redevelopment. Capitalizing on strong market conditions, HOPE VI public housing units can be completed within seven to ten years following grant award and will generate a model of public housing transformation.

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

EXHIBIT 2

ABLA REDEVELOPMENT - 1998 HOPE VI APPLICATION FACT SHEET

ABLA REDEVELOPMENT PLAN

The ABLA Redevelopment Plan will seamlessly integrate one of the CHA's most distressed public housing developments into the vital surrounding neighborhood of the Near West Side. The Plan proposes new construction of a mixed income community throughout ABLA Homes including Jane Addams, Brooks Extension, Grace Abbott, Loomis Courts and portions of Brooks Homes.

The ABLA Redevelopment Plan includes new construction of 966 market rate for-sale/rental units, 845 affordable rental and for-sale units, and 1,467 public housing units (1,084 units on-site and 383 units off-site). The redevelopment site encompasses approximately 100 acres bordered by Cabrini St. on the north, 15th Street on the south, Racine/Blue Island on the east, and Ashland/Loomis on the west. See attached map. The Plan also includes expansion of Fosco Park, construction of a new community center, residential development along Roosevelt Road, and a broad range of innovative programs to assist existing families toward self-sufficiency.

The City of Chicago and CHA are committed to the creation of healthy, sustainable mixed income communities without displacement of existing residents. The City and CHA have committed that every ABLA resident who wishes to remain in the community will have an opportunity to do so.

PROPOSED FINANCING

The CHA proposes to utilize an existing 1996 HOPE VI grant in the amount of $24 million and apply to HUD for the 1998 HOPE VI Program for an additional $35 million. The total of $59 million in HOPE VI funds will be used to leverage over $430 million in public and private resources to complete the entire development.

SOURCES OF FUNDS	AMOUNT
CHA – 1996 HOPE VI ($24,483,250) 1998 HOPE VI ($35,000,000)	***$59,483,250***
CITY – Tax Exempt Bonds ($31,609,000) Department of Housing – HOME/CDBG ($19,940,000) New Homes for Chicago ($6,810,000) TIF – Public Improvements ($26,000,000)	$84,359,000
PRIVATE – Low Income Housing Tax Credits ($37,290,000) Private Mortgages ($227,480,000) Homeowner Equity ($22,330,000)	$287,100,000
TOTAL	**$430,942,250**

INCOME LEVELS OF THE NEW MIXED INCOME COMMUNITY

Income Level	# of Units Proposed	Rental/For-Sale
$0 - $20,825 (0-35% of AMI)	1,467 (1,084 on-site and 383 off-site)	Rental
$20,826 - $71,400 (36-120% of AMI)	845	Rental/For-Sale
$71,401 + (121% + of AMI)	966	For-Sale/Rental

*AMI: area median income for the City of Chicago

NOTE: Public Housing is defined as 0-80% of AMI.

PROJECTED TIMELINE

The 1998 HOPE VI application is due June 29, 1998. The CHA will receive notice from HUD in early October 1998 as to whether the Plan has been funded. The City and CHA anticipate that, if funded, redevelopment activities can begin this year on the areas with vacant land. The City and the CHA anticipate that the entire ABLA Redevelopment Plan will be implemented over the course of seven to ten years.

EXHIBIT 3

- 36 – 120% AMI 845 rental/for sale units
- > 120% AMI 966 rental/for sale units

Total Units: 3278 units

The overall mix would provide for 37 percent public housing units, 29 percent other affordable units, and 34 percent market rate units.

The planning team did not provide specific information on the proposed mix of housing types per phase of development or a breakdown of rental versus for sale units. It is the belief of the planning team that a strong market exists for both rental and for sale housing in the redevelopment area which will support the target income mix.

Financing

The planned redevelopment will be financed by a mix of HOPE VI funds, LIHTC equity, tax-exempt bonds, HOME/CDBG funds, Tax Increment Financing District (TIF), and conventional debt. Representatives from the city indicated that developments with similar sources of funds, underwritten by FHA, had recently been closed by the city, and that a copy of an offering circular could be provided. Although the team discussed generally how the redevelopment would be financed, specific information regarding proposed sources and uses of funds was not provided. Currently the plans do not call for HOPE VI funds to be used for homeownership units.

Infrastructure/Acquisition

Infrastructure improvements will be funded by TIF funds generated by the City of Chicago. In addition, TIF will finance acquisition of off-site replacement housing sites in the adjacent neighborhoods. A TIF district is in place for the ABLA site. Infrastructure improvements would include re-introduction of the historic street grid into the ABLA site, according to current plans. The City estimates that $26 million will be invested in infrastructure improvements in the ABLA community.

Program Oversight

The redevelopment effort is being managed by a planning committee comprised of representatives from the City of Chicago Department of Housing, City of Chicago Department of Planning, CHA, the Habitat Company as CHA development receiver, the ABLA resident council, and the Gautreaux plaintiff's counsel, under the leadership of Julia Stasch, Commissioner of the Department of Housing. The City has assigned full-time staff to the redevelopment effort. While HUD commends the planning committee on its cooperative efforts to date,

it is clear that written agreement with regard to procedures and protocols for policy development, planning and decision-making must be put in place for the redevelopment effort to be implemented expeditiously. We understand that a draft Memorandum of Understanding (MOU) outlining the roles and responsibilities of the planning committee members is currently being reviewed by those members. HUD has reviewed this draft MOU and finds it acceptable. Therefore, we urge you to execute it as soon as possible and to submit an executed copy to HUD. Please note that in the future, HUD reserves the right to request additional refinements to the MOU if the planning committee is not able to reach crucial decisions necessary to implement the ABLA project.

The City, in cooperation with the rest of the planning committee, is developing a Request for Proposals for a Development Manager (Program Manager) to oversee planning and implementation of the ABLA redevelopment. The scope of the Development Manager's work is to include the following:

- Development of a detailed master plan for the entire site;
- Development of a detailed implementation schedule of this master plan;
- Development of a realistic financial plan for the entire development effort;
- Preparation of a detailed market study;
- Management of all aspects of program implementation; and,
- Solicitation/selection of developers.

It is currently intended that the Department of Housing will conduct the procurement on behalf of CHA and the Habitat Company, with an evaluation panel comprised of members of the planning committee, assisted by non-voting expert advisers. The evaluation panel is to make its recommendation for selection to the Commissioner, who will in turn make a recommendation to CHA and Habitat. The draft RFP has been provided to HUD for review and HUD's comments will be provided at the next executive oversight committee meeting. As we have indicated in previous meetings, HUD considers the MOU among the participating parties to be critical to its review of the RFP. The MOU must be executed prior to HUD approval of the RFP.

Although it is intended that HOPE VI fund all or part of the cost of Development Manager services, the RFP is unclear as to which agency or agencies would be party to the contract with the Development Manager and would be responsible for oversight of the Development Manager. Again, the need for clear written agreement among the parties as to roles, responsibilities and decision-making authority is critical.

Upon HUD's recommendation, an executive oversight committee, including representation from HUD OPHI, the Chicago HUD Field Office, the City Department of Housing, CHA, Habitat and other key stakeholders has been established and meets on a monthly basis to review project status, identify key issues and reach consensus on executive decisions and policy in a manner consistent across all HOPE VI-funded projects.

Implementation Schedule

The planning committee indicated that it will take approximately six months to complete the master plan and financial plan, once the Development Manager is under contract. City officials indicated that the entire redevelopment effort would be implemented over an eight to ten year period, which is beyond the time allotted for implementation in the HOPE VI Grant Agreement. In order to stay in compliance with the HOPE VI implementation requirements, the grantee must execute the program in such a way as to assure that the HOPE VI funds are obligated and expended in a timely manner. OPHI staff will work with the grantee to explore alternatives, in conjunction with the larger redevelopment effort, which will allow the HOPE VI funds to be obligated in accordance with program requirements.

Family Self-Sufficiency/Supportive Services

A similarly cooperative planning endeavor is underway for the family self-sufficiency and supportive services portion of the HOPE VI effort, involving most major service providers in the Chicago area, including the city and state Departments of Human Services, the city's Department of Aging, the Board of Education, the Department of Health, PUSH, the MacArthur Foundation, the Chicago Police Department, and others. A supportive services plan is being developed and will be submitted to HUD for review and approval upon completion, no later than 120 days after execution of the grant agreement.

HOPE VI Grant Agreement

HUD transmitted to you under separate cover on February 2, 1999, the FY1998 HOPE VI Grant Agreement for the ABLA revitalization for execution by both CHA as grantee and Habitat as the CHA development receiver. Please transmit four fully executed copies of Form 1044 to the Grant Agreement to Ms. Wilson for processing.

Supplemental Information Required

For FY 1998 HOPE VI grantees, submission of a separate Revitalization Plan (RP) is not required. However, certain supplemental information regarding the planned HOPE VI revitalization is required to be submitted to HUD for review prior to implementation of the development effort. At the conclusion of the

December site visit, Susan Wilson, the HOPE VI grant manager, provided an outline of those items that HUD will require as part of the supplemental submission. A more detailed list of the required supplemental information is attached to this letter. If you have concerns about submitting the supplemental information, please call Ms. Wilson. It is understood that the Development Manager will be responsible for further development of the physical and financial plan for the redevelopment, and that those plans will be submitted to HUD for review when completed at a later date.

Please note that the supplemental information must be submitted to HUD within 120 days of HUD's execution of the HOPE VI Grant Agreement.

HUD has made a strong commitment to supporting community revitalization efforts in Chicago and is committed to being an active partner in the ABLA revitalization. Through our HOPE VI grant managers and grant expediters, OPHI will make every effort to assist the grantee in the successful implementation of the revitalization program. If you have any questions regarding your grant or the requirements of this letter, please contact your HOPE VI grant manager, Susan Wilson, at (202) 708-0614.

Sincerely,

Elinor R. Bacon
Deputy Assistant Secretary
Office of Public Housing Investments

Attachment

Attachment A

HOPE VI Supplemental Information

All applicable exhibits submitted with the initial application should be updated, where necessary, to reflect any changes, as well as to elaborate on more detailed information now available. It is not necessary to reiterate the same information submitted in the original application. The HOPE VI Guidebook, Chapter 2, Section D, provides additional guidance on specific RP exhibits although it specifically addresses exhibits required of FY 97 grantees. The Guidebook and the FY 98 NOFA may be referred to when preparing your submission.

Please submit only supplemental information on the following:

- HOPE VI Budget, Parts I and II, covering the entire grant amount. Please note that administrative costs are typically 3-6% of the HOPE VI grant amount;

- Revised Baseline Report;

- Executed MOU describing the roles and responsibilities of the planning committee members;

- Physical revitalization plan describing the overall design of the development, the number of units, types of units, and targeted income groups;

- Financing plan for the entire development;

- Sources and uses for the entire development and each phase of the project;

- Phasing description and development schedule;

- Demolition plan. Pursuant to changes in legislation contained in the Quality Housing and Work Responsibility Act of 1998, for HOPE VI revitalization projects only, you are no longer required to submit an application for demolition to the HUD Special Applications Center (SAC). Demolition related to HOPE VI projects will now be approved by this office as part of the approval of the Revitalization Plan. Should we require any additional information pertaining to the proposed demolition, we will notify you by separate letter. Please note that dispositions must still be approved by the SAC;

- Relocation plan;

- Market analysis to show that the development is feasible;

- Acquisition plan, identifying properties to be acquired, estimated cost and financing sources, the proposed use and the entity responsible for coordinating this effort;

- Other predevelopment activities including permits and approvals to be obtained, hazard abatement, demolition and site improvements;

- Staffing and time allocation plan for CHA and Habitat responsible for implementing the HOPE VI grant and the percentage of each staff member's personnel time spent administering the program. Please be aware that the Grant Agreement specifies that only staff spending at least 25 percent of their time on HOPE VI activities may be paid for out of HOPE VI funds;

- The management structure and policies, describing the property management entity, admissions policy, and the implementation of preferences, site-based waiting list, ceiling rents, income disregards, etc.

- Description of the continued involvement of residents and community organizations in the implementation of the project.

Please submit five copies of the supplemental information. Two should be sent to Susan Wilson, Grants Manager, OPHI. A third copy should be sent to Debra Torres, Director of the Office of Public Housing, Illinois State Office. Two copies should also be sent to Jim Brooks, HUD expediter.

EXHIBIT 4

REQUEST FOR PROPOSALS

DEVELOPMENT MANAGEMENT SERVICES
for the

MIXED-INCOME REDEVELOPMENT OF ABLA HOMES
Chicago, Illinois

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EXHIBITS

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

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

REQUEST FOR PROPOSALS

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

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

Holistic Urban Redevelopment Approach

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

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

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

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. DEVELOPMENT SITE AND PARCEL SPECIFICS

2.1 Development Site

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

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

2.2 Development Parcel Specifics

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

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

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

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

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

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

3. SCOPE OF SERVICES

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

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

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

3.1. General Responsibilities

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

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

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

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

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

3.1.4.1. Designing and managing solicitations for developers

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

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

3.1.4.4. Supervising the activities of developers during development process

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

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

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

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

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

3.2. Specific Work Products and Responsibilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RESOURCES FOR PHYSICAL REDEVELOPMENT

4.1 HOPE VI Funds

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

4.2 Public Housing Operating Subsidy

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

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

4.3 Other Affordable Housing Subsidies

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

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

4.4 Historic Preservation Tax Credits

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

4.5 Tax Increment Financing

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

5. POTENTIAL TRANSACTION ELEMENTS

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

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

5.1 Site Ownership and Control

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

6. DEVELOPMENT GUIDELINES AND INFORMATION

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

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

6.1 City of Chicago Residential Development Design Objectives

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

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

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

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

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

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

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

6.5 Open Space and Parking Objectives

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

6.6 City of Chicago Zoning

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

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

6.7 Gautreaux Revitalizing Order

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

7. EMPLOYMENT AND BUSINESS OPPORTUNITIES

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

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

8. SUBMISSION REQUIREMENTS

8.1 Responsive Proposals

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

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

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

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

8.2 Deadline for Submissions

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

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

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

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

9.5 Confidentiality

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

10. SELECTION CRITERIA AND SUBMISSION REQUIREMENTS

10.1 Ranking System

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

10.2 Factors Considered for Each Selection Criterion

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

10.3 Selection Criteria

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

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

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

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

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

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

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

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

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

10.4 Submission Format

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

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

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

10.4.2.1. Organization of Respondent team

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

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

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

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

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

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

In addition to this discussion, the Respondent should provide:

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

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

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

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

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

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

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

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

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

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

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

10.4.2.5. Proposed pricing for services:

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

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

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

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

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

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

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

EXHIBIT 1:

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

MEMORANDUM OF UNDERSTANDING

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

Recitals

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

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

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

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

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

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

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

The CHA and Habitat

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

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

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

City of Chicago
Department of Planning and Development

BY: _____
Commissioner

City of Chicago
Department of Housing

BY: _____
Commissioner

Chicago Housing Authority

BY: _____
Executive Director

The Habitat Company

BY: _____
Vice President

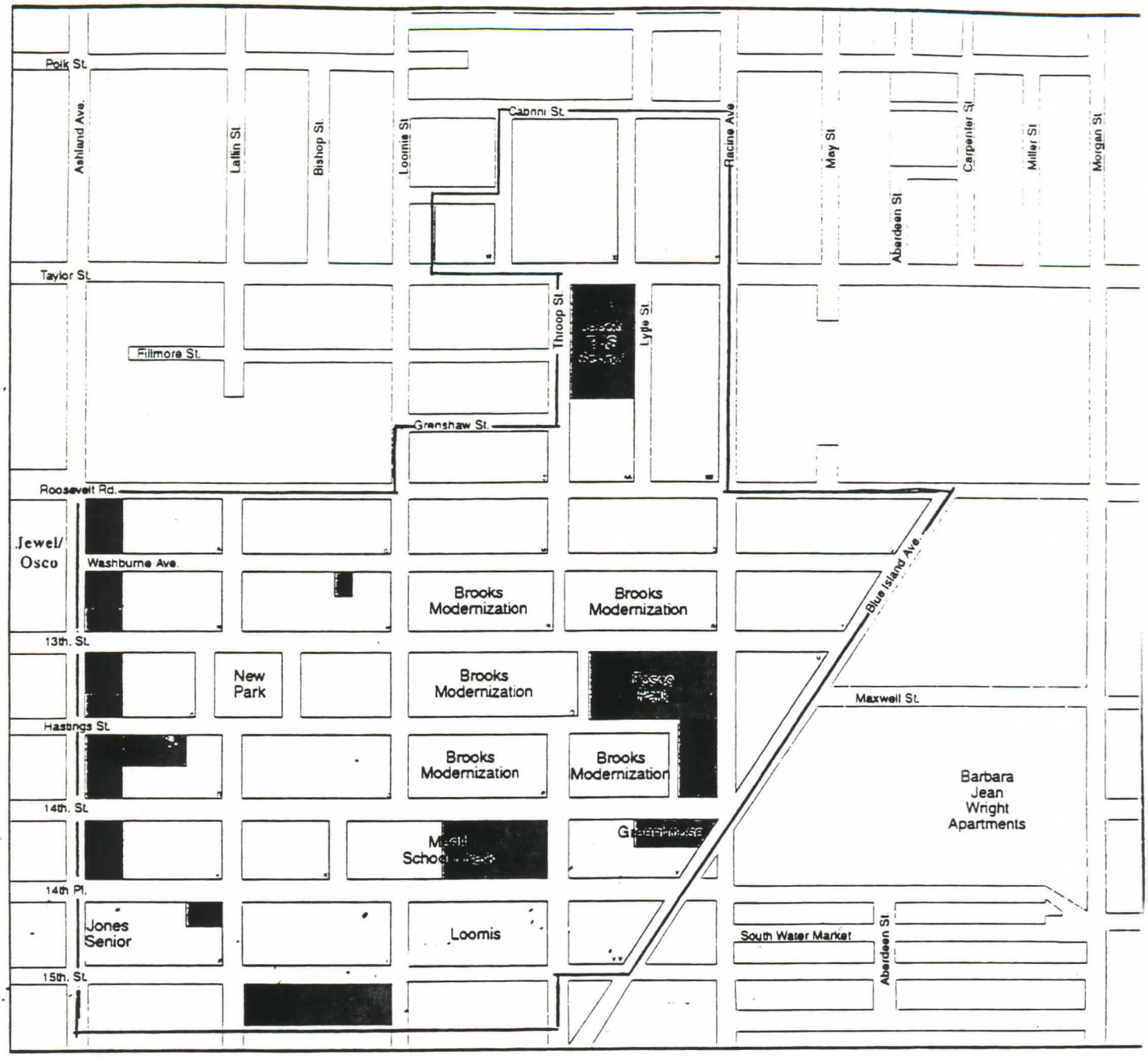
ABLA Local Advisory Council

BY: _____
President

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

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

ABLA Post - Redevelopment



Residential

Mixed Use

Institutional

Commercial

Parks

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

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

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

City of Chicago Department of Housing ("DOH")

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

ABLA Local Advisory Council ("LAC")

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

Plaintiff's Counsel in Gautreaux

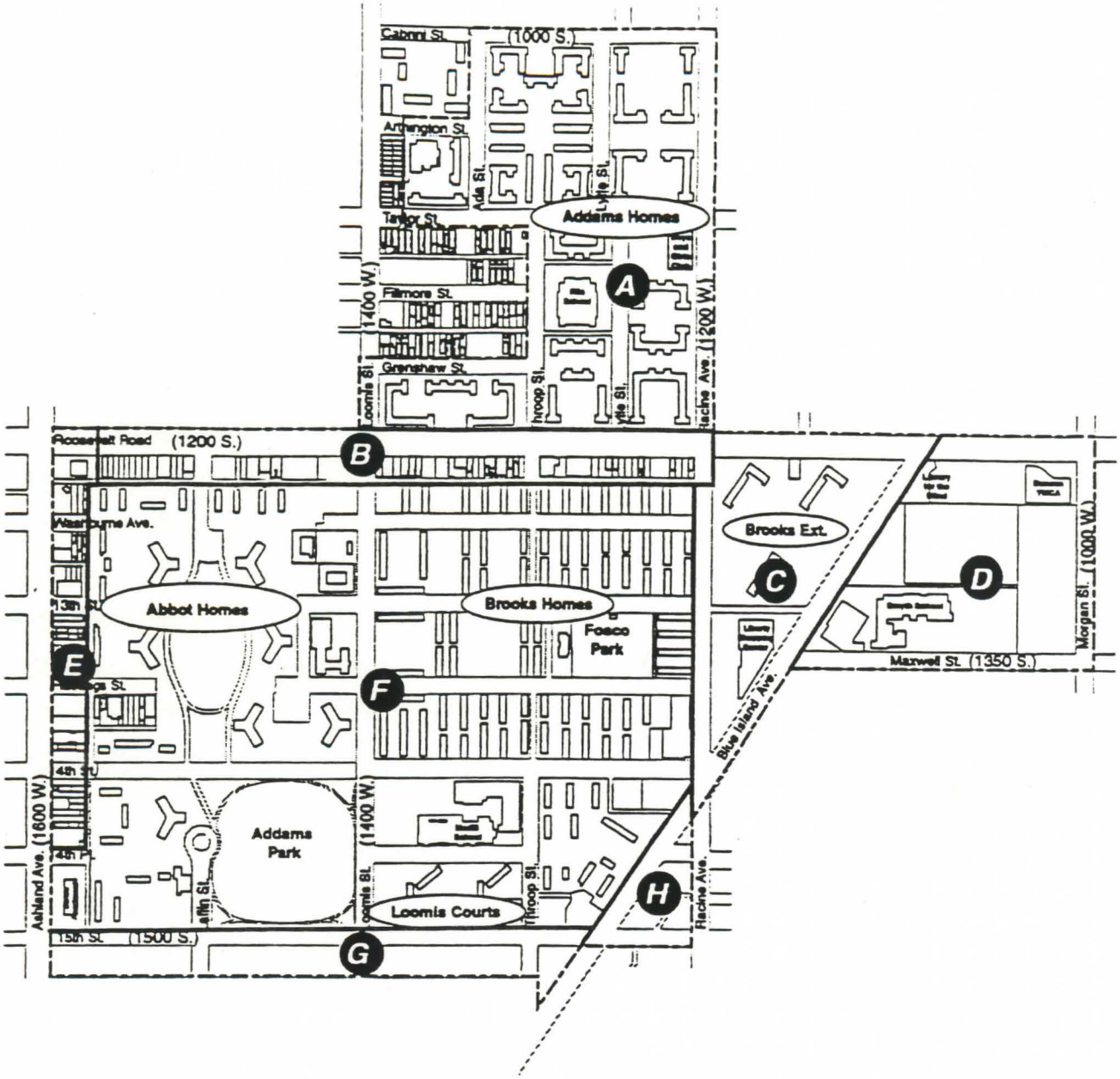
Plaintiff's counsel in the case of Gautreaux vs. CHA et. al. will participate in the redevelopment process to the end of securing the further order of the court contemplated by the "revitalizing order" of 6/19/98 in the Gautreaux case, including reaching agreement with CHA pursuant to the letter of agreement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

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

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

Other Provisions

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



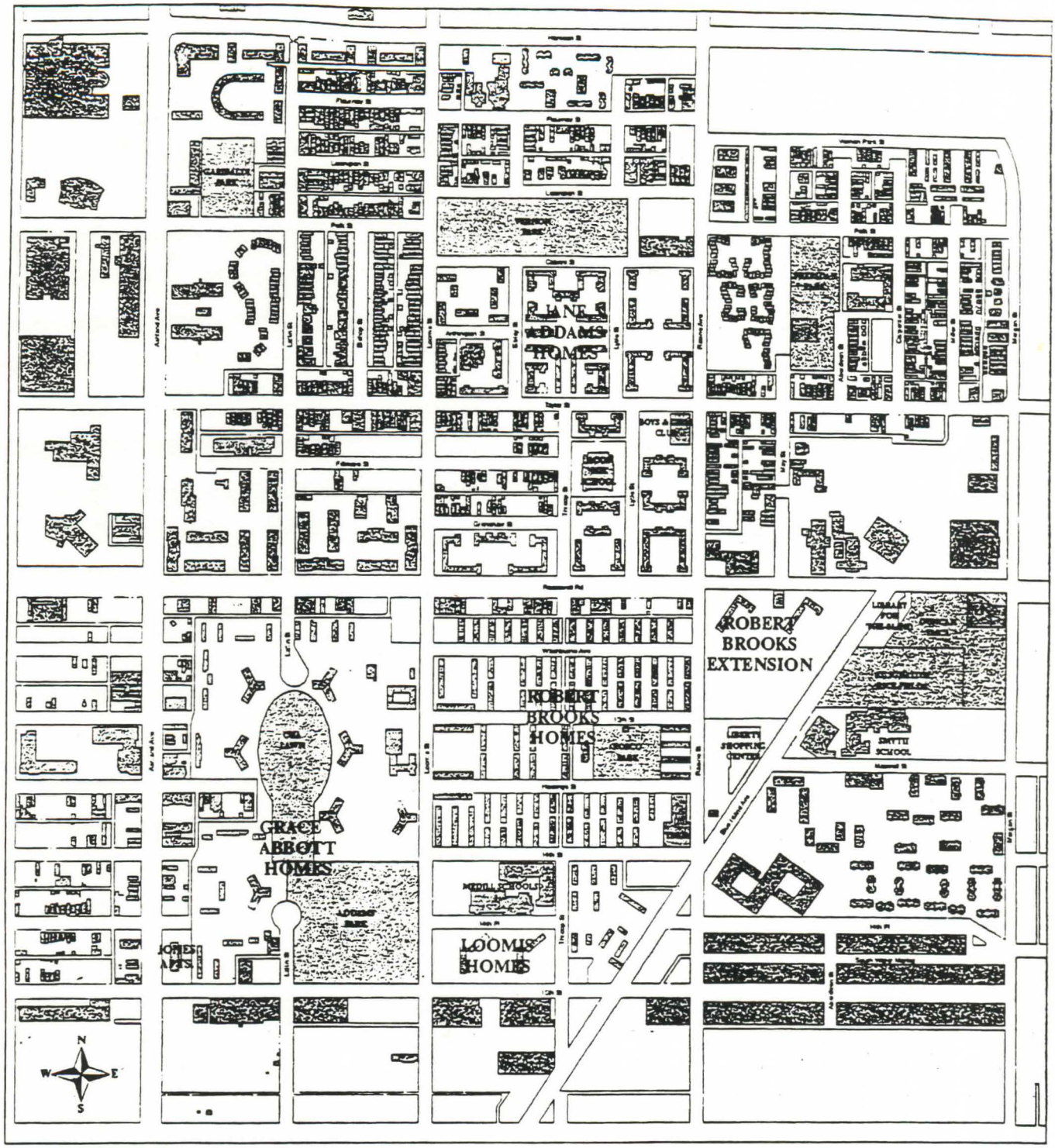
----- Project Area Boundary

——— Sub- Area Boundary

F Sub- Area

Planing Subareas

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



ABLA REDEVELOPMENT

EXISTING CONDITIONS

JUNE 1998

- CHA PROPERTY
- INSTITUTIONS
- PARKS

EXHIBIT 13:

Required statements, affadavits and other materials for Respondents

CHICAGO HOUSING AUTHORITY
PURCHASING AND CONTRACTS DEPARTMENT

STATEMENT OF BIDDER'S QUALIFICATIONS

This form must be submitted with each bid or proposal. Each business of a joint venture must submit this form. Complete all blanks by entering the requested information or "NA" if it is not applicable to your business.

SPECIFICATION OR RFP TITLE	SPECIFICATION OR RFP NO.
BUSINESS NAME	DUN & BRADSTREET NUMBER
PARENT COMPANY (IF APPLICABLE)	PREVIOUS BUSINESS NAME

PERSONS AUTHORIZED TO SIGN OFFERS AND CONTRACTS IN COMPANY NAME

NAME	OFFICIAL CAPACITY

BANK REFERENCES

BANK NAME	ADDRESS	
CITY, STATE, ZIP CODE	CONTACT PERSON	TELEPHONE NO.

BUSINESS REFERENCES (Provide three existing or completed work activities by your business which are similar to or support your ability to successfully complete the scope of work of this RFF/Spec.)

AGENCY/COMPANY NAME		ACTIVITY		DOLLAR AMOUNT
DATE COMPLETED	P.O./CONTRACT NO.	CONTACT PERSON	PHONE NO.	FAX NO.
AGENCY/COMPANY NAME		ACTIVITY		DOLLAR AMOUNT
DATE COMPLETED	P.O./CONTRACT NO.	CONTACT PERSON	PHONE NO.	FAX NO.
AGENCY/COMPANY NAME		ACTIVITY		DOLLAR AMOUNT
DATE COMPLETED	P.O./CONTRACT NO.	CONTACT PERSON	PHONE NO.	FAX NO.

The undersigned covenants and agrees to provide the Chicago Housing Authority current, complete, and accurate information regarding their business' status. The undersigned further agrees to permit examination of books, records, and files by authorized representatives of the Chicago Housing Authority or the U.S. Department of Housing and Urban Development. Any material misrepresentation may be grounds for terminating any contract which may be awarded and for initiating action under federal or state laws concerning false statements.

SIGNATURE OF PRINCIPAL	PRINTED NAME OF PRINCIPAL	DATED SIGNED

SUBCONTRACTOR INFORMATION SUBMITTAL

It is expressly agreed by the undersigned Contractor and Chicago Housing Authority that if portions of the scope of work for this Invitation for Bid or Request for Proposals or Purchase Order are subcontracted, awards of such subcontracts will be made to the subcontractors listed below. Further, any changes to the subcontractors listed below must be submitted in writing to the Deputy Director, Office of Contract Administration, Purchasing and Contracts Department for approval. The Chicago Housing Authority reserves the right, at its own discretion, to approve or reject any subcontractor named below or subsequently added. Use additional blank sheets and append to this form, if necessary, to complete your subcontractor listing. If you are not subcontracting, check the indicated box below.

SPEC/RFP/P.O. TITLE	SPEC/RFP/P.O. NO.	PAGE OF

☐ My (our) firm(s) WILL NOT SUBCONTRACT any portion of the scope of work for this SPEC, RFP or P.O.

SUBCONTRACTOR NAME AND ADDRESS	SCOPE OF WORK

If a joint venture, a principle from EACH joint venture business must sign below.

CONTRACTOR'S NAME	BY (SIGNATURE OF PRINCIPLE)	TITLE

APPROVED BY CONTRACT COMPLIANCE		
NAME	TITLE	DATE

RECEIVED BY OCAM		
NAME	TITLE	DATE

REV 10/95

PURCHASING AND CONTRACTS DEPARTMENT

B. Bidder/Proposer/Contractor shall not use any facility on the Environmental Protection Agency's ("EPA") List of Violating Facilities in the performance of this Contract for the duration of time that the facility remains on the List.

C. Bidder/Proposer/Contractor shall immediately notify HUD which has awarded funds for this project if a facility it intends to use in the performance of this Contract is on the EPA's List of Violating Facilities or knows that it has been recommended to be placed on the List of Violating Facilities.

D. Furthermore, Bidder/Proposer/Contractor shall, in the performance of this Contract, comply with all requirements of the Clean Air Act ("CAA"), 42 U.S.C. §7401-7642 and the Clean Water Act ("CWA"), 33 U.S.C. §1251-1387, including the requirements of section 114 of the CAA and section 308 of the CWA, and all other applicable clean air standards and clean water standards.

VII. CERTIFICATION OF RESTRICTION ON LOBBYING

THE CONTRACTOR CERTIFIES THAT:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification to be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-contractors shall certify and disclose accordingly.

D. This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. §1352. Any person

3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offense enumerated in Section II (A)(1) above; and

4. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or Local) terminated for cause or default.

B. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall attach a detailed factual explanation to this certification.

C. If any subcontractors are to be used in the performance of this Contract, the Contractor shall cause such subcontractors to certify as to paragraph of this Certification. In the event than any subcontractor is unable to certify to any of the statements in this certification, such subcontractor shall attach a detailed factual explanation to this certification.

VI. EPA CONTRACTOR LISTING

A. Bidder/Proposer/Contractor shall comply with all applicable standards, orders and/or requirements established by and/or pursuant to:

1. The Clean Air Act (42. U.S.C. 4701 et. seq.), as amended;

2. The Clean Water Act (33 U.S.C. 1251 et. seq.), as amended;

3. The Solid Waste Disposal Act as amended by the Resources Conservation and Recovery Act (RCA) of 1976 (42 U.S.C. 6901, et. seq.) as amended;

4. The Toxic Substances Control Act (TSCA) (15 U.S.C. 2601 et. seq.), as amended;

5. Occupational Safety and Health Administration (OSHA) regulations, and any amendments thereto;

6. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (42. U.S.C. 9601 et. seq.), as amended;

7. Illinois Environmental Protection Agency regulations, as amended;

8. Illinois Department of Labor regulations, as amended;

9. City of Chicago Ordinances, as amended;

3. _____ Contractor is delinquent in the payment of any tax administered by the Department of Revenue and is not covered under any of the situations described in subsections 1 and 2 of this Section III above 1.

1. 65 ILCS 5/11 - 42.1-1 provides that a municipality may not enter into a contract or agreement with an individual or other entity that is delinquent in the payment of any tax administered by the Illinois Department of Revenue unless the contracting party is contesting, in accordance with the procedures established by the appropriate Revenue Act its liability for the tax or the amount of the tax or unless the contracting party has entered into an agreement to pay the tax and is in compliance with the Agreement. Notwithstanding the above, the CHA may enter into the contract if the CHA's Operating Officer determines that:

(1) the contract is for goods or services vital to the public health, safety, or welfare; and

(2) the CHA is unable to acquire the goods or services at a comparable price and of comparable quality from other sources.

IV. PUNISHMENT

A Contractor or subcontractor who makes a false statement, material to Section II (A) and (B) of this certification commits a 3 class felony. 720 ILCS 5/33E-11(B). Making a false statement concerning Section III of this certification is a Class A misdemeanor, voids the Contract or and allows the CHA to recover all amounts paid to the Contractor under the contract in a civil action. 65 ILCS 5/11-42.1-1.

V. CERTIFICATION REGARDING SUSPENSION AND DISBARMENT

A. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, state or local government or agency;

2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for: the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, Local) transaction or contract under a public transaction; a violation of Federal or State antitrust statutes; or the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

2. No corporation shall be barred from contracting with any un. of State or local government as a result of a conviction, under either Section 33E-3 or Section 33E-4 of Article 33 of the State of Illinois Criminal Co of 1961, as amended, of any employee or agent of such corporation if the employee so convicted is no longer employed by the corporation and: (1) it has been finally indicated not guilty or (2) if it demonstrates to the governmental entity with which it seeks to contract and that entity finds that the commission of the offense was neither authorized, requested, commanded, nor performed by a director, officer or a high managerial agent in behalf of the corporation as provided in paragraph (2) of subsection (a) of Section 5-4 of the State of Illinois Criminal Code.

3. For purposes of Section II(A) of this certification, a person commits the offense of and engages in bid-rigging when he knowingly agrees with any person who is, or but for such agreement should be, a competitor of such person concerning any bid submitted or not submitted by such person or another to a unit of State or local government when with the intent that the bid submitted or not submitted will result in the award of a contract to such person or another and he either (1) provides such person or receives from another information concerning the price or other material term or terms of the bid which would otherwise not be disclosed to a competitor in an independent non-collusive submission of bids or (2) submits a bid that is of such a price or other material term or terms that he does not intend the bid to be accepted (See, 720 ILCS 5/33E-3).

4. For purposes of Section II(A) of this certification, a person commits the offense of and engages in bid rotating when, pursuant to a collusive scheme or agreement with another, he engages in a pattern over time (which, for the purposes hereof, shall include at least 3 contract bids within a period of ten years, the most recent of which occurs after January 1, 1989) of submitting sealed bids to units of State or local government with the intent that the award of such bids rotates, or is distributed among, persons or business entities which submit bids on a substantial number of the same contract (See, 720 ILCS 5/33E-4).

III. STATE TAX DELINQUENCIES

In completing this Section III, authorized signatory must initial on the line next to the appropriate subsection.

1. _____ Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, Contractor is contesting such delinquency in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

2. _____ Contractor has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

B. SUBCONTRACTOR'S ANTI-COLLUSION AFFIDAVIT

1. The Contractor has obtained from all subcontractors to be used in the performance of this contract, known by the Contractor at this time, certifications in form and substance equal to Sub-Section A of Section II of this Affidavit.

2. The Contractor will, prior to using any subcontractor(s), obtain from such all subcontractor(s) to be used in the performance of this contract, but not yet known by the Contractor at this time, certifications in form and substance equal to the certification in Subsection A of Section II of this Affidavit. The Contractor shall not, without the prior written permission of the CHA, use any of such subcontractors in the performance of this contract if the Contractor, based on such certifications or any other information known or obtained by Contractor, becomes aware of such subcontractor, sub-contractor's affiliated entity or any agent, employee or officer of such subcontractor or sub-contractor's affiliated entity having engaged in or been convicted of any of the conduct described in Section II(A) hereof.

3. The Contractor will maintain on file for the duration of the contract all certifications required by Section II for any subcontractors to be used in the performance of this contract and will make such certifications promptly available to the CHA upon request.

4. The Contractor will not, without the prior written consent of the CHA, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to this certification.

5. Contractor hereby agrees, if the CHA so demands, to terminate its subcontract with any subcontractor, if such Contractor or subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract under the State of Illinois Criminal Code 720 ILCS 5/33E-1 et seq. as amended. The Contractor shall insert adequate provisions in all subcontracts to allow it to terminate such subcontracts as required by this Section II.

Notes 1-4 For Section II, Contractor's Certification

1. Business entities are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person control or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity using substantially the same management, ownership or principals as the ineligible entity.

NOTE: Generally, with corporation having 100 or more shareholders whe no shareholder owns 10% of the shares, the requirements of th Section 1 would be satisfied by the bidder/proposer enclosing, wit its bid/proposal, a copy of the corporation's latest publish annual report and/or Form 10-K if the information is contair therein.

SECTION 2. PARTNERSHIP

If the bidder/proposer is a partnership, indicate the name of each partn (or attach list) and the percentage of interest of each therein.

Name of Partners (Print/Type)	Percentage Interest
	%
	%
	%
	%

SECTION 3. SOLE PROPRIETORSHIPS

a. The bidder/proposer is a sole proprietor and is not acting in representative capacity in behalf of any beneficiary: YES[ ] NO[If NO, complete items b. and c. of this Section 3.

b. IF the sole proprietorship is held by an agent(s) or a nominees(indicate the principal(s) for whom the agent or nominee hold suc interest.

Name(s) of Principal(s) (Print/Type)

_____

_____

_____

_____

c. If the interest of a spouse or any other party is constructiv controlled by another person or legal entity state the name and addres of such person or entity possessing such control and the relations under which such control is being or may be exercised:

_____

_____

NOTE: Generally, with corporation having 100 or more shareholders whe no shareholder owns 10% of the shares, the requirements of th Section 1 would be satisfied by the bidder/proposer enclosing, wit its bid/proposal, a copy of the corporation's latest publish annual report and/or Form 10-K if the information is contai therein.

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Name(s) of Principal(s) (Print/Type)

_____

_____

_____

_____

c. If the interest of a spouse or any other party is constructiv controlled by another person or legal entity state the name and addre of such person or entity possessing such control and the relations under which such control is being or may be exercised:

_____

_____

SECTION 1. FOR PROFIT CORPORATIONS

a. Incorporated in the State of _____

b. Authorized to do business in the State of Illinois YES[ ] NO[ ]

c. Names of all officers of corporation (or Attach List): Names of all directors of corporation (or Attach List):

Name (Print/Type)	Title (Print/Type)	Name (Print/Type)	Title (Print/Type)

d. If the corporation has fewer than 100 shareholders indicate here or attach a list of names and addresses of all shareholders and the percentage interest of each.

Name (Print/Type)	Address	Ownership Interest
		%
		%
		%
		%

e. Is the corporation owned partially or completely by one or more other Corporations YES[ ] NO[ ]

f. If the corporation has 100 or more shareholders, indicate here or attach a list of names and addresses of all shareholders owning shares equal to or in excess of 10% of the proportionate ownership of the corporation and indicate the percentage interest of each.

Name (Print/Type)	Address	Ownership Interest
		%
		%
		%
		%

CHICAGO HOUSING AUTHORITY
PURCHASING AND CONTRACTS DEPARTMENT

CONTRACTOR'S AFFIDAVIT

Bidder/Proposer Name: _____
Bidder/Proposer Address: _____
_____
_____

IFB/RFP NUMBER: _____

Federal Employer I.D. #_____ or Social Security # _____.

Instructions: FOR USE WITH ALL CONTRACTS. Every Contractor submitting a bid/proposal to the Chicago Housing Authority ("CHA") must complete this Contractor's Affidavit. Special attention should be paid to those Sections which require the Contractor to provide certain information to the CHA. The Contractor should complete this Contractor's Affidavit by signing Section XIV. Please note that in the event the Contractor is a joint venture, the joint venture and each of the joint venture partners must submit a separate and completed Contractor' Affidavit. In the event the Contractor is unable to certify to any of the statements contained herein, the Contractor must contact the Purchasing and Contracts Department of the CHA and provide a detailed factual explanation of the circumstances leading to the Contractor's inability to so certify.

The undersigned_____ as _____
(Name) (Title)
and on behalf of _____ ("Contractor") having been
(Business Name)
duly sworn under oath certifies that:

I. DISCLOSURE OF OWNERSHIP INTERESTS

All bidders/proposers/contractors shall provide the following information with their bid/proposal/contract. Complete all blanks by entering the requested information or if the question is not applicable, answer with "NA" If the answer is none, please answer "none".

Bidder/Proposer is a: (Check One)
[ ] Corporation
[ ] Partnership
[ ] Joint Venture
[ ] Sole Proprietor
[ ] Not-for-Profit Corporation
[ ] Other _____

Average Annual Sales - Last 3 yrs.: _____

Current Net Worth: _____ Date Business Started _____

DISCLOSURE AFFIDAVIT

Bidder/Proposer Name: _____
Bidder/Proposer Address: _____
_____

Federal Employer I.D. # _____ or Social Security # _____

Nature of transaction is:

[ ] Contract funded in whole or part by City or State funds
[ ] Sale of land to City or purchase of land from City
[ ] Vacation of streets or alleys
[ ] Zoning Change
[ ] Lease
[ ] Loan
[ ] Grant
[ ] Other

Instructions: **FOR USE WITH ANY OF THE ABOVE TRANSACTIONS.** Anyone proposing one of the above transactions with the City of Chicago or submitting a bid/proposal to the City of Chicago must complete this Disclosure Affidavit. Please note that in the event the Contractor is a joint venture, the joint venture and each of the joint venture partners must submit a completed Disclosure Affidavit.

The undersigned _____, as _____
(Name) (Title)
and on behalf of _____ ("Bidder/ Proposer" or "Contractor") having been duly sworn under oath certifies that:
(Business Name)

I. DISCLOSURE OF OWNERSHIP INTERESTS

Pursuant to Chapter 2-154 of the Municipal Code of Chicago, (the "Municipal Code"), all bidders/proposers shall provide the following information with their bid/proposal. If the question is not applicable, answer with "NA." If the answer is none, please answer "none."

Bidder/Proposer is a:

[ ] Corporation
[ ] Partnership
[ ] Joint Venture
[ ] Sole Proprietorship
[ ] Not-for-Profit-Corporation
[ ] Other

SECTION 1. FOR PROFIT CORPORATIONS

a. Incorporated in the State of _____

b. Names of all officers of corporation (or Attach List): Names of all directors of corporation (or Attach List):

Name (Print or Type)	Title (Print or Type)	Name (Print or Type)	Title (Print of Type)

c. If the corporation has fewer than 100 shareholders indicate here or attach a list of names and addresses of all shareholders and the percentage interest of each.

Name (Print of Type)	Address	Ownership Interest
		%
		%
		%

d. If the corporation has 100 or more shareholders, indicate here or attach a list of names and addresses of all shareholders owning shares equal to or in excess of 7.5% of the proportionate ownership of the corporation and indicate the percentage interest of each

Name (Print of Type)	Address	Ownership Interest
_____	_____	_____ %
_____	_____	_____ %
_____	_____	_____ %

e. Is the corporation owned partially or completely by one or more other Corporations? YES [ ] NO [ ]

If "yes," provide the above information, as applicable, for each of said corporations.

SECTION 2. PARTNERSHIPS

If the bidder/proposer is a partnership, indicate the name of each partner and the percentage of interest of each therein:

Names of Partners (Print or Type)	Percentage Interest
_____	_____ %
_____	_____ %
_____	_____ %

SECTION 3. SOLE PROPRIETORSHIPS

a. The bidder/proposer is a sole proprietorship and is not acting in any representative capacity on behalf of any beneficiary:

YES [ ] NO [ ] If NO, complete items b. and c. of this Section 3.

b. If the sole proprietorship is held by an agent(s) or a nominee(s), indicate the principal(s) for whom the agent or nominee holds such interest.

Name(s) of Principal(s) (Print or Type)

_____

_____

c. If the interest of a spouse or any other party is constructively controlled by another person or legal entity state the name and address of such person or entity possessing such control and the relationship under which such control is being or may be exercised:

_____

_____

SECTION 4. LAND TRUSTS, BUSINESS TRUST, ESTATES & OTHER ENTITIES

If the bidder/proposer is a land trust, business trust, estate or other similar commercial or legal entity, identify any representative, person or entity holding legal title as well as each beneficiary in whose behalf title is held including the name, address and percentage of interest of each beneficiary.

_____

_____

who fails to file the required certification shall be subject to a civil penalty of not less than $ 10,000 and more than $100,000 for each such failure.

VIII. CERTIFICATION OF NONSEGREGATED FACILITIES

As used in this Affidavit, the term "subcontract" includes the term "purchase order" and all other agreements effectuating purchase of supplies or services. If this Affidavit is submitted as part of a bid or proposal, the term "Contractor" shall be deemed to refer to the Bidder or proposer, or subcontractor or supplier. This Affidavit shall be renewed annually. Notwithstanding the foregoing, the certifications made herein shall remain applicable until completion of all nonexempt contracts/subcontracts awarded while this Affidavit is in effect. The undersigned Contractor certifies the following to the CHA.

A. REPORTS: Within thirty (30) days after CHA award to the Contractor of any contract/subcontract and prior to each March 31 thereafter during the performance of work under said subcontract, the Contractor shall file Standard Form 100, entitle "Equal Employment Opportunity Employer Information Report EEO" in accordance with instructions contained therein, unless the Contractor has either filed such report within 12 months preceding the date of the award or is not otherwise required by law or regulation to file such a report.

B. PRIOR REPORTS: If the Contractor has participated in a previous contract or subcontract subject to Equal Opportunity Clause (41 C.F.R. Sec 60-1.4(a)(1) through (7), or the clause originally contained in section 301 of Executive Order No. 10925, or the clause contained in section 201 of the Executive Order No. submission of all required compliance reports, signed by proposed subcontractors, prior to awarding subcontracts not exempt from the Equal Opportunity Clause.

C. CERTIFICATION OF NONSEGREGATED FACILITIES: The Contractor certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in the IFB or RFP. As used in this certification, the term "segregated facilities" means waiting room, waiting area, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas,, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit,

local custom or otherwise. The Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtai identical certifications from proposed subcontractors prior to the award of Contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause: that the CHA will retain such certifications in its files; and that it will forward the following notice to such proposed subcontract (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES. A certification o Non-segregated Facilities, as required by Section 60-1.8 of Titl 41 of the Code of Federal Regulations, must be submitted prior the award of a subcontract exceeding $10,000 which is not exem from the provisions of the Equal Opportunity Clause. (Note: Th penalty for making false statement in offers is prescribed in 1 U.S.C. 1001).

D. The Contractor certifies that its is not currently in receipt of any outstanding letters of deficiencies, show cause, probable cause, or other such notification of non-compliance with EEO regulations.

NOTE: **THE PENALTY FOR MAKING FALSE STATEMENTS IN BIDS/PROPOSALS IS PRESCRIBED IN 18 U.S.C. 1001.**

IX. EQUAL EMPLOYMENT OPPORTUNITY

The Equal Employment Opportunity Regulations of the Secretary of Labor (4 CFR Part 60) require that each prospective contractor or proposed subcontractor submit the following information with his bid, or at the outset of negotiations.

A. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

YES ____ NO____

B. If answer to 1, is yes, have you filed with the Joint Reporting Committee, the Director of OFCC, any Federal agency, or the former President's Committee on Equal Employment Opportunity, all reports du under the applicable filing requirements of these organizations?

YES ____ NO____

X. DAVIS - BACON CERTIFICATION

a. By the submission of this Affidavit, the Contractor hereby certifies that neither it nor any person or firm who has an interest

in the Contractor's firm is a person or firm ineligible to be awarded contracts by the United States Government or the CHA by virtue of Section 3(a) of the Davis-Bacon Act (29 CFR 5.12 (a)(1)).

b. No part of the Contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded Contracts by the United States Government or the CHA by virtue of Section 3 (a) of the Davis-Bacon Act (29 CFR 5.12(a)(1)).

c. Furthermore, The Contractor hereby certifies that the information contained in this Affidavit and representation, are accurate, complete and current. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

XI. SECTION 3 CERTIFICATION

To the extent that the contract to be awarded to the Contractor involves construction and/or is a labor related contract and the contract amount exceeds $100,000.00 (Section 3 contract pursuant to 24 CFR §135.1 et seq.), the Contractor hereby certifies that said Contractor will comply with all Section 3 regulations and any applicable CHA Board Resolution(s).

XII. INCORPORATION INTO CONTRACT AND COMPLIANCE

The above certifications set forth in this Contractor's Affidavit shall become part of Contract No.:_____ and incorporated by reference as if fully set forth therein. Further, the Contractor shall comply with these certifications during the term of the Contract.

XIII ETHICS POLICY

The Contractor hereby certifies that it shall comply with all the applicable provisions of the CHA's Ethics Policy adopted by the CHA Board on June 21, 1995, 95-HUD-5 especially Sections 19 through 25 thereof. The Contractor further certifies that it has received and read a copy of the CHA's Ethics Policy.

local custom or otherwise. The Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtai identical certifications from proposed subcontractors prior to the award of Contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause: that the CHA will retain such certifications in its files; and that it will forward the following notice to such proposed subcontract (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES. A certification o Non-segregated Facilities, as required by Section 60-1.8 of Titl 41 of the Code of Federal Regulations, must be submitted prior the award of a subcontract exceeding $10,000 which is not exem from the provisions of the Equal Opportunity Clause. (Note: Th penalty for making false statement in offers is prescribed in 1 U.S.C. 1001).

D. The Contractor certifies that its is not currently in receipt of any outstanding letters of deficiencies, show cause, probable cause, or other such notification of non-compliance with EEO regulations.

NOTE: **THE PENALTY FOR MAKING FALSE STATEMENTS IN BIDS/PROPOSALS IS PRESCRIBED IN 18 U.S.C. 1001.**

IX. EQUAL EMPLOYMENT OPPORTUNITY

The Equal Employment Opportunity Regulations of the Secretary of Labor (4 CFR Part 60) require that each prospective contractor or proposed subcontractor submit the following information with his bid, or at the outset of negotiations.

A. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

YES ____ NO____

B. If answer to 1, is yes, have you filed with the Joint Reporting Committee, the Director of OFCC, any Federal agency, or the former President's Committee on Equal Employment Opportunity, all reports du under the applicable filing requirements of these organizations?

YES ____ NO____

X. DAVIS - BACON CERTIFICATION

a. By the submission of this Affidavit, the Contractor hereby certifies that neither it nor any person or firm who has an interest

SECTION 5. NOT-FOR-PROFIT CORPORATIONS

a. Incorporated in the State of _____

b. Names of all officers of corporation (or Attach List): Names of all directors of corporation (or Attach List):

Name (Print or Type)	Title (Print or Type)	Name (Print or Type)	Title (Print or Type)

NOTE: Pursuant to Chapter 2-154, Section 2-154-030 of the Municipal Code of Chicago, the Corporation Counsel may require any such additional information from any entity to achieve full disclosure relevant to the contract. Further, pursuant to Chapter 2-154, Section 2-154-020 of the Municipal Code, any material change in the information required above must be provided by supplementing this statement at any time up to the time the Purchasing Agent takes action on the contract or other action requested of the Purchasing Agent.

II. CONTRACTOR CERTIFICATION

A. CONTRACTOR

1. The Contractor or any subcontractor to be used in the performance of this contract, or any affiliated entity[1] of the Contractor or any such subcontractor, or any responsible official thereof, or any other official, agent or employee of the Contractor, any such subcontractor or any such affiliated entity, acting pursuant to the direction or authorization of a responsible official thereof has not, during a period of 3 years prior to the date of execution of this certification or if a subcontractor or subcontractor's affiliated entity during a period of 3 years prior to the date of award of the subcontract:

   a. Bribed or attempted to bribe, or been convicted of bribery or attempting to bribe a public officer or employee of the City of Chicago, the State of Illinois, any agency of the federal government or any state or local government in the United States (if an officer or employee, in that officer's or employee's official capacity); or

   b. Agreed or colluded, or been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

   c. Made an admission of such conduct described in 1(a) and (b) above which is a matter of record but has not been prosecuted for such conduct.

2. The Contractor or any agent, partner, employee or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rigging[2] in violation of Section 3 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-3), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rigging during a period of five years prior to the date of submittal of this bid, proposal or response.[3]

3. The Contractor or any agent, partner, employee, or officer of the Contractor is not barred from contracting with any unit of state or local government as a result of engaging in or being convicted of bid-rotating[4] in violation of Section 4 of Article 33E of the Illinois Criminal Code of 1961, as amended (720 ILCS 5/33E-4), or any similar offense of any state or the United States which contains the same elements as the offense of bid-rotating.

4. The Contractor understands and will abide by all provisions of Chapter 2-56 of the Municipal Code entitled "Office of Inspector General" and all provisions of Chapter 2-156 of the Municipal Code entitled "Governmental Ethics."

5. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

   a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal, state or local department or agency;

b. [illegible] in a three-year period preceding this proposal been convicted of or had a civil [illegible] rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, Local) transaction or contract under a public transaction; a violation of Federal or State antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (5)(b) above; and

d. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or Local) terminated for cause or default.

B. SUBCONTRACTOR

1. The Contractor has obtained from all subcontractors to be used in the performance of this contract, known by the Contractor at this time, certifications in form and substance equal to Section I of this Contractor's Affidavit. Based on such certification(s) and any other information known or obtained by the Contractor, the Contractor is not aware of any such subcontractor or subcontractor's affiliated entity, or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described in Section II(A)(1) (a) or (b) of this certification; (b) bid-rigging, bid-rotating, or any similar offense of any state or the United States which contains the same elements as bid-rigging and bid-rotating, or having made an admission of guilt of the conduct described in Section II(A)(1) (a) or (b) which is a matter of record but has/have not been prosecuted for such conduct.

2. The Contractor will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract, but not yet known by the Contractor at this time, certifications in form and substance equal to this certification. The Contractor shall not, without the prior written permission of the City, use any of such subcontractors in the performance of this contract if the Contractor, based on such certifications or any other information known or obtained by Contractor, becomes aware of such subcontractor, subcontractor's affiliated entity or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described in Section II(A)(1) (a) or (b) of this certification; or (b) of bid rigging, bid rotating or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described in Section II(A)(1) (a) or (b) which is a matter of record but has/have not been prosecuted for such conduct. Contractor shall cause such subcontractors to certify as to Section II(A)(5). In the event any subcontractor is unable to certify to Section II(A)(5), such subcontractor shall attach an explanation to the certification.

3. For all subcontractors to be used in the performance of this contract, the Contractor shall maintain for the duration of the contract all subcontractors' certifications required by Section II(B) (1) and (2) above, and Contractor shall make such certifications promptly available to the City of Chicago upon request.

4. The Contractor will not, without the prior written consent of the City, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to this certification.

5. Contractor hereby agrees, if the City so demands, to terminate its subcontract with any subcontractor, if such Contractor or subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract under Ch. 2-92, Section 2-92-320 of the Municipal Code, or if applicable, under Section 33-E of Article 33 of the State of Illinois Criminal Code of 1961, as amended. Contractor shall insert adequate provisions in all subcontracts to allow it to terminate such subcontracts as required by this certification.

C. STATE TAX DELINQUENCIES

1. Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, Contractor is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

2. Alternatively, Contractor has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

b. [illegible] in a three-year period preceding this proposal been convicted of or had a civil [illegible] rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, Local) transaction or contract under a public transaction; a violation of Federal or State antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (5)(b) above; and

d. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or Local) terminated for cause or default.

B. SUBCONTRACTOR

1. The Contractor has obtained from all subcontractors to be used in the performance of this contract, known by the Contractor at this time, certifications in form and substance equal to Section I of this Contractor's Affidavit. Based on such certification(s) and any other information known or obtained by the Contractor, the Contractor is not aware of any such subcontractor or subcontractor's affiliated entity, or any agent, partner, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described in Section II(A)(1) (a) or (b) of this certification; (b) bid-rigging, bid-rotating, or any similar offense of any state or the United States which contains the same elements as bid-rigging and bid-rotating, or having made an admission of guilt of the conduct described in Section II(A)(1) (a) or (b) which is a matter of record but has/have not been prosecuted for such conduct.

2. The Contractor will, prior to using them as subcontractors, obtain from all subcontractors to be used in the performance of this contract, but not yet known by the Contractor at this time, certifications in form and substance equal to this certification. The Contractor shall not, without the prior written permission of the City, use any of such subcontractors in the performance of this contract if the Contractor, based on such certifications or any other information known or obtained by Contractor, becomes aware of such subcontractor, subcontractor's affiliated entity or any agent, employee or officer of such subcontractor or subcontractor's affiliated entity having engaged in or been convicted of (a) any of the conduct described in Section II(A)(1) (a) or (b) of this certification; or (b) of bid rigging, bid rotating or any similar offense of any state or the United States which contains the same elements as bid-rigging or bid-rotating or having made an admission of guilt of the conduct described in Section II(A)(1) (a) or (b) which is a matter of record but has/have not been prosecuted for such conduct. Contractor shall cause such subcontractors to certify as to Section II(A)(5). In the event any subcontractor is unable to certify to Section II(A)(5), such subcontractor shall attach an explanation to the certification.

3. For all subcontractors to be used in the performance of this contract, the Contractor shall maintain for the duration of the contract all subcontractors' certifications required by Section II(B) (1) and (2) above, and Contractor shall make such certifications promptly available to the City of Chicago upon request.

4. The Contractor will not, without the prior written consent of the City, use as subcontractors any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to this certification.

5. Contractor hereby agrees, if the City so demands, to terminate its subcontract with any subcontractor, if such Contractor or subcontractor was ineligible at the time that the subcontract was entered into for award of such subcontract under Ch. 2-92, Section 2-92-320 of the Municipal Code, or if applicable, under Section 33-E of Article 33 of the State of Illinois Criminal Code of 1961, as amended. Contractor shall insert adequate provisions in all subcontracts to allow it to terminate such subcontracts as required by this certification.

C. STATE TAX DELINQUENCIES

1. Contractor is not delinquent in the payment of any tax administered by the Illinois Department of Revenue or, if delinquent, Contractor is contesting, in accordance with the procedures established by the appropriate Revenue Act, its liability for the tax or amount of the tax.

2. Alternatively, Contractor has entered into an agreement with the Illinois Department of Revenue for the payment of all such taxes that are due and is in compliance with such agreement.

3. If the Contractor is unable to certify to any of the above statements [Section II (C)] Contractor shall explain below. Attach additional pages if necessary. _____

4. If any subcontractors are to be used in the performance of this Agreement, Contractor shall cause such subcontractors to certify as to paragraph (C)(1) or (C)(2) of this Certification. In the event that any subcontractor is unable to certify to any of the statements in this Certification, such subcontractor shall attach an explanation to this Certification.

D. OTHER TAXES/FEES

1. Contractor is not delinquent in paying any fine, fee, tax or other charge owed to the City of Chicago.

2. If Contractor is unable to certify to the above statement, Contractor shall explain below and attach additional sheets if necessary. _____

E. ANTI-COLLUSION

The Contractor, its agent, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this proposal. Failure to attest to this section as part of the bid proposal will make the bid nonresponsive and not eligible for award consideration.

F. PUNISHMENT

A Contractor who makes a false statement material to Section II (A)(2) of this certification commits a Class 3 Felony. 720 ILCS 5/33E - 11(b). Making a false statement concerning Section II of this certification is a Class A misdemeanor, voids the contract and allows the municipality to recover all amounts paid to the Contractor under the contract in a civil action. 65 ILCS 5/11-42.1-1.

G. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

1. Contractor is not a party to any pending lawsuits against the City nor has Contractor been sued by the City or its agents in any judicial or administrative proceeding.

2. If Contractor cannot certify to the above, provide the (1) case name; (2) docket number; (3) court in which the action is or was pending; and (4) a brief description of each judicial or administrative proceeding. Attach additional sheets if necessary _____

III. CERTIFICATION OF ENVIRONMENTAL COMPLIANCE

A. Neither the Contractor nor any affiliated entity of the Contractor has, during a period of five (5) years prior to the date of execution of this Affidavit, (1) violated or engaged in any conduct which violated Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction[1]. (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from the City of Chicago, or political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions, relating to a violation or alleged violation of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction, or (3) been subject to any fine or penalty of any nature for failure to comply with Section 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction[1].

If Contractor cannot make the certification contained in Paragraph A of this Section III, identify any exceptions specific to the City of Chicago or a political subdivision thereof: _____

If Contractor cannot make the certification contain . . agraph A of Section III, identify any exceptions specific to any other ... state or federal violation or any other Environmental Restriction: _____

_____

_____ (Attach Additional Pages of Explanation to this Contractor's Affidavit, if necessary.)

B. Without the prior written consent of the Purchasing Agent, Contractor will not (i) employ any subcontractor in connection with the Contract to which this Affidavit pertains without obtaining from such subcontractor a certification similar in form and substance to the certification contained in Subparagraph 1 of Paragraph A of this Section III prior to such subcontractor's performance of any work or services under the Contract to which this Affidavit pertains or furnishing any goods, supplies or materials of any kind under the Contract to which this Affidavit pertains; and (ii) employ, in connection with the Contract to which this Affidavit pertains, any of its officers have knowledge that the subcontractor cannot truthfully execute such certification. The Contractor will furnish to the Purchasing Agent upon his request an executed copy of each such certification.

C. Until Completion of the Contractor's performance under the Contract to which this Affidavit pertains, the Contractor will not violate any provision of Section 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapter 7-28 or 11-4 of the Municipal Code or any other Environmental Restriction, whether in the performance of such Contract or otherwise.

IV. **CERTIFICATION OF COURT-ORDERED CHILD SUPPORT COMPLIANCE**

For purposes of this Section IV, "SUBSTANTIAL OWNER" means any person who owns or holds a ten percent (10%) or more percentage of interest in the Contractor. If the Contractor is an individual or sole proprietorship, substantial owner means that individual or sole proprietorship. Percentage of interest includes direct, indirect and beneficial interests in the Contractor. Indirect or beneficial interest means that an interest in the Contractor is held by a corporation, joint venture, trust, partnership, association, state or other legal entity, in which the individual holds an interest, or by agent(s) or nominee(s) on behalf of an individual or entity. For example, if Corporation B holds or owns a twenty percent interest in Contractor, and an individual or entity has a fifty percent or more percentage of interest in Corporation B, then such individual or entity indirectly has a ten percent or more percentage of interest in the Contractor. In this case, the response to this Section IV, must cover such individual(s) or entity. If Corporation B is held by another entity, then this analysis similarly must be applied to that next entity.

If Contractor's response in this Section IV, is #1 or #2, then all of Contractor's Substantial Owners must remain in compliance with any such child support obligations (1) throughout the term of the contract and any extensions thereof; or (2) until the performance of the contract is completed, as applicable. Failure of Contractor's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

1._____No Substantial Owner has been declared in arrearage on his or her child support obligations by the Circuit Court of Cook County or by another Illinois court of competent jurisdiction.

2._____The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on their child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.

3._____The Circuit Court of Cook County or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on their child support obligations and: (1) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (2) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (1) and (2).

4._____There are no Substantial Owners.

V. AFFIDAVIT OF LOCAL BUSINESS

If this is a contract funded in whole or part by City or State funds, Contractor should fill out this section.

"LOCAL BUSINESS" means a business located within the corporate limits of the City of Chicago, which has the majority of its regular, full-time work force located within the City, and which is subject to City Taxes.

Joint Ventures: For purposes of establishing a firm's eligibility for the two percent (2%) local business preference (if allowed by the specification), each partner must complete a separate affidavit. A Joint Venture is a "Local Business" only if at least fifty percent (50%) interest in the venture is held by "Local Businesses."

1. Is bidder/proposer a "Local Business" as defined above? Yes:_____ No: _____

2. How many persons are currently employed by bidder/proposer? _____

3. Does bidder/proposer have business locations outside of the City of Chicago? Yes:_____ No:_____

If yes, list such bidder/proposer's business addresses:

_____

_____

_____

(Attach Additional Sheets if Necessary)

4. How many of bidder/proposer's current employees work at City of Chicago locations? _____

5. Is bidder/proposer subject to City of Chicago taxes (including the Head Tax)?

Yes:_____ No:_____

VI. INCORPORATION INTO CONTRACT AND COMPLIANCE

The above certifications shall become part of any contract awarded to the Contractor set forth within of this Disclosure Affidavit and are a material inducement to the City's execution of the contract, contract modification or, contract amendment with respect to which this Disclosure Affidavit is being executed and delivered on behalf of the Contractor. Furthermore, Contractor shall comply with these certifications during the term and/or performance of the contract.

VII. VERIFICATION

Under penalty of perjury, I certify that I am authorized to execute this Disclosure Affidavit on behalf of the Contractor set forth on page 1, that I have personal knowledge of all the certifications made herein and that the same are true.

_____
Signature of Authorized Officer

_____
Name of Authorized Officer (Print or Type)

_____
Title

_____
Telephone Number

State of _____

County of _____

Signed and sworn to before me this _____ day of _____, 19____ by

_____(Name) as _____(Title) of

_____ (Bidder/Proposer or Contractor).

_____
Notary Public Signature

Notes 1-6 Contractor's Affidavit

1. Business entities are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. Indicia of control include without limitation: interlocking management or ownership identity of interests among family members; shared facilities and equipment; common use of employees; or organization of another business entity using substantially the same management, ownership or principals as the first entity.

2. For purposes of Section II(A)(2) of this certification, a person commits the offense of and engages in bid-rigging when he knowingly agrees with any person who is, or but for such agreement should be, a competitor of such person concerning any bid submitted or not submitted by such person or another to a unit of State or local government when with the intent that the bid submitted or not submitted will result in the award of a contract to such person or another and he either (1) provides such person or receives from another information concerning the price or other material term or terms of the bid which would otherwise not be disclosed to a competitor in an independent noncollusive submission of bids or (2) submits a bid that is of such a price or other material term or terms that he does not intend the bid to be accepted. See 720 ILCS 5/33E-3.

3. No corporation shall be barred from contracting with any unit of State or local government as a result of a conviction, under either Section 33E-3 or Section 33E-4 of Article 33 of the State of Illinois Criminal Code of 1961, as amended, of any employee or agent of such corporation if the employee so convicted is no longer employed by the corporation and : (1) it has been finally adjudicated not guilty or (2) if it demonstrates to the governmental entity with which it seeks to contract and that entity finds that the commission of the offense was neither authorized, requested, commanded, nor performed by a director, officer or a high managerial agent on behalf of the corporation as provided in paragraph (2) of subsection (a) of Section 5-4 of the State of Illinois Criminal Code.

4. For purposes of Section II(A) of this certification, a person commits the offense of and engages in bid rotating when, pursuant to any collusive scheme or agreement with another, he engages in a pattern over time (which, for the purposes hereof, shall include at least 3 contract bids within a period of ten years, the most recent of which occurs after January 1, 1989) of submitting sealed bids to units of State or local government with the intent that the award of such bids rotates, or is distributed among, persons or business entities which submit bids on a substantial number of the same contracts. See 720 ILCS 5/33E-4.

5. "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation, or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants, including but not limited to (1) the Comprehensive Environmental Response and Compensation and Liability Act (42 U.S.C. @ 9601 *et. seq.*); (2) the Hazardous Material Transportation Act (49 U.S.C. @ 1801 *et seq.*); (3) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. @ 7401 *et seq.*); (4) the Clean Water Act (33 U.S.C. @ 1251 *et seq.*); (5) the Clean Air Act (42 U.S.C. @ 7401 *et seq.*); (6) the Toxic Substances Control Act of 1976 (15 U.S.C. @ 2601 *et seq.*); (7) the Safe Drinking Water Act (42 U.S.C. @ 300f); (8) the Occupational Health and Safety Act of 1970 (29 U.S.C. @ 651 *et seq.*); (9) the Emergency Planning and Community Right to Know Act (42 U.S.C. @ 11001 *et seq.*); and (10) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6).

III. D. CERTIFICATION REGARDING SUSPENSION AND DISBARMENT

(IN FEDERALLY FUNDED AGREEMENTS)

Specification No. _____

1. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligib voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a judgment rendered against them for commission of fraud or a criminal offense in conne with obtaining, attempting to obtain, or performing a public (Federal, State, L transaction or contract under a public transaction; violation of Federal or State anti statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruct records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governm entity (Federal, State or Local) with commission of any of the offenses enumerate paragraph (1) (b) of this Certification; and

(d) Have not within a three-year period preceding this Agreement had one or more pt transactions (Federal, State or Local) terminated for cause or default.

2. If the Contractor is unable to certify to any of the statements in this Certification, Contractor s attach an explanation to this Certification.

3. If any subcontractors are to be used in the performance of this Agreement, Contractor shall c such subcontractors to certify as to paragraph (1) (a) of this Certification. In the event that subcontractor is unable to certify to any of the statements in this Certification, such subcontra shall attach an explanation to this Certification.

Verification

Under penalty of perjury, I certify that I am the _____ o

Title (Type or Print)

_____, that I am authorized to execute this certificatic

(Type or Print Name of Contractor)

in its behalf, that I have personal knowledge of the certifications made in this affidavit and that t same are true.

_____

Signature of Owner or Authorized Officer

_____

Name (Type or Print)

State of _____

County of _____

Subscribed and sworn to before me this _____ day

of _____ 19 _____

_____

Notary Public Signature

My Commission Expires _____

III. C. CERTIFICATION OF RESTRICTIONS ON LOBBYING

I, _____, hereby certify on
(Name and Title of Contractor Official)

behalf of _____ that
(Name of Contractor)

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(4) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and more than $100,000 for each such failure.

Executed this _____ day of _____, 19 ____.

By _____
(Signature of Authorized Official)

_____
(Title of Authorized Official)

Subscribed and sworn to before me this _____ day of _____

19 ____ _____
Notary Public Signature

Commission Expires: _____

III. D. CERTIFICATION REGARDING SUSPENSION AND DISBARMENT

(IN FEDERALLY FUNDED AGREEMENTS)

Specification No. _____

1. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligib voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a judgment rendered against them for commission of fraud or a criminal offense in conne with obtaining, attempting to obtain, or performing a public (Federal, State, L transaction or contract under a public transaction; violation of Federal or State anti statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruct records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governm entity (Federal, State or Local) with commission of any of the offenses enumerate paragraph (1) (b) of this Certification; and

(d) Have not within a three-year period preceding this Agreement had one or more pu transactions (Federal, State or Local) terminated for cause or default.

2. If the Contractor is unable to certify to any of the statements in this Certification, Contractor s attach an explanation to this Certification.

3. If any subcontractors are to be used in the performance of this Agreement, Contractor shall c such subcontractors to certify as to paragraph (1) (a) of this Certification. In the event that subcontractor is unable to certify to any of the statements in this Certification, such subcontra shall attach an explanation to this Certification.

Verification

Under penalty of perjury, I certify that I am the _____ of
(Title (Type or Print))

_____, that I am authorized to execute this certificatio
(Type or Print Name of Contractor)

in its behalf, that I have personal knowledge of the certifications made in this affidavit and that t same are true.

_____
Signature of Owner or Authorized Officer

_____
Name (Type or Print)

State of _____

County of _____

Subscribed and sworn to before me this _____ day

of _____ 19 _____

_____
Notary Public Signature

My Commission Expires _____

AFFIDAVIT

State of Illinois)
) SS
County of Cook)

The undersigned affiant, being first duly sworn, on oath says and also convenants with and warrants to the City of Chicago.

That this instrument is made to induce, and in consideration of the City of Chicago's consummation of a redevelopment agreement to affiant.

That all outstanding parking violations, water taxes, property taxes and sales taxes, except the current bill have been paid.

That affiant is not in default or in the arrears on any outstanding commercial loans or water taxes, property taxes, sales taxes or assessments owed to the City of Chicago personally or by any partnership, corporation, joint venture or land trust in which the affiant has at least a 5% beneficial interest.

That since the initial date of application, no proceedings have been filed by or against affiant, nor has any judgment or degree been rendered against affiant, nor is there any judgement note or other instrument that can result in a judgement or decree against affiant within the five days from the date hereof.

That in the event of breach of any of the convenants or warranties stated herein, the City of Chicago may cancel and nullify the transaction.

VERIFICATION

Under penalty of perjury, I certify that I am the _____ _____ of _____, that I am authorized by the developer to execute this affidavit in its behalf, that I have personal knowledge of the certifications made in this affidavit and that the same are true.

_____
Signature of Owner or Authorized Officer

_____
Name (Type or Print)

State of _____

County of _____

Subscribed and sworn to before me this
_____ day of _____, 19___

_____
Notary Public

II. B. Anti-Scofflaw

State of Illinois)
) SS
County of Cook)

A F F I D A V I T

Initial within brackets, having Section A or Section B, whichever is applicable.

The undersigned applicant, been duly sworn on oath or affirmation hereby states that, to the best of my knowledge:

[ ] A. The applicant owes no debt t the City of Chicago and has no outstanding parking violation complaints issued to an vehicle owned by the applicant.

[ ] B. The applicant has listed herei all debts owned by th applicant to the City of Chicago and all outstandin parking violation complaint issued to any vehicle owned b the applicant.

Description of Debt	Date of Occurence	Amount

Total $_____

The undersigned applicant understands that failure to disclose an debt owed to the City or any outstanding parking violatio complaint may be grounds for the imposition of applicable penalties or the termination of the privileges sought in connection with this affidavit in accordance with the procedures set forth in th Municipal Code of Chicago.

_____
Signature

Subscribed and sworn to before me this _____ day of _____, 19___

_____
Print Name

_____
Print Address

Business Name and Address:

_____
_____
_____

_____
Notary Public

and entire, and that no relevant information has been withheld.

The Contractor understands and agrees that the City may rely on the information provided herein. The Contractor understands and agrees that the provision of any false, incomplete or inaccurate information shall constitute default under the Contract and may result in termination of the Contract.

The Contractor understands that the purpose of Executive Order 97-1 is to promote public confidence in government and its decision-making by providing disclosure of persons or entities benefitting from City contracts. Therefore, in any case where the Contractor is uncertain of whether a disclosure is required under this Supplemental Affidavit, the Contractor must either ask the City whether the disclosure is required or make the disclosure. By signing below, the Authorized Officer agrees that the Contractor will supplement this disclosure on an annual basis if additional parties are retained in connection with the Contract or city business.

Under penalty of perjury, I certify that I am authorized to execute this Affidavit on behalf of the Contractor, that I have personal knowledge of all the information disclosed herein and that the same are true and complete.

_____ Date: _____

Signature of Authorized Officer

_____

Name of Authorized Officer (print or type)

_____

Title

State of _____)
County of _____)

Signed and sworn to before me this _____ day of _____, 19__, by
_____ (name) as _____ (title) of
_____ (Contractor).

_____

Notary Public

My commission expires _____

II. B. Anti-Scofflaw

State of Illinois)
) SS
County of Cook)

A F F I D A V I T

Initial within brackets, having Section A or Section B, whichever is applicable.

The undersigned applicant, been duly sworn on oath or affirmation hereby states that, to the best of my knowledge:

[ ] A. The applicant owes no debt t the City of Chicago and has no outstanding parking violation complaints issued to an vehicle owned by the applicant.

[ ] B. The applicant has listed herei all debts owned by th applicant to the City of Chicago and all outstandin parking violation complaint issued to any vehicle owned b the applicant.

Description of Debt	Date of Occurence	Amount

Total $_____

The undersigned applicant understands that failure to disclose an debt owed to the City or any outstanding parking violatio complaint may be grounds for the imposition of applicable penalties or the termination of the privileges sought in connection with this affidavit in accordance with the procedures set forth in th Municipal Code of Chicago.

_____
Signature

Subscribed and sworn to before me this _____ day of _____, 19___

_____
Print Name

_____
Print Address

Business Name and Address:

_____
_____
_____

_____
Notary Public

III. E. Ethics Affidavit

The undersigned hereby acknowledges the following clauses entitled Office of Inspector General and Governmental Ethics Ordinance and agrees to comply with the terms of this clause which is hereby incorporated and made part of Contract No. _____.

CHAPTER 2-56 OF THE CHICAGO MUNICIPAL CODE
OFFICE OF INSPECTOR GENERAL

It shall be the duty of any bidder, proposer, or contractor, all subcontractors, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any bidder, proposer, contractor, or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Chicago Municipal Code. The contractor understands and will abide by all provisions of Chapter 2-56 of the Municipal Code of Chicago. All subcontracts shall inform subcontractors of this provision and require understanding and compliance herewith.

GOVERNMENTAL ETHICS ORDINANCE

Contractor shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including but not limited to Section 2-156-120 of this Chapter pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of this Chapter shall be voidable as to the City.

Acknowledged and Accepted By: _____
(Authorized Officer Signature)

Title: _____

Company Name: _____

Date: _____

II. B. Anti-Scofflaw

State of Illinois)
) SS
County of Cook)

A F F I D A V I T

Initial within brackets, having Section A or Section B, whichever is applicable.

The undersigned applicant, been duly sworn on oath or affirmation hereby states that, to the best of my knowledge:

[ ] A. The applicant owes no debt t the City of Chicago and has no outstanding parking violation complaints issued to an vehicle owned by the applicant.

[ ] B. The applicant has listed herei all debts owned by th applicant to the City of Chicago and all outstandin parking violation complaint issued to any vehicle owned b the applicant.

Description of Debt	Date of Occurence	Amount

Total $_____

The undersigned applicant understands that failure to disclose an debt owed to the City or any outstanding parking violatio complaint may be grounds for the imposition of applicable penalties or the termination of the privileges sought in connection with this affidavit in accordance with the procedures set forth in th Municipal Code of Chicago.

_____
Signature

Subscribed and sworn to before me this _____ day of _____, 19___

_____
Print Name

_____
Print Address

Business Name and Address:

_____
_____
_____

_____
Notary Public

DEVELOPER'S STATEMENT OF QUALIFICATIONS
AND FINANCIAL RESPONSIBILITY

1. a. Name of Developer: _____

_____

b. Address of Developer: _____

_____

2. Is Developer or any Affiliate (as hereinafter defined) affiliated with any other corporations, partnerships or joint ventures? An affiliate shall mean any person or entity who or which (i) has an ownership interest in and control of the Developer, whether such interest is held directly or indirectly or through other entities, (ii) is an officer, director, employee, agent, nominee, trustee, beneficiary or shareholder of the Developer having control of the Developer or an entity having an ownership interest in and control of the Developer whether such interest is held directly or indirectly or through one or more entities or (iii) has a legal or beneficial interest in any contract, agreement or other arrangement with the Developer, or a person or entity having an ownership interest in and control of the Developer, whether such interest is held directly or indirectly or through one or more entities, pertaining to the development, management, sale, leasing or construction in or on the Site (as defined in foregoing Proposal). As used in this definition, the term "entity" includes, but is not limited to, corporations, partnerships, trusts, estates and any other business organization or association, and the term "person" includes a spouse and brothers, sisters, ancestors and lineal descendants of the person.

Yes ( ) No ( )

If yes, list each such corporation, partnership, joint venture by name and address, specify its relationship to the Developer, and identify the officers and directors, partners, or joint ventures common to the Developer and such other entity.

3. a. The financial condition of the Developer, generally as of _____, 19 ____, is as reflected in the attached financial statements for the fiscal year ended _____ _____. (If the date of the financial statements precedes the date of this submission by more that six (6) months, also attach an interim balance sheet dated no earlier than sixty (60) days prior to the date hereof.

b. Name and address of auditor or public accountant who performed the audit on which said financial statements are based:

4. If funds for the Project are to be obtained from sources other than the Developer's own funds, a statement of the Developer's plan for financing the development of the land should be attached hereto.

5. Sources and amounts of cash available to Developer to meet equity requirements of the proposed undertaking:

a. In banks:

Name and Address of Bank	Amount
	$

b. By loans from affiliated or associated corporations or partners:

Name and Address of Source	Amount
	$

c. By sale of readily saleable assets:

Description	Market Value	Mortgage or Loans

6. Names and addresses of bank references:

7. a. Has the Developer or principal of the Developer or any Affiliate, been adjudged bankrupt, either voluntary or involuntary, within the past ten years?

Yes ( ) No ( )

If Yes, attach a statement hereto giving date, place and under what name.

b. Has the Developer or principal of Developer or any Affiliate been indicted for or convinced of any felony within the past ten years?

Yes ( ) No ( )

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

8. Is the Developer or any Affiliate currently delinquent in any payment owed to the City, including but not limited to, taxes, assessments, loans and water sewer charges?

If Yes, attach a statement summarizing such delinquencies.

9. Is the Developer or any Affiliate currently in default under any Contract, Lease or any other Agreement between the Developer and the City?

If Yes, explain.

10. Undertakings, comparable to the proposed development which have been completed by the Developer or any Affiliate, including identification and brief description of each project and date of completion:

11. Does any person, who exercises any functions or responsibilities in the review or approval of the Developer's proposal, have any direct or indirect personal interest in the Developer or in the development of the land upon which the proposal is based?

Yes ( ) No ( ) If Yes, explain:

12. Statements and other evidence of Developer's qualifications and financial responsibility (other than the financial statement referred to in Item 3A are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) [1/] _____ certify that this Developer's Statement of Qualifications and Financial Responsibility and the attached evidence of Developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

DATED _____

_____	_____
Signature	Signature
_____	_____
Title	Title
_____	_____
Address	Address

_____

1/ If the Developer is a corporation, this statement should be signed by the President and Secretary of the Corporation; if an individual, by such individual; if a partnership, by all of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Developer.

AFFIDAVIT

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

The undersigned, having been duly sworn, states that he (she) is authorized to make this affidavit on behalf of the applicant, that the information disclosed in this disclosure statement and any accompanying schedules is true and complete to the best of his (her) knowledge, and that the applicant has withheld no disclosure as to its economic interest in the undertaking for which this application is made nor reserved any information, data or plan as to the intended use or purpose for which it seeks action by the City of Chicago.

_____

Subscribed and sworn to
before me this _____ day
of _____, 19 ____.

_____
Notary Public

My commission expires:

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

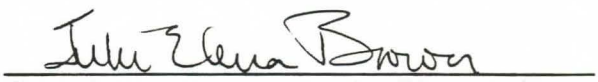
DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	66 C 1459
	)	
CHICAGO HOUSING AUTHORITY,	)	Hon. Marvin E. Aspen
	)	
Defendant.	)	

NOTICE OF FILING AND CERTIFICATE OF SERVICE

To: Attached Service List

PLEASE TAKE NOTICE that on January 10, 2000, we filed the with the Honorable Marvin E. Aspen, in Room 2541 of the U. S. District Court, 219 South Dearborn Street, Chicago, Illinois, ***Memorandum of Gautreaux Plaintiffs in Response to ABLA Plaintiffs' Motion to Intervene***, a copy of which is attached hereto and hereby served upon you.

Respectfully submitted,



One of the Attorneys for the Plaintiffs

January 10, 2000

Alexander Polikoff
Julie Elena Brown
Jonathan Kaden
BUSINESS AND PROFESSIONAL PEOPLE
FOR THE PUBLIC INTEREST
25 East Washington Street - #1515
Chicago, Illinois 60602
312/641-5570; fax: 312/641-5454

Gautreaux – ABLA Service List

William P. Wilen
Daniel P. Lindsey
Wendy L. Stasell
National Center on Poverty Law, Inc.
205 West Monroe Street – 2nd Floor
Chicago, IL 60606
Hand Delivery

Harold C. Hirshman
Robert B. Millner
Sonnenschein, Nath & Rosenthal
8000 Sears Tower
Chicago, IL 60606
Hand Delivery

Clyde Murphy
Sharon K. Legenza
Chicago Lawyers' Committee for
Civil Rights Under Law, Inc.
100 North LaSalle Street - #600
Chicago, IL 60602
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Thomas E. Johnson
Johnson, Jones, Snelling, Gilbert & Davis
36 South Wabash Avenue - #1310
Chicago, IL 60603
By Mail

G. A. Finch
LaRue Little
Joan T. Agnew
Chicago Housing Authority
200 West Adams Street - #2100
Chicago, IL 60606
By Mail

Michael L. Shakman
Barry A. Miller
Edward W. Feldman
Miller, Shakman, Hamilton, Kurtzon & Schlifke
208 South LaSalle Street - #1100
Chicago, IL 60604
By Mail

Linda Wawzenski
Assistant U. S. Attorney
Civil Division – 5th Floor
219 South Dearborn Street
Chicago, IL 60604
By Mail

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

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

MEMORANDUM OF GAUTREAUX PLAINTIFFS IN RESPONSE TO ABLA PLAINTIFFS' MOTION TO INTERVENE

Introduction

On May 19, 1998, this Court entered an order (attached as Exhibit 1) directing CHA to cooperate with the Court's Receiver in preparing a HOPE VI application for redevelopment of the ABLA area. By its order of June 19, 1998 (Exhibit 2), the Court designated an ABLA Revitalizing Area and authorized the development of public housing therein in accordance with the HOPE VI application then being prepared, "[s]ubject to such terms and conditions as are specified by further orders of the Court." The application was thereafter filed with HUD and HUD awarded CHA $35 million pursuant to it.[1]

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[1] See 1998 HOPE VI Application, Exhibit A to Statement of the Receiver in Response to Putative *ABLA* Plaintiffs' Motion to Intervene ("Receiver's Statement"). To avoid repetition the *Gautreaux* plaintiffs adopt Part II of the Receiver's Statement and respectfully refer the Court thereto for a more detailed statement of the factual background.

As noted in the Receiver's Statement (p.4), the ABLA application, like all HOPE VI applications, was a "tentative, conceptual document, not a development plan." It proposed a "scenario," described as a "sample development plan," which (in italics) was explicitly described as "subject to change based on the proposal of the selected developer(s)" and "not the final development plan." (1998 HOPE VI Application at 21-22, Exh. A to Receiver's Statement.)

The "development manager," who is to prepare the redevelopment plan for ABLA has not yet been selected; selection is anticipated in the near future, whereupon preparation of an actual ABLA redevelopment plan will begin. (Receiver's Statement, p. 9.)

Describing the ABLA HOPE VI application as "the" ABLA development plan (the *ABLA* plaintiffs' Memorandum challenges "CHA's redevelopment plan for ABLA," Memorandum, p. 1, and their Complaint refers to a "developed plan," "CHA's 'revitalization' plan," and to selecting a development manager "to implement the ABLA 'revitalization plan,'" Intervenors' Complaint, ¶¶2, 4, 7), the *ABLA* plaintiffs charge that the ABLA plan "discriminates" and "perpetuates racial segregation" in violation of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964. (ABLA Memorandum, p. 1.) They have filed a motion to intervene to press this and two related sets of claims.[2]

At the outset we note that the Court has not already granted intervention, as the *ABLA* plaintiffs assert (*ABLA* Memorandum at 2-3). The Court's order of November 4, 1999 dismissed the *ABLA* case "without prejudice to the *ABLA* plaintiffs' right to <u>seek</u>

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[2] Apart from the discrimination/segregation claims, the *ABLA* Plaintiffs complain of being "shut out" of the ABLA planning process and of allegedly wrongful displacement

intervention" (emphasis added). Though the November Order later says that the dismissal is without prejudice to the *ABLA* plaintiffs' right to intervene, in context this obviously means, as the Order earlier says, without prejudice to the right to seek intervention.[3]

We now turn to our reasons for opposing intervention at this time.

I. The Discrimination/Segregation Claims Are Not Now Justiciable

As explained in Part III of the Receiver's Statement, the discrimination/ segregation claims are not ripe for adjudication. Intervention to present those claims would therefore be inappropriate at this time. To avoid repetition respecting this ripeness issue, the *Gautreaux* plaintiffs adopt Part III of the Receiver's Statement and respectfully refer the Court thereto.

II. There Is No Showing Of Inadequacy Of Representation – A Requisite Of A Right To Intervene – As To The Discrimination/Segregation Claims

One of the requisites of a right to intervene is a showing of inadequacy of representation by existing parties. FRCP 24(a)(2); *People Who Care v. Rockford Board of Education*, 68 F.3d 172, 175 (7th Cir. 1995). Because, as discussed below, all of the

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and/or relocation by CHA as CHA is "beginning to implement its plan." (Memorandum, p. 1.) These two complaints are discussed in Part IV below.

[3] This Court's order as to the *Cabrini-Green* case, referred to in the *ABLA* Memorandum (p. 3), supports this plain reading of the November Order. In its *Cabrini* order the Court said only that after a new revitalization plan for Cabrini is developed it would allow intervention for the limited purpose of filing a motion to challenge that plan. Memorandum Opinion and Order, November 3, 1999, at p. 4, n. 3. Similarly here, the Court should wait until a revitalization plan has been developed to address any concerns the *ABLA* plaintiffs may have with that plan. See Part IV, Suggested Procedures, of the Receiver's Statement.

ABLA plaintiffs are *Gautreaux* class members, a presumption arises that the *Gautreaux* plaintiffs adequately represent the *ABLA* plaintiffs. *Jenkins v. Missouri*, 78 F.3d 1270, 1275 (8th Cir. 1996). A presumption of adequate representation also arises from the fact that the *ABLA* and *Gautreaux* plaintiffs share the same ultimate objective: a revitalized, integrated ABLA community with as much on-site public housing as is consistent with economic integration. *See Wade v. Goldschmidt*, 673 F.2d 182, 186 n.7 (7th Cir. 1982) (holding that a presumption of adequate representation arises if the proposed intervenors and a party "have the same ultimate objective"). Differences between the *ABLA* and *Gautreaux* plaintiffs regarding aspects of the remedy are insufficient to overcome the presumption of adequate representation. *See Jenkins*, 78 F.3d at 1276.

A. The *ABLA* Plaintiffs Are All *Gautreaux* Class Members

There are four categories of *ABLA* plaintiffs: current ABLA tenants, applicants for CHA housing, former ABLA tenants allegedly unlawfully displaced by CHA, and an organization of ABLA tenants called Concerned Residents of ABLA ("CRA"). (Intervenors' Complaint, ¶¶ 11, 14-25.)

That the first two groups of *ABLA* plaintiffs – current ABLA tenants and CHA applicants – are members of the *Gautreaux* class is true by definition. *Gautreaux v. CHA*, 265 F. Supp. 582 (1967) (*Gautreaux* class consists of tenants and applicants).

It is true too of the third group of *ABLA* plaintiffs – allegedly unlawfully displaced ABLA tenants. The *ABLA* plaintiffs assert that CHA unlawfully displaced *Gautreaux* class members, i.e., ABLA tenants, from the very units that entitle them to class membership in anticipation of implementing the revitalization relief ordered by this Court

(Intervenors' Complaint at ¶¶ 59-60, 67-69). Class members can of course not be stripped of their class status by unlawful action of the defendant.

It is true of the fourth and final *ABLA* plaintiff – the organization CRA – because as an "association of [ABLA] tenants" (Intervenors' Complaint, ¶11), CRA is comprised entirely of *Gautreaux* class members and can have no interest separate from that of its members.

B. The *ABLA* Plaintiffs Have Failed To Overcome The Presumption That The *Gautreaux* Plaintiffs Adequately Represent Them

When, as here, would-be intervenors are already members of an existing class, a presumption of adequate representation by class counsel arises. *Jenkins v. Missouri*, 78 F.3d 1270, 1275 (8th Cir. 1996).

A presumption of adequate representation also arises because the would-be ABLA intervenors and the *Gautreaux* Plaintiffs have "the same ultimate objective." *Wade v. Goldschmidt*, 673 F.2d 182, 186 n. 7 (7th Cir. 1982); *Bradley v. Milliken*, 828 F.2d 1886, 1192 (6th Cir. 1987); *Horner Mothers' Guild v. CHA*, 91C3316, August 7, 1997 (Order of Judge Zagel denying motion of *Gautreaux* plaintiffs to Intervene in *Horner* litigation, citing *Wade*).

Here, that shared ultimate objective is a revitalized, integrated ABLA community with as much on-site public housing as is consistent with economic integration. In the context of a completed plan, should the *ABLA* plaintiffs' desire for more public housing units on site diverge from the *Gautreaux* plaintiffs' concern that economic integration not be imperiled by too many on-site public housing units, such differences would only be "with respect to the road map to be used to achieve [a shared] goal." *United States v. South Bend Community School Corporation*, 692 F.2d 623, 628 (7th Cir. 1982). These

differences are insufficient to overcome the presumption that the *Gautreaux* plaintiffs' adequately represent the *ABLA* plaintiffs. *Jenkins*, 78 F.3d at 1275 (upholding denial of intervention where proposed intervenors' "arguments [we]re disagreements over the details of the remedy and [did] not show inadequate representation"); *see South Bend Community School Corporation*, 692 F.2d at 628.[4]

To overcome this presumption of adequate representation would-be intervenors must show something akin to collusion between the class representative(s) and the defendant, the representation of an adverse interest, gross negligence, breach of duty, or the like – something distinctly different than disagreements "with respect to the road map to be used to achieve [a shared] goal." *South Bend Community School Corporation*, 692 F.2d 623, 628 (7th Cir. 1982). *See also, Wade*, 673 F.2d at 186 n. 7.

There having been no such showing here, intervention as to the discrimination/ segregation claims must at this time be denied for failure to show inadequacy of representation as well as for failure to present claims ripe for adjudication.[5]

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[4] The *ABLA* plaintiffs also raise concerns about the extent to which holders of Section 8 certificates often leave public housing only to end up in neighborhoods nearly as segregated as the ones they departed. *See* Intervenors' Complaint at ¶¶19, 20, 73. The *Gautreaux* plaintiffs share this concern, and in negotiations resulting from *Gautreaux* litigation we have secured a commitment by defendant CHA to contract with the Leadership Council for Metropolitan Open Communities to administer a Gautreaux-type mobility program for public housing residents in buildings CHA has identified for closure (*see* attached Exhibit 3).

[5] None of the cases cited by the *ABLA* plaintiffs are to the contrary. For example, in *Gautreaux v. Pierce*, 548 F. Supp. 1284 (N.D. Ill. 1982), *United States v. City of Chicago*, 870 F.2d 1256 (7th Cir. 1989), and *Edwards v. City of Houston*, 78 F.3d 983 (5th Cir. 1986), the intervenors were not class members and there was no shared objective. And unlike here, in *Bradley v. Pinellas County School Bd.*, 961 F.2d 1554 (11th Cir. 1992), the intervenors raised issues "that the existing parties have declined to represent." 961 F.2d at 1557. Although *Trbovich v. United Mine Workers*, 404 U.S. 528 (1972) says the burden of showing inadequate representation should be treated as minimal, the *ABLA* plaintiffs must first "at least overcome the presumption of adequate representation that arises when [an applicant for intervention] has the same ultimate

III. Permissive Intervention Should Also Be Denied At This Time

The non-justiciability at this time of the discrimination/segregation claims compels denial of permissive intervention as well as intervention of right. The failure to show inadequacy of representation also counsels denial of permissive intervention. *See United States Postal Service v. Brennan*, 579 F.2d 188, 191 (2nd Cir. 1978) (whether the proposed intervenor's interests are adequately represented by the other parties is a relevant factor in the court's exercise of discretion regarding permissive intervention); Moore's Federal Practice (3rd Ed.) § 24.10[2][c] (adequacy of representation is used as a discretionary factor when deciding a request for permissive intervention).[6]

We do not wish, however, to ignore the discrimination/segregation concerns of the would-be intervenors.[7] On previous occasions when issues were ripe this Court has found ways to allow opposing views to be heard. *See, e.g., Gautreaux v. Pierce*, 690 F.2d 616, 635 (7th Cir. 1982) (upholding denial of intervention by community group where proposed intervenors were adequately represented but were permitted to present

---

objective as a party to the existing suit." *United States Postal Service v. Brennan*, 579 F.2d 188, 191 (2nd Cir. 1978); *Pittman v. Chicago Board of Education*, 1992 WL 233903 N.D. Ill. (Though minimal, it "[n]onetheless . . . is a burden that must be met.") (Memorandum Opinion and Order of Judge Aspen denying motion for intervention.) *See also Edwards*, 78 F.3d at 1006.

[6] The *ABLA* plaintiffs imply that a question of law or fact in common with the main action should lead automatically to permissive intervention (Memorandum, p. 14). Not so. "[T]he existence of a common question of law or fact does not automatically entitle an applicant to intervene." *Venegas v. Skaggs*, 867 F.2d 527, 530 (9th Cir. 1989).

[7] When, as here, class members are adequately represented by the class representatives, and have potentially meritorious claims against another party to the action, such class members ought first make efforts to persuade class counsel to seek redress prior to being granted leave to intervene. *See Twelve John Does v. District of Columbia*, 117 F.3d 571, 573, 576-77 (D.C. Cir. 1997) (affirming denial of intervention

evidence). In this regard we endorse and adopt Part IV, Suggested Procedures, of the Receiver's Statement and, to avoid repetition, we respectfully refer the Court thereto. *See also Jenkins*, 78 F.3d at 1275 (affirming denial of intervention by adequately represented dissident class members where the district court encouraged proposed intervenors to express their concerns to attorneys for the existing class, to file *amicus curiae* briefs, and to seek permission to testify on issues before the Court, all as alternatives to intervention).

IV. Intervention As To The Consultation And Relocation Claims Should Likewise Be Denied At This Time

The failure to show inadequacy of representation also dictates denial of intervention as to the claim that the *ABLA* plaintiffs have been wrongly "shut out" of the ABLA planning process. The *Gautreaux* plaintiffs' adequate representation of the *ABLA* plaintiffs ensures that they are not "shut out" of the implementation of the *Gautreaux* remedial order. Moreover, the Suggested Procedures of Part IV of the Receiver's Statement, if followed, are likely to moot this claim.

The complaint that CHA has perpetrated relocation wrongs is in a like posture respecting inadequacy of representation. In addition, these claims too may be mooted once they are brought to *Gautreaux* class counsel, particularly given CHA's stated intention to address them (see CHA's separate memorandum). To the extent any such claims remain unresolved when the Court and the parties address a final ABLA redevelopment plan, they may – under the Receiver's Suggested procedures – be dealt with at that time.

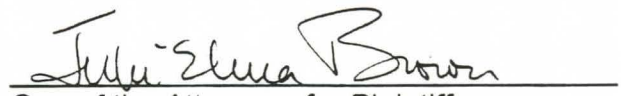
---

by dissident class members because class counsel provided adequate representation and offered to meet with dissident members).

Conclusion

For the reasons stated, intervention – of right or permissive – should not be allowed at this time. The motion to intervene should be entered and continued, pending development of a proposed final ABLA redevelopment plan, with the expectation that the concerns of the would-be intervenors will either have been addressed before then to their satisfaction, or may then be considered by the Court in the justiciable context of a final ABLA redevelopment plan.

Respectfully submitted,



One of the Attorneys for Plaintiffs

January 10, 2000

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Julie Elena Brown
Jonathan Kaden
BUSINESS AND PROFESSIONAL PEOPLE
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Minute Order Form (06/97)

United States District Court, Northern District of Illinois

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

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

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

DOCKET ENTRY:

(1) ☐ Filed motion of [use listing in "Motion" box above.]

(2) ☐ Brief in support of motion due _____.

(3) ☐ Answer brief to motion due_____. Reply to answer brief due_____.

(4) ☐ Ruling/Hearing on _____ set for _____ at _____.

(5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.

(6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.

(7) ☐ Trial[set for/re-set for] on _____ at _____.

(8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.

(9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).

(10) ■ [Other docket entry] Motion is granted.

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

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

Document Number

EXHIBIT 1

(Reserved for use by the Court)

ORDER

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

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

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

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

It is so ordered.

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

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

O R D E R

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

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

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

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

EXHIBIT 2

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

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

The Court also being cognizant that on occasion it has permitted public or assisted housing to be developed in census tracts not within the General Public Housing Area upon a sufficient showing of "revitalizing" circumstances such that a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made; and

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

IT IS HEREBY ORDERED:

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

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

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

ENTER:

June 19, 1998

Business and Professional People
for the Public Interest

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September 27, 1999

By Fax: 312/726-6418
Original by Mail

Ms. Yolande Bourgeois
Deputy General Counsel
Chicago Housing Authority
200 West Adams Street - #2100
Chicago, IL 60606

Dear Yolande:

This letter summarizes the efforts to date of CHA and the *Gautreaux* plaintiffs to reach an agreement that would obviate another round of *Gautreaux* litigation over CHA's Section 8 program.

The background is that following Judge Aspen's Memorandum Opinion and Order of August 26, 1997, the *Gautreaux* plaintiffs prepared to file a new motion on the Section 8 program, relying upon what appeared from the Opinion and Order to be Judge Aspen's willingness to consider such a motion if based on further evidence. On April 1, 1998, then CHA Executive Director, Joseph Shuldiner, at a meeting at HUD's offices in Washington, asked us whether we would agree to negotiate before filing our new Section 8 motion. We agreed to do so but proposed broadening the negotiations to include other interested parties, such as the City of Chicago. This was acceptable to CHA and negotiations commenced and continued for some months with the administrative assistance of the Metropolitan Planning Council – the so-called "MPC Dialogue Group." Considerable progress has been made, both in the Dialogue Group and subsequent conversations. The specific purpose of this letter is to state the present posture of CHA and the *Gautreaux* plaintiffs respecting the Section 8 program, and identify what remains to be done before a complete agreement is reached (a "Gautreaux Section 8 Settlement Agreement").

First, through organizations of its choosing ("vendors"), CHA is planning to offer mobility counseling to all families in vacancy consolidation buildings which CHA identifies for closure in the short term. The arrangements for such counseling of "short term families" were generally agreed to in the MPC Dialogue Group, and will be described as part of a Gautreaux Section 8 Settlement Agreement.

EXHIBIT 3

17 East Monroe Street, Suite 212, Chicago, Illinois 60603 312.641.5570 *phone* 312.641.5454 *fax*

Second, through the Leadership Council for Metropolitan Open Communities, CHA is planning to offer a "Gautreaux-type" counseling program to all families in vacancy consolidation buildings which CHA identifies for closure in the long term. The arrangements for such counseling of "long term families" have also been generally agreed to in the MPC Dialogue Group, and will also be described as part of a Gautreaux Section 8 Settlement Agreement, except that CHA and the *Gautreaux* plaintiffs have agreed upon certain particulars respecting the initiation of such long term counseling which are set forth in the attachment to this letter entitled "Initiation of Section 8 Program for Long Term Families."

Third, CHA and the *Gautreaux* plaintiffs will mutually review the balance of CHA's Section 8 Program not involving families in vacancy consolidation buildings and expect to agree on the manner in which that part of the Section 8 program is to be conducted.

Fourth, CHA and the *Gautreaux* plaintiffs expect to prepare and execute a Gautreaux Section 8 Settlement Agreement based upon the preceding three paragraphs as soon as feasible.

Please let me know if any of the foregoing is inaccurate.

Cordially,

Alexander Polikoff

ALP:mm
Attachment: "Initiation of Section 8 Program for Long-Term Families"

INITIATION OF SECTION 8 PROGRAM FOR LONG TERM FAMILIES

As part of ongoing negotiations over the CHA Section 8 Program (see letter from Alexander Polikoff to Yolande Bourgeois, dated September 27, 1999), CHA and the *Gautreaux* plaintiffs agree as follows:

(1) CHA and the Leadership Council for Metropolitan Open Communities will enter into a contract under which the Council will offer a Gautreaux-type Section 8 Program to all families residing in CHA's Loomis Courts buildings, with a registration cap, however, of 65 families. CHA will supply the Council with 65 Section 8 certificates for this purpose, and will pay the Council $1500 per family counseled for its services (the "Loomis Pilot Program").

(2) Based upon the experience gained in the Loomis Pilot Program, CHA and the Council intend to expand the Council's Gautreaux-type Section 8 Program to all families residing in CHA vacancy consolidation buildings which CHA identifies for closure in the long term, all upon terms and conditions to be agreed upon by CHA and the Council.

City of Chicago
Richard M. Daley,
Mayor

The Chicago
Housing Authority
Sharon Gist Gilliam,
Chairperson
Board of Commissioners

Phillip Jackson,
Chief Executive Officer

The Chicago Housing Authority

October 7, 1999

Ms. Aurie Pennick
Leadership Council for Metropolitan
Open Communities
111 West Jackson Boulevard
Chicago, Illinois 60604

Dear Ms. Pennick:

In accordance with the understanding expressed in the letter from the *Gautreaux* plaintiffs to CHA dated September 27, 1999, a copy of which is enclosed herewith, CHA is pleased to enter into this agreement with the Leadership Council for Metropolitan Open Communities ("Council") for the "Loomis Pilot Program" and for the intended expansion of the Loomis Pilot Program to "long-term families" in CHA's vacancy-consolidation buildings.

A. <u>The Loomis Pilot Program</u>.

The council will offer a Gautreaux-type mobility program to all eligible families residing in CHA's Loomis Courts buildings, provided that the number of families participating in such program shall not exceed 65, and that the council shall provide a fair means for selecting such 65 participating families should the number of applicant families exceed 65. "Gautraux-type mobility program" means a program comparable to the Gautreaux Assisted Housing Program administered by the Council from 1976 to 1998 under the *Gautreaux* litigation, except that for the Loomis Pilot Program the Council will define "opportunity area" both within and without the City of Chicago prior to the commencement of the program and will advise CHA of the same in writing.

Promptly after the date of this agreement, CHA will provide the Council in writing with a list of all families eligible to participate in the Loomis Pilot Program. CHA will determine eligibility based on criteria selected by it. The Council will commence the Loomis Pilot Program promptly after receipt of such list of eligible families, and will advise CHA in writing of the commencement date. The Council will carry on the Program without interruption until 65 eligible families, or such smaller number have applied to participate therein, have completed the Program.

The Council will provide CHA with monthly written reports on the progress of the Program, and a final report following completion of the Program. Monthly reports shall be provided by the 15th day of the month following the period covered (the first such report shall include at least a full calendar month following commencement), and the final report shall be provided 30 days following completion of the Program. "Completion of the Program" shall mean completion of 365 days of supportive

services for the last to be placed of the families participating in the Loomis Pilot Program.

For its services in administering the Looms Pilot Program CHA shall pay to the council $1500 per participating family pursuant to monthly invoices submitted to CHA by the Council, payment to be made within 30 days following CHA's receipt of each such invoice, provided that simultaneous with the list of eligible families provided by CHA to the Council CHA will pay the Council $22,500 to cover start-up expenses of the Looms Pilot Program, and will assign to the Council 65 Section vouchers for use in the Program. The total amount payable to the Council, including start-up expenses, shall not exceed $100,000.

B. Program for Long-Term Vacancy Consolidation Families.

As stated in the letter from the *Gautreaux* plaintiffs to CHA dated September 27, 1999, enclosed herewith, CHA and the Council intend to expand the Loomis Pilot Program to long-term vacancy consolidation families.

To that end CHA and the Council will confer promptly after the submission of each Council monthly report on the Looms Pilot Program and mutually consider the most effective and expeditious way for CHA to offer through the Council A Gautreaux-type mobility program for long-term vacancy consolidation families. "Long-Term Vacancy Consolidation Families" means families residing in CHA vacancy consolidation buildings which are not designated by CHA for closure in the short term. A list of vacancy consolidation buildings, and their designation by CHA as long- or short-term, shall be developed by CHA during such monthly conferences. It is the mutual expectation of CHA and the Council that based on the experience of the Loomis Pilot Program and such monthly conferences, a mutually agreed program for offering a Gautreauz-type mobility program to long-term vacancy consolidation families will be developed within six months from the date hereof to provide continuity with the Loomis Pilot Program.

If this letter correctly states the agreement between CHA and the Council respecting the Loomis Pilot Program and long-term vacancy consolidation families, please so indicate by signing below.

Very truly yours,

Phillip Jackson, Executive Director
Chicago Housing Authority

ACCEPTED:

Aurie Pennick, President
Leadership Council for Metropolitan
Open Communities

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs	)	
	)	
vs.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY,	)	Hon. Marvin Aspen
	)	
Defendant.	)	

THE ABLA PLAINTIFFS' REPLY MEMORANDUM IN SUPPORT OF THEIR MOTION TO INTERVENE

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs	)	
	)	
vs.	)	No. 66 C 1459
	)	
CHICAGO HOUSING AUTHORITY,	)	Hon. Marvin Aspen
	)	
Defendant.	)	

THE ABLA PLAINTIFFS' REPLY MEMORANDUM IN SUPPORT OF THEIR MOTION TO INTERVENE

On November 29, 1999, the plaintiffs in Concerned Residents of ABLA ("CRA") et al., v. CHA and HUD, No. 99 C 4959 (the "ABLA Plaintiffs") filed a motion to intervene in this case and an Intervenors' Complaint that set forth their claims. Their original complaint, filed July 29, 1999 and assigned to Judge Robert W. Gettleman, was dismissed by this Court when it granted the joint motion of the Gautreaux plaintiffs and the Receiver. They had argued that the ABLA plaintiffs' lawsuit "substantially overlap[ped]" the June 1998 Order of this Court relating to ABLA and that the suit should be dismissed without prejudice to seek intervention in Gautreaux. Joint Motion of Gautreaux Plaintiffs and Receiver, August 18, 1999 at 1. In granting their motion, this Court stated:

> [T]he entirety of the [ABLA plaintiffs'] complaint attacks the revitalization plan created pursuant to this Court's June 19, 1998 order. [T]he ABLA piece is still in the development phase, unlikely to move forward until the CRA challenge is resolved. . . . [A]ll of the ABLA plaintiffs' challenges to the ABLA revitalization plan may be addressed in a single proceeding concerning the development of the area. . . . It would be much more expedient to address all the challenges to the ABLA plan now, in one forum, instead of pursuing piecemeal litigation in different courts. . . . We therefore grant the joint motion, reassign the case to this Court, and dismiss it without prejudice to the ABLA plaintiffs' right to intervene in Gautreaux.

Order, November 4, 1999 (emphasis added).

I. THIS COURT SHOULD REJECT THE PROPOSED PROCEDURES AND DECIDE THE MOTION TO INTERVENE AS SOON AS POSSIBLE

In response to the ABLA plaintiffs' motion to intervene, the Receiver advances three "suggested procedures." Receiver's Response at 13-14. The ABLA plaintiffs strenuously object to these "suggested procedures" as they are without any foundation in the law, and, if adopted, would unduly prejudice them.

The Receiver's three "suggested procedures" are: (1) that this Court enter and continue the ABLA plaintiffs' motion to intervene until some undetermined point in the future, at least "several months," (2) that, in the meantime, the ABLA plaintiffs will be provided whatever information about the redevelopment of ABLA that the existing parties deem appropriate and will be permitted to meet with and "present their views" to the Gautreaux plaintiffs' counsel, the Receiver, and to the other members of the ABLA "Working Group,"[2] and (3) that, after a more concrete plan is developed and agreed to by the Gautreaux plaintiffs, the Receiver, and the other five members of the Working Group, this Court conduct a hearing allowing the ABLA plaintiffs to comment on or object to the plan, after which this Court would rule on the motion to intervene.[3]

The net effect of the Receiver's first "suggested procedure" would be to put a freeze on the ABLA plaintiffs' motion and to leave the ABLA plaintiffs out in the cold. The Receiver argues that the motion to intervene "should be entered and continued generally until a plan is developed or the factual context otherwise ripens." Receiver's Response at 13. This argument is based on the Receiver's self-serving interpretation of the ABLA HOPE VI Plan as a "tentative" and "fluid" document (the exact opposite position that the Receiver took in seeking to remove the ABLA complaint from Judge Gettleman's courtroom). If the Receiver feels strongly that its

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[2] The Working Group consists of seven entities: (1) the Habitat Co. (as Receiver), (2) the Gautreaux plaintiffs' counsel, (3) the CHA, (4) the ABLA Local Advisory Council (ABLA LAC), (5) the City of Chicago Department of Planning and Development (DPD), (6) the City of Chicago Department of Housing (DOH) and (7) the University of Illinois Chicago (UIC)/Illinois Medical District (IMD). See Receiver's Response at Exhibit D.

[3] CHA and the Gautreaux plaintiffs also join in the Receiver's "proposed suggestions." CHA's Response at 1, Gauteaux Plaintiffs' Response at 8.

new position is now the correct one, then it should stand by it and let this Court rule. Indeed, the Receiver claims that "there are sufficient grounds to deny [the motion to intervene] outright." Id. If so, then the Receiver should join the ABLA plaintiffs in seeking a prompt ruling on the motion.

The Receiver's alternative—to enter and continue the intervention motion until some undetermined point in the future when there is a "concrete plan"—could hardly be more vague, and it is sure that the Receiver will have its own self-serving definition of when such future condition is met. If the Receiver's suggestion is adopted, the ABLA plaintiffs will have been denied their right to intervene, their right to have the Court decide the issue, and their right to appeal an adverse decision.

There is simply no support in the law for the Receiver's position. When courts enter and continue motions, they do so for time periods that are both short and specific. When continuances are granted, it is either for a specified period of time (e.g., 10 days), or it is tied to the occurrence of a specific event expected to occur imminently (e.g., a court hearing). See, e.g., Maple Leaf Bakery v. Raychem, No. 99 C 6948, 1999 U.S. Dist. LEXIS 18744, at *8 (N.D. Ill. Nov. 29, 1999) (motion for remand from federal court entered and continued pending hearing on diversity); Gandy v. Gateway, No. 97 C 2286, 1999 U.S. Dist. 1988, at *29 n.11 (N.D. Ill. Feb. 19, 1999) (motion for summary judgment entered and continued pending deposition); Cook v. Teamsters Local 705, No. 96 C 8009, 1997 U.S. LEXIS 11482, at *14 (N.D. Ill. July 24, 1997) (cross-motions for summary judgment entered and continued for 10 days pending supplemental submissions ordered by court); Bennett v. School Directors of District 204, No. 96 C 6918, 1996 U.S. Dist. LEXIS 16378, at *3 (N.D. Ill. Oct. 29, 1996) (motion to dismiss entered and continued for 17 days pending submission of legal authority by movant); Garbelmann v. Creditcard Keys, No. 89 C 6020, 1992 U.S. Dist. LEXIS 5536, at *21 (N.D. Ill. March 27, 1992) (motion to strike affirmative defenses entered and continued pending upcoming trial); Winston & Strawn v. Connelly, No. 84 C 8978, 1991 U. S. Dist. 3416, at *1 (N.D. Ill. Apr. 24, 1991) (motion to

It is well established that in evaluating a motion to intervene, the district court must accept as true all non-conclusory allegations of the motion and complaint. See e.g., Pacific Mutual Life Insurance Co. v. Dodds, 110 F.R.D. 272, 273 (N.D.Ill. 1986); Lake Investors Development Group v. Egidi Development Group, 715 F.2d 1256, 1258 (7th Cir. 1983); Clark v. Sandusky, 205 F.2d 915, 918 (7th Cir. 1953). Identical to the standard used to decide a Rule 12(b)(6) motion to dismiss a complaint, a motion to intervene as of right should not be dismissed unless it appears to a certainty that the intervenor is not entitled to relief under any set of facts which could be proved under the complaint. Id. Determinations of fact based on extrinsic evidence are not appropriate at the stage of a motion to intervene. Lake Investors, 715 F.2d at 1260.

The Seventh Circuit has held that, in addition to satisfying the requirements of Rule 24, an intervenor must satisfy the minimal Article III standing requirements. Keith v. Daley, 764 F.2d 1265, 1268 (7th Cir. 1985). As is discussed in Section III. below, the ABLA plaintiffs have standing to raise their claims and their claims are ripe for review. Challenges to subject matter jurisdiction, namely standing and ripeness, may be made through extrinsic evidence. Calderon v. U.S., 123 F.3d 947, 951 n.2 (7th Cir. 1997). Thus, this Court may properly consider submissions by the parties that go to the issue of subject matter jurisdiction.[4] See Declaration of Elinor Bacon, HUD Exhibit 1; Declaration of Jeffrey D. Head, Receiver's Exhibit B. However, it would be inappropriate for the Court to consider the irrelevant, often prejudicial, materials submitted by CHA that do not relate to subject matter jurisdiction. See e.g., Affidavit of Jane Hornstein, CHA Exhibit 6 (alleging that CHA did in fact consult with CRA and its attorney—issues going to the ultimate merits); Affidavit of Jennifer O'Neil, CHA Exhibit 9 (relating to the ultimate merits of claims raised by plaintiffs Africa Simpson and Kizzie Johnson); Affidavit of Cheryl Daniel, CHA Exhibit 12 (relating to plaintiff Nona Young's request to have her rent

[4] Although, as is discussed in Section III. below, the ABLA plaintiffs deny that these submissions establish that their claims are unripe or that they lack standing to bring their claims.

reduced).[5] It appears CHA is attempting to make a peremptory strike on issues as far afield as class certification[6] and the ultimate merits of the ABLA plaintiffs' claims. These issues are clearly not before the Court at this time. In sum, for all matters except those related to subject matter jurisdiction, this Court must accept the ABLA plaintiffs' well plead allegations as true. Lake Investors, 715 F.2d at 1260; Central States, Southeast and Southwest Areas Health and Welfare Fund v. Old Security Life Insurance Co., 600 F.2d 671, 679 (7th Cir. 1979) (district court was required to accept non-conclusory allegations of proposed intervenor as true in determining inadequacy of representation).

The existing parties do not dispute that the ABLA plaintiffs filed their motion in a timely manner under Rule 24(a)(2), but they contest their "interest" by asserting that the ABLA plaintiffs do not have Article III standing to bring their claims and that they have not stated a cause of action as required under Rule 24(a)(2) in three counts of their Intervenors' Complaint. Receiver's Response at 11-12; HUD's Response at 3-11; CHA's Response at 10-11; 12-15. The existing parties also assert that the ABLA plaintiffs' interests are not at risk because their claims are not yet ripe under Article III, or because they cannot bring them against HUD, as HUD has previously been dismissed as a defendant in this case. Receiver's Response at 10--11, CHA's Response at 2, Gautreaux Plaintiffs' Response at 3, HUD's Response at 10-11. Finally the Gautreaux parties assert that Rule 24(a)(2) is not satisfied here because the ABLA plaintiffs' interest is adequately represented by the Gautreaux plaintiffs. Receiver's Response at 13, CHA's Response at 1-2, Gautreaux Plaintiffs' Response at 3-6.

[5] The ABLA plaintiffs reserve their right to challenge these affidavits under the Rules of Evidence at such time as they do become relevant to this Court's decision-making. For example, Hornstein's affidavit clearly relies on hearsay to which she is not competent to testify. CHA Exhibit 6 at ¶ 5. The other affidavits are equally problematic under the Rules of Evidence.

[6] CHA argues that class certification is improper in this case. CHA's Response at 15. However, the ABLA plaintiffs have not yet sought to certify a class, something they cannot do until they are granted leave to intervene. When the time comes for plaintiffs to file their motion for class certification, they will demonstrate the flaws in CHA's arguments. At this point, however, this Court must reject CHA's ill-timed arguments out of hand.

Receiver's ripeness arguments); Gautreaux Plaintiffs' Response at 3 (adopting Receiver's ripeness arguments); Concerned Residents of ABLA, et al. v. CHA and HUD, 99 C 4959, CHA Motion to Dismiss, filed October 8, 1999, at 4, 5, 8, 10, and 11, attached hereto as Exhibit A (repeated references to "the revitalization plan" and the "redevelopment plans" for ABLA); HUD Motion to Dismiss, filed October 8, 1999, at 4, 11-12, attached hereto as Exhibit B.[7]

For example, in its Motion to Dismiss the ABLA plaintiffs' separate lawsuit, CHA sought to absolve itself from any wrongdoing regarding the number of replacement public housing units to be constructed at ABLA, arguing that the "number of very low-income units proposed in the plan is not traceable to CHA but to the court in the case of Gautreaux." CHA's Motion to Dismiss, Exhibit A at 8. CHA argued that "CHA's proposed ABLA revitalization plan has been brought forth and approved by Judge Aspen's order," and that "CHA's proposed ABLA revitalization plan is the product of the court's order." Five months ago, CHA claimed it was putting into effect a court-ordered redevelopment plan for ABLA: "If [the ABLA] Plaintiff's allegations are based on the decrease in the total number of public housing units, then Plaintiff has failed to state a claim under Title VI because CHA received court approval to put the proposed ABLA revitalization plan into effect." CHA Motion to Dismiss, Exhibit A at 17 (emphasis added). Further, CHA argued that if Judge Gettleman were to order CHA to build more than 1,084 public housing units back on site, "CHA would be in direct violation of the court's order in Gautreaux." Id.

HUD claimed at the time the original ABLA complaint was filed before Judge Gettleman and still claims that the number of very low-income public housing units has been fixed by this Court, asserting that "the Gautreaux court has limited to 1,084 the number of public housing units . . . that can be developed back on the ABLA site." Thus, the number of very low-income public housing units was one aspect of the plan that was unalterable, even if Judge Gettleman were to find in the ABLA plaintiffs' favor. See Exhibit B at 4, 11-12; HUD's Response at 2, n.

[7] HUD has apparently abandoned its ripeness argument but makes similar arguments under a standing analysis in its Response to the ABLA Plaintiffs' Motion to Intervene. See HUD's Response at 4-6.

1 (HUD takes no position on whether the ABLA plaintiffs may challenge this Court's June 1998 Order "that limited to 1,084 the number of public housing units that could be developed on the ABLA site").

The Receiver and Gautreaux plaintiffs previously argued that the ABLA complaint "attacks the very ABLA redevelopment plan authorized by this Court." Reply to ABLA Plaintiffs' Response to Joint Motion of Gautreaux Plaintiffs and Receiver at 3, attached hereto as Exhibit C (emphasis added). They distinguished the ABLA case from similar cases filed at Horner and Cabrini-Green, arguing that in those cases—unlike at ABLA—this Court had not yet entered orders "approving plans" for those developments. Id. at n.4. Notably, in ruling on the Receiver and Gautreaux plaintiffs' joint motion to dismiss the ABLA complaint as a collateral attack on Gautreaux, this Court observed that "the entirety of the [ABLA] complaint attacks the revitalization plan created pursuant to this Court's June 19, 1998 order." Order, Nov. 4, 1999, at 1, attached to Intervenors' Complaint as Exhibit A (emphasis added).

Now, however, according to these same parties, the plan attacked by the ABLA plaintiffs is not a "plan," but a "sample." Documents attached to the Receiver's Statement undermine these new arguments. For example, the 1998 HOPE VI Application defines a very specific "plan" for very low-income public housing units at the revitalized ABLA. The application states: "In order to meet the needs of existing residents and to maximize income diversity, the CHA has agreed to a long term income mix where units targeted within the range of 0-35% of AMI will decrease to 30% and units targeted within the range of 36-50% of AMI will increase to 18% of the overall development." Receiver's Exhibit A (1998 HOPE VI Application) at 22.

The parties' repeated assertions that the final plan has been left entirely in the hands of the Telesis Corp., the Working Group's newly-appointed Development Manager, is further contradicted by the Application, which states, "Although a detailed development plan is contingent upon designating a developer(s), the collaborative partners of the ABLA Redevelopment/1998 HOPE VI Plan have identified clear recommendations on unit mix, design and overall development of the neighborhood in this proposal." Id. at 23 (emphasis added). The

Request For Proposals ("RFP") then clearly sets forth the precise income-mix breakdown that was delineated in the 1998 HOPE VI Application: 1,084 units for persons earning 0-35% of AMI, 845 units for persons earning 36-120% of AMI, and 966 units for persons earning over 120% of AMI. Receiver's Exhibit C (Request for Proposals) at 3. The RFP further dictates that "[m]aster planning for the entire Site must incorporate the modernized Brooks Homes," representing a total of 352 of the 1,084 total very low-income units; thus, at least that aspect of the plan is not subject to further contingencies. Id. at 5. Further, the RFP states that respondents will be expected to provide "master planning and implementation of the entire mixed income residential development contemplated in the 1998 HOPE VI proposal to HUD." Id. at 7 (emphasis added). The master planning and design of the project must address, among other things, "orders of the court in the Gautreaux case." Id. at 17. This Court's revitalizing order, specifying the same numbers of very low-income units to be built back on site as are delineated in the RFP (1,084), is attached as an exhibit.

The existing parties also assert that the 20% North of Roosevelt figure is not part of the plan. However, these arguments are belied by the relevant documents. A market analysis conducted by American Marketing Services (AMS) in September 1996, which is referenced in the 1996 HOPE VI Application and submitted as an attachment to the 1997 HOPE VI Application, states that in the area North of Roosevelt Road, "which has some units of ABLA Homes but is also an area which has experienced intensive gentrification," there should be "no more than 20% of units targeted to households with incomes less than 50% of area median." AMS Study at 50, attached hereto as Exhibit D. No such limitation was indicated for the area South of Roosevelt Road, "which is dominated by public housing and is an overwhelmingly low-income area." Id. Another study conducted by Goodman Williams Group in April 1998 attached as Exhibit I to the 1998 HOPE VI Application, recognized that the Jane Addams Homes is "the prime parcel" of the redevelopment area. Goodman Williams Study at 57 attached hereto as Exhibit E. The study concludes: "Consistent with the city's intents, we recommend that Jane Addams Homes be demolished, and at least 20% of the housing built on the site accommodate

CHA residents. Based on a density of 15 units per acre, a total of 426 new units could be built." Id. The study recommended a further breakdown of 278 single family units, 56 of which would be reserved for CHA residents, and 148 duplex units, 30 of which would be for CHA residents. Id. This would give CHA residents a total of 86 units North of Roosevelt, where 985 very low-income units now stand. The 20% number was incorporated into the draft RFP submitted with the 1998 Application. 1998 HOPE VI Application, Draft RFP, attached hereto as Exhibit F. Although this provision is not expressly included in the text of the RFP that was ultimately issued, the Goodman Williams study was attached as an exhibit to the RFP.

Statements by CHA also indicate that the 20% figure is part of the plan. At the ABLA Redevelopment Resident Information Meeting, Joseph Shuldiner, then Executive Director of the CHA, told residents that roughly 700 units would be built back onsite at Addams, with roughly 200 units going to "public housing eligible" families. 1998 HOPE VI Application, Resident Information Meeting, Questions and Answers, June 15, 1998, attached hereto as Exhibit G. "Public housing eligible" means families earning up to 80% of the area median income. 42 U.S.C. §§ 1437a(a)(1), 1437a(b)(2). At the time of the 1998 application, ABLA had "a tenant population of more than 1,500 families below 15% of the area median income." 1998 HOPE VI Application, Existing Site Conditions at 11, attached hereto as Exhibit H. Past practice (due to Gautreaux) indicates that when new public housing units are constructed, at most, half of the units are reserved for families earning 0-50% of AMI. See, e.g., Robert Brooks Extension HOPE VI Revitalization Plan, at 1, attached hereto as Exhibit I (of 216 proposed new units, 108 for 0-50% families and 108 for 50-80% families); Henry Horner Mothers Guild v. CHA et al., 91 C 3316, Orders of March 9, 1995, August 14, 1995, April 15, 1996 and October 22, 1998 (relating to the Horner Revitalization Area and specifying that half of Phase I new units will be for 0-50% families and half will be for 50-80% families). Thus, it seems highly likely that fewer than 200 units will actually go to families now residing or displaced from Jane Addams; more likely the number will be around 100 units or fewer, or, at most, 15% of the projected 700 units. Shuldiner also indicated that the income mix, with 37% of the units being for families earning 0-35% of

CHA residents. Based on a density of 15 units per acre, a total of 426 new units could be built." Id. The study recommended a further breakdown of 278 single family units, 56 of which would be reserved for CHA residents, and 148 duplex units, 30 of which would be for CHA residents. Id. This would give CHA residents a total of 86 units North of Roosevelt, where 985 very low-income units now stand. The 20% number was incorporated into the draft RFP submitted with the 1998 Application. 1998 HOPE VI Application, Draft RFP, attached hereto as Exhibit F. Although this provision is not expressly included in the text of the RFP that was ultimately issued, the Goodman Williams study was attached as an exhibit to the RFP.

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area median, would not be uniform throughout the development (contrary to the Gautreaux parties' assertions) because of the high concentration of very low-income families in the Brooks Homes:

> [T]he income mix that you see on page one, while we don't expect it to be perfectly duplicated on ever [sic] square inch of this land, we try to treat all the areas the same and try to end up with as much of a similar mix as possible. This isn't going to work exactly, because you start with the middle of Brooks. . . . Initially that will all be for existing residents of ABLA who by and large are below 35 percent of median income. So in that particular area, at least initially, it will be virtually 100 percent for people between 0 and 35 percent of median income.

1998 HOPE VI Application, Transcript of Presentation of ABLA Redevelopment – 1998 HOPE VI Application Fact Sheet, June 19, 1998 at 10, attached hereto as Exhibit J (emphasis added).

Despite the parties' current assertions to the contrary, their prior statements, the relevant documents, and the history of the redevelopment process all indicate that the plan is sufficiently concrete, so that the ABLA plaintiffs' challenge to the plan is ripe for review. This Court should reject the existing parties' post hoc explanations of why the plan is not concrete, as the label CHA and HUD attach to their own action is not determinative. Continental Air Lines v. CAB, 522 F.2d 107, 124 (D.C. Cir. 1974). The argument that the plan will not be ripe for review until a Revitalization Plan is approved by HUD is particularly specious given that HUD, as the decision-making body, and the Gautreaux parties, as members of the Working Group, have unilateral control over when such a "Revitalization Plan" would be submitted and approved. The ABLA plaintiffs, who are not members of the Working Group, merely sit at the sidelines, being told only what the existing parties choose to reveal to them.

Moreover, the ABLA plaintiffs' central concerns with the redevelopment plan are not how the new units are to be "configured," nor how many bedrooms the units will have. See Statement of Elinor Bacon at ¶ 8. Plaintiffs are concerned with the discriminatory effect the devastating loss of 2,500 very low-income units will have in the ABLA community and for

African-Americans, women and children on CHA's waiting list.[8] It is noteworthy that, while the Gautreaux parties repeatedly characterize the ABLA redevelopment plan as an ever-changing work in progress, the breakdown of low, moderate, and upper-income units has not changed by even one unit since those numbers were first submitted to HUD more than two years ago. See 1998 HOPE VI Application; Request For Proposals at 3.

CHA and HUD have taken significant steps to implement a redevelopment plan for ABLA: HUD has already approved two detailed HOPE VI applications devised by the CHA with input from the Receiver, the Gautreaux plaintiffs and other members of the Working Group; HUD has awarded CHA nearly $60 million in federal funds based on these detailed applications; CHA has already demolished one high-rise building and vacated and/or had demolished other ABLA buildings in furtherance of its plans. Receiver's Exhibit A 1998 HOPE VI Application at 18, 21 ("To date there have already been significant steps taken in implementation of the ABLA Redevelopment"); Statement of Elinor Bacon at ¶¶ 4, 6. As noted above, the ABLA Development Manager was recently selected by the Working Group as a result of an elaborate public bidding process. The fact that there are some minor contingencies in the ABLA redevelopment plan, such as what the bedroom configurations will be, does not mean that there is no case or controversy before this Court. Nor does it mean that the ABLA plaintiffs and the individuals they represent, including a class of over 1,000 displacees from ABLA, will not be irreparably injured during the time it takes those contingencies to become certain. See Cabrini-

[8] The Receiver focuses on only one count of the ABLA plaintiffs' discrimination allegations under Counts I-VII--the allegation in Count IV that under the ABLA revitalization plan, very low-income ABLA residents will be concentrated south of Roosevelt Road, away from the new units to be built in Jane Addams, the ABLA development's "prime parcel." See Receivers' Response at 8-9. The ABLA plaintiffs have submitted extrinsic evidence supporting their claim under Count IV. See Exhibits D, E and F, attached hereto. However, none of the parties challenge the ABLA plaintiffs other discrimination allegations, namely that the loss of 2,500 units of very low-income housing at ABLA has an adverse disproportionate effect on African-Americans, women and children. Intervenors' Complaint, Counts I-III, V-VI. See Cabrini Green LAC v. CHA et al, U.S.Dist. LEXIS 625 **13-14 (N.D. Ill. 1997)(finding similar claims alleging loss of 1,000 units of very low-income public housing at Cabrini Green stated causes of action under Fair Housing Act and Title VI). Plaintiffs can establish a prima facie case of disparate impact by showing that a facially neutral housing policy causes a greater adverse impact on a protected class. See, e.g., Metropolitan Development Corp. v. Village of Arlington Heights, 558 F.2d 1238, 1290 (7th Cir. 1977); Hispanics United of DuPage County v. Village of Addison, 988 F. Supp. 1130, 1154 (N.D. Ill. 1997); Huntington Branch NAACP v. Town of Huntington, 844 F.2d 926, 935 (2nd Cir. 1988).

Green LAC v. CHA et al., 1997 U.S. Dist. LEXIS 625, **16-17 (N.D. Ill. 1997) (finding similar claims ripe for review).

2. The Threat Of Injury Is Sufficient To Establish Ripeness.

It is well settled that plaintiffs do not have to await the consummation of threatened injury for their claims to be ripe. "If the injury is certainly impending, that is enough." Pacific Gas & Electric Co. v. State Energy Resources Conservation & Dev. Comm'n., 461 U.S. 190, 201 (1983). The fact that some contingency is involved is not fatal to ripeness; an issue can be ripe even though the ultimate injury depends on the occurrence of some future event. Sandell v. FAA, 923 F.2d 661, 664 (9th Cir. 1990).

For example, in Pacific Gas, the Supreme Court found issues ripe for review where no injury had yet occurred. Utility companies challenged a California statute establishing a moratorium on the construction of nuclear power plants, on grounds that the law violated the federal Atomic Energy Act. Pacific Gas, 461 U.S. at 201. The Court found this issue ripe, even though the utility companies had not even begun to build a nuclear power plant, since "decisions to be made now or in the short future may be affected" by whether the Court acted. Id. Requiring the industry to proceed with construction of a nuclear power plant without knowing whether the moratorium was valid would impose a "palpable and considerable hardship." Id.; see also Marusic Liquors, Inc. v. Daley, 55 F.3d 258, 261 (7th Cir. 1995) (liquor store owner's challenge to ordinance restricting transfers of existing liquor licenses was ripe, even though it was an "open question" whether, and if so when, owner would try to sell store); Sandell, 923 F.2d at 664 (airfield operator's challenge to FAA determination concerning safety measures to be taken if second airfield were built was ripe for review, even though it was possible second airfield would never be built); Socialist Workers Party v. Leahy, 145 F.3d 1240, 1246-47 (11th Cir. 1998) (political party's challenge to statutory bond requirement was ripe where there was "credible threat" of future enforcement of the bond requirement by Secretary of State).

Notably, the Fair Housing Act requires only the threat of future injury by authorizing individuals to bring fair housing claims when they believe they "will be injured by a discriminatory housing practice that is about to occur." 42 U.S.C. § 3602(i) (emphasis added). Courts have thus found Fair Housing claims ripe for adjudication even where certain contingencies, such as HUD approval or funding, have not yet come to pass. In Jackson v. Okaloosa County, 21 F.3d 1531, 1541 (11th Cir. 1994), for example, a class of applicants for and residents of public housing filed suit alleging that the housing authority had maintained segregation in public housing. In particular, the plaintiffs challenged a local policy that required site approval by a majority vote of the county board for all new public housing developments. Id. at 1536. The Authority refused to consider a proposal for public housing in a non-segregated area because it had not conformed to the site approval process. Id. The defendants argued that the plaintiffs' claims were not ripe unless and until they sought site approval from the county board. Defendants also argued that the claims were not ripe until HUD gave final approval for the selected site. Id. at 1541.

The court rejected these arguments, holding that plaintiffs' claims were ripe for review. First, the court held that HUD decisions need not be "final" for a claim to be ripe. Id. Plaintiffs had established imminent injury by showing that the bidding process for the project was near completion and none of the projects under consideration proposed to construct public housing in racially integrated areas. Id. at 1537, 1541 n.15. Second, the court held that the claim was ripe even though plaintiffs had not sought site approval from the county board; since the plaintiffs alleged that the siting policy was discriminatory, "then the additional hurdle itself is illegal whether or not it might have been surmounted." Id. at 1541. In other words, where the process itself is flawed, a claim challenging that process—such as the ABLA plaintiffs' claims that they were, and continue to be, illegally excluded from the planning and implementation process—can be ripe for review even where the process has not been completed. See also Meadows of West Memphis v. City of West Memphis, 800 F.2d 212, 215 (8th Cir. 1986) (developer's Fair Housing

Act claim was ripe, where developer alleged that city council's delay in granting funding was discriminatory, even though it was uncertain whether funding would ultimately be granted).

Similarly, in Huntington Branch, NAACP v. Town of Huntington, 689 F.2d 391, 394 (2nd Cir. 1982), cert. denied, 460 U.S. 1069 (1983) the court allowed the plaintiffs, which included a group of persons eligible for low-income housing and a non-profit low-income housing developer, to challenge a restrictive zoning ordinance, even though they had not yet secured HUD funding necessary to complete their proposed low-income housing development.[9] Plaintiffs alleged that the ordinance impeded construction of low and moderate income housing in town of Huntington. Id. 393. The court acknowledged the general rule that courts should avoid injecting themselves into abstract disputes. Id. Nonetheless, since invalidation of the challenged ordinance would "tangibly improve the chances of construction" of the low-income housing development, the plaintiffs were allowed to proceed with their challenge, despite the fact that the development was entirely contingent upon receiving future federal funding. Id.

Further, in the recent decision of 215 Alliance v. Cuomo, 61 F. Supp.2d 879, (N.D. Minn. 1999) a district court analyzed the doctrine of ripeness where tenants' access to low-income housing was threatened, as here. A group of tenants living in a federally subsidized housing development challenged HUD's failure to approve "enhanced" Section 8 vouchers which would allow them to cover the increased rent and remain in their building after the owner of the development pre-paid the HUD mortgage and opted out of the program. Id. at 881. HUD argued that because there had not yet been a rent increase above what was covered by the voucher, the tenants had not endured an injury, and the issue was not ripe for review. Id. at 885. The court disagreed, finding that the issue was ripe, since "the threat posed is more than an abstract possibility." Id. The owner had previously expressed an intent to raise the rent beyond what would be covered by the voucher, so such increases were likely to take place. Id. Declining judicial consideration would also cause tremendous hardship to the tenants, since they

[9] The court in Huntington dealt directly with standing issues; however, its analysis is relevant here since, as the Receiver notes, "the concepts of standing and ripeness merge." Receiver's Response at 11 (citing Commonwealth Edison Co. v. Train, 649 F.2d 481, 483 (7th Cir. 1980)).

were "living under an oppressive cloud of uncertainty, with the threat of possible homelessness looming upon the horizon." Id. And while no decision of the court could eliminate this uncertainty, the court's decision could go a long way toward reducing that uncertainty. Id. Thus, immediate judicial review was warranted.

Therefore, the relevant case law makes clear that the threat of impending injury is sufficient to establish ripeness, even though ultimate injury may be contingent on future events.

3. The ABLA Plaintiffs Have Suffered And Will Continue To Suffer Imminent Injury Without Immediate Judicial Review Of The Plan.

Here, the ABLA plaintiffs allege that CHA has engaged in an illegal pattern of conduct beginning in 1995—including systematically allowing buildings to deteriorate to the point of uninhabitability, strongly encouraging residents to take Section 8 certificates and vouchers, failing to give them information about their choices of replacement housing, shutting them out of the planning process, denying them adequate relocation assistance, and failing to ensure that they are relocated to decent, safe, and sanitary housing, that is, to the maximum extent practicable, housing of their choice. Intervenors' Complaint at ¶¶ 53-85. The ABLA plaintiffs allege that HUD has violated the law by funding and approving this conduct. There is no reason, nor have CHA or HUD asserted any, to believe that this pattern of conduct will not continue as the remaining ABLA buildings are emptied out and demolished. ABLA residents should not have to live under an "oppressive cloud of uncertainty" while waiting to find out if CHA and HUD will continue to violate the law.

The individually named ABLA plaintiffs have already felt and continue to feel the negative effects of the revitalization of ABLA in very concrete ways. As to the ABLA plaintiffs' claims that they have been shut out of the planning process, that injury has already occurred and is not subject to any further contingencies. See Cabrini-Green, 1997 U.S. Dist. LEXIS 625 at **16-17, Okaloosa County, 21 F.3d at 1541. Moreover, the fact that CHA argues vigorously in its Response that it has no duty to consult with CRA strongly suggests that CRA will continue to

be excluded from the planning and implementation of the ABLA revitalization plan. See CHA's Response at 7-9.

Plaintiffs Africa Simpson, Kizzie Johnson, Nona Young and the class of individuals they seek to represent have already been displaced from their homes as a result of defendants' purposeful failure to maintain ABLA buildings. Intervenors' Complaint at ¶¶ 19, 20, 21. The Gautreaux parties have not explained, nor is it clear, what additional facts must occur before this Court can decide whether Ms. Simpson and Ms. Johnson have a right to return to the revitalized ABLA.[10] The Gautreaux parties, namely the CHA, may dispute whether Ms. Simpson and Ms. Johnson are ultimately entitled to relief, but this is not an issue that goes to ripeness. See CHA's Response at 13-14.

Current resident plaintiffs Ferrell Freeman, Wandra Stimage, Viola Singleton, and Vera Smith have also felt the effects of the ABLA revitalization in "concrete" ways. The buildings where Ms. Freeman and Ms. Stimage resided for many years have already been vacated and demolished in furtherance of the revitalization. Intervenor's Complaint at ¶¶ 14, 16, 69, 74. Ms. Singleton and Ms. Smith have never been interviewed about their housing choices and needs, and have no idea if, when, and where they will be relocated.[11] All wish to remain or return to their respective development after revitalization is completed, but none have been given any assurance that they will be able to do so. Id. at ¶¶ 14, 16.

There can be no serious dispute that ABLA is undergoing sweeping changes. Nor can it seriously be disputed that implementation of a redevelopment plan has already begun: every day residents are being relocated, buildings are being vacated, and others demolished. The existing parties do not dispute, nor can they, that an elaborate planning process for the revitalization has been underway since 1995, and that various stages of that planning process have already been completed. See e.g., Receiver's Exhibit A 1998 HOPE VI Application at 18, 21 ("To date there

[10] Indeed, given CHA's vigorous arguments that Ms. Simpson and Ms. Johnson do not qualify for any assistance under the Uniform Relocation Act, it seems clear that they will not be allowed to return to ABLA or be given any relocation assistance absent court intervention. CHA's Response at 12-14.

[11] CHA previously conceded that relocation "may be imminent" for some current ABLA residents. CHA Motion to Dismiss, Exhibit A at 12.

have already been significant steps taken in implementation of the ABLA Redevelopment"); Statement of Elinor Bacon at ¶¶ 4, 6. Receiver's Response at 3-8; CHA's Response at 4-7. The Gautreaux parties may seek to create confusion over the precise contours of certain aspects of the plan, but the plan is sufficiently concrete and the threatened harm to the ABLA plaintiffs is more than an "abstract possibility;" thus, immediate judicial review is warranted. See 215 Alliance, 61 F. Supp.2d at 885. Current ABLA residents do not know from day to day whether and where they will be relocated, or whether they will be allowed to return to a revitalized ABLA. Denying judicial review would cause these families "palpable and considerable hardship." So, too, with the waiting list plaintiffs, whose injury is likewise imminent, since unless this Court halts the illegal revitalization plan, their chances of getting housing at ABLA (or even at another CHA development) will significantly diminish.[12]

The ABLA plaintiffs do not dispute the general rule, reiterated in the cases relied on by the Gautreaux parties, that a case is not ripe where threatened harm is too speculative. However, the harm threatened in the cases cited by the Gautreaux parties was far more speculative than the harm which the ABLA plaintiffs have suffered and will continue to suffer absent immediate judicial review.[13] Further, the ripeness inquiry is "sui generis;" "the various integers that enter into the ripeness equation play out quite differently from case to case, thus influencing the bottom line." Ernst & Young v. Depositors Economic Protection Corp., 45 F.3d 530, 535 (1st Cir. 1995). It is clear from the particular facts of this case that concrete steps have already been taken to implement a redevelopment plan for ABLA. This Court should reject the argument that the ABLA plaintiffs' multitude of claims do not ripen until the moment when HUD approves the "final" revitalization plan for ABLA. Such a result is untenable. It would serve the public

[12] See Section III.B. infra, at 25-26 for a full discussion of the waiting list plaintiffs' standing to raise their claims.

[13] See Keyes v. School District No. 1, 119 F.3d 1437 (10th Cir. 1997) (rejecting parties' attempt to stipulate to a "controversy" in order to obtain advisory opinion about constitutionality of anti-busing policy); Andrade v. Lauer, 729 F.2d 1475, 1479-81 (D.C. 1984) (claims not ripe where it was highly speculative whether there would ever be any action taken that would affect plaintiffs); Naylor v. Lee's Summit Reorganized School District, 703 F. Supp. 803 (W.D. Mo. 1989) (plaintiffs did not have ripe claim to challenge proposed school transfer policy).

interest for this Court to decide whether the plan is discriminatory before ABLA residents are relocated to segregated areas of the city and their homes demolished.

For all the reasons stated above, the issues presented to this Court are fit for immediate judicial review. The ABLA plaintiffs have alleged injuries that have already occurred and/or injuries that will soon occur absent immediate judicial review. Delaying review would impose a substantial and undue hardship on the plaintiffs. The ripeness requirements are thus satisfied.

B. The ABLA Plaintiffs Have Standing To Bring Their Claims.

1. The ABLA Plaintiffs Have Standing to Bring Their Fair Housing Claims.

HUD objects to the ABLA plaintiffs' motion to intervene on the ground that the ABLA plaintiffs do not have standing to bring the fair housing claims alleged against HUD (Counts I-VII and XI-XIV of the Intervenors' Complaint). The three-part test for standing is set forth in Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-61 (1992): (1) plaintiff must have suffered an "injury in fact," defined as "an invasion of a legally protected interest" which is "concrete and particularized" (rather than "conjectural" or "hypothetical"), and which is "actual or imminent"; (2) there must be a causal connection between the injury and the conduct complained of; and (3) it must be likely "that the injury will be redressed by a favorable decision."

HUD claims that the ABLA plaintiffs fail to meet the first two prongs of the Lujan test. HUD argues, first, that the injury alleged by the ABLA plaintiffs is too speculative, since they "cannot say with certainty that they won't be able to live at the revitalized ABLA." HUD's Response at 6. Second, according to HUD, any harm caused is "not fairly traceable to HUD because it is the Court's orders that are limiting the number of public housing units that can be developed back on the ABLA site." HUD's Response at 8. As discussed below, HUD is wrong on both counts.

While HUD accurately cites Lujan's three-pronged test for standing, it completely ignores the factually relevant line of fair housing cases in which official action is alleged to deprive plaintiffs of opportunities to live in low-income housing. Instead, HUD cites to one case--one

that could hardly be more factually dissimilar. Los Angeles v. Lyons, 461 U.S. 95 (1983) (plaintiffs subjected to police chokeholds did not have standing to sue because it was purely "speculative" that they would again be subjected to police chokeholds in the future).

The line of relevant cases begins with Arlington Heights v. Metropolitan Housing Development Corporation, 429 U.S. 252, 263-64 (1977), in which the Supreme Court recognized that prospective residents and fair housing groups alike have standing to bring such challenges. It did not matter, either in Arlington Heights or its progeny, that plaintiffs had yet to be deprived of housing, or that they could not state with a certainty that they would be deprived of housing. See, e.g., Okaloosa County, 21 F.3d at 1541 (plaintiffs had standing to challenge siting of new public housing project); Huntington, 689 F.2d at 393-95 (plaintiffs had standing to challenge zoning ordinance blocking the construction of low-income units).

To impose the unreasonably high threshold urged by HUD would undercut the entire regime of federal fair housing laws.[14] As in Arlington Heights, Okaloosa County and Huntington, the ABLA plaintiffs are fighting for the preservation of very low-income housing, and they are challenging the denial of housing opportunity to protected classes of people. As in each of those cases, the plaintiffs here likewise have standing to sue.

According to HUD, those ABLA plaintiffs who are current residents have not alleged an injury in fact for the following reason:

> Since these [five] public housing residents cannot say with certainty that they won't be able to live at the revitalized ABLA, by implication, they acknowledge that there is a distinct possibility, if not a probability, that they will be able to receive one of these 656 new ABLA units. Therefore, it is merely "speculative" that the [five] named ABLA plaintiffs who are current public housing residents will not be able to live in one of these 656 new ABLA units.

HUD's Response at 6. According to HUD, plaintiffs do not even get their day in court unless they can assert injury in fact "with certainty." HUD does not cite any case law for this proposition, and the case law does not support it.

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[14] Ironically, it is HUD's mission to enforce these laws--which is precisely why HUD is also wrong about the second Lujan prong, as discussed below.

In Arlington Heights, plaintiffs challenged the defendant municipality's refusal to rezone a parcel of land so as to allow for the construction of a low- and moderate-income housing. The Supreme Court rejected the city's challenge to plaintiffs' standing. Individual plaintiff Ransom was an African-American man working in Arlington Heights. He wanted to move there, but could not afford to do so. He planned to live in the low-income housing development that the plaintiff organization, Metropolitan Housing Development Corporation ("MHDC"), wanted to build, but could not because of the city's refusal to grant a zoning variance (to allow the construction of multi-family housing). Arlington Heights, 429 U.S. at 264.

Even if the city granted the requested zoning variance, there was no certainty that MHDC would build the development, nor any certainty that plaintiff Ransom would live there. Nonetheless, the Court ruled that Ransom did have standing to sue, thereby rejecting the absurdly high threshold HUD seeks to impose here:

> The injury Ransom asserts is that his quest for housing nearer his employment has been thwarted by official action that is racially discriminatory. If a court grants the relief he seeks, there is at least a "substantial probability," Warth v. Seldin, [422 U.S. 490, 504 (1975)], that the Lincoln Green project will materialize, affording Ransom the housing opportunity he desires in Arlington Heights. His is not a generalized grievance. Instead, as we suggested in Warth, supra, at 507, 508 n. 18, it focuses on a particular project and is not dependent on speculation about the possible actions of third parties not before the court.

Arlington Heights, 429 U.S. at 264. Thus, where the defendant's allegedly discriminatory actions threaten the development of a specific housing project for which plaintiff qualifies and in which plaintiff seeks to live, plaintiff demonstrates injury in fact and has standing to sue. Okaloosa County, 21 F.3d at 1541; Huntington, 689 F.2d at 393-95.

It is notable that HUD does not cite to Warth v. Seldin, 422 U.S. 490 (1975), the leading example of a fair housing case in which the plaintiff did not demonstrate injury in fact and therefore did not have standing to sue. In Warth, lower-income plaintiffs challenged the town of Penfield's zoning ordinance, arguing that, as written and enforced, the town's ordinance barred the construction of low- and moderate-income housing. The Court ruled that plaintiffs had not alleged a sufficient injury in fact because, unlike here, there was no specific housing opportunity being

thwarted by defendant's action; a generalized inability to find housing toward which the defendant may or may not have contributed will not give rise to standing. Warth, 422 U.S. at 503. See also Jaimes v. Toledo Metropolitan Housing Authority, 758 F.2d 1086, 1096-97 (6th Cir. 1985) (no standing where there was no showing that any project was in any way impeded); Hope v. County of DuPage, Illinois, 738 F.2d 797, 800 (7th Cir. 1984) (same).

Applying the Arlington Heights-Warth template, it is clear that plaintiffs here have standing to sue. In this case a specific development plan for a specific geographical area is already underway. Intervenors' Complaint at ¶¶ 1-7. Defendants are pursuing a plan that does not allow for enough very low-income housing for current and displaced ABLA residents. Id. Were defendants to adopt a lawful plan including sufficient very low-income on-site units for current and displaced residents, then plaintiffs could, and very likely would, occupy such units. Id.

While the five current residents named as individual plaintiffs "cannot say with certainty that they won't be able to live at the revitalized ABLA," the chances of harm are likely enough. Those plaintiffs desiring to live in the new Jane Addams units, Ferrell Freeman, Carolyn Nance, and Nona Young, have been given no indications that they will be able to live there, Intervenors' Complaint, ¶¶ 14-15, 21, and, whereas all 987 Jane Addams units have been or will be demolished, Intervenors' Complaint, ¶ 58, they will be replaced by at most 140 very low-income units. Intervenors' Complaint, ¶ 67. Brooks Extension residents Wandra Stimage, Viola Singleton, and Vera Smith likewise wish to occupy the new Brooks Extension units but have been given no indications that they will be able to do so, Intervenors' Complaint, ¶¶ 16-18, and, whereas 450 Brooks Extension units have been or will be demolished, Intervenors' Complaint, ¶ 58, they will be replaced by at most 108 very low-income units. Intervenors' Complaint, ¶ 71. See also § III.A.1., supra.

Plaintiffs' prospects do not improve by looking at ABLA as a whole. CHA will house 1,084 very low-income families at ABLA. Intervenors' Complaint, ¶ 60. But when CHA began implementing its redevelopment activities, there were approximately 2,500 very low-income

families living at ABLA, far more than can be accommodated by the existing parties' intended number of very low-income units.[15] Intervenors' Complaint, ¶¶ 3, 60.

The case law makes clear that plaintiffs need not face certain harm in order to petition the court for relief:

> All that is required is a showing that such relief be reasonably designed to improve the opportunities of a plaintiff not otherwise disabled to avoid the specific injury alleged. To ask plaintiffs to show more than that they "would benefit in a tangible way from the court's intervention," [Warth, 422 U.S. at 508], would be to close our eyes to the uncertainties which shroud human affairs.

Huntington, 689 F.2d at 394.

As to the class of residents displaced from ABLA, HUD continues to rely exclusively upon its chokehold case (Lyons) in arguing that the plaintiffs displaced from ABLA have also failed to allege injury in fact. These plaintiffs allege the same violations as the current residents: that CHA's plan is discriminatory and will perpetuate racial segregation (Counts I-VII). Just because the displaced ABLA residents have been unlawfully relocated (Counts IX and X) does not mean that they lose their standing to challenge the redevelopment plan. If this were the case, CHA could ship out every last ABLA resident in the dead of night, and come dawn there would be no one left with standing to challenge the plan. The logic of Arlington Heights, Okaloosa County, and Huntington (recognizing standing) applies equally to these plaintiffs.

HUD also claims that the waiting list plaintiffs have failed to allege injury in fact because they have not alleged whether they "are at the top of the waiting list, or how likely it is they would be able to live at ABLA, even if the ABLA plaintiffs did obtain the relief they are seeking." HUD's Response, 7. Again, however, HUD seeks to impose an impermissibly high bar on standing. Whatever their places on the waiting list, those places will be worse if defendants eliminate 2,500 units of very low-income housing at ABLA. The injury in fact is each applicant family's diminished

[15] HUD tries to bolster its claims that plaintiffs' injury is "speculative" by claiming that the ABLA plan is not "final," and that the number of very low-income units may change. HUD's Response at 7 n.5. Notwithstanding Elinor Bacon's self-serving affidavit, however, HUD's claim is belied by all the documents that set forth the number of very low-income units at 1,084. In addition, HUD's claim is also belied by its own (contradictory) argument that this court's June 1998 order fixed the number of very low-income units at 1,084. HUD's Response at 2, n. 1 and 8.

opportunity to live in housing they can afford at ABLA. Arlington Heights, 429 U.S. at 264; Okaloosa County, 21 F.3d at 1541; Huntington, 689 F.2d at 393-95. See also Gautreaux v. CHA, 265 F. Supp. 582, 583 (N.D. Ill. 1967) (waiting list families had standing to challenge CHA's racially discriminatory site selection policy).[16]

Finally, HUD challenges plaintiffs' standing on the second prong of the three-part test for standing, namely, the requirement that there must be a "causal connection" between the injury and the conduct complained of. Lujan, 504 U.S. at 560-61. Basically, HUD seeks to wash its hands of the entire affair: it claims that the ABLA plaintiffs' claims "are not fairly traceable to HUD because it is the Court's orders that are limiting the number of public housing units that can be developed back on the ABLA site." HUD's Response at 8. It is nothing short of remarkable that HUD would try to distance itself from a redevelopment plan which, under law, cannot go forward unless it is approved and funded by HUD.

This is especially true given that HUD has a statutory duty to affirmatively further fair housing. 42 U.S.C. § 3608(e)(5). In reviewing and approving the redevelopment activities of local housing authorities, HUD has an affirmative duty to enforce the fair housing laws, to prevent racial discrimination, and to promote racial integration. This duty was first recognized by the Third Circuit Court of Appeals thirty years ago in Shannon v. HUD, 436 F. 2d 809, 819 (3rd Cir. 1970).

HUD cannot wash its hands so easily. Plaintiffs' claims are traceable to HUD's actions.

2. The ABLA Plaintiffs Have Standing to Bring Their Lack of Consultation Claim.

CHA also challenges CRA's standing to sue on its lack of consultation claim. CHA's Response at 10. CHA asserts, citing Thomas v. CHA, 919 F. Supp. 1159, 1165-66 (ND. Ill. 1996), that to enforce their consultation claim against CHA, they must "live in a unit that is to be demolished . . . and be adversely affected by the demolition in order to have standing to invoke the statute." Id. CHA further asserts that some of the individual intervenors—Ferrell Freeman,

[16] HUD likewise challenges CRA's standing to bring fair housing claims against it. HUD's Response, 7 n.4. For the same reasons that current ABLA residents have standing to sue HUD, so too does CRA, since CRA is made up of current ABLA residents. HUD also argues that CRA does not have standing to sue HUD on the non-fair housing claims. HUD's argument is beside the point, since the plaintiffs are not suing HUD on those claims.

ABLA families. Intervenors' Complaint at ¶ 12. Even though federal law and HUD HOPE VI guidelines required CHA to consult with all tenants and tenant organizations at ABLA in formulating HOPE VI plans, CHA refused to include CRA and its counsel in the process of formulation and implementing the ABLA revitalization plan and specifically informed CRA that it was CHA's policy to negotiate all major redevelopment activities only with the ABLA Local Advisory Council ("LAC"). Id. at ¶ 84. However, the ABLA LAC and CHA refused to admit CRA's President, Ms. Ferrell Freeman, and other CRA members and their counsel to meetings concerning the revitalization of ABLA, and on one occasion used the CHA Police Department to physically bar Ms. Freeman, her counsel and other CRA members from attending a meeting about the revitalization of ABLA. Id. at ¶ 86. Because the ABLA LAC does not represent CRA's interests, and has refused to present the ABLA plaintiffs' views to CHA when CHA, the ABLA LAC, and others formulated and are implementing the ABLA revitalization plan, the CRA's only available remedy was to initiate this lawsuit and to ask this Court to require CHA to properly consult with it as required by federal law and HOPE VI guidelines. Id. at ¶¶ 13, 35-38, 87. In the factual context of this case, if the motion to intervene is granted, the ABLA plaintiffs intend to move for injunctive relief to require the Gautreaux parties to include CRA as a member of the ABLA Working Group.[17]

In deciding the ABLA plaintiffs' motion to intervene, this Court must accept as true all of the above-described non-conclusory allegations in the Interevenors' Complaint and make no determinations of fact going to the merits of intervenors' consultation claim based on extrinsic evidence, unless that evidence is submitted to challenge subject matter jurisdiction. See § II, supra at 6-7. Nevertheless, CHA begins its argument concerning the ABLA plaintiffs' consultation claim by offering numerous documents, including portions of CHA's 1996 HOPE VI application, letters, fliers, newspaper articles and the Affidavit of Jane Hornstein, CHA's Deputy Chief of CHA's Office of Development Management. See CHA's Response at 4-7,

[17] As noted in § I, supra, under the Receivers' suggested procedures, the ABLA plaintiffs would not be included as members of the Working Group, but would remain outside the official decision-making process and only be allowed to occasionally "present their views" to the Working Group.

Attachments 1-6. These documents are presented to demonstrate to this Court that CHA in fact consulted with CRA, an issue that goes to the ultimate merits of plaintiffs' consultation claim. Since it is improper for CHA to submit evidence for this purpose on a motion to intervene, such evidence is irrelevant to plaintiffs' consultation claim and should not be considered by this Court.[18]

The controlling language from applicable demolition and redevelopment laws requires CHA to consult with all tenant groups and residents who are affected by defendants' redevelopment plans, not just the ABLA LAC. Section 18 of the United States Housing Act (USHA), entitled "Demolition and Disposition of Public Housing," provides that all applications for demolition submitted to HUD must have been "developed [by a public housing agency] in consultation with tenant and tenant councils, if any, who will be affected by the demolition . . . " 42 U.S.C. § 1437p(b)(1) (emphasis added). HUD has promulgated federal regulations implementing this section. These regulations provide that public housing agencies must consult "with tenants of the project involved, any tenant organizations for the project, and any PHA-wide tenant organizations that will be affected by the demolition or disposition. 24 C.F.R. § 970.4(a)(emphasis added).[19]

In addition, one of the statutes under which HUD is funding the ABLA redevelopment is the HOPE VI statute. Department of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriation Acts, 1993, Pub. L. 102-389 (Oct. 6, 1992).[20] HUD has

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[18] At the appropriate time in this proceeding, CRA will submit evident showing that the ABLA LAC refused to meet with CRA members, even without the presence of their counsel and consultant. CRA will also show that the meetings in which CHA allegedly "consulted" with CRA were instead meetings in which CHA simply presented the plan it had already developed.

[19] Courts have recognized that tenants have a private right of action to enforce provisions of 42 U.S.C. § 1437p ("Section 18 of USHA"). Henry Horner Mothers Guild v. CHA & HUD, 780 F. Supp. 511, 514 (N.D. Ill. 1991) ("[T]here can be no doubt Congress intended that [Section 18] create enforceable rights"); Concerned Tenants of Father Panik Village v. Pierce, 685 F. Supp. 316, 321 (D. Conn. 1988)("Congress intended to ensure that tenants could fully enforce compliance with the . . . requirements of [Section 18]"); Velez v. Cisneros, 850 F. Supp. 1257, 1270 & 1273, n. 7 (E.D. Pa. 1994)(private right of action to enforce § 1437p runs against PHA to require compliance with statutory steps in preparing demolition application to HUD).

[20] The other statutory source of funding for ABLA is the Housing and Community Development Act, 42 U.S.C. § 5301 et seq., through which HUD grants Community Development Block Grant ("CDBG") funds. HUD has raised no objections to Counts XII and XIII, alleging improper use of CDBG funds.

issued guidelines instructing public housing agencies ("PHAs") receiving HOPE VI funds how to comply with laws and HUD procedures requiring them to involve all affected tenants in the HOPE VI redevelopment process:

> Residents are to be included in all phases of the application, preparation, planning, implementation and operation of the HOPE VI development . . . [PHAs] are responsible for communicating and disseminating information to all affected residents and ensuring that all affected residents have opportunities to participate . . . Resident involvement often starts with the duly elected resident council, but the PHA must make sure that the resident council is truly representative. PHAs must give all affected residents reasonable notice of meetings about HOPE VI planning and implementation, and provide them with opportunities to provide input. Such meetings should be open to all affected residents and their representatives.

HUD's FY 1998 HOPE VI Guidebook at 1, attached hereto as Exhibit K (emphasis added).[21] These guidelines reinforce CHA's duty to include all tenant and tenant groups—not just the ABLA LAC—in the redevelopment planning and implementation process.

CHA argues that Section 18 of USHA and its implementing regulations (24 C.F.R. § 970.4) do not apply to the demolition and revitalization of ABLA because the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"), Pub. L. 105-276, 112 Stat. 2521, provides that public housing demolished pursuant to a "revitalization plan" is no long subject to Section 18 of USHA. CHA's Response at 7-9. While it is true demolition applications submitted after the effective date of QHWRA are not covered by Section 18, the demolitions at ABLA are still governed by Section 18. In fact, CHA acknowledges that HUD, on February 18, 1999, determined that all demolition applications received by HUD on or before the effective date of QHWRA, October 21, 1998, are to be, with one exception, processed by HUD under the

[21] CHA erroneously asserts that CRA was offered a seat on the Working Group. CHA's Response at 10, n.4. As noted above, CRA believes it is entitled to a seat on the Working Group, but has been refused that opportunity by the existing parties. CHA further concedes that this Court should give "some deference" to the above-cited provisions of HUD's 1998 HOPE VI Guidebook, but argues that the provisions do not have the force and effect of law. But even if the ABLA plaintiffs are unable to enforce these provisions against CHA, a proposition they dispute, they can certainly enforce them against HUD, and require HUD to approve a Revitalization Plan only when CHA has complied with HUD requirements. See Brown v. Lynn, 392 F. Supp. 559, 561 (N.D. Ill. 1975)(even if HUD Handbook was not promulgated as a federal rule and therefore did not have the force and effect of law, HUD would still be bound by its own publication. It is a fundamental principle of administrative law that "when an administrative agency promulgates rules to govern its proceedings, these rules must be scrupulously observed . . . even when the defined procedures are 'generous beyond the requirements that bind such agency.'").

provisions of Section 18 of USHA and 24 C.F.R. Part 970 that were in effect prior to October 21, 1998. 64 Fed. Reg. 8203 (Feb. 18, 1999).[22] However, CHA argues that HUD's regulation violates QHWRA. CHA's Response at 8. CHA is incorrect. As HUD explained:

> Section 531 [of QHWRA] amends section 18 of USHA and . . . completely revises public housing demolition and disposition requirements. . . The immediate effective date of this statutory section raised two threshold issues for HUD to consider. First, how should HUD treat the pipeline of demolition and disposition applications received prior to October 21, 1998, and those after that date but prior to the effectiveness of the applicable regulations and processes? . . HUD believes that it is consistent with Congressional intent not to interrupt the processing of applications. . . .In view of the Congressional intent and to expedite the processing of demolition and disposition applications during this period prior to submission and approval of PHA plans under the new law, demolition/disposition applications will be reviewed in two groups. Group 1 are those applications received [by HUD] on or before October 21, 1998, the date QHWRA was signed into law. . . . Applications in Group 1 will generally be reviewed and approved in accordance with 24 CFR 970 which was in effect at the time of the application submission [with one exception as explained in footnote 22, supra].

Id. Thus, rather than "undo[ing] the very provisions Congress just adopted," as CHA asserts, HUD has adopted a reasonable procedure to deal with demolition applications, like those for ABLA, that were submitted before the effective date of the new law. The rule's requirement that prior applications will be processed in this manner applies unless the exception described in footnote 22 is met. But there is nothing in the record showing that HUD found deficiencies in the ABLA demolition applications or, if it did, that CHA had withdrawn its prior demolition applications and had resubmitted new ones. In the absence of such showing, HUD must process CHA's demolition applications under the prior provisions of Section 18 of USHA and 24 C.F.R. Part 970 as they existed prior to the effective date of QHWRA.

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[22] The one exception is when HUD has identified deficiencies in a demolition application, the PHA has the option to either correct the deficiencies in accordance with 24 C.F.R. Part 970 as it existed prior to October 21, 1998, or withdraw its demolition application and resubmit it at a later date based on HUD's guidance as identified in its Federal Register Notice for implementing Section 531 of QHWRA. 64 Fed. Reg. Reg. 8203 (Feb. 18, 1999). Here the ABLA plaintiffs have alleged that "CHA submitted demolition applications for ABLA to HUD pursuant to Section 18 of the USHA prior to October 21, 1998." Intervenors' Complaint at ¶ 64. Neither CHA nor HUD (or any other party) has contested this allegation, which , in any event, must be accepted as true by this Court in deciding the motion to intervene. See § II, supra at 6-7.

Finally, CHA argues that even if the provisions of Section 18 and Part 970 as they existed prior to the effective date of QHWRA apply to ABLA, those provisions require CHA to consult only with the ABLA LAC, not with CRA. CHA's Response at 9. According to CHA, Section 18 and Part 970 permit CHA to consult only with "the tenant organization for the project" (emphasis in original). Id. Therefore, according to CHA, HUD "made clear that only the duly elected tenant council need be made part of the consultative process." Id. However, CHA has misquoted the regulatory provision upon which it is relying. CHA states that 24 C.F.R. § 970.4(a) provides that the PHA must consult with "any tenant organization for the project." Id. But the actual regulatory language states that the PHA must consult with "any tenant organizations for the project," (emphasis added), making it clear by the use of the plural rather than the singular that HUD's real intent was to require CHA to consult with all tenant organizations at ABLA, including CRA.[23]

2. The ABLA Plaintiffs State a "Lack of Choice" Claim Against CHA Under Section 18(b)(2) of USHA.

CHA asserts that Section 18(b)(2) of USHA, 42 U.S.C. § 1437p(b)(2), which provides that "all tenants to be displaced are [to be] relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice . . . ," does not apply to ABLA for the same reasons discussed above regarding Section 18(b)(1)--that the provision was repealed by QHWRA. As explained in § IV.A.1., supra., CHA is incorrect on this point.

CHA further asserts that Section 18(b)(2) is unenforceable because the provision does not create enforceable rights, citing Artist M v. Suter, 503 U.S. 347, 355 (1992), and Cabrini-Green

[23] CHA's reliance on 24 C.F.R § 964.18(a)(7) is also misplaced, which section CHA asserts prohibits it from recognizing "a competing resident council" once a duly elected resident council has been established. CHA's Response at 9. Both the context and the language of the regulation make it clear that the CHA's duty to deal exclusively with the local LAC pertains solely to the realm of on-going CHA operations--not redevelopment (the demolition, rehabilitation and new construction of units). Section 964.18 is entitled PHA "role in activities under subparts B & C," emphasis added. Subpart B deals solely with "public housing operations." 24 C.F.R. § 964.100. Subpart C relates only to "technical assistance." Thus § 964.18 addresses resident involvement in on-going housing authority operations and receipt of funds for technical assistance--not resident involvement in the redevelopment process, which, for ABLA, is governed by Section 18 of USHA and 24 C.F.R. Part 970. Indeed, CRA has never sought to deal with CHA regarding operations at ABLA or to obtain funding from CHA under Subpart C for technical assistance.

Local Advisory Council v. CHA, 1997 U.S. Dist. Lexis 625. In Cabrini, Judge Coar found that the phrase "to the maximum extent practicable" was too vague to be enforced because Congress "had done little to give courts direction as to how many replacement units should be built to replace those that will be demolished or exactly how much deference is to be given to residents' choice.'" However, this Court has developed procedures and has repeatedly made determinations as to the number of replacement units that should be built in Gautreaux revitalizing areas, specifically at Horner, Lakefront, and at the development at issue here, ABLA. It is that very determination (as to the number of replacement units that should be built) that the ABLA plaintiffs are seeking to challenge in their Intervenors' Petition. See also Fund for Animals v. Babbitt, 903 F. Supp. 96, 107 (D.D.C. 1995) ("Obviously, the phrase 'to the maximum extent practicable' does not permit an agency unbridled discretion. It imposes a clear duty on the agency to fulfill the statutory command to the extent that it is feasible or possible"); Doe v. Bd. of Educ. of Tullahoma City Schools, 9 F.3d 455, 460 (6th Cir. 1993) (enforcing "maximum extent appropriate" language in Individuals with Disabilities Education Act); Cape May Greene, Inc. v. Warren, 698 F.2d 179, 190 (3rd Cir. 1983) (enforcing "maximum extent practicable" language in Coastal Zone Management Act); Ashton v. Pierce, 716 F.2d 56, 63-64 (D.C. Cir 1983) (finding language "as far as practicable" not too vague to enforce against HUD when it failed to establish procedures to eliminate the hazard of accessible intact lead-based paint).

Regarding their "housing choice" claim (Count VIII), the ABLA plaintiffs are not focusing exclusively on the "to the maximum extent practicable" language. In part, their claim rests on the fact that Section 18(b)(2) imposes on CHA the duty to provide residents their "choice" of replacement housing, i.e., to fully inform ABLA residents to be displaced of all of their housing options, so that they may make an informed "choice" about what type of replacement housing will be best for them. One focus of the "choice" claim, therefore, is not on what the displaced residents ultimately chose as their replacement housing, but on the process--did CHA provide complete and accurate information regarding the residents housing choices? This is not too vague or amorphous to be enforced by this Court, and none of the cases cited by CHA says that it is. The ABLA

plaintiffs allege that CHA did not provide complete and accurate information, and thereby violated Section 18(b)(2), a claim that is not too vague to be enforced by the ABLA plaintiffs. See Intervenors' Complaint at ¶¶ 71 and 77.

B. The ABLA Plaintiffs Have Stated Claims Under the URA.

CHA argues that the plaintiffs displaced from ABLA do not have the "interest" required to intervene under Rule 24 and present their claims before this Court. Yet in making this argument, CHA actually goes far beyond the bounds of the analysis required by Rule 24. CHA's response should properly be limited to opposing the ABLA plaintiffs' motion to intervene. Instead, CHA seeks to argue the substantive merits of the ABLA plaintiffs' claims by raising affirmative defenses, introducing extrinsic evidence, and generally arguing the merits of the ABLA plaintiffs' claims. CHA even challenges class certification, out of an apparent desire to try this whole case in one motion. Many of CHA's arguments challenging the displacees' "interest" in intervening are therefore improper and should be rejected out of hand by the court. See § II, supra, at 6-7.

CHA first argues that displaced resident plaintiffs Simpson and Johnson do not qualify as "displaced persons" and are therefore not covered under the Uniform Relocation Act ("URA"), 42 U.S.C. § 4601 et seq. CHA argues that Simpson and Johnson are not "displaced persons" under the URA because their forced relocation from the Brooks Extension was due to the uninhabitability of their building (1239 S. Racine), and not to the implementation of the HOPE VI Plan. This may be CHA's version of the story, but it is not the plaintiffs' version. And, for the purposes of ruling on a motion to intervene, it is the plaintiffs' version as pled in their complaint which counts.

Yes, plaintiffs Simpson and Johnson were displaced as the result of deteriorating conditions caused by CHA, and, yes, they were offered and took Section 8 certificates. But they did so under false pretenses, without being informed of their rights under the URA (Count X), or of CHA's future plans for ABLA, as required under the USHA (Count IX), in order to allow them to make meaningful housing choices. Intervenors' Complaint, ¶¶ 19-20. Moreover, plaintiffs have alleged that allowing the deterioration of buildings, vacating and demolishing buildings, and displacing

residents through the use of the Section 8 program were, and are, part and parcel of CHA's illegal implementation of the ABLA redevelopment plan. Intervenors' Complaint at ¶¶ 19-20, 69-71. Therefore, all of these facts as alleged by plaintiffs support the displaced residents' claims and establish that they are covered by the URA.

Moreover, as HUD has made clear (and as pointed out by the ABLA plaintiffs in their Intervenors' Complaint at ¶ 45), persons relocated from housing subject to HOPE VI-funded redevelopment are ipso facto "displaced persons" under the URA, and are entitled to all URA protections. 64 Fed. Reg. 8203-8204 (Feb. 18, 1999). Plaintiffs Simpson and Johnson were (and the class they represent) have all been removed from buildings subject to HOPE VI-funded redevelopment. They are therefore "displaced persons" under the URA.

CHA next argues that plaintiffs Simpson and Johnson did not file a claim for relocation expenses within 18 months of their displacement, and that their URA claims are therefore barred under 49 C.F.R. § 24.207. As discussed above, the introduction of extrinsic evidence is inappropriate except as it relates to the court's subject matter jurisdiction. Here, however, CHA introduces affidavit testimony in support of its affirmative defense (the statute of limitations). As such, CHA asks the court to look beyond the complaint and beyond the bounds of a motion to intervene. See § II, supra at 6-7. The statute of limitations does not go to Article III standing; rather, it is an affirmative defense which is raised via a Rule 12(b)(6) motion to dismiss for failure to state a claim. See Fed. R. Civ. P. 8(c); Fed. R. Civ. P. 12(b)(6); Moore's Federal Practice § 8.07.

Moreover, CHA's argument is specious. CHA only targets one of a number of rights protected under the URA, namely, the reimbursement of expenses incurred during the one-time relocation process out of public housing. 49 C.F.R. § 24.207. CHA completely ignores all of the other URA violations pled by the plaintiffs in Count X of their complaint (e.g., the failure to assess family needs, to counsel families, to offer comparable replacement housing, and to compensate for higher rent paid). Intervenors' Complaint at ¶ 119. The regulation cited by CHA (the one setting forth the 18-month bar) pertains to none of these other rights. For example, it is

obvious that a displaced person cannot be required to file a claim under 49 C.F.R. § 24.402 within 18 months, since that section guarantees compensation for higher rental payments incurred during the 42-month period after a tenant leaving public housing. It is only by misconstruing plaintiffs' claims that CHA can even manufacture this meritless argument.

CHA next sets forth a litany of URA claims that, according to CHA, the displaced residents have failed to plead. Then CHA attempts to translate the plaintiffs' alleged insufficiency of pleading into a lack of standing. In this instance, CHA's argument ignores: (1) the notice pleading standard of Fed. R. Civ. P. 8; (2) the allegations that plaintiffs do make in their complaint; and (3) relevant URA law.

Under the federal rules of pleading, plaintiffs must set forth "a plain and short statement of the claim showing that the pleader is entitled to relief." Fed. R. Civ. P. 8(a). Plaintiffs need not allege every factual detail, nor every component of every legal claim, but must simply put the defendants on notice as to what claims the plaintiffs are bringing. See Brownlee v. Conine, 957 F.2d 353, 354 (7th Cir. 1992) ("[T]he happenstance that a complaint is 'conclusory,' whatever exactly that overused lawyers' cliché means, does not automatically condemn it. All the complaint need do to withstand a motion to dismiss for failure to state a claim is 'outline or adumbrate' a violation of the statute . . . and connect the violation to the named defendant"); Bennett v. Schmidt, 153 F.3d 516, 518 (7th Cir. 1998) ("Litigants are entitled to discovery before being put to their proof, and treating the allegations of the complaint as a statement of the party's proof leads to windy complaints and defeats the function of Rule 8") (emphasis in original). Plaintiffs have easily met that burden.

Plaintiffs have put CHA on notice that they are challenging CHA's redevelopment plan and its design and implementation thereof. As regards the URA (Count X), plaintiffs have alleged that CHA is emptying out ABLA and demolishing buildings (especially in Jane Addams and Brooks Extension) in furtherance of its unlawful redevelopment plan for ABLA. Intervenors' Complaint, ¶¶ 3, 69-71, 74-78. Yet, the residents displaced by these activities have not been served with proper notices as required by the URA, nor have they been offered the

URA relocation benefits to which they are entitled. Id. These benefits are numerous, and they are specifically set forth in Count X. Intervenors' Complaint, ¶ 119. Finally, two of the displacee plaintiffs specifically state that they were "never offered relocation assistance, nor did CHA inform [them] about the new units to be built at Brooks Extension." Intervenors' Complaint, ¶¶ 19-20. The third states that she was forced to move out of CHA but was given no assistance in doing so. Intervenors' Complaint, ¶ 21. It is difficult to see how plaintiffs have failed to state a claim under the liberal pleading standard of Rule 8 (assuming, arguendo, that a Rule 12(b)(6) challenge to sufficiency of pleading is even appropriate in opposing a motion to intervene). See § II, supra at 6-7.

CHA's final challenge to the claims alleged by the displacee plaintiffs (Simpson, Johnson, and Young) is an undisguised effort to argue the ultimate merits of those claims. CHA cites its "investigation" and advances affidavit testimony challenging the displacee plaintiffs' factual allegations. While the ABLA plaintiffs dispute CHA's versions of the facts, the parties are (supposed to be) briefing a motion to intervene--not a motion for summary judgment. As such, CHA's attempt to argue the ultimate merits is completely premature (not to mention inflammatory), and should be rejected out of hand by this Court.

C. The ABLA Plaintiffs Can Bring Their Claims Against HUD in This Case.

HUD argues that the ABLA plaintiffs have failed to meet the second element of the Rule 24 intervention as of right test because they "have failed to show that any future resolution by this court with respect to HUD in the ABLA plaintiffs' absence 'would as a practical matter foreclose [the ABLA plaintiffs'] rights' to bring their concerns against HUD 'in a subsequent proceeding.'" HUD's Response at 10, quoting American Nat'l Bank & Trust v. Chicago, 865 F.2d 144, 147-48 (7th Cir. 1989). HUD hinges its entire argument on the assertion that no interest could be impeded because it is no longer in the Gautreaux case. Id. at 11 ("Since this court will not adjudicate any issues with regard to HUD, it will not otherwise adjudicate the ABLA plaintiffs' interests with regard to HUD.") This argument is totally without merit.

First, if this Court grants the ABLA plaintiffs' motion to intervene, HUD will again become a defendant in this case (albeit an "intervenor-defendant"), and there will then be "issues" adjudicated with respect to HUD. Indeed, that is precisely what the ABLA plaintiffs' intend to accomplish with their motion.

Second, HUD's argument is disingenuous, to say the least, considering its position regarding the ABLA plaintiffs' first lawsuit against it, its arguments in support of the Gautreaux plaintiffs and Receiver's motion to dismiss that lawsuit and to have the ABLA plaintiffs intervene in this one. Ever since July 1999, the ABLA plaintiffs have endeavored to have their legitimate claims against CHA and HUD heard in court. For more than two years before then, they repeatedly tried to have their concerns heard by the small group of institutions and special interests that control the fate of public housing in Chicago, only to be rebuffed. Now, HUD has the audacity to argue that the ABLA plaintiffs' allegations that HUD has failed, inter alia, to fulfill its on-going duty to further integrated housing should not be heard by this Court. It suggests instead that the ABLA plaintiffs should sue it separately for its failures. See HUD's Response at 10-11.

This is precisely what the ABLA plaintiffs attempted to do eight months ago, in a class action complaint originally assigned to Judge Gettlemen. Instead of allowing that complaint to go forward, HUD filed a memorandum supporting the reassignment of the ABLA plaintiffs' case to this Court. HUD's Response in Support of Joint Motion of Gautreaux Plaintiffs and Receiver, filed August 27, 1999. Nowhere in that memorandum did HUD argue that the ABLA plaintiffs' claims against it should not be heard by this Court. Rather, it specifically and without reservation asserted that it "supports the position that the issues raised in the ABLA complaint should be heard by this court." Id. at 1 n.1. If HUD did not want to be brought back into the Gautreaux case, it should not have represented to this Court that this is the proper place to resolve the ABLA plaintiffs' "issues."

In that supporting memorandum, HUD also asserted that dismissing the original complaint before Judge Gettlemen "would avoid the risk of inconsistent decisions and further the

interest of judicial economy," id. at 2, and that "allowing the ABLA case to be handled by the Gautreaux court would avoid the requirement to consult two different courts in such situations." Id. at 3. Incredibly, such sentiments nowhere appear in their opposition to the ABLA plaintiffs' motion to intervene. Now HUD has apparently lost all interest in "judicial economy" and believes that two lawsuits would be better than one. HUD has also apparently lost its fear of "inconsistent" judgments. HUD's present argument that it should not be "brought back in" to the Gautreaux case should thus be rejected. See also Section V. supra.

D. The ABLA Plaintiffs Are Not Adequately Represented By the Existing Parties.

The Supreme Court has ruled that a showing of inadequate representation "is satisfied if the applicant shows that representation by existing parties 'may be' inadequate; and the burden of making that showing should be treated as minimal." Trbovich v. United Mine Workers of America, 404 U.S. 528, 538 n. 10 (1972); See also Lake Investors, 715 F. 2d at 1261; Pacific Mutual Life Insur. Co. v. American Nat'l Bank, 110 F.R.D. 272, 274 (N.D. Ill. 1986)("This standard is lenient . . ."); Gautreaux v. Pierce, 548 F. Supp. 1284, 1287 n.3 (N. D. Ill. 1982), citing Trbovich. The applicant should be treated as the best judge of whether existing parties adequately represent the applicant's interests. U.S. v. Georgia, 1996 WL 453543 at *4 (N.D.Ga. 1996) ("[T]here is good reason in most cases to suppose that the applicant is the best judge of the representation of his owns interests and to be liberal in finding that one who is willing to bear the cost of separate representation may not be adequately represented by existing parties," citing 7C Charles A. Wright, et al., Federal Practice and Procedure §1909, at 317); Moore's Federal Practice § 24.03[4][a] at 24-42. Any doubt regarding the adequacy of representation should be resolved in favor of the proposed intervenors. Fed. Sav. & Loan v. Falls Chase Special Taxing Dist., 983 F.2d 211, 216 (11th Cir.)

CHA, HUD and the Receiver are, of course, in an adversary posture to the ABLA plaintiffs and hence not able to represent their interests adequately. However, the Gautreuax plaintiffs assert, that, where, as they claim is the case here, the ABLA plaintiffs are all members of the Gautreaux class, and share the same ultimate objective as the Gautreaux class--namely, "a

revitalized, integrated ABLA community with as much on-site public housing as is consistent with economic integration" (Gautreaux plaintiffs' Response at 5), then a presumption arises that the Gautreaux plaintiffs adequately represent the ABLA plaintiffs.[24] Id. at 3-4, citing Jenkins v. Missouri, 78 F. 3d 1270, 1275 (8th Cir. 1996) and Wade v. Godschmidt, 673 F.2d 182, 186 n.7 (7th Cir. 1982). Unfortunately, there are two problems with this argument--there is not an identity of class members here, nor do the ABLA plaintiffs share the same ultimate objective of the Gautreaux plaintiffs.

First, not all of the ABLA plaintiffs are members of the Gautreaux class. The named individual residents displaced from ABLA and the proposed class of over 1,000 families displaced from ABLA are neither public housing residents nor public housing applicants, and thus, by definition, are not members of the Gautreuax class. Therefore no presumption of adequate representation arises. Jenkins, 78 F. 3d at 1275 (presumption of adequate representation does not arise unless "the persons attempting to intervene are members of a class already involved in the litigation"). In an attempt to get around this problem, the Gautreaux plaintiffs assert that the displaced families are really still members of the Gautreaux class (even though they do not fall within the class definition) because class members cannot "be stripped of their class status by unlawful action of the defendant." Gautreaux Plaintiffs' Response at 5. However, the Gautreaux plaintiffs cite no authority for this proposition. Moreover, whereas they acknowledge that some of the ABLA plaintiffs may have been displaced from ABLA by the "unlawful action of the defendant," the Gautreaux plaintiffs allowed this illegal displacement to occur without attempting to stop it or to assist the displaced families in any way. Thus, even if, as claimed, these displaced families are part the Gautreaux class, the Gautreaux plaintiffs failed to protect their rights, thereby establishing inadequacy of representation. See Wade, 673 F.2d at 182 n.7 (inadequacy of representation established if class representative failed in the fulfillment of his duty to protect the interests of class members).

[24] The Gautreaux plaintiffs are joined in this argument by CHA and the Receiver. CHA's Response at 1-2; Receiver's Response at 13.

In response to the ABLA plaintiffs' allegations that CHA's implementation of the Section 8 program perpetuated segregation by displacing many ABLA families into segregated neighborhoods, the Gautreaux plaintiffs state that they share these concerns and have secured a "commitment" from CHA to contract with the Leadership Council to administer a mobility program for Section 8 recipients in the future. Gautreaux Plaintiffs' Response at 6, n.4. But this commitment does nothing to assist those families already displaced from ABLA into the Section 8 program, which is why the ABLA plaintiffs will seek class certification from this Court to represent the more than 1,000 ABLA-displacee families if their motion to intervene is granted.[25]

Second, this is not, as the Gautreaux plaintiffs assert, a dispute "with respect to the road map to be used to achieve [a shared] goal." Gautreaux Plaintiffs Response at 5. Nor is this, as the CHA defendants assert, a case where "two different sets of attorneys (Mr. Polikoff's group and Mr. Wilen's group) have differences of opinion over how to achieve their common goal." CHA's Response at 2. Rather this is a dispute over which of the two fair housing goals should take precedence here. The ABLA plaintiffs seek to have the ABLA revitalization plan declared illegal because it has an adverse disparate impact on protected classes. The Gautreaux plaintiffs defend the very plan that the ABLA plaintiffs attack as necessary to promote integration.[26] In other words, in this case the twin fair housing goals of anti-discrimination and integration collide. However, when these two goals collide as they do in this case, the goal of preventing discrimination prevails. See United States v. Starrett City Associates, 840 F.2d. 1096, 1101-02 (2d Cir.), cert. denied, 109 S.Ct. 376 (1988) (interest in integration is subordinated to interest in preventing discrimination against minorities; despite the concededly beneficial intention of the preferential plan, its effects were legally impermissible); United States v. Charlottesville Redevelopment and Housing Authority, 718 F. Supp. 461, 465-468 (W.D. Va. 1989) (strong

[25] Further, this agreement was secured more than two years after this Court denied Gautreaux plaintiffs' motion to extend the Gautreaux order to the Section 8 program. Gautreaux v. Chicago Housing Authority, 981 F. Supp. 1091, 1094 (N.D. Ill. 1997). Although this Court stated precisely what evidence it would need to grant such a motion, Gautreaux plaintiffs' counsel never attempted to submit such evidence, in effect allowing the perpetuation of segregation to continue unchecked for two years.

[26] The ABLA plaintiffs, however, question whether this plan in fact promotes integration, or simply exacerbates existing residential segregation for the majority of the ABLA residents and displacees.

prohibition against discrimination in the provision of housing is the primary, if not the overwhelming and overriding, impulse behind the Fair Housing Act; accordingly, the duty to avoid discrimination overrides the duty to integrate); Burney v. Housing Authority of City of Beaver, 551 F. Supp. 746, 767-770 (W.D. Pa. 1982) ("benign" housing quotas are impermissible if they restrict black entry into low-income housing more than is necessary to prevent resegregation; defendants must show "no alternative course of action could be adopted that would enable [the interest in promoting integration] to be served with less discriminatory impact").

The ABLA plaintiffs seek to have the ABLA revitalization plan proposed by the Receiver and CHA, supported by the Gautreaux plaintiffs, and funded by HUD, declared illegal because it discriminates against the very poor African-Americans, women and children who currently live at, have been displaced from, or desperately need the housing provided at ABLA. It has a discriminatory effect on the ABLA plaintiffs by limiting the number of very low-income units to be built back at ABLA to 1,084. As in Starrett, supra, the Gautreaux plaintiffs seek to justify the low numbers of very low-income units as necessary "to achieve and maintain integration." 840 F.2d at 1099. Yet in enacting the Fair Housing Act, Congress believed that only "strict adherence to the anti-discrimination provisions of the [A]ct" would eliminate "racially discriminatory housing practices [and] ultimately would result in residential integration." Burney, 551 F. Supp. at 769. In other words, "Congress saw the anti-discrimination policy as the means to effect the anti-segregation-integration policy." Id.

The ABLA plaintiffs assert that there is a much less discriminatory method of revitalizing the ABLA community. Specifically, they do not believe, as the Gautreaux plaintiffs do, that economic integration at ABLA will be imperiled by too many on-site public housing units, even if all the proposed 2,895 on-site replacement units were occupied by public housing families (i.e. families with incomes up to 80% of median income, which, for a family of three in Chicago, is $43,000 per year), and even if fully one-half of those units are reserved for very low-income families. Given the highly gentrifying and predominately white "hot market" areas completely

surrounding ABLA, including the areas surrounding Jane Addams to the north, the affluent Illinois Medical District to the west and the prosperous and expanding University of Illinois at Chicago to the east, see Intervenors' Complaint at ¶¶ 1, 4, and 57-81, there is little danger that the numbers of very low-income families the ABLA plaintiffs seek would "tip" the area or cause "white flight." In addition, programs designed to achieve integration by limiting minority participation, as the ABLA revitalization plan does, are "of doubtful validity," as they "single out those least well represented in the political process to bear the brunt of a benign program." Starrett, 840 F.2d at 1102. Thus the current ABLA revitalization plan, both as conceived and as thus far implemented, not only has a discriminatory effect on protected classes, but also perpetuates segregation by moving most ABLA families south of Roosevelt Road or out of ABLA altogether into racially segregated communities throughout the city. Intervenors' Complaint at ¶¶ 57-81. Therefore, it cannot be used as a vehicle to achieve integration. In addition, it is clear that the ABLA plaintiffs cannot depend on the Gautreaux plaintiffs, the Receiver, CHA or HUD to raise these issues, because all of the existing parties vigorously support the revitalization plan being challenged by the ABLA plaintiffs.

Courts have found no adequate representation by existing parties in the following situations: where, as here, there is a "sharp disalignment between the parties to the litigation and the [proposed intervenors]," Edwards v. City of Houston, 78 F.3d 983, 1005 (5th Cir. 1993); where, as here, the existing parties possess interests "inimical" to the [proposed intervenors]," Federal Savings & Loan Ins. Corp. v. Falls Church Special Taxing District, 983 F.2d 211, 216 (11th Cir. 1993); where, as here, the existing parties fail to raise issues the proposed intervenors are trying to raise, Bradley v. Milliken, 620 F.2d 1141, 1142 (6th Cir. 1980) (no showing of inadequate representation when intervenors' arguments had been raised by existing class counsel) or, as this Court has previously ruled in this case, where, as here, the Gautreaux plaintiffs "actually oppose the relief sought by the [proposed intervenors]." Gautreaux v. Pierce, 548 F. Supp. 1284, 1287 (N.D. Ill. 1982). See also United States v. City of Chicago, 870 F.2d 1256, 1263 (7th Cir. 1989)(when federal consent decree designed to promote integration impairs rights

of those affected by decree on discriminatory grounds, district court judge "is obligated to listen to the victims of the decree when they make a prompt application to intervene").[27]

Finally, even if the ABLA plaintiffs did share, or were found to share, the same ultimate objective as the existing parties, representation by those parties would still be inadequate if the proposed intervenors can demonstrate, at the very least, that "some conflict" exists. Meridian Homes Corp. v. Nicholas W. Parassas & Co., 683 F.2d 201, 205 (7th Cir. 1982); United States Postal Service v. Brennan, 579 F. 2d 188, 191 (2nd Cir. 1978). As shown above, the ABLA plaintiffs easily satisfy this "minimal" requirement.

V. THE ABLA PLAINTIFFS SATISFY ALL RULE 24 REQUIREMENTS FOR PERMISSIVE INTERVENTION

HUD argues that granting the ABLA plaintiffs permissive intervention would prejudice HUD's "right" to be dismissed from the Gautreaux case. HUD's Response at 12. Clearly, this Court should consider the stage of the litigation in determining whether intervention would prejudice the original parties. See United States. v. City of Chicago, 870 F.2d at 1263.(the purpose of the timeliness requirement is to "prevent a tardy intervenor from derailing a lawsuit within sight of the terminal"). Notably, however, this Court has already observed that the "ABLA piece" of the Gautreaux case is "still in the development phase," and that it would be "much more expedient for all concerned parties" to resolve the ABLA plaintiffs' concerns "now, in one forum...." Order, Nov. 4, 1999, at 1 (emphasis added). Presumably, HUD—as a named defendant in the ABLA plaintiffs' suit and a wrongdoer in the Gautreaux case—is one such "concerned" party.

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[27] The Gautreaux plaintiffs cite to Judge Zagel's decision denying their motion to intervene in Horner as support for their argument that when litigants share the same ultimate objective, adequate representation is presumed. Gautreaux Plaintiffs' Response at 5. However, when the Gautreaux plaintiffs tried to intervene in Horner, there were no disputes over the number of very low-income units or the location of those units, as there are in this case. In addition, the Gautreaux plaintiffs were "intimately familiar" with the Horner litigation for years prior to attempting to intervene, and had approved the terms of the Amended Decree, which terms the Gautreaux plaintiffs had negotiated with the Horner plaintiffs. Horner Order, August 7, 1997. The major dispute concerned the adequacy of screening of the Horner families as provided for in the Amended Decree. Contrast that to the situation at ABLA were the ABLA plaintiffs are totally excluded from the planning process, are not included in the Working Group, cannot obtain full and complete information about implementation of the plan and vehemently dispute the numbers and locations of the very low-income units at ABLA.

Post-judgment intervention has often been allowed, sometimes even years after a suit has been resolved by the original parties; this is particularly true when the intervenor is being affected by court-ordered relief during the remedial stage of the case. See e.g., Cascade Natural Gas Corp. v. Northwest Airlines, 386 U.S. 129, 135 (1967) (allowing intervention by gas company in anti-trust action so it could participate in formulation of remedial decree, after consent judgment had been entered). The Seventh Circuit has recognized that persons whose interests are harmed by a decree entered in a race discrimination case have a right to be heard through intervention, particularly where, as here, they themselves are members of protected classes. United .States v. City of Chicago, 870 F.2d at 1263.[28] HUD, which argued vigorously (and successfully) that ABLA plaintiffs should not be allowed to pursue their claims in a separate lawsuit, cannot legitimately argue now that ABLA plaintiffs should be denied intervention as well. See id. at 1260.

Further, the fact that HUD satisfied obligations stemming from illegal actions it committed more than thirty years does not give HUD a "pass" on all present and future race discrimination suits. The Gautreaux plaintiffs proved that HUD violated their Fifth Amendment Due Process rights by funding and approving discriminatory site selection and tenant assignment policies by the CHA during the 1950's and 1960's. Gautreaux v. Romney, 448 F.2d 731, 732-33 (7th Cir. 1971). The ABLA plaintiffs raise specific claims related to the narrow issue of CHA and HUD's "revitalization" of the ABLA public housing development beginning in August 1995. The ABLA plaintiffs seek relief for discriminatory actions that are new and separate from those raised in Gautreaux. HUD is not permanently insulated from liability for wrongful acts simply because HUD has, in the past, been found liable for unlawful conduct and provided relief for that conduct. Cf. Lawlor v. National Screen Serv. Corp., 349 U.S. 322, 327-329 (1955) (rejecting notion that anti-trust suit previously litigated and settled barred second anti-trust suit against the same defendants, since "[a]cceptance of the respondents' novel contention would in

[28] See the ABLA Plaintiffs' Memorandum at 10-11, for a detailed discussion of this case.

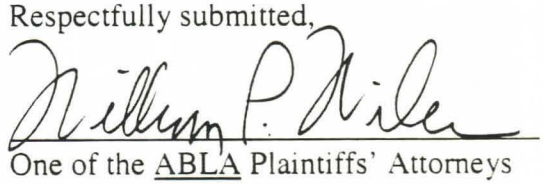
effect confer on them a partial immunity from civil liability for future violations.") HUD's arguments regarding prejudice to its "right" to be dismissed from Gautreaux should thus be rejected.

Finally, the Gautreaux plaintiffs argue against permissive intervention on the grounds that the ABLA plaintiffs' claims are not ripe and that their interests are adequately protected by the Gautreaux plaintiffs. Gautreaux Plaintiffs' Response at 7. However, these arguments are not persuasive as discussed supra in §§ III.A. and IV.D. Thus, even if this Court finds that ABLA plaintiffs do not satisfy the requirements for intervention as of right, the Court should grant permissive intervention.

VI. CONCLUSION

As demonstrated above, the ABLA plaintiffs satisfy all Article III and Rule 24 requirements. Accordingly, this Court should grant the ABLA Plaintiffs' Motion to Intervene.

Respectfully submitted,



Dated: February 18, 2000

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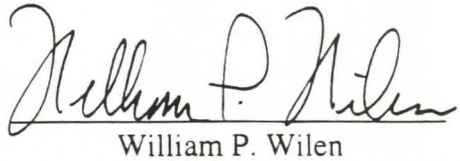
CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on February 18, 2000 he served copies of the attached **ABLA Plaintiffs Reply Memorandum In Support of Their Motion to Intervene** on the parties listed in the attached Gautreaux-ABLA Service List by causing true and correct copies thereof to be delivered to them via messenger at their respective addresses.

Dated: February 18, 2000



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LIST OF EXHIBITS

Exhibit	Description of Exhibit
A	CHA's Motion to Dismiss, filed October 8, 1999
B	HUD's Motion to Dismiss, filed October 8, 1999
C	Reply to ABLA Plaintiffs' Response to Joint Motion of Gautreaux Plaintiffs and Receiver, filed September 2, 1999
D	American Marketing Services Market Analysis, September 1996
E	Goodman Williams Group Market Study, April 1998
F	1998 ABLA HOPE VI Application, Draft Request for Proposals
G	1998 ABLA HOPE VI Application, Resident Information Meeting, Questions and Answers, June 15, 1998
H	1998 ABLA HOPE VI Application, Existing Site Conditions
I	1996 ABLA HOPE VI Application, Robert Brooks Extension Revitalization Plan
J	1998 ABLA HOPE VI Application, Transcript of Proceedings, June 19, 1998
K	HUD's FY 1998 HOPE VI Guidebook

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

RECEIVED
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CONCERNED RESIDENTS OF ABLA, et al.	)	
Plaintiffs,	)	
vs.	)	No. 99 C 4959
THE CHICAGO HOUSING AUTHORITY et al.,	)	Hon. Judge Gettleman
Defendants.	)	

MEMORANDUM IN SUPPORT OF DEFENDANTS, CHICAGO HOUSING AUTHORITY'S AND PHILLIP JACKSON'S MOTION TO DISMISS

INTRODUCTION

On or about July 30, 1999, the Concerned Residents of ABLA ("CRA"), an Illinois incorporated non-profit organization filed a class action lawsuit in federal district court against the Chicago Housing Authority and Phillip Jackson in his official capacity (collectively hereinafter referred to as "CHA") and the U.S. Department of Housing and Urban Development ("HUD") alleging numerous violations of federal housing, relocation and civil rights laws as a result of the planned revitalization for the Addams, Brooks, Loomis, and Abbott ("ABLA") development. The CRA brings this action, claiming that they, along with former residents of ABLA and CHA waiting list applicants, are an appropriate class.

Plaintiffs' complaint against the CHA alleges that the CHA's actions violates their rights under the Fair Housing Act (Title VIII of the Civil Rights Act of 1968) ("FHA") by creating an adverse discriminatory effect (Complaint at Counts I-III and VI); the CHA's (HUD) actions will deny Plaintiffs an opportunity to reside in a racially integrated neighborhood (Complaint at Count IV); and the CHA's actions will exacerbate and perpetuate residential housing segregation

(Complaint at Counts V and VII). The complaint further alleges that CHA failed to consult and relocate tenants to decent, safe, sanitary and affordable housing pursuant to Section 1983 and Section 18 of the United States Housing Act ("USHA") and failed to provide Plaintiffs with relocation assistance pursuant to the Uniform Relocation Act ("Relocation Act"). (Complaint at Counts VIII, IX and X).

Plaintiffs have also brought separate claims against HUD alleging that HUD has or will violate the FHA, 42 U.S.C. §§3601 et.seq.; the Housing and Community Development Act ("HCDA"); 42 U.S.C. §5301 et.seq.; and, the Administrative Procedure Act, 5 U.S.C. §§701 et.seq.

First, Plaintiffs lack subject matter jurisdiction to sue CHA. Specifically, Plaintiffs have no standing to assert the claims advanced against CHA and their claims are not ripe for adjudication. Second, Plaintiffs failed to state claims under the FHA, Civil Rights Act of 1964 ("Title VI"), USHA and the Relocation Act. Plaintiffs have failed to sufficiently plead that they are entitled to the rights and remedies of these laws. Finally, Plaintiffs failed to allege facts which establish that money damages would not adequately compensate any legally cognizable injury suffered by them, nor why they are entitled to preliminary and permanent injunctive relief.

Accordingly, for all of the reasons stated herein, the Court should dismiss Plaintiffs' Complaint, with prejudice, in its entirety pursuant to Fed. R. Civ. P. 12(b)(1) and 12(b)(6).

I. THE COURT LACKS SUBJECT MATTER JURISDICTION OVER PLAINTIFFS' CLAIM

In ruling on a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(1), the district court is not obligated to accept as true the allegations in the complaint that go to the issue of jurisdiction. Gafron Corp. v. Hausermann, 602 F.2d 781, 783 (7th Cir. 1979). If the court concludes that it

has no jurisdiction to hear the case, the court must dismiss the case without ever reaching the merits of the claim. Shocklev v. Jones, 823 F.2d 1068, 1070 (7th Cir. 1987).

Plaintiffs lack standing to bring this action and the claims made by Plaintiffs in this case because the alleged claims are not ripe for adjudication. Consequently, the district court has no subject matter jurisdiction. For these reasons, stated herein, the district court lacks subject matter jurisdiction and should dismiss Plaintiffs' complaint pursuant to Fed. R. Civ. P. 12(b)(1).

A. Plaintiffs Lack Standing to Sue CHA

Jurisdiction in federal court is limited to certain cases or controversies by Article III, §2 of the U.S. Constitution. The doctrine of standing is one mechanism for identifying "disputes which are appropriately resolved through the judicial process." Lujan v. Defenders of Wildlife, 504 U.S. 555, 560, 112 S.Ct. 2130, 2136 (1992). A plaintiff invoking federal jurisdiction bears the burden of proving the elements of standing. Id. at 561.

Some elements of standing are "merely prudential considerations" left to the court's discretion but some elements of standing are "essential and unchanging." Lujan at 560. The essential, unchanging elements of standing are: (1) Plaintiff must have suffered an "injury in fact"; (2) a causal connection between the injury and the complained of conduct must exist, and (3) it must be "likely," and not simply "speculative" that a favorable decision will redress Plaintiff's injury. In the instant complaint, Plaintiffs fail to specifically plead that these essential elements are satisfied. Plaintiffs do not have standing and are therefore not properly before the court.

1. The complaint does not plead facts which establish that CRA, current residents of ABLA, former residents of ABLA, or waiting list Plaintiffs have suffered an injury in fact.

An injury in fact is "an invasion of a legally protected interest which is (a) concrete and

particularized... and actual or imminent, not 'conjectural' or 'hypothetical'... " Lujan at 560. None of the named Plaintiffs have suffered an injury in fact.

a. CRA

The Concerned Residents of ABLA ("CRA") has not suffered an injury in fact. As an association of tenants of ABLA, formed to advocate on behalf of residents of ABLA, CRA claims that they were injured because they were prevented from participating in the formulation of the revitalization plan. (Complaint at ¶¶ 12, 80-82). CRA, however, does not have a legally protected interest. The ABLA Local Advisory Council ("LAC") is the duly elected resident council, not the CRA. (Complaint at ¶ 35). The Code of Federal Regulations prevents a Housing Authority from "recogniz[ing] a competing resident council once a duly elected resident council has been established." 24 C.F.R. §964.18(a)(7). CRA has no legally protected interest in participating in the formation of the ABLA revitalization plan. In fact, CHA would be in violation of federal regulations if CHA entertained the interests of CRA. Id. CRA therefore, suffered no injury to a legally protected interest and as such, has no standing to bring this action.

b. Current residents of ABLA

The six named CRA members are also residents of ABLA. As current residents, they have not suffered an injury in fact either. Plaintiffs Freeman, Young, Nance, Stimage, Singelton, and Smith all currently reside in ABLA housing units. While Plaintiffs Freeman and Young are likely to relocate in the near future, the other named residents of ABLA have not alleged any facts that indicate that relocation is certain or that relocation is imminent. The six current ABLA residents seek to live in a public housing unit in Addams or in Brooks extension. (Complaint at ¶13-20). Even if all named current residents of ABLA were required to relocate immediately, Plaintiffs do not know with certainty that they will not be permitted to live in a revitalized

Addams unit or a Brooks extension unit. Plaintiffs merely allege that they have not been given any guarantees. (Complaint at ¶¶ 13-18). Plaintiffs merely speculate that they will not receive the housing units they desire. Mere speculation about potential injury is not sufficient to satisfy the essential standing elements. Lujan at 560.

Since current ABLA residents do not know for certain if or when they will be relocated and they do not know to where they will be relocated, they lack standing to claim violations of the relocation provisions of the USHA and the Relocation Act. Current residents of ABLA cannot meet their burden to show injury in fact by pleading that CHA will fail to relocate them to decent, safe, sanitary and affordable housing of their choice if they do relocate them. The injury alleged cannot be conjecture or hypothetical for the purpose of standing and that is all the current residents of ABLA have pled with respect to the alleged violations of USHA and the Relocation Act. Lujan at 560.

Current residents of ABLA also claim that they were not properly notified of the revitalization plan and were prevented from participating in the process of formulating a plan for ABLA. (Complaint at ¶¶78,80-82). However, at the same time Plaintiffs recognize that CHA was working with the ABLA LAC, the duly elected resident council on the redevelopment plan for ABLA. (Complaint at ¶80-82). The ABLA LAC, as the representative for ABLA residents has participated in the formulation of the revitalization plan and therefore, the named current residents of ABLA have suffered no injury in fact.

c. Former Residents of ABLA

The two former residents of ABLA, Plaintiffs Simpson and Johnson, moved because of deteriorating or uninhabitable conditions at ABLA. (Complaint at ¶¶19 and 20). CHA offered Plaintiffs Simpson and Johnson Section 8 certificates and they accepted. Id. Plaintiffs failed to

plead why they are entitled to any rights and remedies under the Relocation Act. Moreover, the Plaintiffs failed to show why they are entitled to any rights and remedies under the FHA, Title VI or USHA; they failed to plead facts sufficient to establish they were discriminated against, moved to a segregated area and are tenants of ABLA. The former residents of ABLA Plaintiffs fail to plead that they have suffered an injury in fact.

d. Waiting List Plaintiffs

Like the CRA and the current residents of ABLA, the three named Plaintiffs on the waiting list do not have standing because they have suffered no injury in fact. A party seeking recovery must actually be an injured party. Lujan at 563. Waiting list Plaintiffs fail to allege that they requested units in the ABLA development exclusively and were denied. In addition, the waiting list Plaintiffs fail to plead that they are entitled to an ABLA unit. Waiting list Plaintiffs have not pled any concrete, particularized injury. To be particularized, the injury must affect the Plaintiff in a personal and individual way. Lujan at 560. Plaintiffs claim in Counts I-VII that the redevelopment plan will have an adverse discriminatory effect on African-American, female-headed households with children, will constitute a denial of opportunity to live in integrated neighborhoods, and will exacerbate and perpetuate segregation in the ABLA area. Since the waiting list Plaintiffs may be placed in units in any CHA development, they have not yet and may never be subjected to any adverse discriminatory effect of the redevelopment plan. Gautreaux v. CHA, 304 F.Supp. 736 (N.D.Ill.1969). Since the waiting list Plaintiffs have no lived in ABLA and do not know for certain that they will ever live in ABLA, waiting list Plaintiffs have not been and will not be personally affected by the revitalization plan.

Furthermore, they have not experienced an actual or imminent injury. The fact that the ABLA revitalization plan may someday mean the waiting list Plaintiffs are unable to live in the

revitalized Addams or Brooks extension is too speculative to constitute injury in fact. Plaintiffs do not allege that because of the revitalization plan they will never receive a CHA public housing unit in any CHA development and must due so in order to show injury.

Waiting list Plaintiffs are not current or former residents of CHA and they have not been relocated by CHA. (Complaint at ¶¶21-23) As such, they are not protected by USHA and the Relocation Act. (*See* 12(b)(6) argument, infra). The waiting list Plaintiffs do not have any legally protected interests under USHA or the Relocation Act and therefore, waiting list Plaintiffs do not have standing to bring Counts VIII-X. Plaintiffs have not sufficiently pled any injury in fact to waiting list Plaintiffs and consequently, they lack standing to bring this action.

2. No causal connection exists between the injury and the complained of conduct of CHA.

To establish a causal connection, the injury must be "fairly...trace[able] to the challenged action of defendant, and not...th[e] result [of] independent action of some third party not before the court." Lujan at 560 (citing Simon v. Eastern Kentucky Welfare Rights Organization, 426 U.S. 26, 41-42, 96 S. Ct. 1917, 1926, 48 L.Ed. 2d 450 (1976)).

a. In many cases the need to relocate is not traceable to CHA's revitalization plan for ABLA.

Named Plaintiff Freeman was notified that she would have to vacate her building pursuant to an order by municipal building court to vacate. (Complaint at ¶13). The building court order is an independent action by a third party not before the court and therefore, Freeman's alleged injury is not causally connected to CHA's conduct. Plaintiff Simpson needed to relocate due to burst pipes which caused flooding and Plaintiff Johnson relocated due to deteriorating conditions. (Complaint at ¶¶19-20). Neither current resident, Plaintiff Freeman, nor the former ABLA residents were relocated as a result of the revitalization plan.

b. **Reduction in the number of public housing units is not traceable to CHA.**

Plaintiffs complain that the plan will reduce the number of very low-income units in the ABLA development and will result in injury to them. (Complaint at ¶89). However, the number of very low-income units proposed in the plan is not traceable to CHA but to the court in the case of Gautreaux, 304 F. Supp. at 737. The Gautreaux court appointed an independent receiver to control CHA's non-elderly public housing developments and authorized the receiver to begin development of public housing in ABLA. *See* Gautreaux v. CHA, 178 F.3d 951, 953 (7th Cir. 1999). The court specifically limited the number of very low-income public housing units to 1,084. The purpose of limiting the number of public housing units was to attempt to develop a mixed income community. Gautreaux v. CHA, No. 66 C 1459, slip op. at 3 (N.D. Ill. June 19, 1998). Plaintiffs claim that the low number of units provided for by the revitalization plan will injure them because they will not be able to live in the ABLA community. This alleged injury is not directly traceable to CHA but rather to a third party, the Gautreaux court. Plaintiffs cannot satisfy the causation element of standing.

3. **Plaintiffs' injuries will not be redressed by a favorable decision.**

The third essential element of standing is that Plaintiffs' injuries will "likely," as opposed to merely speculatively, be redressed by a favorable decision. Lujan at 561. Plaintiffs request declaratory and injunctive relief. Plaintiffs seek to have the Court enjoin Defendants from: (1) implementing Defendant's ABLA redevelopment plans, including any efforts to relocate ABLA residents; (2) awarding, transfer or expenditure of Hope VI or CDBG funds designated for ABLA until a new revitalization plan is developed with full consultation of CRA and ABLA residents; (3) failing to reprocess applications for replacement housing of families relocated

since August 1995; and (4) failing to maintain the ABLA development in substantial compliance with health and safety provision of the Chicago Municipal Code. (Complaint at A and B (1-4)).

A favorable decision granting these requests for relief would not "likely" redress Plaintiffs' injuries because a favorable decision would not limit the Gautreaux receiver from taking the same actions. The Gautreaux receiver is not a party to this case and, as such, would not be bound by any injunctive orders directed against HUD or CHA. Plaintiffs alleged injuries are not likely to be redressed by a favorable decision. Plaintiffs therefore, do not have standing to bring this claim.

A. Claims Made By Plaintiff Are Not Ripe For Adjudication.

Ripeness of a claim concerns the "fitness of the issues for judicial decision" and "the hardship to the parties of withholding court consideration." Pacific Gas & Elec.Co. v. State Energy Resources Conservation & Dev. Comm'n, 461 U.S. 190, 201, 103 S.Ct. 1713, 1720-21 (1983). "The central concern [of the ripeness doctrine] is whether the case involves uncertain or contingent future events that may not occur as anticipated, or indeed may not occur at all." 13A Wright, Miller & Cooper, Federal Practice & Procedure: Civil 2d §3532, at 112 (1984). The Supreme Court has stated that the ripeness doctrine serves to protect courts from engaging in "abstract disagreements" over administrative policies and "to protect the agencies from judicial interference until an administrative decision has been formalized and its effects felt in a concrete way by the challenging parties." Pacific Gas, at 200-201. The Supreme Court has ruled that plaintiffs do not have to wait for the injury to occur in order to obtain relief, and if the injury is "certainly impending" that is enough. Id. at 201. While the Court provides protection for plaintiffs who are at risk of suffering an injury at some point in the future, the Court also limits the protection to those plaintiffs who are at risk of a "certainly impending" injury. The issue of

standing and ripeness are often closely related. Plaintiffs in the instant case have failed to allege that they have suffered or are in danger of "certainly impending" harm. Id.

1. Counts I-VII are not ripe for adjudication with respect to Plaintiffs on the CHA waiting list for public housing.

Plaintiffs claims CHA violated the FHA in Counts I-V of their Complaint. Counts I-III claim that defendants' actions will have an adverse discriminatory effect upon African Americans, female-headed households, and families with children. Plaintiffs claim in Count IV that defendants' plan for Jane Addams will deny current and displaced ABLA residents, as well as future residents, the opportunity to live in a racially integrated neighborhood. In Count V, Plaintiffs assert that Defendants actions will exacerbate and perpetuate housing segregation. Plaintiffs allege violation of Title VI of the Civil Rights Act of 1964 in Counts VI – VII in that defendants' plan will have an adverse discriminatory effect on African Americans and will exacerbate and perpetuate segregation. Plaintiffs on CHA's waiting list for public housing do not have claims that are ripe for adjudication under Counts I-VII.

Named Plaintiffs Maxwell, Willett, and Brown all applied for CHA housing and are on the waiting list. (Complaint at ¶¶ 21-23). Plaintiffs claim that 20,000 other families have applied for public housing and are on the waiting list for available units. (Complaint at ¶ 24). These named plaintiffs are on the waiting list for a public housing unit in any of the CHA developments. Neither the named Plaintiffs nor the similarly situated plaintiffs on the CHA waiting list have incurred or are in danger of incurring a "certainly impending" injury.

Whether the ABLA plan will have an adverse discriminatory effect on the African American, female-headed households with children who are on the waiting list to receive public housing is too speculative and indefinite to constitute any impending injury. Any one of the families on the waiting list could receive a public housing unit in any other CHA development at

some point in the future and in such case, the ABLA revitalization plan would not cause any injury to these Plaintiffs. Waiting list Plaintiffs may never suffer any adverse discriminatory effects from the ABLA plan. Likewise, waiting list Plaintiffs are not in imminent danger of being denied the opportunity to reside in racially integrated neighborhoods, simply because of redevelopment plans for Addams. Any anticipated injury to the waiting list Plaintiffs is too uncertain and is precisely the kind of speculation the ripeness doctrine is designed to prevent.

2. Count IX is not ripe for adjudication for the waiting list Plaintiffs, the CRA, or the residents of ABLA.

Just as their claims are not ripe for adjudication under Counts I-VII, neither are the claims of Plaintiffs Maxwell, Willett, Brown, and the other waiting list Plaintiffs ripe under Count IX. Plaintiffs claim in Count IX that CHA failed to relocate displaced ABLA tenants to decent, safe, sanitary, and affordable housing which is to the maximum extent practicable, housing of their choice. The waiting list Plaintiffs are not tenants of CHA and therefore have no ripe claim for not having been relocated appropriately.

The CRA, by Plaintiffs' definition, is an association of tenants living in the ABLA public housing development that acts as an advocate for individuals who reside in the ABLA development. (Complaint at ¶10). The individually named residents of ABLA, Plaintiffs Freeman, Young, Nance, Stimage, Singleton and Smith currently reside in ABLA and have not been relocated. (Complaint at ¶¶ 13-18). While some of these individuals may be required to move at some point in the future, Plaintiffs have not pled that CHA will certainly fail to relocate these tenants to a decent, safe, sanitary, affordable location which is, to the maximum extent possible housing of their choice. Plaintiffs have alleged nothing that indicates that Plaintiffs are certain to violate Section 18(b)(2) of the USHA. No injury can be said to be impending because

of such violation. Therefore, any claim for violation of Section 18(b)(2) of the USHA is not ripe for current residents of ABLA or for the CRA, the advocate for ABLA tenants.

3. Count X is not ripe for adjudication for the residents of ABLA or the waiting list Plaintiffs.

Plaintiffs complain in Count X that defendants have violated the Relocation Act and corresponding regulations in the process of relocating families residing in Addams and Brooks extension. (Complaint at ¶117). Plaintiffs allege that Defendants failed to: (1) adequately assess the needs and preferences of displaced families; (2) give displaced families comparable, decent, safe, and sanitary replacement housing within their financial means and not located in areas of African American concentration; and (3) provide 42 months of relocation assistance payments in the amount of increased rents. (Complaint at ¶117). Neither the waiting list Plaintiffs nor the current residents of ABLA have ripe claims for violation of the Relocation Act.

As discussed above, the waiting list Plaintiffs have not and are not in danger of being displaced from an ABLA unit because they are not residents of CHA public housing. As such, they have no ripe claim. Also, members of CRA, Plaintiffs Freeman, Young, Nance, Stimage, Singleton, Smith and the other current residents of ABLA, have not been displaced from ABLA. (Complaint at ¶¶13-18). As stated above, relocation may be imminent for some of these individuals but Plaintiffs state no facts that establish that CHA will certainly violate the Relocation Act and corresponding regulations when and if they are relocated. Any future injury to these Plaintiffs is, again, too speculative and indefinite to constitute a ripe claim under Count X.

In conclusion, Counts I-VII are not ripe for adjudication by the waiting list Plaintiffs and therefore, should be dismissed for lack of subject matter jurisdiction for these Plaintiffs. Counts IX and X are not ripe for adjudication by the waiting list Plaintiffs, the CRA, and the current

residents of ABLA and therefore, should be dismissed for lack of subject matter jurisdiction for these Plaintiffs.

II. PLAINTIFFS ALLEGATIONS DO NOT STATE SUFFICIENT CLAIMS PURSUANT TO FED. R. CIV. P. 12(B)(6) STANDARDS

A motion to dismiss pursuant to Rule 12(b)(6) does not test whether Plaintiffs will prevail on the merits, but instead whether the Plaintiffs have properly stated a claim. Scheuer v. Rhodes, 416 U.S. 232, 236 (1974). A complaint should be dismissed under Rule 12(b)(6) for failure to state a claim if it appears beyond doubt that the Plaintiff can prove no set of facts in support of the claim which would entitle the Plaintiff to relief. Conley v. Gibson, 355 U.S. 41, 45-46 (1957). Although the court must accept as true all well-pleaded allegations and draw all reasonable inferences in favor of the Plaintiff, Antonelli v. Sheehan, 81 F.3d 1422, 1427 (7th Cir. 1996), the court should neither strain to find favorable inferences which are not apparent on the face of the complaint, Coates v. Illinois St. Bd. of Educ., 559 F.2d 445, 447 (7th Cir. 1977), nor accept legal conclusions either alleged or inferred from pleaded facts. Northern Trust Co. v. Peters, 69 F.3d 123, 129 (7th Cir. 1995). Finally, a Plaintiff's complaint must state either direct or inferential allegations concerning all material elements necessary for recovery under their chosen legal theory. Glatt v. Chicago Park Dist., 847 F. Supp. 101, 103 (N.D. Ill. 1994). For the reasons set forth below, Plaintiffs have not satisfied the requisites of stating a claim under the FHA, Title VI of the Civil Rights Act, USHA or the Relocation Act which would entitle them to relief, thus, Plaintiffs complaint should be dismissed pursuant to Fed. R. Civ. P. 12(b)(6).

A. PLAINTIFFS FAIL TO STATE A CLAIM UNDER THE FAIR HOUSING ACT

Plaintiffs contend that CHA violated the FHA because its proposed ABLA revitalization plan: (1) has an adverse discriminatory effect based on race, sex, and familial status (Complaint at ¶¶96, 98 and 100); (2) denies the opportunity for tenants to reside in a racially integrated neighborhood (Complaint at ¶102); and (3) will exacerbate and perpetuate residential housing segregation (Complaint at ¶104). Plaintiffs have failed to state a claim pursuant to the FHA and are thus, not entitled to the remedy requested.

The FHA, 42 U.S.C. §§3601, et. seq. is concerned with both the furtherance of equal housing opportunities and the elimination of segregated housing. CHA, pursuant to the numerous orders stemming from Gautreaux is prohibited from creating racially segregated public housing areas.

The Gautreaux case began in 1966, when Dorothy Gautreaux and others filed a class action claiming that the CHA had intentionally perpetuated racial segregation both in its tenant assignment practices and its siting policies. Gautreaux, 178 F.3d at 952. In 1969, the district court found for the plaintiff class, Gautreaux v. CHA, 296 F.Supp. 907 (N.D.Ill.1969), and entered a remedial decree designed to address the constitutional violations, Gautreaux, 304 F.Supp. at 736. The Gautreaux court granted an injunction that required the CHA to "affirmatively administer its public housing system which has resulted from CHA's unconstitutional site selection and tenant assignment procedures." Id. at 741. The idea was to bring about a gradual cure of the CHA's constitutional violations over time, as the CHA made new units available to public housing residents. Gautreaux, 178 F.3d at 952. This injunction is still in place.

In 1987, the court appointed a receiver (Daniel E. Levin and The Habitat Company), to whom it assigned the responsibility for developing scattered site housing on the CHA's behalf. The receiver is authorized to exercise all powers of CHA respecting the scattered site program necessary and incident to the development and administration of housing projects that were underway at the time and non-elderly public housing development programs. Id. at 953. The court further determined that non-elderly public housing development programs was included the HOPE VI program, a program that revitalizes severely distressed or obsolete public housing developments by funding a mixture of local public housing authority activities on a competitive grant basis. Id. at 953. The Gautreaux court also ordered that CHA was prohibited from developing public housing in Limited Areas (census tracts composed of 30% or more non-white populations). Gautreaux v. Landrieu, 523 F.Supp. 665, 669 (N.D. Ill 1981).

Plaintiffs contend that the ABLA redevelopment plan will create adverse discriminatory effects and further segregation if implemented. Plaintiffs fail to recognize in their complaint that CHA and HUD are mandated by the Gautreaux court orders to prohibit the development of public housing in Limited Areas. On June 18, 1998, the Court designated as the ABLA Revitalizing Area that portion of the City of Chicago commonly known as ABLA. The Receiver is authorized to develop:

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

Gautreaux, No. 66 C 1459, slip op. at 3 (N.D.Ill. June 19, 1998).

Plaintiffs fail to state a claim which establishes that the ABLA revitalization plan will create a discriminatory effect and further segregation if implemented. CHA and HUD are mandated by court orders to prevent such occurrences. Therefore, Plaintiffs fail to plead pursuant to Fed. R. Civ. P. 12(b)(6), that they are entitled to any rights or remedies under the FHA.

B. PLAINTIFFS FAIL TO STATE A CLAIM UNDER TITLE VI OF THE CIVIL RIGHTS ACT

Plaintiffs contend that CHA violated Title VI of the Civil Rights Act , 42 U.S.C. § 2000d because its proposed ABLA revitalization plan (1) will have an adverse discriminatory effect upon African-Americans, and (2) has and will exacerbate and perpetuate residential racial segregation. (Complaint at ¶¶ 106, 108).

Title VI provides that "[n]o person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance". 42 U.S.C. §2000d. In order to state a claim under Title VI, Plaintiffs must allege that CHA is (1) engaging in racial discrimination, and (2) receiving federal financial assistance. Adams v. Lewis University, 1999 WL 162762, *3 (N.D. Ill. March 12, 1999). For the following reasons, Plaintiffs have failed to state a claim under Title VI as required by Fed. R. Civ. P. 12(b)(6).

Plaintiffs' allegations of racial discrimination are based on the notion that CHA's proposed ABLA revitalization plan will reduce the number of housing units available both to current and to recently displaced ABLA residents, as well as to public housing eligible families on CHA's waiting list. (Complaint at ¶ 89). However, Plaintiffs' Complaint ignores that fact that CHA's proposed ABLA revitalization plan has been brought forth and approved by Judge

Aspen's order in the Gautreaux case, an ongoing desegregation program designed to remedy a finding of past discrimination on the part of CHA. CHA's proposed ABLA revitalization plan is the product of the court's order. As stated in Part II, supra, the court authorized the Gautreaux receiver to develop the ABLA revitalization area so that this area would be comprised of mixed income, desegregated housing. Gautreaux, No. 66 C 1459, slip op. at 3 (N.D.Ill.June 18, 1998). If Plaintiff's allegations are based on the decrease in the total number of public housing units, then Plaintiff has failed to state a claim under Title VI because CHA received court approval to put the proposed ABLA revitalization plan into effect. Plaintiffs have made no allegations in their Complaint that the court's order in Gautreaux is, in and of itself, discriminatory or illegitimate. Furthermore, if Plaintiffs were allowed to bring this claim against CHA, and if the relief sought were granted, CHA would be in direct violation of the court's order in Gautreaux. Finally, if this court stopped CHA's desegregation plan from being put into effect, then the perpetuation of the status quo, which Plaintiffs seek, would actually cause segregation and discrimination, the harms Plaintiffs allegedly fight to eliminate. Therefore, Plaintiffs fail to state a claim, as required by Fed. R. Civ. P. 12(b)(6), under Title VI.

C. PLAINTIFFS FAIL TO STATE A CLAIM UNDER SECTION 18 OF USHA.

Plaintiffs contend that CHA has violated provisions of Section 18 of the USHA by failing to meaningfully consult with the CRA and individual ABLA residents relative to the demolition and redevelopment plans for the ABLA development . (Complaint at Count VIII). This allegation is clearly without merit. Section 18 of USHA generally protects public housing units from demolition until redevelopment plans have been negotiated in consultation with all tenants affected by the demolition. 42 U.S.C. §1437 p(b)(1). As previously stated, the CHA has no legal responsibility or obligation to consult with the CRA because the CRA is not the duly

elected resident council of the ABLA residents as mandated. 24 C.F.F 964.18 (a)(1). Similarly, the CHA has no legal responsibility or obligation to the former ABLA tenants since they are no longer residents who live within ABLA's public housing development. Clearly, the CHA waiting list applicants have no right to be consulted on the CHA's demolition and revitalization plans, due to their mere status for public housing occupancy.

In addition, the CRA claims to be an Illinois non-profit organization of ABLA tenants and their mission, *among other things*, is to act as an advocate for ABLA residents. (Complaint at ¶10). There is no statutory requirement that requires a public housing agency to consult with other resident groups in the demolition and redevelopment plans of a public housing development. In fact, there is statutory authority that prohibits the recognition by a public housing agency of another resident organization. 24 C.F.R. 964.18(a)(7). The Code of Federal Regulations specifically provides that "in no event shall HUD or a housing authority recognize a competing resident council once a duly elected resident council has been established. Any input concerning public housing operations shall be made only through the officially recognized resident council." 24 C.F.R. 964.18(a)(7). Based upon this statutory provision alone, the CHA is precluded from consulting with the CRA, who are independent of the duly elected resident council, the residents' duly elected body.

With regard to tenant consultation, the CHA did meet with ABLA development residents. Plaintiffs admit in their own complaint that the CHA held a meeting with ALBA tenants and the ABLA LAC on February 20, 1998, to discuss the CHA's plan for redeveloping the ABLA development under the revitalization plan. (Complaint at ¶82). Thus, the tenant consultation criteria was fulfilled.

Plaintiffs further claim that CHA violated Section 18(b)(2) of USHA by failing to relocate displaced ABLA tenants to decent, safe, sanitary and affordable housing which is, to the maximum extent practicable, housing of their choice. (Complaint at Count IX). More specifically, Plaintiffs' complaint alleges that the two former ABLA residents, namely Plaintiffs Simpson and Johnson were, initially, forced to move from one unit in a high-rise building within ABLA and were offered another unit in a similar building within the same development. (Complaint at ¶¶19 and 20). While this may be a true statement for purposes of this motion, the rational behind the relocation still does not trigger the CHA's obligation of offering full relocation assistance benefits to these plaintiffs.

The USHA provides for and states that "Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing project, or among projects, or with other housing for the purpose of improving living conditions of, or providing more efficient services to residents. 42 U.S.C. Sec. 1437p(e). In the instant case, both Plaintiffs Simpson and Johnson were moved from their units at 1239 S. Racine, in order to comply with a municipal court order to vacate the property after it was determined to be unsafe for occupancy. (Complaint at ¶22). Plaintiffs, by their own admission, state that 1239 S. Racine was deteriorating to the point of uninhabitability. (Complaint at ¶20). The CHA offered Plaintiffs Simpson and Johnson the opportunity to stay within the ABLA development (Complaint at ¶¶19 and 20), however, each subsequently elected Section 8 as their choice of relocation/replacement housing. The USHA permits a public housing agency to offer housing assistance by means of Section 8 program assistance, if a tenant chooses Section 8 as their replacement housing choice. 42 U.S.C. Sec. 1437(f). The CHA provided the housing assistance that Plaintiffs Simpson and Johnson were entitled to and ultimately chose, in light of

the circumstances, that the building was being vacated pursuant to court order. The vacating of 1239 S. Racine was done in furtherance of complying with a court order, not due to planned demolition or revitalization.

The CHA has fulfilled its statutory obligations of consulting with the officially recognized and duly elected resident council and tenants in the demolition and development of the ABLA HOPE VI Revitalization Plan. Furthermore, the CHA has made provisions for all tenants currently residing within ABLA who may be displaced as a result of the redevelopment plan, which will include housing of the residents' choice. (Complaint at ¶66). Therefore, Plaintiffs have failed to state a claim, under Section 18 of the USHA and therefore, Counts VIII and IX should be dismissed.

D. PLAINTIFFS FAIL TO STATE A CLAIM UNDER THE RELOCATION ACT

The Relocation Act makes relocation benefits available for individuals and businesses that satisfy the statutory definition of a "displaced person." Alexander v. United States Department of Housing and Urban Development, 441 U.S. 39, 99 S.Ct. 1572, 1574 (1979). Section 101(6) of the Act defines that term to include "any person who ... moves ... as a result of the acquisition of ... real property ... or as a result of the written order of the acquiring agency to vacate real property [the notice clause], for a program or project undertaken by a federal agency. Id. at 39. The definition of a "displaced person" governs basic eligibility for the several types of assistance available under the Relocation Act. In the instant case, none of the plaintiffs satisfy the definition of a displaced person pursuant to the Relocation Act.

Plaintiffs allege that the CHA's relocation of families residing in the Addams and Brooks Homes has violated the Relocation Act and regulations promulgated thereunder because the CHA has failed to: (1) adequately assess the needs and preferences of the displaced families;

(2) failed to give displaced families reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings within their financial means that are not located in areas of African American concentration; (3) failed to provide the displaced families comparable replacement housing, including housing that is decent, safe and sanitary; and (4) failed to provide the displaced families up to 42 months of relocation assistance payments in the amounts that families' rent increased as a result of relocation, up to a maximum total disbursement of $5,250. (Complaint at ¶117(a)-(d)).

The Plaintiffs who are CRA members fail to qualify as displaced persons under the Relocation Act. Plaintiffs Freeman and Stimage were temporarily moved from their units because of CHA's efforts to consolidate the buildings due to dangerous and hazardous conditions cited at the properties. (Complaint at ¶¶13 and 16). Plaintiffs Young, Nance, Singleton and Smith have failed to state that they have been moved by CHA. (Complaint at ¶¶14, 15, 17, 18). *See also*, Austin v. Andrus, 638 F.2d 113, 117 (9th Cir. 1981) (members of Indian tribe were not entitled to assistance as "displaced persons" under Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, since displacement did not result from written order to vacate or acquisition by federal agency or state agency receiving federal financial assistance).

The Plaintiffs who claim that they were displaced from ABLA each were offered and accepted Section 8 certificates. (Complaint at ¶¶19 and 20). In addition, Plaintiff Simpson accepted a Section 8 certificate and moved from 1239 S. Racine in early 1997 due to burst pipes flooding her apartment. (Complaint at ¶19). Plaintiff Simpson asserts that CHA offered her a Section 8 certificate when her apartment flooded but fails to plead that she was not afforded any relocation assistance. Similarly, Plaintiff Johnson was vacated from 1239 S. Racine in late 1996 due to uninhabitable living conditions. (Complaint at ¶20). CHA also offered Plaintiff Johnson a

Section 8 certificate and she accepted it. (Complaint at ¶20). However, Plaintiff Johnson also fails to plead that she was not afforded any relocation assistance by CHA.

The waiting list plaintiffs are not entitled to benefits under the Relocation Act because they are not CHA tenants and never moved into or within CHA housing. Each of these plaintiffs have only *applied* for CHA housing. (Complaint at ¶¶21-23).

Plaintiffs complaint repeatedly states that defendants have a duty to provide relocation assistance when tenants are "displaced as a result of the demolition or disposition ...," and repeatedly claims that displaced families are afforded certain benefits under the law (Complaint at ¶¶37, 42, 117(a)-(d)). However, none of the Plaintiffs have pled that they qualify as displaced persons because they were moved as a result of the acquisition of real property or as the result of the written order of the acquiring agency to vacate real property, for a program or project undertaken by a federal agency as required by the Relocation Act. The named Plaintiffs in this case have failed to established that they are "displaced" as defined under the Relocation Act and thus are not eligible or entitled to the full benefits of the Relocation Act as asserted in their complaint.

Furthermore, Plaintiffs have requested that defendants pay Plaintiffs' reasonable costs and attorneys' fees for the prosecution of this action. (Complaint at Relief Requested (C)). Plaintiffs are not entitled to attorneys fees when no specific authority awards such remedy. The Relocation Act does not provide for the payment of costs and attorney's fees. See Harris v. Lynn, 555 F.2d 1357, 1360 (8th Cir. 1977) (counsel of former tenants of demolished low-income housing project were not entitled to award of attorney fees for services in suit to recover benefits under Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, in

absence of specific statutory authority for awarding attorney fees...). As such, their praying for relief as to t his claim should be stricken.

E. PLAINTIFFS FAIL TO STATE A CLAIM FOR EQUITABLE RELIEF

Plaintiffs are requesting that the court enter a preliminary and permanent injunction to enjoin defendants from implementing the ABLA redevelopment plans. (Complaint at Relief Requested (B)). Plaintiffs claim that they have suffered irreparable injury and they have no adequate remedy at law. (Complaint at ¶¶91 and 94).

A party seeking an injunction must show, inter alia, that: "'(1) no adequate remedy at law exists [and] (2) it will suffer irreparable harm absent injunctive relief.'" Daniels v. Southfort, 6 F.3d 482, 485 (7th Cir. 1993) (quoting United States v. Rural Electric Convenience Cooperative Co., 922 F.2d 429, 432 (7th Cir. 1991). In the federal courts equity has always acted only when legal remedies were inadequate. Beacon Theatres, Inc. v. Westover, 359 U.S. 500, 509 (1959). However, before reaching the merits of the injunctive relief sought, the Court must first be persuaded that the plaintiff has standing to bring this action. Warth, 422 U.S. at 498. The threshold question in every case is whether the court has the power to entertain the suit. Id. at 498. This Court cannot entertain Plaintiffs lawsuit and grant the relief sought because Plaintiffs have no standing to bring this action. Consequently, Plaintiffs are not entitled to an injunction because they have not pled that they have standing to bring the action and thus, the Court cannot reach the merits of the injunctive relief sought.

First, the CRA Plaintiffs are not the appropriate entity to represent residents on the redevelopment of ABLA. As stated previously, the CRA is not the official tenant organization pursuant to 24 C.F.R. §964.18 and is thus, not the appropriate entity to bring this lawsuit. A federal court's jurisdiction can be invoked only when the Plaintiff himself has suffered some

threatened or actual injury resulting from the putatively illegal action." Id. at 499. The CRA Plaintiffs have no personal stake in this outcome and are not entitled to the injunctive remedy they seek.

Second, the former ABLA Plaintiffs do not have standing to bring this lawsuit and are not entitled to the relief they seek because Plaintiffs have not been harmed. Plaintiffs assert that they were moved because of deteriorating or uninhabitable conditions in their apartments and CHA offered, and Plaintiffs accepted, comparable replacement housing by choosing Section 8 certificates. A federal court's jurisdiction can be invoked only when the Plaintiff himself has suffered some threatened or actual injury resulting from the putatively illegal action. Id. at 499. Plaintiffs have failed to plead that they have been harmed by CHA.

Finally, the waiting list Plaintiffs do not have standing to bring this lawsuit because they are merely applicants for CHA housing. None of these Plaintiffs are current tenants and are not entitled to any relief.

Therefore, the Plaintiffs have failed to state a claim for equitable relief as required by Fed. R. Civ. P. 12(b)(6).

CONCLUSION

For all of these reasons, Defendants requests that the Court dismiss Plaintiffs' case, with prejudice, in its entirety.

WHEREFORE, the Defendants, CHA, respectfully request that this Honorable Court grant its Motion to Dismiss in its entirety, with prejudice, with costs and fees it deems appropriate.

Respectfully submitted,

Attorneys for Defendants CHA
and Phillip Jackson

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIVED
OCT 08 1999
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COUR

CONCERNED RESIDENTS OF ABLA, et al.,	)	
Plaintiffs,	)	No. 99 C 4959
v.	)	Judge Gettleman
THE CHICAGO HOUSING AUTHORITY, UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT et al.,	)	
Defendants.	)	

NOTICE OF MOTION

To: SEE ATTACHED SERVICE LIST.

PLEASE TAKE NOTICE that on WEDNESDAY, October 13 at 9:15 a.m. at the opening of Court or as soon thereafter as counsel may be heard, I will appear before Judge Gettleman in the courtroom usually occupied by him in the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois, or before such other judge who may be sitting in his place and stead, and then and there present HUD'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF ITS FED. R. CIV. P. 12(B)(1) MOTION TO DISMISS, at which time and place you may appear, if you see fit.

Respectfully submitted,

SCOTT R. LASSAR
United States Attorney

By: Linda A Wawzenski

LINDA A. WAWZENSKI
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219 South Dearborn Street
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AFFIDAVIT OF MAILING

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

PAULA M. GABRIEL being first duly sworn on oath deposes and says that she is employed in the Office of the United States Attorney for the Northern District of Illinois; that on the 8th day of October 1999, she placed a copy of a NOTICE OF MOTION and DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S MOTION TO DISMISS PURSUANT TO FED. R. CIV. P 12 (B) (1) in a prepaid envelope addressed to each of the following named individual(s) and caused each envelope to be deposited in the United States mail chute located in the Everett McKinley Dirksen Building, Chicago, Illinois on said date at the hour of 5:00 p.m.

SEE ATTACHED SERVICE LIST

Paula M. Gabriel

SUBSCRIBED AND SWORN TO before me this 8th day of October, 1999

Cynthia A. Meinke
NOTARY PUBLIC
My Commission Expires: 4.30.2000

"OFFICIAL SEAL"
Cynthia A. Meinke
Notary Public, State of Illinois
My Commission Exp. 04/30/2000

SERVICE LIST

CONCERNED CITIZENS OF ALBA, et al., v THE CHICAGO HOUSING AUTHORITY, et al.

Case No. 99 C 4959

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIVED
OCT 08 1999
W. DOBBINS
DISTRICT COURT

CONCERNED CITIZENS OF ABLA, et al.	)	
Plaintiffs,	)	No. 99 C 4959
v.	)	Judge Gettleman
THE CHICAGO HOUSING AUTHORITY, et al.	)	
Defendants.	)	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S
MOTION TO DISMISS PURSUANT TO FED. R. CIV. P. 12 (B) (1)

The Department of Housing and Urban Development ("HUD"), by SCOTT R. LASSAR, United States Attorney for the Northern District of Illinois, seeks to dismiss plaintiffs' complaint pursuant to Federal Rule of Civil Procedure 12(B) (1), and in support of which submits its memorandum of law.

Respectfully submitted,

SCOTT R. LASSAR
United States Attorney

By: Linda A Wawzenski
LINDA A. WAWZENSKI
Assistant United States Attorney

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIVED
OCT 08 1999
MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

CONCERNED RESIDENTS OF ABLA, et al. Plaintiffs, v. THE CHICAGO HOUSING AUTHORITY, et al., Defendants.	No. 9[redacted]4959 Hon. Judge Gettleman

HUD'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF ITS FED. R. CIV. P. 12(B)(1) MOTION TO DIMISS

PRELIMINARY STATEMENT

Plaintiffs filed suit alleging statutory violations by the Department of Housing and Urban Development ("HUD") and the Chicago Housing Authority ("CHA") as a result of the planned revitalization of the Addams, Brooks, Loomis, and Abbott ("ABLA") public housing project.

With regard to the claims against HUD, plaintiffs allege that HUD has or will violate the Fair Housing Act, 42 U.S.C. §§ 3601 et seq., the Housing and Community Development Act ("HCDA"), 42 U.S.C. §§ 5301 et seq., and the Administrative Procedure Act, 5 U.S.C. §§ 701 et seq. Plaintiffs have also brought separate claims against CHA exclusively, namely that CHA has violated Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, has failed to consult with plaintiffs in violation of Section 18 of the U.S. Housing Act of 1937, 42 U.S.C. § 1437p, and has or will relocate them in violation

of Section 18 and the Uniform Relocation Assistance and Real Property Acquisition Policies Act ("URA"), 42 U.S.C. § 4601 et seq.

Since this Court lacks subject matter jurisdiction under Article III of the Constitution, it must dismiss plaintiffs' claims against HUD.

GAUTREAUX LITIGATION

The Gautreaux suit began over 30 years ago and resulted in judgments against both CHA and HUD. The Gautreaux court "found that CHA had intentionally limited the number of black families living in white housing projects and deliberately targeted only predominantly black neighborhoods in which to build public housing, while HUD knowingly assisted CHA in carrying out this discrimination." Gautreaux v. CHA, 981 F.Supp. 1091, 1092 (N.D. Ill. 1997). After years of litigation, to remedy such racial segregation, the Gautreaux court issued an injunction against CHA, Gautreaux v. CHA, 304 F.Supp. 736, 737 (N.D. Ill. 1969), and the parties entered into a consent decree. Gautreaux v. Landrieu, 523 F.Supp. 665 (N.D. Ill. 1981), aff'd, 690 F.2d 616 (7th Cir. 1982). Subsequently, the Gautreaux court terminated the consent decree against HUD because HUD had fulfilled all of its remedial obligations, i.e., providing 7100 desegregative housing opportunities for lower income, African-American families. Gautreaux, 981 F.Supp. at 1094-95.

As part of the Gautreaux remedy against CHA, originally, the Gautreaux court divided the Chicago metropolitan area into Limited and General Areas. See Gautreaux, 523 F.Supp. at 668. Limited

Areas are defined as those census tracts composed of 30% or more non-white populations, and General Areas are the remaining census tracts. Id. at 668. CHA was prohibited from developing public housing in Limited Areas without simultaneous development in General Areas. Id. Due to CHA's lack of progress in developing public housing in General Areas, however, the Gautreaux court authorized the development of public housing in a Limited Area, if such Area were designated as a Revitalizing Area. Id. at 668-69. Revitalizing Areas are defined as those with a substantial minority population, but are undergoing sufficient redevelopment to justify the assumption that these areas will become more integrated in a short time. Id. at 669. Thus, the Gautreaux court has prohibited the development of public housing in a Limited Area, unless the Gautreaux court designates such Area as a Revitalizing Area. In light of CHA's slow progress in developing public housing, the Gautreaux court appointed Daniel E. Levin and the Habitat Company ("Receiver") to control CHA's family public housing development activities. See Gautreaux v. CHA, 178 F.3d 951, 953 (7th Cir. 1999). Subsequently, the Gautreaux court concluded that "the HOPE VI program [which is involved in the ABLA revitalization; see infra at 6-8] is a non-elderly public housing development program" and "it therefore fits entirely within the Receiver's jurisdiction." See id. at 954. Consequently, the Gautreaux court ordered the Receiver's participation in any HOPE VI activities that involve the development of family public housing. See id. at 954-55.

On June 19, 1998, the Gautreaux court authorized the development of public housing at ABLA--which was previously considered a Limited Area--as a Revitalizing Area. The order authorized the Receiver to develop

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

Gautreaux v. CHA, No. 66 C 1459, slip op. at 3 (N.D. Ill. June 19, 1998)(Exhibit A). The Gautreaux court decided that the ABLA revitalization would be "[s]ubject to such terms and conditions as are specified by further orders of the Court...." Id. Thus, the Gautreaux court has limited to 1,084 the number of public housing units at income levels of 0-35% of AMI that can be developed back on the ABLA site.

ABLA HOPE VI REVITALIZATION

In 1992, Congress created the HOPE VI program though a demonstration program called "Homeownership and Opportunity for People Everywhere." Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Acts, 1993, Pub. L. 102-389 (Oct. 6, 1992).[1] Congress intended to "empower residents of severely distressed and obsolete public

[1] As pertinent to the ABLA HOPE VI revitalization, the Congressional authorization for the HOPE VI program is contained in HUD's Fiscal Year 1996 and 1998 appropriation bills.

housing" S.Rep. 102-356, at 70 (1992) through a three-part plan: (1) eliminating and (in some form) replacing dilapidated public housing, (2) providing residents of those structures with the skills necessary to achieve self-sufficiency, and (3) instilling a sense of community activism in residents of the blighted areas. See id. at 71. Local public housing authorities may use HOPE VI grant monies for a variety of purposes, including, among other things, planning revitalization projects, demolition, renovation, providing Section 8 rent vouchers, providing social services, and building replacement dwellings. Gautreaux, 178 F.3d at 954-55. CHA received a Fiscal Year ("FY") 1996 HOPE VI grant in the amount of $24,483,250 for 200 ABLA replacement public housing units. HUD made this award to satisfy in part a HUD obligation under the HUD consent decree in Gautreaux. The CHA, in collaboration with the Receiver, applied for and was awarded a FY 98 HOPE VI grant of about $35 million to revitalize ABLA. Declaration of Elinor Bacon, ¶¶ 3-5 (Exhibit B).

The FY 98 HOPE VI application proposed to combine the $24 million FY 96 HOPE VI grant and the $35 million FY 98 HOPE VI grant to leverage over $84 million in funding from the City of Chicago and over $287 million in private funds to create a $430 million redeveloped community. The application proposed 1,467 public housing units (1,084 on-site and 383 off-site) for people with income levels at 0-35% AMI, 845 affordable rental/for sale units for income levels at 36-120% of AMI, and 966 market rate rental/for sale units. Declaration of Elinor Bacon, ¶ 6.

Pursuant to HUD requirements, HUD must approve a full Revitalization Plan for the project before HOPE VI funds, other than pre-development funds, can be drawn down by CHA. A Revitalization Plan specifies, among other things, how much of HOPE VI revitalization grants will be devoted to the construction or acquisition of new family housing, as well as the planned number, location, density, and mix of residential units that will result at the completion of a HOPE VI project. CHA and the Receiver have not yet submitted the ABLA Revitalization Plan for HUD's approval. Until such plan is submitted to HUD, and until HUD approves that Plan, it will still be uncertain how many ABLA public housing units will be developed, how they will be configured, and who will occupy them. Furthermore, the Revitalization Plan may be updated to account for changes in the needed number of bedrooms for those ABLA residents choosing to return to the ABLA development. Declaration of Elinor Bacon, ¶¶ 7-11.

ARGUMENT

I. Plaintiffs Do Not Have Standing To Sue HUD.[2]

[2] When the defendant challenges jurisdictional facts in a Fed. R. Civ. P. 12(b)(1) motion, the plaintiff claiming subject matter jurisdiction bears the burden of proving that the court has jurisdiction, and in contrast to a Fed. R. Civ. P. 12(b)(6) motion, the Court does not presume that the allegations in the plaintiff's complaint are true. Commodity Trend Service, Inc. v. Commodity Futures Trading Commission, 149 F.3d 679, 685 (7th Cir. 1998). In such an instance, courts may "view whatever evidence has been submitted on the issue to determine whether in fact subject matter jurisdiction exists." Calderon v. U.S., 123 F.3d 947, 951 n.2 (7th Cir. 1997).

A. Plaintiffs Have Not Demonstrated An Injury In Fact.

Plaintiffs have not demonstrated an injury in fact because it is merely speculative that the named plaintiffs will not be able to live in ABLA pursuant to the ABLA revitalization. The first element of Article III standing is that plaintiff must allege "an injury in fact—an invasion of a legally protected interest which is []concrete and particularized," and "'actual or imminent', not 'conjectural' or 'hypothetical.'" Lujan v. Defenders of Wildlife, 504 U.S. 555, 560 (1992) (citations omitted); see also Los Angeles v. Lyons, 461 U.S. 95, 111 (1983)(even though plaintiff may have been illegally choked by the police in the past, it is still speculative that plaintiff will experience similar treatment from the police in the future).

The named plaintiffs consist only of six current and two former ABLA residents, and three persons on CHA's public housing waiting list. Complaint, ¶¶ 13-23. The relief each of the named plaintiffs seek is to reside at the revitalized ABLA project. See id. The named plaintiffs do not contend that there will not be enough family public housing units for themselves. The HOPE VI application proposed 1,467 public housing units (1,084 on-site and 383 off-site) for people with income levels at 0-35% AMI. Declaration of Elinor Bacon, ¶ 6. In fact, plaintiffs even concede that at least 656 public housing units for very low income families were proposed to be developed at ABLA. Complaint, at ¶ 56. The ABLA Revitalization Plan also may be updated to account for changes in the needed number of bedrooms for those ABLA residents choosing

to return to the ABLA development. Declaration of Elinor Bacon, ¶ 11. Thus, it is merely speculative that the named plaintiffs will not be able to live in one of those public housing units for very low income families pursuant to the ABLA revitalization.[3] Accordingly, plaintiffs have not alleged an injury in fact sufficient to establish standing to sue HUD.[4]

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[3] Separate from standing, Article III of the Constitution requires plaintiffs' claims to be ripe for review. They are not ripe because, since HUD has not yet received CHA's and the Receiver's Revitalization Plan, it is still uncertain how the ABLA revitalization will take shape. See Declaration of Elinor Bacon at ¶¶ 7-11. Until it is "sufficiently concrete" what the ABLA revitalization will look like, and until HUD's decision on ABLA is "final," plaintiffs' claims are not "fit for judicial resolution." See Bethlehem Steel Corporation v. EPA, 536 F.2d 156, 160-61 (7th Cir. 1976)(citation omitted). In Bethlehem Steel, the Court found that the EPA's action was not "final" because the regulations only required a study to be done on future air pollution problems and any standards would not be promulgated until the study is later completed. Id. at 161. Similarly, in this case, the agency action is not "sufficiently concrete" or "final" because, until CHA and the Receiver submit an ABLA Revitalization Plan to HUD, and until HUD approves that Plan, it will still be uncertain how many ABLA public housing units will be developed, how they will be configured, and who will occupy them. Declaration of Elinor Bacon at ¶¶ 7-11. Moreover, plaintiffs' alleged hardship is still speculative. In Bethlehem Steel, since it was only speculative whether the EPA's regulation would impose any requirements on the plaintiffs, there was no hardship. Id. at 161. In this case, the relief each of the named plaintiffs seek is to reside at the revitalized ABLA project. Complaint, ¶¶ 13-23. Since the Revitalization Plan has not yet been yet submitted, it is still uncertain whether the named plaintiffs will get the relief they seek. See Declaration of Elinor Bacon at ¶¶ 7-11. Thus, this case is not ripe for review.

[4] Nor does the Concerned Citizens of ABLA ("CRA") have standing to sue HUD because CRA's alleged injuries pertain to the claims against CHA, not HUD. Plaintiffs allege frustration to the CRA's mission to promote tenant involvement in the ABLA revitalization and facilitate a redevelopment plan that furthers the interest of ABLA residents. Plaintiffs also allege that the CRA has lost actual and potential members due to CHA's relocation policies for ABLA residents. Complaint, ¶ 92. With regard to the CRA's mission to promote tenant involvement in the revitalization, this involves the claim that CHA has not consulted with plaintiffs in violation of Section 18 of the U.S. Housing Act of 1937. With

B. Plaintiff's Have Not Established That HUD Caused Their Alleged Injuries.

Plaintiffs' claims are not fairly traceable to HUD because it is the Gautreaux court that is limiting the number of public housing units that can be developed back on the ABLA site. The second element of Article III standing is that plaintiffs must establish "a causal connection between the injury and the conduct complained of--the injury has to be fairly traceable to the challenged action of the defendant, and not the result of the independent action of some third party not before the court." Lujan, 504 U.S. at 560.

For all practical purposes, the Gautreaux court has prohibited the development of public housing in a Limited Area, unless the Gautreaux court designates such Area as a Revitalizing Area. See Gautreaux, 523 F.Supp. at 668. The Gautreaux court authorized the development of public housing at ABLA--which was previously considered a Limited Area--as a Revitalizing Area. The Gautreaux court, however, has limited to 1,084 the number of public housing units that can be developed back on ABLA and strove to ensure that

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regard to the alleged loss of members, this injury involves the claim that CHA has relocated ABLA residents in violation of Section 18 of the U.S. Housing Act of 1937 and in violation of the URA.

As to the CRA's mission to facilitate a redevelopment plan that furthers the interest of ABLA residents, the CRA does not have associational standing because CRA's members do not have standing in their own right. See Hunt v. Washington State Apple Advertising Commission, 432 U.S. 333, 343 (1977). The complaint neither alleges how many members the CRA contains, nor that its members would be unable to reside in one of the many revitalized ABLA public housing units that will be developed. Because it is only speculative that the CRA's members would be unable to live at ABLA after its HOPE VI revitalization, they do not have an injury in fact, and thus, do not have standing in their own right.

ABLA will become a mixed income community. Gautreaux v. CHA, No. 66 C 1459, slip op. at 3 (N.D. Ill. June 19, 1998). The injury plaintiffs allege is that the ABLA revitalization "will reduce the number of [public] housing units" at ABLA. Complaint, ¶ 89. Because it is the Gautreaux court that has limited the number of public housing units that can be developed at ABLA, plaintiffs' alleged injury, which is not being able to reside at ABLA after the revitalization process is complete, is not fairly traceable to HUD. Accordingly, plaintiffs lack standing to sue HUD.

C. Plaintiffs Have Not Established That It Is Likely That Their Alleged Injuries Would Be Redressed By A Favorable Decision.

In any event, plaintiffs' claims are not redressable. The third element of Article III standing "the injury will be 'redressed by a favorable decision.'" Lujan, 504 U.S. at 561 (citation omitted); Medina v. Clinton, 86 F.3d 155, 157 (9th Cir. 1996). In Lujan, the Supreme Court found that the alleged injury could not be redressed in an action against the EPA because it was an "open question" whether other Federal agencies, whose action was necessary to provide relief to the plaintiffs, but who were not parties to the suit, would be bound by the change in the EPA regulation the plaintiffs sought. Lujan, 504 U.S. at 568-71. In Medina, unemployed plaintiffs lacked standing in an action against the Secretary of Labor and the President to compel the expansion of federal job programs because the President lacked the unilateral authority to expand job programs without Congressional action. Medina, F.3d at 157-58.

1. A Favorable Decision Would Not Bind The Receiver.

First, because the Gautreaux Receiver, would not be bound by a favorable decision for plaintiffs, this case is not redressable. The Gautreaux court has appointed the Receiver to exercise all the powers of CHA in developing non-elderly public housing. See Gautreaux, 178 F.3d at 953. The Gautreaux court authorized the Receiver to develop only a limited number of public housing units at ABLA so as to ensure that ABLA would be a mixed-income development. Since the Receiver is not a party to this case, any orders by this Court would not necessarily bind it. See Roboserve Inc. v. Kato Kagaku Co., Ltd., 121 F.3d 1027, 1034 (7th Cir. 1997). Even if plaintiffs received a favorable result from this Court, it is not likely that their alleged injuries would be redressed. Accordingly, plaintiffs do not have standing to sue HUD.[5]

2. Plaintiffs' Requested Relief Conflicts With Prior Gautreaux Orders.

Second, plaintiffs' claims are not redressable because plaintiffs' requested relief conflicts with prior Gautreaux orders. The Gautreaux court has decided that the ABLA revitalization would be "[s]ubject to such terms and conditions as are specified by

[5] Plaintiffs' redressability problem would be eliminated if the Court dismissed this case without prejudice, allowing plaintiffs to seek leave to intervene in the Gautreaux case. Since plaintiffs seek relief that conflicts with the June 19, 1998 Gautreaux order limiting the number of public housing units at ABLA, plaintiffs' suit must be dismissed because it entails a collateral attack on a judicially-approved desegregation plan. See Samayoa v. Chicago Bd. of Educ. 798 F.2d 1046, 1050-51 (7th Cir. 1986) (suit by Cuban, American-Indian, and white students alleging racial discrimination in admissions to public elementary magnet school was an impermissible collateral attack on a judicially-approved desegregation plan).

further orders of the Court...." Gautreaux v. CHA, No. 66 C 1459, slip op. at 3 (N.D. Ill. June 19, 1998). The Gautreaux court has also limited the number of public housing units for very low income families that can be developed back on ABLA. Id. Consequently, the Gautreaux court has envisioned that the ABLA revitalization will not result in the same number of newly-developed public housing units as are demolished. See id. Since the injury plaintiffs allege is that the ABLA revitalization "will reduce the number of [public] housing units" at ABLA, the relief they seek would require CHA to develop more public housing at ABLA than the Gautreaux court has authorized.[6] See Complaint, ¶ 89. This case is not redressable, therefore, because even if plaintiffs did obtain a favorable decision from this Court, CHA would not be able to provide the relief plaintiffs seek because of the conflict with prior Gautreaux orders.[7]

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[6] Another source of conflict between the Gautreaux case and the relief plaintiffs seek is that Gautreaux prohibits the concentration of public housing in Revitalizing Areas, which is what the ABLA HOPE VI revitalization hope to minimize, but which is what plaintiffs seek. See Gautreaux, 523 F.Supp. at 668.

[7] Additionally, the claims of the two former ABLA resident plaintiffs are not redressable. Since plaintiffs seek equitable relief, not damages, from HUD, plaintiffs must allege some injury that will occur in the future if the relief they seek is not granted. See Lyons, 461 U.S. at 111. The complaint alleges only that these plaintiffs suffered the past injury of choosing to move out of ABLA. Complaint, ¶ 19-20. Since the complaint does not allege that these former ABLA residents have applied for or will apply for public housing, plaintiffs cannot show that it is likely that any of their alleged injuries would be redressed even if the relief they seek were granted.

Nor are the claims of the three named plaintiffs on CHA's waiting list redressable. The complaint does not allege whether they are at the top of the waiting list, or how likely it is they would be able to live at ABLA after the HOPE VI revitalization, even if plaintiffs did obtain the relief they are seeking. See

3. Res Judicata Bars Plaintiffs' Claims.

Third, to the extent that plaintiffs' claims rely upon allegations concerning past segregation, they are barred by the doctrine of res judicata, and thus are not redressable, because these claims have already been remedied in the Gautreaux case. For res judicata to apply in federal court, three requirements must be met: (1) "a final judgment on the merits," (2) "an identity of the causes of action," and (3) "an identity of the parties or their privies." Roboserve Inc., 121 F.3d at 1034 (citation omitted). "Once a transaction has caused injury, all claims arising from that transaction must be brought in one suit or lost." Id. at 1035 (citation omitted).

The first requirement of res judicata is met because there is a final judgment on the merits. The Gautreaux court found that HUD violated both the Equal Protection Clause and Title VI of the Civil Rights Act of 1964 by knowingly sanctioning and assisting CHA's racially discriminatory public housing program. Gautreaux v. Romney, 448 F.2d 731, 739-40 (7th Cir. 1971). For the alleged racial segregation in CHA's public housing program, the Gautreaux court approved a consent decree, found that HUD had satisfied its obligations under that decree, and eventually dismissed HUD from the case. See Gautreaux, 981 F.Supp. at 1094-95.

The second requirement of res judicata is met because there is an identity of causes of action, to the extent that plaintiffs' claims rely on past segregation. For example, Count 4, which

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Complaint, ¶¶ 21-23.

alleges that the ABLA revitalization denies plaintiffs the opportunity to reside in a racially integrated neighborhood, and Count 5, which alleges that the ABLA revitalization perpetuates segregation each necessarily relies on facts involving past segregation, for which HUD has already provided a complete remedy. Even though the Gautreaux plaintiffs brought their claims under Title VI, not Title VIII, res judicata bars claims that "were or could have been raised in that action." Rivet v. Regions Bank of Louisiana, 118 S.Ct. 921, 925 (1998).

The third requirement of res judicata is met because most of the named plaintiffs are part of the Gautreaux class of current residents or applicants of CHA public housing.[8] See Gautreaux, 304 F.Supp. at 737. Plaintiffs may contend that two named plaintiffs, who are no longer residents of ABLA, are not public housing applicants, and thus, are not members of the Gautreaux class. These two former ABLA residents do not have standing, because, since the complaint does not allege that they have applied for public housing, their claims are not redressable. If these plaintiffs did apply for CHA public housing, they then would become Gautreaux class members, and their claims would be barred by res judicata. Either way, these former ABLA residents either do not have standing to sue HUD or their claims are barred by res judicata.

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[8] There is also an identity of the parties with regard to the CRA. All of the members of the CRA are also part of the Gautreaux class, since the CRA "is an association of tenants living in the ABLA public housing development." Complaint, ¶ 10.

CONCLUSION

For the foregoing reasons, HUD respectfully asks the Court to dismiss plaintiffs' complaint.

Respectfully Submitted,

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

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

REPLY TO *ABLA* PLAINTIFFS' RESPONSE TO
JOINT MOTION OF *GAUTREAUX* PLAINTIFFS AND RECEIVER

After a brief look at the "overlap" between the *ABLA* Complaint and the Gautreaux Court's ABLA Order of June 1998 (Part A), we address the applicability here of the *Hines* doctrine on collateral attacks in ongoing desegregation cases (Part B), of the local "relatedness" rule (Part C), of the "Barton Doctrine" (Part D), and of the alternative procedures suggested in the Joint Motion (Part E).

A. *ABLA* Substantially Overlaps *Gautreaux*.

Does the *ABLA* Complaint "substantially overlap" Gautreaux, as we say (Joint Motion at 1), or is there "little . . . overlap" as the Response at 2 asserts -- even while acknowledging that the complaint raises "major issues" with the ABLA plan?

Every one of the 14 counts in the *ABLA* Complaint attacks the very "proposed ABLA redevelopment plan" (id.) that is the subject of the Gautreaux Court's June 19, 1998 Order, and includes the charge that the ABLA plan exacerbates and perpetuates racial residential segregation. (*ABLA* Compl. ¶90.). No other plan is addressed by either the *ABLA* Complaint or the Gautreaux Order. The subject matter overlap is complete, not "substantial."

As to parties, the *ABLA* plaintiffs consist of: (a) 11 individuals, nine of whom are members of the *Gautreaux* class (the other two are former members who may equitably be entitled to return to their former status as CHA residents if the Complaint's allegations are true); (b) 21,000 putative class members, 20,000 of whom as applicants for CHA housing are members of the Gautreaux class (the other 1,000 are former Gautreaux class members who may have the same equitable entitlement as the two individuals); and (c) a recently-formed association of ABLA residents, all of whom are members of the Gautreaux class.[1] (*ABLA* Compl., ¶¶10-24.) Thus, the overlap as to parties is at least "substantial."

The Response at 4-5 says the *ABLA* Complaint "does not raise the same issues" raised in Gautreaux, giving -- as one example -- wrongs allegedly perpetrated by CHA under the Uniform Relocation Act. The Response also points out that this Court has said it does not intend to become a repository for every isolated discrimination or other claim that might be related to Gautreaux. (Id. at 8.)

Of the 14 *ABLA* counts, seven complain of racial discrimination or segregation in the design of the ABLA redevelopment plan (I, IV, V, VI, VII, XI),[2] or in its "arbitrary" approval by HUD (XIV). Two others (II, III) assert "new" claims that the ABLA plan vio-

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[1] The plaintiff association should not be confused with the duly elected leadership of the ABLA residents which supports the ABLA plan, see Ex. C to Joint Motion. Note that the putative *ABLA* class does not include current ABLA residents, who are already members of the Gautreaux class.

[2] The Response at 6 claims that this Court has found that racial discrimination in the Section 8 program is not a proper claim to be raised in Gautreaux. The Gautreaux plaintiffs wish to inform the Court that this is not so. The Court concluded only that the record failed to support plaintiffs' proposed modification of the CHA judgment order, referring to the need for further evidence. (Aug. 26, 1997 Memorandum Opinion and Order at 4-5.) Plaintiffs and CHA have been negotiating about a possible settlement as an alternative to a renewed Section 8 motion, and appear presently to be close to accord.

lates the sex and familial status provisions of the Fair Housing Act.[3] The remaining five counts, while realleging the basic attack on the design of the ABLA plan, also complain of wrongdoing in the carrying out of the plan (VIII, in consulting with, and IX, X, XII and XIII in relocating, families).

We do not contend that this Court is obligated to or should accept under the Gautreaux umbrella the claim of every family, whether or not a member of the Gautreaux class, who asserts that CHA has denied it rights under the Uniform Relocation Act or some other statute. Such claims can and should be brought elsewhere. Nothing in the Joint Motion takes a position on the merits of such claims or would result in precluding them.

The trouble here is that there are no such separate claims in the *ABLA* Complaint; every count attacks the very ABLA redevelopment plan authorized by this Court. For example, while Count X of the *ABLA* Complaint alleges violations of the Uniform Relocation Act and its regulations, the same count (as all others) realleges the first 94 paragraphs of the Complaint and thus includes all the allegations attacking the design of the ABLA redevelopment plan authorized by the Gautreaux order of June 1998. The non-Gautreaux issues are inextricably mingled with the central attack on the ABLA redevelopment plan.

This distinction between claims which do and do not attack this Court's June 1998 ABLA Order is crucial. Complaints that do not challenge the terms of a decree, nor seek to modify it, are not collaterally barred. See, e.g., Barfus v. City of Miami, 936 F.2d 1182,

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[3] These claims are like the unsuccessful effort in Davis v. Board of School Comm'rs of Mobile County, 517 F.2d 1044 (5th Cir. 1975), to avoid Hines by asserting a "new" claim under Title VII of the Civil Rights Act of 1964. Davis mandated intervention instead, saying it would result in better management of the pending class action, no loss of rights under Title VII, and would "avoid a proliferation of litigation over the same subject matter . . . ." 517 F.2d at 1049.

1185 (11th Cir. 1991); O'Shea v. City of San Francisco, 966 F.2d 503, 505 (9th Cir. 1992). But complaints that do challenge the terms of a decree, or seek to modify it, are barred. See, e.g., Tompkins v. Alabama State Univ., 15 F. Supp. 2d 1160, 1163 (N.D. Ala. 1998), aff'd mem., 174 F.3d 203 (11th Cir. 1999)(distinguishing Barfus and O'Shea). Applying Hines in a school desegregation context, Tompkins held that a collateral attack could not proceed because: "[t]he *Tompkins* Plaintiffs, on the other hand, directly challenge the terms of a decree entered [in the underlying desegregation case]."

If, as our Joint Motion requests, the *ABLA* Complaint were dismissed and then redrafted as a motion to intervene in Gautreaux, alleged wrongs such as denying Relocation Act benefits could be stripped away (and made, if the *ABLA* plaintiffs chose, the subject of a separate suit or suits elsewhere), leaving only the central attack on the ABLA redevelopment plan as the subject of proposed Gautreaux intervention. As to where that central attack must be mounted, Hines leaves no doubt: "[T]he proper course for parental groups seeking to question current deficiencies in the implementation of desegregation orders is for the group to petition the district court to allow it to intervene in the prior action." Hines v. Rapides Parish School Board, 479 F.2d 762, 765 (5th Cir. 1973).[4]

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[4] Thus, there is no suggestion that anyone be denied a full day in court respecting any claim whatever. Attacks on this Court's ABLA Order would be heard here in the context of a motion to intervene. Alleged CHA violations of the rights of tenants which do not stem from the design of the ABLA plan could be made the subject of a separate suit or suits, unprejudiced by the disposition of the present *ABLA* Complaint. "Any claim against a party may be severed and proceeded with separately." Rule 21, Federal Rules of Civil Procedure. See also Rule 42.

Actions in the *Horner* and *Cabrini* cases are not to the contrary. In neither case, at the time of their commencement, had this Court entered Gautreaux Orders approving plans for those developments. In neither case, unlike in the *ABLA* Complaint, was there an attack on an order of this Court or intrusion into this Court's expressly reserved continuing jurisdiction.

We turn to the legal arguments of the Response.

B. The *Hines* Collateral Attack Doctrine Applies.

The Response at 5 contends that there must be 100 percent overlap, i.e., complete identity of both issues and plaintiffs, before the Hines principles apply. This is the effect of the Response's arguments that the Hines doctrine does not apply here because the *ABLA* Complaint does not raise the "identical" issues raised in Gautreaux, id., and that "all the *ABLA* plaintiffs" are not Gautreaux class members, id. at 6.

The Response's contention is wrong. Were it correct it would gut the Hines doctrine, which could then be rendered inapplicable (leading to the very multiplicity of suits the doctrine is designed to prevent) by adding only a single new "issue" or a single new plaintiff. This is what the would-be plaintiffs in Davis tried to do by adding a Title VII count and two new plaintiffs -- school principals who claimed to be discriminated against by implementation of the underlying school desegregation remedy. 517 F.2d at 1047. Indeed, the same stratagem was attempted unsuccessfully in Hines itself, where the proposed new action purported to be on behalf of a school's white students claiming to be injured by the underlying desegregation case brought on behalf of blacks. Hines, 479 F.2d at 764. The principals in Davis and the white students in Hines are precisely analogous to the former ABLA residents in that they are non-class members claiming to be injured by the underlying desegregation remedy. Thus, although issues and plaintiffs are the same in some of the cases discussed (leading the Response to treat facts as holdings), in some (e.g., Davis and Hines) they are not.

Most importantly, the articulated criterion for the Hines doctrine is not complete identity of issues and plaintiffs -- we have found no case so holding -- but whether the

proposed new case falls within the "area of jurisdiction" retained by the trial court in the underlying desegregation case, see Miller v. Board of Ed. of Topeka Unified School, 667 F.2d 946, 948 (10th Cir. 1982); Hines, 479 F.2d at 765, or "within the scope" of that underlying case, see Davis, 517 F.2d at 1047. This criterion in turn derives from the rationale of the Hines doctrine which is based on "judicial economy," see Rivarde v. State of Mo., 930 F.2d 641, 643 (8th Cir. 1991), and avoiding the risk of inconsistent judgments, id., at 644. As in *Rivarde*, the *ABLA* plaintiffs seek a different remedy from that prescribed in the Gautreaux Court's ABLA Order of June 1998 (as to which jurisdiction was retained), thus explicitly posing the inconsistent judgments risk which alone may suffice to justify application of Hines:

> [A]ppellants here seek an additional and different remedy from that ordered in the class action. Indeed, appellants' case is premised on the allegation that the [underlying case's desegregation] remedy is ineffective. For these reasons, appellants are not entitled to bring an independent action.

Id. at 645 (emphasis added).

The *ABLA* plaintiffs' state that should they prevail before Judge Gettleman (presumably, in persuading Judge Gettleman to in effect change this Court's ABLA Order) they would "seek this court's approval (by intervention or otherwise) to modify the terms of this court's June 1998 order." Response at 2. This is obviously no answer to either the judicial economy or inconsistent judgments concerns. As for economy, in such a scenario Judges Aspen and Gettleman would each be considering the merits of the very same ABLA redevelopment plan in separate cases. As for inconsistent judgments, what if Judges Aspen and Gettleman disagreed?

The Hines doctrine provides the answer to these spectres, and neither its rationale nor the cases employing it require a self-defeating 100 percent identity of issues and plaintiffs.

C. *ABLA* Should Be Reassigned Under Local Rule 2.31.

The Response does not contest the proposition that *ABLA* and Gautreaux are related under the "same property" provision of Local Rule 2.31A. Response at 8. The issue is whether *ABLA* may be reassigned because it meets the last three conditions of Local Rule 2.31B. (The first condition -- that both cases are pending -- is plainly met here and not questioned by the Response.)

All three conditions have to do with issues of judicial economy -- substantially saving judicial time, not substantially delaying proceedings in the earlier case, and susceptibility of disposition in a single proceeding. Given that *ABLA* attacks and seeks to enjoin the very remedy authorized in the Gautreaux Court's June 1998 Order and as to which further Gautreaux proceedings are expressly contemplated, it is plain that all three conditions are met. Further, beyond issues of judicial economy it would be unseemly to have Judge Gettleman begin now to conduct proceedings whose avowed purpose is to enjoin implementation of a remedial order Judge Aspen entered a year ago.

To identify but one aspect of this unseemliness, it would lead to the result that 20,000 applicants for public housing, represented by one set of attorneys, would be suing in *ABLA* to enjoin the very remedy the same 20,000 persons, all members of the Gautreaux plaintiff class and represented by another set of attorneys, had obtained in Gautreaux! It seems plain that the claims of these 20,000 persons not only should be handled and disposed of by a single

judge in a single proceeding, see Rule 2.31B(2) and (4)), but -- to avoid an almost absurd posture -- must be.

The remaining condition, Rule 2.31B(3), looks to the likelihood of delay in Gautreaux proceedings should *ABLA* be reassigned. As a practical matter, however, the ABLA phase of Gautreaux cannot proceed without disposition of the *ABLA* attack on the design of the ABLA redevelopment plan -- what developer would commit financial resources to an ABLA redevelopment plan while that very plan is at risk of being enjoined or substantially modified in a judicial proceeding? Whether or not *ABLA* is designated as related would have no effect upon this reality, and hence Rule 2.31B(3) is satisfied because any delay in Gautreaux would stem from the very filing of the *ABLA* case, not from its designation as related.

D. The Barton Doctrine Applies.

In our Joint Motion, we argued that an injunction was necessary and proper under Barton v. Barbour, 104 U.S. 126 (1881), to protect the Receiver's ability to carry out its functions at ABLA. Motion at 7-8. The Response at 11 mischaracterizes the relief sought by the Motion. We are not seeking an injunction against the *ABLA* plaintiffs "from pursuing their lawsuit" or "from proceeding with their case," id., but rather an injunction requiring them to pursue in this Court any claim that is inextricably part of Gautreaux -- leaving them free to proceed elsewhere with any claims not part of Gautreaux.

The *ABLA* plaintiffs advance two counter-arguments. Neither is correct.

1. The *ABLA* plaintiffs' decision not to name the Receiver as a defendant is irrelevant.

Without citation to relevant authority, the Response at 11-12 argues in effect that because the *ABLA* plaintiffs chose not to name the Receiver as a defendant, this Court has no

power under the Barton doctrine to prevent interference with the Receiver's work. This argument is meritless.

The *ABLA* suit challenges the actions of the Receiver and seeks relief that is effectively against it -- including a request for a preliminary injunction cutting off its funding and modifying the development plan it is to implement. Therefore, the fact that the *ABLA* plaintiffs named only the CHA as a defendant is irrelevant. Receivers are regularly treated by the courts as indispensable parties to actions brought against the entities they are administering. See, e.g., Angst v. Royal Maccabees Life Ins. Co., 77 F.3d 701 (3d Cir. 1996); Crutcher v. Aetna Life Ins. Co., 746 F.2d 1076 (5th Cir. 1984). This protects the Receiver against being subjected to inconsistent verdicts. Angst, 77 F.3d at 706.[5]

Given the breadth of the Court's appointing order,[6] the Receiver is a necessary (and indeed an indispensable) party to resolving central portions of the *ABLA* claim. See Gautreaux v. CHA, 178 F.3d 951, 958 (7th Cir. 1999)(noting that Receiver was indispensable party to negotiation of settlement of Cabrini action involving CHA HOPE VI new housing development).

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[5] Cf. In re Federal Sav. & Loan Ins. Corp., 837 F.2d 432, 434 (11th Cir. 1988)(once appointed receiver, FSLIC and FDIC stand as real party in interest in shoes of the received institution in any litigation).

[6] The *ABLA* plaintiffs also misstate the nature of the Receiver's authority, implying that Barton is inapplicable because the Receiver does not have authority over ABLA redevelopment. Response at 11-12. The Receiver was vested with "all powers of CHA" with respect to "all CHA non-elderly public housing development programs which may in the future be authorized by HUD during the pendency of" the Gautreaux litigation. Aug. 14, 1987 Order (Ex. F to Motion). It is the law of the case that the HOPE VI program and the development of new housing at ABLA are covered by the receivership order. See Orders of May 19, 21, and 22 1998 (Ex. B to Joint Motion).

Barton is therefore applicable, since the Receiver has control of relevant portions of the actions of a defendant to the *ABLA* litigation (as presently pled) -- whether or not named as a defendant by the *ABLA* plaintiffs.

2. The statutory exception to the Barton doctrine applies only to routine business matters, not to a collateral attack on a desegregation remedy.

The Response at 13-18 argues that a statutory exception to Barton is applicable because the *ABLA* suit concerns the "acts or transactions [of the Receiver] in carrying on business" connected with the receivership property. See 28 U.S.C. §959(a). But courts have repeatedly held that the statutory exception only applies to routine business transactions. In re Beck Indus., Inc., 725 F.2d 880 (2d Cir. 1984), is representative:

> [T]his court has given § 959(a) a rather narrow construction.
>
> * * * * *
>
> The cases seem to reflect the view, first, that § 959(a) was enacted to deal with garden-variety cases like that of the passenger in *Barton v. Barbour*, *supra,* who claimed to have been injured as the result of continued operation of a railroad by a receiver and was doubtless unaware of the insolvency; and second, that there is no need to strain to give § 959 (a) a broad construction since a narrow one means only that the putative suitor must apply for leave, thereby enabling the appointing tribunal to maintain better control over the administration of the estate.

Beck Indus., 725 F.2d at 887 (emphasis added).[7]

The CHA's ordinary business is administering public housing. Building new housing under a desegregation decree is not its ordinary business. It is an extraordinary requirement

---

[7] Response at 13-14 incorrectly cites to United States v. Harris, 177 U.S. 305 (1900), as standing for the proposition that what became §959 was intended to place receiver on the same plane as other companies not in receivership. That proposition was advanced by counsel in Harris, id. at 308, but not accepted by the Court, id., at 308-09. Similarly, the citation to Eddy v. Lafayette, 163 U.S. 456 (1896), is also out of context.

based on injunctions issued by this Court to remedy intentional discrimination. Everything the Receiver does -- including especially the broad planning decisions that are at the core of the *ABLA* lawsuit -- goes directly to this Court's ability to implement the injunction through the Receiver. That is why the Barton doctrine requires that the *ABLA* claim proceed in this Court.

The law recognizes this point. Where the attack is upon the receiver's administration of the property he was appointed to administer (and not a collateral transaction with a third person), the Barton doctrine, not the narrow statutory exception, applies. A prospective plaintiff must either obtain permission from the Court that appointed the receiver to sue the receiver elsewhere, or must seek to intervene in the original proceeding. Summarizing the case law, 12 Wright, Miller & Marcus, *Federal Practice & Procedure* §2984, at 39 (2d ed. 1997), states:

> Section 959(a) should not be construed to permit suits that aim to establish adverse rights in the receivership property or that otherwise interfere with the receiver's control and management of the estate. A claimant's proper remedy in these cases is to intervene in the receivership proceeding and submit his claim to the receivership court.[8]

It is difficult to think of a suit that could interfere with the Receiver's control and management of a desegregation remedy more than a claim that the ABLA desegregation plan

---

[8] Accord, e.g., In re Delorean Motor Co., 991 F.2d 1236, 1240-41 (6th Cir. 1993)(affirming preliminary injunction against suit against a trustee and his counsel)(citing Barton). The Sixth Circuit held that the statutory exception provided in §959 "does not apply to suits against the trustee for actions taken while administering the estate." Administering the estate, the court held, "do[es] not constitute 'carrying on business' as that term has been judicially interpreted." Id. at 1241. See also In re Lehal Realty Assoc., 101 F.3d 272, 276 (2d Cir. 1996).

Thus, a routine personal injury suit against the estate for a construction accident in new development administered by the Receiver might fall within the exception; challenging the HOPE VI development plan itself as unlawful discrimination clearly does not.

The Response also misstates Wencke. Contrary to the Response at 16, Wencke was not based solely on a pending SEC enforcement action. Instead, the court said the district court's "authority derives from the inherent power of a court of equity to fashion effective relief" in the context of a receivership. 622 F.2d at 1369. To support its holding, Wencke cited securities cases, but it also cited bankruptcy and other cases, 622 F.2d at 1370-71, including a desegregation case, to support the authority of a receivership court to issue a broad stay against actions that interfere with its receiver.[11]

The broad application of the principles applied in Wencke is underlined by Schauss v. Metals Depository Corp., 757 F.2d 649 (5th Cir. 1985)(enforcing injunction preventing suit against entity controlled by receiver appointed at request of CFTC). The Fifth Circuit ruled:

> A United States District Court hearing a particular case may, in its discretion, enjoin the filing of related lawsuits in other federal courts. . . . [S]uch an injunction may be effective against non-parties, as well as parties to the initial action. *United States v. Hall*, 472 F.2d 261 (5th Cir. 1972)(approving desegregation order prohibiting "all persons" from taking certain actions and providing for criminal contempt sanctions against "anyone having notice of this order").

* * * * *

---

[10](...continued)
vant difference between" an equity receiver and bankruptcy trustee for purposes of this rule).

As the Seventh Circuit noted in Linton:

> [A]n equity receiver . . . is working in effect for the court that appointed or approved him, administering property that has come under the court's control . . . . If he is burdened with having to defend against suits by litigants disappointed by his actions on the court's behalf, his work for the court will be impeded.

Id. See also id. at 546 (noting, without deciding, that trustee may have ability to reopen closed bankruptcy case to seek injunction against state court action against trustee).

[11] Much of the discussion of Wencke in the Response at 16-17 mistakes the court's discussion of the facts of Wencke for statements of general principles.

> [S]everal courts have recognized the importance of preserving a receivership court's ability to issue orders preventing interference with its administration of the receivership property. In both securities fraud cases, *see, e.g., Securities and Exchange Commission v. Wencke*, 622 F.2d 1363 (2d Cir. 1980), and bankruptcy proceedings . . . Courts of Appeals have upheld orders enjoining broad classes of individuals from taking any action regarding receivership property. Such orders can serve as an important tool permitting a district court to prevent . . . "piecemeal resolution of issues that call for a uniform result."

Schauss, 757 F.2d at 654 (emphasis added)(citations omitted).

E. Either of the Suggested Procedures is Appropriate.

While supporting the relief we seek, HUD says it is "unclear" whether this Court could dismiss a case which is not before it. (HUD Response, p. 1.)

However, as paragraph 8A of the Joint Motion states, the suggested procedure is that this Court dismiss the *ABLA* Complaint only following reassignment of *ABLA* to it by the Executive Committee. (Joint Motion, p. 9.) And under the Barton Doctrine, this Court's power to act directly to protect its Receivership is extremely broad and extends to an injunction against interference with the Receiver, as the discussion in Part D demonstrates.

Thus, we think that either of the suggested procedural routes is available to the Court.

CONCLUSION.

Persons who wish to challenge a remedial order in an ongoing desegregation case must do so by seeking to intervene in the underlying desegregation case. That is the clear and sensible import of Hines and its progeny, and the *ABLA* plaintiffs have cited no authority to the contrary. When a court-appointed receiver is charged with a major part of the responsibility for implementing the remedial order, an additional line of authority -- the Barton Doctrine -- leads to the same result.

This does not mean that the Gautreaux Court must be the repository for every claim that arises out of the implementation of Gautreaux remedies. If CHA has wrongly denied relocation benefits to families in the course of carrying out a Gautreaux-ordered remedial plan, those families may pursue their claims independently and without leave of this Court, for such claims are not attacks on this Court's orders. But where, as here, the remedial order itself is attacked in every count of the Complaint, Hines clearly applies.

In the interest of common sense, as well as judicial economy and minimizing the risk of inconsistent judgments, the *ABLA* plaintiffs must be directed to bring their attacks on this Court's June 1998 ABLA Order before this Court, leaving them free to proceed elsewhere with claims that do not embody such attacks.

Respectfully submitted,

_____

One of the Attorneys for Plaintiffs

Date: September 2, 1999

_____

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on August 31, 1999 he served copies of the **Notice of Filing** and **Reply to ABLA Plaintiffs' Response to Joint Motion of *Gautreaux* Plaintiffs and Receiver**, on the parties listed below by causing true and correct copies thereof to be delivered to them via messenger delivery at their respective addresses as indicated below:

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Dated: September 2, 1999

_____
Barry A. Miller

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.	)	

NOTICE OF FILING

To: SEE ATTACHED SERVICE LIST.

Please take notice that on September 2, 1999, we filed the **Reply to ABLA Plaintiffs' Response to Joint Motion of *Gautreaux* Plaintiffs and Receiver** with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, a copy of which is attached hereto and served upon you herewith.

Dated: September 2, 1999

Respectfully submitted,

MILLER, SHAKMAN, HAMILTON,
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By _____
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SITE INSPECTION
AND MARKET ANALYSIS

ABLA
Revitalization Program

Prepared by:

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September 1996

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INTRODUCTION

American Marketing Services (AMS) evaluated a proposed program to revitaliz the area surrounding and including the Chicago Housing Authority's ABLA Homes, located on Chicago's near west side. The proposed revitalization progra would include rehabilitation of the low-rise walk-ups at the ABLA Homes and development of both market-rate and affordable single family for-sale housing, as well as affordable rental housing. The purpose of the report is to evaluate current and future market conditions and to provide recommendations on the marketability of the market rate and affordable for-sale portion of the project. The analysis will also include recommendations on unit mix, amenities, pricing, and absorption. This study was done at the request of the Chicago Housing Authority's planning consultants for the project.

REVIATALIZATION CONCEPT

The ABLA Revitalization Plan proposes to undertake the revitalization of Chicago's near west side area surrounding and including the Chicago Housing Authority ABLA Homes. This revitalization would take place within a broader redevelopment area which is bounded by the Eisenhower Expressway on the north, the Dan Ryan Expressway on the east, 16th Street on the south and California Avenue on the west. A map of the Redevelopment Area is provided in Exhibit A. The proposed revitalization program seeks to take two culturally and socio-economically distinct portions of this area—(1) north of Roosevelt Road which has some units of ABLA Homes but is also an area which has experienced intensive gentrification and (2) south of Roosevelt Road which is dominated by public housing and is an overwhelmingly low-income area—into a vibrant and cohesive mixed-income community.

ABLA Homes is located on Chicago's near west side; south of Roosevelt Road the site extends south to West 15th Street between Racine and Ashland while north of Roosevelt it extends north to Cabrini Street between Racine and Loomis. The northern portion of ABLA is located within the neighborhood known as University Village—bordered by the Eisenhower Expressway on the north, Roosevelt Road on the south, Halsted on the east and Ashland on the west. The major institutional anchor of this community is the University of Illinois at Chicago which dominates the eastern portion of University Village. The Illinois Medical Commission District, located just west of University Village, is also a major institutional anchor in the community. The southern portion of ABLA lies just west of land that was acquired by and is to be developed by the University of Illinois at Chicago and north of South Water Street Market.

ABLA Homes is an acronym that stands for the Jane Addams walk-ups, James Brooks walk-ups and high-rises, Loomis Courts mid-rise, and Grace Abbott high-rises and walk-ups. This area of poorly maintained public housing, with a concentration of low-income households and relative isolation from the surrounding community would be revitalized into a vibrant new neighborhood. A priority of the Redevelopment Program would be to provide housing for all current residents of ABLA who choose to remain in the community.

Under the proposed revitalization program, a portion of the existing units would undergo extensive rehabilitation with the remaining units replaced by a mix of newly constructed rental and for-sale housing. Included within this community would be a broad mixture of real estate products and programs; mixed-income rental housing, lease-to-purchase and affordable home-ownership programs and market-rate conventional for-sale housing. This housing would be targeted to a broad range of income groups, creating a true mixed income community. This

community will include current residents of ABLA Homes (primarily low income households in the 0% to 50% of median income group), moderate income households in the 50% to 80% of median income group, middle income households in the 80% to 120% of median income group, and higher income market-rate households with annual income over 120% of area median income

Funds generated by the conventional for-sale housing would be used to off-set development costs of the low- and moderate-income affordable housing. All current residents of ABLA who choose to remain in the community would have first priority in selecting a new home.

CONCLUSIONS AND RECOMMENDATIONS

American Marketing Services believes that, with some modification, the proposed revitalization program for the area surrounding and including ABLA Homes is marketable and should proceed.

REVITALIZATION CONCEPT

The ABLA Revitalization Plan proposes to undertake the revitalization of an area of Chicago's Near West Side surrounding and including the Chicago Housing Authority ABLA Homes. The proposed revitalization program seeks to take two culturally and socio-economically distinct portions of this area—(1) north of Roosevelt Road which has some units of ABLA Homes but is also an area which has experienced intensive gentrification and (2) south of Roosevelt Road which is dominated by public housing and is an overwhelmingly low-income area—into a vibrant and cohesive mixed-income community. A priority of the Redevelopment Program would be to provide housing for all current residents of ABLA who choose to remain in the community.

Under the proposed revitalization program, a portion of the existing units would undergo extensive rehabilitation with the remaining units replaced by a mix of newly constructed rental and for-sale housing. Included within this community would be a broad mixture of real estate products and programs; mixed-income rental housing, lease-to-purchase and affordable home-ownership programs and market-rate conventional for-sale housing. Funds generated by the conventional for-sale housing would be used to off-set development costs of the low- and moderate-income affordable housing.

The proposed revitalization program would be undertaken in several phases, over the course of 5 to 8 years.

RECOMMENDED UNDERLYING ASSUMPTIONS

The revitalization proposal calls for development of rental and for-sale housing for a broad range of income groups. In order to assure marketability of this housing, AMS believes several fundamental concepts must be adopted.

(1) Within each of the parcels, there should be no discernible difference in the outward structure, appearance or quality of the housing, regardless of the targeted income group for that housing.

(2) North of Roosevelt Road, there should be no more than 20% of units targeted to households with incomes less than 50% of area median. Current residents of ABLA should be given first priority for these units

under a lease-to-purchase program that provides them with the opportunity for homeownership. The remaining 80% of units should be conventional market-rate for-sale housing. Because there will be some market resistance to the concept of mixed-income housing, these market rate units should be priced approximately 5% to 7% below market.

(3) While there will be a range of minimum income requirements, based on family size, for the affordable for-sale housing proposed south of Roosevelt Road, AMS recommends that one maximum income limit—which is not adjusted for family size--be adopted. AMS recommends that, similar to IHDA homeownership programs, this maximum income limit be set at $64,900 or 120% of Chicago area median income. Previous experience has shown this to be an effective means of broadening the pool of income eligible households and increasing the marketability of the units.

(4) Units south of Roosevelt Road—rental, lease to purchase and for-sale—should be priced approximately 5% below market in order to attract initial buyers to a mixed-income development.

FOR-SALE AND LEASE-TO-PURCHASE PRODUCT AND PRICING

A chart summarizing the product type and pricing recommendations given below is provided in Exhibit E.

Market Rate

Four market rate townhouse types should be offered under the revitalization program. Ten percent of these units should be four bedroom townhouses, ranging in size from 2,600 to 2,800 square feet. Initial prices for these units should range from $291,200 to $336,000, with average initial pricing of $313,600 or $112 per square foot.

Forty percent of the units should be three bedroom townhouses, ranging in size from 2,200 to 2,400 square feet. Initial pricing of these units should range from $246,400 to $268,800, with average initial pricing of $257,600 or $112 per square foot. A second three bedroom townhouse, ranging in size from 1,800 to 2,000 square feet, should comprise 30% of the market rate units. AMS recommends that initial pricing for these units range from $201,600 to $224,000, averaging $212,800 or $112 per square foot.

The remaining 20% of the units should be 1,500 to 1,700 square foot two bedroom townhouses with a price range of $168,000 to $190,400. Initial average pricing of these units should be $168,000 or $112 per square foot. AMS

recommends that pricing of the market rate units be reviewed and increased after 20% of the units are sold.

These prices are approximately 2% below the overall University Village market average of $114 per square foot for older, existing townhouse developments and individual properties. They are 6% below the average $119 per square foot for recent sales at Garibaldi Square and also 6% below the $119 per square foot average for recent sales of three bedroom townhomes at Tuscany Club Villas. In addition, newly constructed residential product typically can set prices 3% to 5% above the current market because of the perceived premium of a brand new unit. These units are thus priced sufficiently below market to attract prospective buyers to a mixed income development. Upscale townhomes that are currently in very close proximity to public housing, such as Tuscany Club or Garibaldi were able to achieve $120 per square foot when they were built in 1990 to 1995.

Orchard Park Townhomes, a new mixed-income townhome community located adjacent to Cabrini-Green, has successfully marketed for-sale units in a development with 20% of the units to be occupied by former public housing residents. Reservations have been taken on seven of the eight market-rate townhomes. Prospective buyers have signed disclaimers indicating they are aware that 20% of the units will be occupied by former public housing residents. Although this is a small sample, sufficient interest in this mixed-income development has been shown that plans for Phase II are underway.

Affordable

AMS recommends three types of affordable housing be developed under the revitalization program. Single family homes should account for approximately 80% of the units. The remaining 20% of the buildings should be equal numbers of two different styles of two-flats.

The single family homes should be three bedroom units of 1,400 square feet. These homes should have an average initial price of $109,900 or $79 per square foot. Initial pricing at this level will require an approximate minimum annual income of $29,031 or 53% of area median income for a family of four.

Ten percent of the buildings should be two-flats, with an average size of 1,800 square feet. One unit will have three bedrooms, while the second unit will be a one bedroom. These homes should have an average initial price of $135,000 or $75 per square foot. Initial pricing at this level will require an approximate minimum annual income of $35,700 or 65% of area median income for a family of four.

The remaining ten percent of buildings should also be two-flats. These however, with an average total of 1,900 square feet, would have two units with two

bedrooms. Average initial pricing for these buildings should be $142,500 or $75 per square foot. Initial pricing at this level will require an approximate minimum annual income of $39,399 or 73% of area median income for a family of four.

The affordable single family homes and two-flats are also priced below market in order to attract buyers to a mixed-income development. At an average of $79 per square foot, the single family homes are approximately 5% below the single family home market average of $83 per square foot found at affordable developments surveyed. The two-flats, at $75 per square foot, are 6.25% below the market average of $81 per square foot for two-flats in affordable developments surveyed.

MARKET FEASIBILITY STUDY

REDEVELOPMENT OF ABLA HOMES

APRIL 1998

Prepared for

The City of Chicago

Department of Planning and Development

By

GOODMAN WILLIAMS GROUP

Chicago, Illinois

ABLA STUDY AREA REDEVELOPMENT POTENTIAL

Planning Area	Acres	Units per Acre	Building Type	Total Units	Non-CHA Units	Existing CHA Units	New CHA Units	% CHA Units
A Addams Homes	27.6	22	Single-family (new)	310	242	0	68	
			Duplex (new)	310	242	0	68	
				620	484	0	136	22%
B Roosevelt Road (south to Washburne)	12.1	45	Three-flat (new)	546	546	0	0	0%
C Brooks Extension	9.0	24	Duplex (new)	218	87	0	131	60%
D East of Blue Island			Non-residential sub-area	0				
E Ashland Avenue	(Included below)		Non-residential sub-area	0				
F Central Parcel-East of Loomis	14.9 *	29	Brooks Modernization	132	0	132	0	
			Three-flat (new)	320	182	0	138	
			Loomis Courts (existing midrise)	126	0	126	0	
				578	182	258	138	60% ***
F Central Parcel-West of Loomis	30.6 **	42	Duplex (new)	486	388	0	98	
			Three-flat (new)	523	403	0	120	
			Jones Senior Housing (existing HR)	116	0	116	0	
			Senior Highrise (existing Abbott HR)	150	0	150	0	
				1,275	791	266	218	22% ****
G 15th Street			Loft (adaptive use)	0	0	0	0	
Totals	94.2			3,237	2,090	524	623	
Percent of Total Units in Study Area				100%	65%	16%	19%	35%

* Acreage and density does not include Loomis Courts
** Acreage and density includes Ashland frontage
*** Calculation of CHA ratio includes Brooks Homes and new construction. Loomis Courts is not counted
**** Calculation of CHA ratio includes only the new construction, the senior buildings are not counted

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April 13, 1998

Ms. Shannon Dewith
Department of Planning and Development
City Hall, 10th Floor
121 North LaSalle Street
Chicago, IL 60602

Dear Ms. Dewith:

Goodman Williams Group is pleased to submit this market feasibility analysis related to the redevelopment of ABLA Homes on the city's Near West Side. We have analyzed the residential market and offer recommendations for creating a mixed-income community that combines market-rate housing with redeveloped public housing. The report also includes an assessment of potential opportunities for retail development along Ashland.

Our findings and conclusions are presented in the following report. We have enjoyed working on this assignment with you, and will be pleased to answer any questions.

Sincerely,

Christine Williams

Christine Williams
Principal

Linda Goodman

Linda Goodman
Principal

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ADDENDA

- Population and Household Characteristics for Near West Side Census Tracts
- Homes Sold by Community Area, 1993-1997
- Median Price of Homes Sold in 1997 by Type and Community Area
- Chicago Home Sales by Price Range, 1996 and 1997
- Near West Side Housing Characteristics by Census Tract
- Summary of Near West Side Residential Development (with accompanying map)
- Near South Side Residential Developments
- ABLA Unit Count and Density per Acre (with accompanying map)
- ABLA Study Area Development - Income Projections
- Qualifications of Goodman Williams Group

I. INTRODUCTION

Background to ABLA Redevelopment Concept

The City of Chicago has engaged Goodman Williams Group to prepare this market feasibility study for a proposed mixed-income community in an area on the Near West Side referred to as the ABLA Homes site. ABLA Homes is an acronym for four Chicago Housing Authority (CHA) projects: Jane Addams Homes, Robert H. Brooks Homes, Loomis Courts, and Grace Abbott Homes. The outermost boundaries of the Study Area, as shown on the accompanying map, are Cabrini on the north, Morgan on the east, 15th Street on the south, and Ashland on the west.

The Study Area will be designated a Tax Increment Financing (TIF) District. The City will be a partner in a comprehensive redevelopment of this Study Area that will involve several major activities:

- Modernization of selected CHA properties in ABLA Homes.
- Demolition of selected CHA buildings.
- Construction of new residential units for households with a range of incomes, including those eligible for CHA housing. Private developers will participate in this redevelopment.
- Acquisition by the city of privately owned property including the frontage on the south side of Roosevelt Road, a shopping center on Blue Island, and most of the properties on the east side of Ashland Avenue.
- Infrastructure improvements, including vacating the existing alley between Racine and Loomis to allow for deeper lots along Roosevelt Road, and extending existing streets to partially reconstruct the original grid system.
- Development of new commercial space on Ashland Avenue to meet the neighborhood's retail and service needs.

Goodman Williams Group's role is to provide a market study that recommends types of housing and price ranges, and estimates absorption rates for the new housing. We have also been asked to analyze retail establishments serving the Study Area, and to recommend potential commercial development opportunities for sites along Ashland Avenue.

Approach to the Assignment

Our market research involved the completion of the following tasks:

- Review existing documents and plans for this area and surrounding areas. Separate from this market study, the firm of Trkla, Pettigrew, Allen, and Payne (TPAP) has prepared site

plans that reflect the completed and planned improvements to the site and define the physical parameters of the redevelopment.

- Tour the site and assess its location advantages for new housing. We paid particular attention to the Illinois Medical District's new master plan and the University of Illinois at Chicago's South Campus expansion plan.

- Visit new residential developments on the Near West Side and nearby community areas. We acquired information on the features and prices of these projects that allowed us to determine a competitive position for housing that might be built in the Study Area. We also visited developments in other areas of the city that provided us with insight to the characteristics of successful mixed-income neighborhoods.

- Examine data on sales prices for existing homes sold in the subject area and comparable neighborhoods, and research city housing permit data. Analysis of these data helped us to establish overall supply conditions and apportion a general "fair share" for the Study Area.

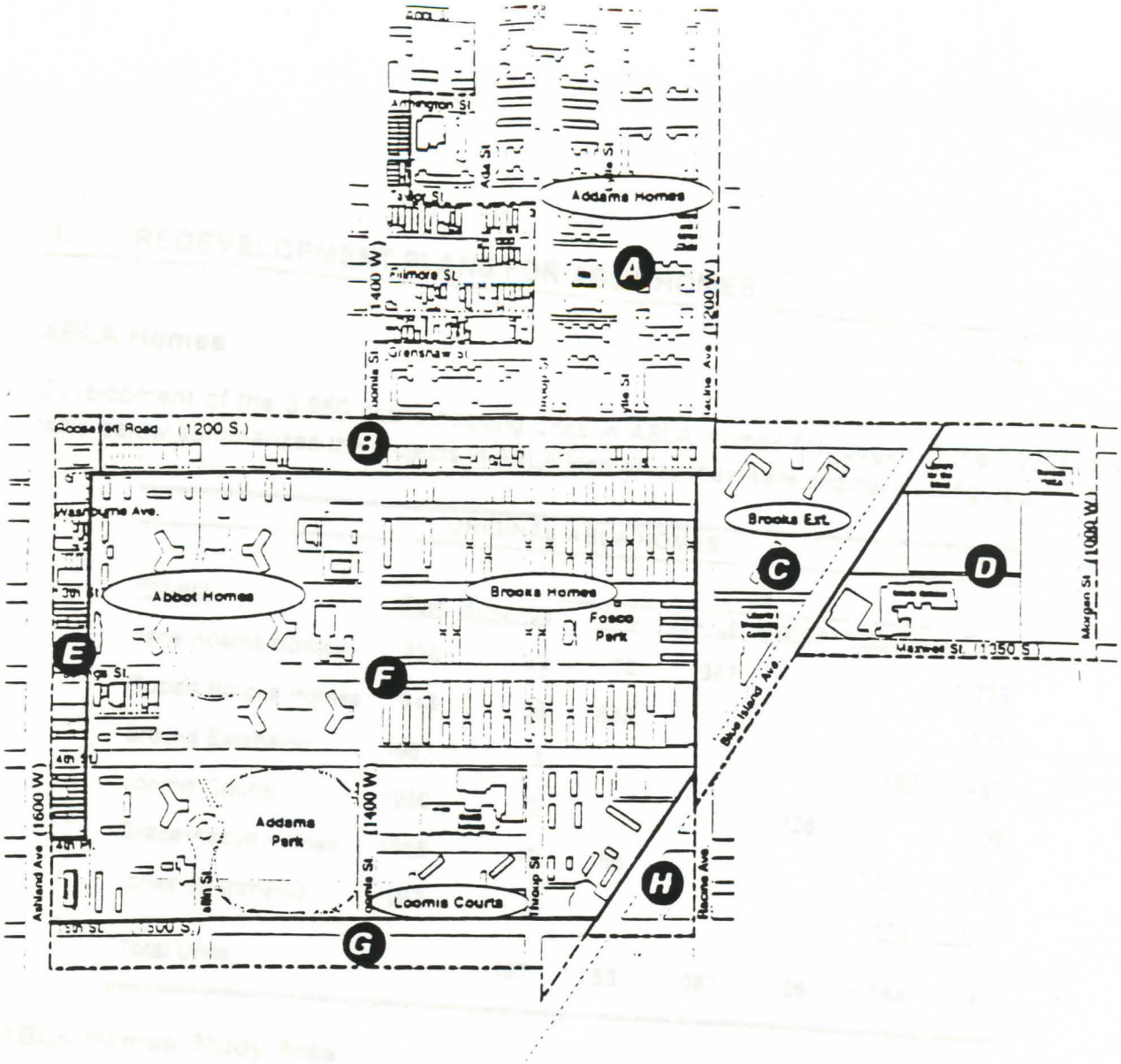
- Analyze socio-economic data, including estimates of current household incomes, to determine the numbers of potential buyers and renters that could afford housing at various prices and rents.

- Explore the possible impact of long-term land leases on home prices.

- Prepare preliminary projections of income that reflect the planners' assumptions regarding the physical capacity of the site, and our conclusions regarding achievable sale prices, rents, and absorption of the new housing.

- Inventory the existing and planned retail developments that would serve residents of the Study Area.

- Estimate the retail potential of the market area as redeveloped, in order to identify additional commercial opportunities.



Project Area Boundar

Sub- Area Boundary

F Sub- Area

Planing Subareas

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

Tax Increment Financing Redevelopment Project Area

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

ABLA Homes

Development of the 3,950 public housing units in ABLA Homes first began in the 1930s. The table below summarizes the projects in ABLA Homes as they were originally configured:

ORIGINAL ABLA HOMES

Project	Built	Buildings	Units: Row	Walk-up	Midrise	Highrise	Total
Jane Adams Homes	1938	32	52	987			1,039
Robert Brooks Homes	1943	89	835				835
Brooks Extension	1961	3				450	450
Loomis Courts	1950	2			126		126
Grace Abbott Homes	1955	40	166			1,218	1,384
Jones Apartments	1963	1				116	116
Total Units		167	1,053	987	126	1,784	3,950

ABLA Homes Study Area

TPAP has identified seven planning sub-areas within the 197.7 acres of the proposed TIF District. For consistency, we will describe the Study Area using TPAP's geographic designations. Sub-area D is not included in the Study Area for this market study; however, it is part of the proposed TIF District.

A. Sub-area A of the proposed TIF District, which lies north of Roosevelt Road, is the Jane Addams Homes site. Most of the 32 buildings and units in Jane Addams Homes are vacant and boarded-up; however, several buildings were fully or partially occupied at the time of this study. The City expects that all of this public housing will be demolished, and the site can then be redeveloped with 446 units in single-family townhouse and two-flat buildings. It is assumed that the heating plant will be demolished, and that this parcel will become available for the construction of 22 of those units. At least 20% of the 446 new units will be set aside for CHA tenants, and up to 80% will be for-sale, market-rate housing. The existing Riis School and the Boys and Girls Club will remain.

B. Properties in this strip along the south side of Roosevelt Road, between Racine and Ashland, will be acquired by the City for residential redevelopment. Only the Shell gas station, located at the southeast corner of Ashland and Roosevelt, will remain. The existing

alley will be relocated to create 250-foot lot depths. The planners estimate that this sub-area, extending south to Washburne, can accommodate footprints for up to 182 three-flat buildings, with up to 546 units.

C. All of the existing improvements will be demolished in this triangular-shaped sub-area, bounded by Roosevelt Road on the north, Blue Island Avenue on the east, and Racine on the west. The sites of the Brooks Homes Extension and Liberty Shopping Center will be redeveloped with 218 new duplexes and all of these Hope VI units will be occupied by CHA-eligible households. Washburne and 13th Street will be extended into sub-area C.

D. This sub-area is east of Blue Island Avenue, and lies outside of the subject Study Area. Current uses include the Library for the Blind, Duncan YMCA, ballfields for St. Ignatius School, and Smyth School. The street grid will not continue into this sub-area.

E. With the exception of one church, the city plans to acquire the property along this commercial strip of Ashland Avenue. The northern portion would be redeveloped as neighborhood retail and service space, and the blocks at the south end would have residential uses.

F. This is the largest of the sub-areas in the Study Area. The density of the existing public housing in Brooks Homes has been reduced through demolition; 132 existing row houses will have been modernized and will remain. It is assumed that Abbott Homes will be demolished (with the exception of one building), and that the site will be available for redevelopment. One highrise in Abbott with 150 units, the southernmost building, will become a senior building. Jones Senior Housing at 1447 South Ashland, which is reported to be in good condition, will also remain. Loomis Courts, located at the southeast corner of sub-area F, will remain; however, plans for any substantial improvements have not been announced. Fosco Park will be expanded, and a new 1.6-acre park will be built on a portion of the Abbott Homes site. Addams Park will become available as a site for new housing. Much of the original street grid will be re-created throughout this area.

G. The southern strip of the Study Area lies south of 15th Street. An existing loft building is considered a candidate for conversion to residential use. Planners have estimated that the four- and five-story building could be converted to up to 58 apartments.

H. This triangular site at the northwest corner of Racine and 15th Street will remain undeveloped. It was included in the Study Area to facilitate planning for traffic improvements in the vicinity. This parcel is adjacent to the South Water Market, and traffic patterns in the area are confusing and a detriment to residential development.

III. THE NEAR WEST SIDE

For decades, the Near West Side has served as a traditional port of entry for various ethnic and religious groups. While many of these immigrants moved farther west as their economic statuses rose, neighborhoods with strong ethnic ties are still found in this area. Among the best-known are Greektown along Halsted Street, between Madison and the Eisenhower Expressway and Little Italy, along Taylor Street. These and other diverse urban neighborhoods continue to contribute to the vitality of the Near West Side.

The Study Area is surrounded by two major institutional clusters: The Illinois Medical District to the west, and the University of Illinois at Chicago (UIC) to the east. Other smaller institutions are scattered throughout the Near West Side, providing employment, generating traffic, and otherwise serving as anchors to the residential neighborhoods south of the Eisenhower Expressway.

The major institutional campuses and other land uses surrounding the Study Area are described in the following section. (A map prepared by the Illinois Medical District shows their locations). The focus is on the portion of the North West Side that lies south of the Eisenhower Expressway.

Illinois Medical District

The Illinois Medical District is the largest medical complex in Illinois. Created in 1941, it contains more than 14 million square feet of medical, educational and research facilities. The District encompasses 560 acres on Chicago's Near West Side, and employs more than 40,000 people. The daytime population of the District is estimated at 80,000. The District is managed by a seven-member commission that reports directly to the governor of Illinois. Recently, the District released a master plan that will serve as a blueprint for its future development.

The plan indicates that future expansion of the Medical District will occur in the District Development Area (DDA), located south of Roosevelt Road, between Ashland on the east and Oakley on the west. Containing 180 acres, this area lies due west of the ABLA Study Area. Together, the Medical District Commission and the City of Chicago control more than 60% of the land in the DDA. The State of Illinois recently announced it would provide the Commission with $5 million per year, over four years, to acquire additional property in the DDA.

The following paragraphs summarize the current activities of the major institutions in the Medical District, and describe their future plans as set forth in the master plan.

- ***The University of Illinois at Chicago (UIC)***. UIC's College of Medicine is the largest medical school in the world, with a current enrollment of 1,535 students. The colleges of pharmacy and dentistry are also located in the District.

- ***State of Illinois Departments and Agencies***. In addition to UIC, the State of Illinois operates eight major buildings on approximately 25 acres. The following agencies and departments are located in the district: Central Management Services; Children and Family Services; Occupational and Rehabilitation Services; Mental Health and Developmental Disabilities; Public Health; Racing Board; and State Police. The State is considering the possibility of creating a human services campus within the District, south of Roosevelt and west of Damen.

- ***Cook County***. Cook County Hospital is one of the largest public hospitals and teaching facilities in the country. Four years ago, the Cook County Board of Commissioners voted to replace the aging structure with a new 464-bed hospital to be built south and west of the existing facility. Ground was broken for the new hospital in April, 1998, and it is expected to be completed by 2002. The County also owns several other facilities in the District, including the Fantus Clinic, Bureau of Health Service, Forensic Institute, and Juvenile Center. An outpatient facility dedicated to the prevention, care, and research of HIV and related infectious diseases, is under construction at Harrison and Damen.

- ***Rush-Presbyterian-St. Luke's Medical Center***. Rush's Medical Center complex includes 13 major buildings on 27.2 acres.

- ***Veterans Affairs***. The West Side Division Medical Center of the VA Chicago Healthcare System occupies eight major buildings on an 8.5 acre campus.

- ***City of Chicago***. The City operates the Center for Aging and Disability at 2102 West Ogden Avenue. Other City of Chicago facilities in the district include the Center for Disease Control, and the 911 emergency communications facility. Chicago Public Schools operate one elementary school in the district, and another elementary school and two high schools in the DDA south of Roosevelt.

- ***Chicago Technology Park***. This 56-acre park was created in 1982 to provide space for biotechnology and other medical-related entrepreneurial ventures. It is managed by the Illinois Medical District Commission, and includes a Research Center incubator building and the Tech 2000 multi-tenant building. An existing 20,000 square foot industrial building, located on the 2200 block of Harrison, is being rehabilitated to accommodate the needs of several private companies. Additional sites are available for new development, both in the Park and in the DDA.

Within the District are 2,250 housing units that support a resident population of approximately 5,000. Included in that inventory are a 300-unit apartment building and UIC student housing near Damen and Polk. A 10-block portion of the Tri-Taylor Historic District neighborhood is located within the District. The DDA, south of Roosevelt, contains approximately 120 single-family homes and two- and three-flat buildings.

The master plan for the DDA south of Roosevelt establishes this area "as a mixed-use zone with potential for a wide range of institutional, technology, commercial, and light industrial uses." It could provide sites for companies that grow out of the Technology Park, and could also accommodate institutional growth.

The plan also identifies a 10-acre site at the southwest corner of Ashland and Roosevelt for retail development. The site could accommodate a 70,000 square foot food store, a 14,000-square-foot drug store, and several other retail stores. The Illinois Medical District Commission issued a request for proposals for development of this site, and is currently evaluating proposals, each of which calls for a major grocery store. Construction of a retail center could begin as early as fall 1998.

University of Illinois at Chicago (UIC)

The University of Illinois at Chicago, originally known as Circle Campus, was completed in 1965. The size of the campus, along with the student enrollment, has been steadily increasing ever since. Current enrollment stands at 24,000 students, approximately 66% of whom are undergraduates. The full-time faculty and staff number 11,000. Currently, the campus includes 90 buildings on 216 acres.

The existing campus is operating at its maximum capacity, and an expansion south of Roosevelt Road between Morgan and the Dan Ryan Expressway is planned. The University has acquired about 30 acres of land that will eventually accommodate additional academic buildings, 100,000 square feet of new retail space, 600 student apartments, parking, a conference center, and 700 market-rate housing units.

In 1997, a team headed by Mesirow Stein Real Estate was selected as planning consultants for the South Campus expansion. Construction is scheduled to begin in the spring of 1999, with development occurring in three three-year phases. The area is likely to be designated as a TIF District, which will help finance certain costs. Infrastructure improvements in the area will help tie the South Campus to the surrounding communities. Some of the original street grid will be redeveloped on the new campus site. Both Halsted and Morgan will provide north-south access over the railroad tracks, and two of three other streets—Newberry, Sangamon, and Peoria—will also traverse the tracks. In addition, 14th Place will cross under the Dan Ryan Expressway, providing access to the new shopping center at Roosevelt and Clinton.

South Water Market

Dating back to the 1920s, the South Water Market has been one of the city's principal wholesale produce markets. In the mid-1990s, an attempt was made to relocate the market into a state-of-the-art facility to be built near Damen and the Stevenson Expressway. That plan met with resistance from the current users of the market, and to date, the market continues to function as it has. Inevitably, changes will occur in South Water Market, but what form those changes will take is unclear at this time.

Smaller Institutions

A number of smaller institutions are also found in this area, including the following:

- Duncan YMCA/Chemin's Center for the Arts, located at 1001 West Roosevelt. This Y has a 220-seat theater, recording studio, art gallery, dance studio, computer lab, and gift shop; and offers a variety of classes and events. Another affiliate of the Y, known as the ABLA YMCA, is located at 1200 West 14th Street.
- Chicago Public Library-Roosevelt Branch, located at 1055 West Roosevelt Road.
- Illinois Regional Library for the Blind (built in 1978), located at 1055 West Roosevelt.
- St. Ignatius College Prep (founded in 1869), located at 1076 West Roosevelt. This co-educational Catholic secondary school just completed an extensive renovation of its facilities. It recently acquired and cleared a site at May and Roosevelt, but has not announced any plans for this site.

Schools

Three Chicago Public Schools are located within the Study Area, and a fourth lies just outside the Study Area. Currently, the Chicago Board of Education does not have definite plans for substantial changes at any of these facilities. The schools have excess capacity, and could accommodate additional school children generated by new development at ABLA Homes. These schools include:

- Jacob A. Riis Elementary School, at 1018 South Lytle, is located within the Addams Homes site (planning sub-area A).
- John M. Smyth School, at 1059 West 13th Street, is within planning sub-area D.
- Joseph Medill Primary and Intermediate Schools share a campus in the 1300 block of West 14th Place, in planning sub-area F. The Board of Education is considering consolidating the intermediate students into other schools, renovating the vintage school building, and using it for an alternative educational purpose—perhaps as a teacher training center.
- Thomas Jefferson School at 1522 West Fillmore, near Ashland, lies just outside the Study Area.

Private Schools in the immediate area include First Emanuel Lutheran School and Holy Family School. Andrew Jackson Language Academy, a magnate high school, is located nearby on West Harrison, and Simpson High School is located at 1321 South Paulina. St. Ignatius College Preparatory School is at 1076 Roosevelt Road, adjacent to the Study Area.

Western/Ogden TIF District

South of the Illinois Medical District is an industrial area that has recently been designated a TIF district by the City of Chicago. The Western/Ogden TIF district is 754 acres in size. The largest industrial parcel of the TIF in active use is the 162-acre site of the intermodal freight terminals for Chicago and Northwestern, and Burlington Northern railroads, located east of Western Avenue, between 14th and 18th Streets. In total, the district contains approximately 160 businesses employing approximately 5,000 people. Ryerson Steel, located south of Ogden Avenue on West 16th Street, is the largest employer in the TIF district with about 1,500 employees.

The redevelopment plan for this TIF district proposes a new 70-acre industrial park, roughly bounded by the Eisenhower Expressway on the north, the former Conrail tracks to the east, Roosevelt on the south, and California on the west. Federal brownfields funds are currently being used to clean up the site, and to plan for its redevelopment.

Retailing and Services

Despite the blighted conditions of the commercial frontage along Roosevelt Road, the northern portion of the Study Area is relatively well-served by neighborhood retail establishments. A more comprehensive discussion of the retail supply and potential demand follows in Section V.

Two full-service grocery stores are proximate to the Study Area. A Jewel food store is located at Harrison and Racine, on property owned by UIC. In 1997, a Dominick's Finer Foods store opened as the anchor of a new shopping center at Roosevelt and Canal. The Medical District is currently reviewing proposals to develop a new grocery store-anchored retail center at the southwest corner of Ashland and Roosevelt.

Neighborhood convenience retailing flanks the Jane Addams Homes, north of Roosevelt. Additional convenience retailing is available along Roosevelt Road, east of the Dan Ryan Expressway.

West of the Study Area, in Lawndale, new retail development is occurring along Roosevelt, between Kedzie and Homan. In addition to an existing Bank of Lawndale, the center now includes a Cineplex Odeon/INF theater complex, which opened in 1997. Dominick's Finer Foods is scheduled to break ground in Spring 1998, and an auto parts store has been announced. Four additional retail spaces are available.

Transportation

The CTA Blue Line has two stations that serve UIC's north campus: Congress and Halsted, and Congress and Racine. The Medical District is also well-served, with stations at Congress and Ogden, and near Polk and Ashland. This portion of the Blue Line continues down into the Pilsen neighborhood, with a stop at 18th Street. Thus, while there are numerous stations surrounding

the ABLA community, none is within a short walk. CTA bus service is also available along Roosevelt.

In 1996, Roosevelt Road was extended eastward over the railroad tracks in the South Loop, where it now intersects with the relocated Lake Shore Drive. This improvement has served to connect the Near West Side and the South Loop communities and has enhanced opportunities for additional retail and residential development. Access from the Study Area to both the Eisenhower Expressway (I-290) and the Dan Ryan Expressway (I-90/94) is convenient, with multiple interchanges serving both.

Conclusions

The Near West Side community has changed dramatically in the three decades since the decision was made to construct a new campus for UIC. The growth of the university, as well as that of the other institutions in the Illinois Medical District, has resulted in a major employment hub being established on the Near West Side. Now, an estimated 40,000 employees work in the Medical District, 11,000 of whom are employed at UIC. These workers are a major source of demand for housing and retail services in the Study Area.

The pace of change in the Near West Side is poised to quicken, with major expansions underway within the Medical District and on UIC's South Campus. Changes that have occurred to date at ABLA, including the demolition of Brooks Homes Extension, reinforce the sense of redevelopment activity in this area.

- Developing market-rate homes on land owned by the CHA will be a hurdle for some prospective developers, and purchasing for-sale housing on ground leases can be expected to meet with some level of resistance from prospective buyers.

Physical Development Potential

The city's planners provided a detailed analysis of physical development capacity of the Study Area by sub-parcel. Densities within the Study Area are consistent with those in the surrounding areas and reflect their professional opinions of the type of housing that would meet with market acceptance in this location. These density estimates form the basis for renderings of new residential development that were produced for the city by the architectural firm of Sonoc/Hutter/Lee Ltd.

Goodman Williams Group feels comfortable with these target densities and design concepts, and our specific recommendations for development of each sub-area are compatible with the city's work to date. The city estimates that the Study Area could accommodate a total of 2,549 units (including the modernized units at Brooks Homes) in a variety of building types including townhomes, duplexes, two-flats, and three-flats. A total of 623 new CHA units would be built as part of this redevelopment plan.

At this stage in the planning process, the differentiation between units in townhomes, duplexes and three-flat buildings is arbitrary. A developer should design the units to be flexible, so that a three-flat might be turned into a two-flat or single-family home if a buyer so chooses. The important design element is that these new units fit into the fabric of the surrounding market-rate neighborhoods, and cannot be identified as public housing.

Assessment of Planning Sub-Areas

Some of The Study Area's overall advantages, disadvantages, and risks apply differently to the individual planning sub-areas. Each of the sub-areas within the large Study Area also has its own locational features, and these are summarized on the accompanying table. The development implications listed on this table form the underlying logic of the development phasing that we are recommending.

ASSESSMENT OF LOCATION ASSETS AND LIABILITIES OF PLANNING SUB-AREAS

Planning Sub-Area	Assets	Liabilities	Development Implications
A. Jane Addams Homes	• Location north of Roosevelt • Adjacent to successful market-rate housing • Proximity to Taylor Street retail • Large development site allows for good planning	• CHA ownership of land	• Prime parcel in Study Area • Critical to success of developments south of Roosevelt • Supports market rate for sale housing • Site size allows integration of CHA housing with market-rate
B. Roosevelt Road Frontage	• Recent improvements to Roosevelt • Physical relationship to IMD, UIC and South Loop • High visibility • Faces attractive residential development on the north side of Roosevelt • Land may be privately owned	• Location south of Roosevelt • Adjacent to Brooks Homes • Need to increase depth to 250 feet by relocating alley	• Prime parcel in Study Area south of Roosevelt • Supports market-rate for-sale housing
C. Brooks Extension Site	• Roosevelt frontage • Across the street from St. Ignatius	• Location south of Roosevelt • Proximity to South Water Market • Proximity to Brooks Homes	• Commitments are in place for development of new CHA units
E. Ashland Frontage	• Adjacent to IMD Development District • Grocery store and other retail likely to be built on west side of Ashland • Visibility on well-traveled arterial street	• Uncertainty of redevelopment plans for IMD Development District • Site depths inadequate for many commercial uses	• Supports limited small-scale neighborhood retail • Market-rate housing possible with re-zoning
F. Central Parcel (east of Loomis)	• Expanded Fosco Park • New development on Roosevelt	• Existing concentration of CHA units at Brooks and Loomis Courts • Adjacent to new CHA units at Brooks Extension site and other subsidized housing • Scattered redevelopment sites	• Supports mixed income rental including CHA units and units for moderate-income households • Most challenging development area
F. Central Parcel (west of Loomis)	• New 1.6-acre park • Large site size allows for good planning • Proximity to IMD	• Uncertainty of plans for IMD expansion area	• Developments on Roosevelt and Ashland in Study Area and redevelopment of adjacent IMD will improve prospects for market-rate housing • Ashland is already a strong residential corridor -- Key factor is proportion of CHA units
G. 15th Street	• Loft building is attractive candidate for adaptive-use development	• Truck traffic generated by South Water Market • Adjacent to active rail ROW • CHA housing adjacent on three sides	• Residential or commercial re-use potential in long run

Source: Goodman Williams Group

Recommendations by Sub-Area

The following paragraphs summarize our redevelopment recommendations by sub-area. The number of market-rate and CHA units in each sub-area is presented in the table at the end of this section. The estimated prices and absorption projections form the basis for the preliminary income projections presented in the addenda to this report. The following points relate to all the sub-areas

- Average home prices have not been adjusted to reflect the fact that some will be built on ground leases. The ultimate pricing of the home will depend on the specific financial terms of the ground lease. If the land cost is factored in at market rates, a discount of at least 5% would be necessary.

- All prices are in today's dollars to facilitate comparison with the market data presented in this report. In the income projections, prices have not been escalated over time.

- Overall absorption for the for-sale residential product in the Study Area falls in the range of 120 to 180 units per year for the first nine years of the redevelopment program.

Sub-Area A. Jane Addams Homes

This sub-area, the only one located north of Roosevelt, is the prime parcel in the Study Area. As such, its successful redevelopment will be critical to subsequent efforts in the sub-areas south of Roosevelt. Because its locational attributes are strong, we feel that sub-area A can successfully accommodate both CHA replacement units and market-rate housing, and that redevelopment should begin here.

Consistent with the city's intents, we recommend that Jane Addams Homes be demolished, and at least 20% of the housing built on the site accommodate CHA residents. Based on a density of 15 units per acre, a total of 426 new units could be built.

Of the new units, 278 could be single-family homes, with 56 reserved for CHA households. The 222 market-rate units could be priced at about $250,000. We envision these homes to have brick exteriors and be comparable in quality and design to newer townhouse developments throughout the University Village neighborhood.

A second, less expensive, product type could be developed simultaneously in this sub-parcel. We envision developing a total of 148 duplex units, 30 of which could be CHA units and 148 could be market-rate. The basic price of market rate units could be about $200,000.

Sub-Area B. Roosevelt Road south to Washburne

Once the redevelopment of Jane Addams Homes is begun, new development can jump to the south side of Roosevelt. Demolishing the deteriorated commercial frontage will do much to upgrade the image of this sub-area. However, significant numbers of public housing units will remain to the south, and therefore, we do not recommend putting additional CHA units on the Roosevelt frontage. Since the city plans to acquire these privately-owned parcels and sell them to a developer, newly built units can be sold on a fee-simple basis, unencumbered by a ground lease.

We envision these new units to be brick three-flats. For the purposes of this analysis, each of the floors is considered a separate unit; however, the design could be flexible, allowing units to be combined into duplexes or even single-family homes. The overall density of these three-flats is 45 units per acre. The flats are priced at $120,000 each, and the two-level unit above should have a target base price of about $165,000. Development of these units would follow development on sub-parcel A by about one to two years.

Sub-Area C. Brooks Extension Site

The Habitat Company has filed a PD Application to redevelop the Brooks Extension site with 218 new units for CHA residents. The new units will be two to three stories in height, and will be of frame construction with masonry exteriors. The overall density will be 24 units per acre.

Sub-Area D. East of Blue Island

This sub-area, which is part of the proposed TIF district, will not have any residential development and is not part of our Study Area.

Sub-Area E. Ashland Frontage

The city plans to acquire and clear most of the Ashland frontage south of the Shell station. The northernmost blocks would be redeveloped with retail uses, and the blocks at the southern end would be residential. Our analysis of the retail potential of this parcel indicates that a limited amount of small-scale retail could be developed on these parcels. As an alternative, however, we recommend that the city investigate the possibility of rezoning all the Ashland property south of the Shell station and developing it with market-rate housing. The Ashland frontage has some of the same characteristics as the Roosevelt frontage, and could be developed on a fee-simple basis.

Sub-Area F. Central Parcel (East of Loomis)

We have analyzed the largest sub-area as two development parcels, with Loomis as the dividing line. The Central Parcel east of Loomis poses the greatest challenge for redevelopment as mixed-income, for-sale housing, in part because of the concentration of existing public housing units that will remain on the site at Brooks Modernization (132 units) and Loomis Courts (126 units). In addition, the land uses that border this parcel on the east will not facilitate development of market-rate housing. These uses include additional CHA units at Brooks Extension, a concentration of subsidized rental housing south of Maxwell (Barbara Jean Wright Courts, Newberry Court, and Collins Senior Apartments), and the South Water Market, which generates considerable truck traffic. This parcel has limited visibility, and backs up against the viaduct at 15th Street.

While we do not believe that market-rate, for-sale housing can be developed in this sub-area, we do believe that new subsidized rental housing could be built, attracting working households. In this sense, the redevelopment plan for this sub-area is comparable to what has been accomplished on the Horner Homes Superblock. Our recommendation for the portion of the Central Parcel East of Loomis, is to develop 172 units of subsidized rental housing. The overall density would be 29 units per acre, excluding the existing Loomis Courts. An additional 128 units of replacement public housing could be accommodated in this sub-area.

Sub-Area F. Central Parcel (West of Loomis)

While the portion of the Central Parcel west of Loomis poses some of the same challenges as the area to the east of Loomis, it offers more potential because of its proximity to the Medical District, its visibility from Ashland, and the fact that the CHA buildings will be for seniors and they will be concentrated in the southwest corner of the site. The CHA buildings in this sub-area would be Jones senior building and an Abbott highrise that will be redeveloped for seniors. Therefore, a developer therefore could start with a "clean slate" for the portion of the site north of the CHA senior buildings.

Five years into the redevelopment program, following successful redevelopment of the Roosevelt and Ashland frontage, we recommend developing this portion of the Central Parcel with 460 duplex or town house units, 92 of which (20%) could be CHA units. Our basic price for these units in today's dollars is estimated to be $180,000. Three-flats could also be developed and marketed simultaneously on this sub-parcel, offering a product with the potential to include less expensive units. Three flat units could be developed with each flat priced at about $100,000. The site could support 483 of these units, 100 of which (about 20%) could be for CHA households.

Redevelopment Summary

The development recommendations above incorporate the city's assumptions on physical capacity; commitments to retain CHA housing and develop replacement housing; and Goodman Williams Group's knowledge of the housing market. In total, the redevelopment plan results in the following mix of CHA and non-CHA housing in the Study Area.

Component	Units	% of Total
Possible units	2,957	100%
Existing CHA units	524	18%
New CHA units	623	21%
Possible non-CHA units	1,810	61%

As shown in the table above, if the Study Area is redeveloped to its full potential, it would have 2,957 units of new and existing housing, of which 39% would be CHA units. While this overall proportion is higher than what is likely to be accepted by non-CHA residents, only the Central Parcel exceeds 20% CHA residents.

Another way to consider the proportion of CHA housing is to include in the calculations only the portions of the Study Area that are available for redevelopment. If we exclude the 610 units of CHA housing on the periphery of the Study Area (Loomis Courts, the 218 new units on the Brooks extension parcel, and the two senior buildings), CHA units comprise 23% of the total. This ratio is within the range that is likely to be accepted by the private housing market.

ABLA HOMES REDEVELOPMENT
Request for Proposals
Summary

The City of Chicago's Department of Housing invites proposals for the development of mixed income residential property on approximately 75 acres in the Near West Side of the City of Chicago ("City"). The Site ("Site") encompasses four areas of the Chicago Housing Authority's ("CHA") ABLA Homes: Area #1 is approximately 24.52 acres and is currently the Jane Addams Homes; Area #2 is approximately 9.03 acres and is currently the Brooks Extension Homes which now includes the adjacent demolished shopping center just south; Site #3 is approximately 29.81 acres and is currently the Grace Abbott Homes; and Site #4 is approximately 12.05 acres along the south side of Roosevelt Road between Damen Avenue and Racine Avenue. All areas of the site will involve new construction. Proposals may address the site in its entirety or any subsection respondent wishes to address.

Proposals will be considered for design and new construction of mixed income housing which is well integrated with the surrounding community. The City expects proposals to include a minimum of 600 public housing units, with a condition on Area #1 that at least 20% of units and on Area #2 that at least 108 units be designated for public housing. Each area will also be restricted to a density between 18 and 27 units per acre. The public housing units must be scattered throughout the proposed development and indistinguishable from other units. It should be noted that public housing units can constitute occupancy by families of up to 80% of the area median income as defined by HUD, which is higher than the income requirements for Low Income Housing Tax Credits (LIHTC). The 1998 Chicago area median income for a family of four, as defined by HUD, is $59,500.

Developers are encouraged to submit proposals which enhance the Site while also recognizing its historic significance. Area #1 was determined eligible for the National Register of Historic Places in 1993 by the Advisory Council of Historic Places ("ACHP") and the Illinois Historic Preservation Agency ("IHPA").

As a part of the comprehensive redevelopment of ABLA Homes, the City will issue a separate Request for Proposals ("RFP") for 383 off-site replacement units for public housing. Developers are encouraged to include additional land in the proposed development and to consider mixed income scenarios for appropriate areas of the Site.

This developer selection is intended to result in the award of a development contract for the Site or Sub-site assuming all financing is in place.

The CHA has submitted an application to the U.S. Department of Housing & Urban Development's ("HUD") HOPE VI Urban Revitalization Program for 1998 in the amount of $35 million. The CHA also has $24,483,250 million available from a 1996 HOPE VI grant. HOPE VI funds can be used to leverage other financing, thus allowing units to be

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leased back on a long-term basis the CHA. Proposals should also assume that the Site is part of a Tax Increment Financing (TIF) District of the City of Chicago.

The implementation of any development plan is subject to availability of funds and TIF designation.

Most parcels are owned by the CHA and shall be leased to a developer through a 99 year ground lease. Below are brief description of the sub-sites. Please see attached map for more details.

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Area #1 is bordered by:

- Cabrini Street on the north,
- Roosevelt Road on the south,
- Racine Avenue on the east, and
- Loomis Avenue on the west (roughly).

Area #2 is bordered by:

- Roosevelt Road on the north,
- Blue Island Avenue on the east, and
- Racine Avenue on the west.

Area #3 is bordered by:

- Washburne Street on the north,
- 15th Street on the south,
- Loomis Avenue on the east, and
- the alley directly east of Ashland Avenue on the west.

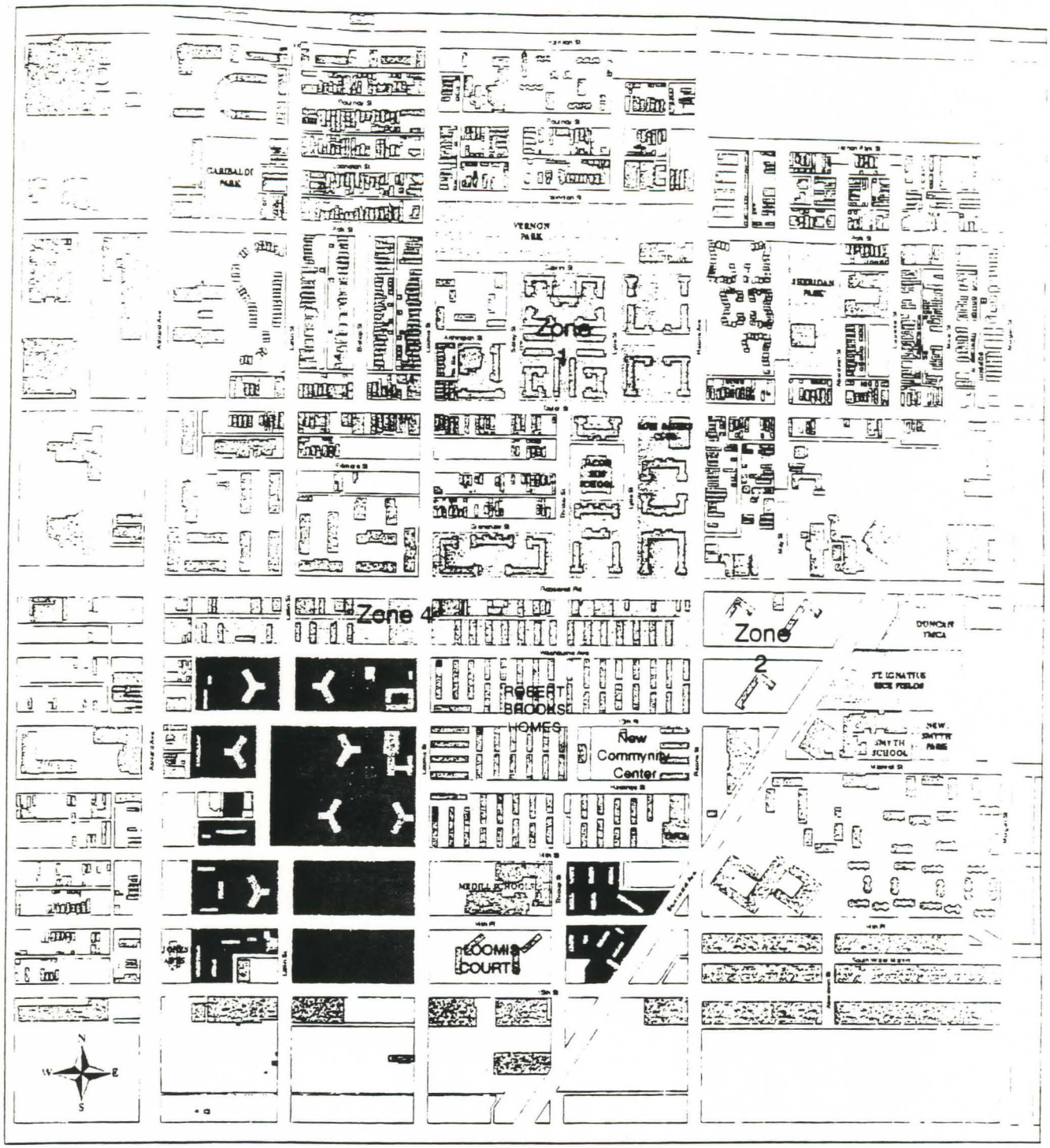
Area #4 is bordered by:

- Roosevelt Road on the north,
- Washburne Street on the south,
- Racine Avenue on the east, and
- the alley directly east of Ashland Avenue on the west.

(Note the land north of the Alley along Roosevelt will be purchased by the City ____ to the (developer/CHA?)

Please refer to the General Information section of this RFP for PIN numbers.

For more information on this RFP, please contact: Commissioner Julia Stash, Department of Housing, 318 S. Michigan, Chicago, Illinois 60604



ABLA REDEVELOPMENT
Request for Proposals
Exhibit A - Redevelopment Zones

Zone 1 25.5 Acres
Zone 2 9.03 Acres
Zone 3 29.8 Acres
Zone 4 12.05 Acres

ABLA REDEVELOPMENT
Resident Information Meeting
Questions & Answers
June 15, 1998

Ms. Deverra Beverly, President of the ABLA Local Advisory Council, opened the meeting with silent prayer and introductions.

Ms. Wanda White, Director of CHA's Development Initiatives Division, provided an overview and background information on the ABLA Redevelopment process.

Mr. Joseph Shuldiner, Executive Director of CHA, provided an overview of the proposal in the 1998 HOPE VI application, specifically highlighting the changes from the 1997 HOPE VI application.

The following is a list of all the questions that were raised during the Question & Answer period (questions and/or comments by residents are italicized):

1. *What happened to the $100 million that was allocated to ABLA several years ago?*
   Mr. Shuldiner stated that there was never $100 million allocated to ABLA – it was an unfounded rumor.

2. *Please ensure that the next phase has enough 1-bedrooms --- bedroom configurations need to match the needs of existing residents who choose to remain in the community.*

3. *Need to discuss contracts and procurement at the next public meeting if there isn't time today.*

4. *When is Addams redevelopment beginning? Will existing residents be allowed to stay north of Roosevelt Road?*
   Mr. Shuldiner responded that residents will have a choice as to whether they want to live north or south of Roosevelt. In the Brooks redevelopment plan, Addams residents have been given a priority to the surplus units. Addams residents also have a priority for units that will be built on Addams Park. It is an individual choice whether a family wants to secure a unit in one of these sections or wait for new units to be built on Addams. The CHA expects the selected developer(s) to build approximately 700 total units on Addams land and anticipate that approximately 200 units will be for public housing eligible families.

5. *Can single people stay in the new development?*
   Mr. Shuldiner responded yes, single persons would be accommodated in the new development. In fact, there will most likely be a surplus of one-bedrooms in the Brooks Phase II rehabbed units.

6. *When will Addams families have to move? Do not relocate families with only a 7-day notice.*

Mr. Shuldiner and Ms. White assured the residents that the CHA would follow all required timeframes according to the Uniform Relocation Act.

7. *Will there be a temporary relocation building for Addams?*

Mr. Shuldiner stated that there are no proposals for a temporary relocation building in the 1998 HOPE VI application. The 1440 W. 13th Street temporary relocation building will remain available throughout the course of the redevelopment and temporary relocation needs will be reviewed with the selected developer(s).

8. *When will the redevelopment begin?*

Mr. Shuldiner stated that the "start date" depends on available funds and personal choices. If a family currently living in Addams chooses to move into the surplus Brooks rehabbed units, they can be relocated in approximately 18 months. If a family chooses Section 8, relocation assistance is available immediately. As noted on the fact sheet, the City and the CHA expects that the entire redevelopment plan will take seven to ten years.

9. *Will there be temporary housing? Is temporary housing available only for families who are staying in 1440 and the rehabbed Brooks? CHA should not use temporary housing to evict more families.*

Mr. Shuldiner assured the residents that URA rules and regulations would be followed by CHA staff. Ms. White clarified that very few families were evicted from the Brooks revitalization process. The majority of families who moved out of the development chose tranfers or Section 8. Mr. Shuldiner stated that the CHA would not evict families simply to vacate buildings.

10. *A resident was moved from 1440 to 1410 what can she expect from redevelopment?*

Mr. Shuldiner stated that the redevelopment timeline is contingent on financing, and that all the outside sources of financing is contingent upon CHA receiving a 1998 HOPE VI allocation for $35 million. The redevelopment phasing will be negotiated with the selected developer(s), but the CHA expects that the developer(s) will begin building immediately on vacant land (i.e. south portion of Brooks Extension triangle and Addama Park) in order to build enough replacement units to vacate other buildings. If the resident chooses new replacement housing, they will have to wait for new housing to be built. If the resident chooses Section 8, CHA can accommodate immediately. The relocation and redevelopment priorities will be set in conjunction with the LAC. The CHA does not expect the Abbott highrises to be in the first phases of redevelopment. We are currently installing new individual heating systems for the Abbott buildings in order to maintain services to the buildings while redevelopment is happening.

11. *How is the relationship between the CHA and the Habitat Company? Will the strained relationship continue to hinder the redevelopment process?*

There is a different dynamic in the ABLA Redevelopment because the City is playing a significant leadership role in the process. The City will ensure completion of the project. There is tremendous support from City, State and Federal officials for the

ABLA redevelopment. CHA and Habitat conflicts will be efficiently mediated by these other parties.

12. *Will residents be included in the developer selection process?*

Mr. Shuldiner stated that residents would actively participate in the redevelopment process, including developer selection. Practically, redevelopment will be implemented by several developers and public housing will be in each section of the site. Residents will also benefit from jobs/Section 3 such as the programs that were implemented with the Brooks rehab.

13. *Will resident based organizations benefit with sub-contracts? Not a single resident owned business was selected as a subcontractor for the Brooks rehab.*

Ms. White stated that the HOPE VI Plan includes self-employment assistance and a strong initiative to promote jobs throughout ABLA.

14. *Will Brooks Extension and Jane Addams be the only areas completed within 6-7 years?*

Mr. Shuldiner stated that the City and the CHA expects the entire redevelopment to take between 7 – 10 years. Brooks Phase II is expected to be completed within 15 months. We expect Brooks Extension south to begin in Spring 1999 and take approximately 18 months to completion. Construction can also start on Addams Park in Spring 1999 with completion also in 18 months. Roosevelt Road will take some time because of acquisition, approximately 3-4 years. We expect it'll take another 3 years to vacate and redevelop Addams. Thus the whole plan can be completed within 7 to 10 years. Portions will come on line as we go along, all the families will not have to wait 7 years for replacement housing.

15. *There doesn't seem to be enough money for the proposed units?*

Financing is not limited by time once it is allocated, no matter how long it takes. The CHA also expects additional funds to be available through a land lease for the 966 market rate units. CHA will not sell the land but rent it. The land lease payments will be an extra pocket of funds available for the redevelopment.

16. *What about Abbott?*

Ms. White stated that a Planning Committee has been established for the Abbott development. All Abbott and Addams Committee members that were present were introduced. These Committees will play a key role in decision-making and communicating accurate information to the resident population.

17. *Only 200 units on Addams for Addams families?*

Mr. Shuldiner stated that the CHA expects approximately 200 units for public housing on Addams land but all Addams residents are eligible for the new replacement units. Ms. White emphasized that all current ABLA residents have a right to return but the location will vary throughout the development.

18. *Will Addams families move next year?*

Mr. Moses stated that if an individual family is interested in moving into the rehabbed Brooks units, that family can move within 15 to 18 months. Mr. Shuldiner stated that units will also become available in the temporary relocation building, 1440 W. 13th St.. We will to continue meet and share information as we go forward in the redevelopment process. We cannot give a definite timeline for Addams at this time.

19. *Will Addams be demolished?*

Mr. Shuldiner confirmed that Addams would be demolished eventually. Ms. White restated that approximately 200 replacement units at Addams will remain for public housing families.

20. *What will be the income requirements?*

Ms. White stated that all public housing replacement units in the proposal are reserved for families within 0-35% of AMI.

21. *While the community is waiting for new housing, can they have access to jobs?*

Ms. White confirmed that jobs and education are a primary focus of the HOPE VI redevelopment plan. The proposal will include resources for several self-sufficiency programs. The LAC also requested 50 homeownership units set aside for existing ABLA residents who go through the self-sufficiency programs and increase their income in the next 3 – 5 years.

22. *Is it a simple transfer to the rehabbed Brooks surplus units or does a resident have to fill out a new application? Are there any special criteria?*

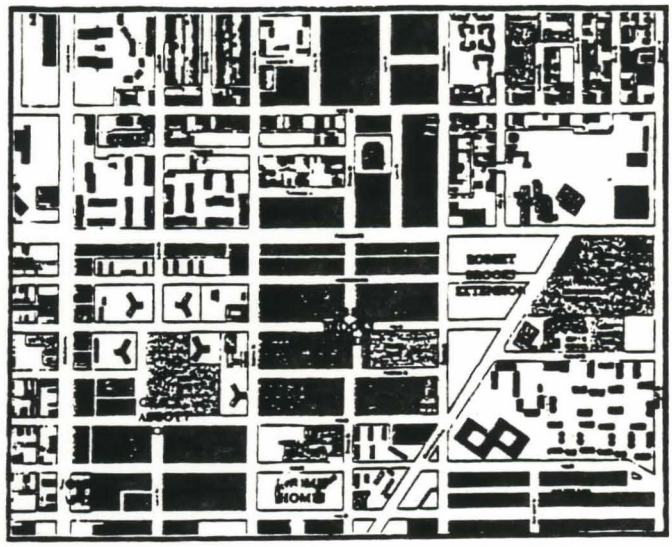
Mr. Shuldiner confirmed that transfer to rehabbed Brooks units is a straight transfer. The only criteria that is in place at this time is that a resident has to be in good standing. Ms. Hendon reminded residents to keep their rent current.

23. *In ABLA as a whole, resident owned construction companies have not received any contracts related to all the redevelopment activity. Will resident owned businesses be able to participate in the future redevelopment?*

Mr. Shuldiner and Mr. Moses confirmed that resident owned businesses will be a part of the redevelopment.

EXHIBIT B

Existing Site Conditions



1998 Hope VI Revitalization Application - ABLA

Chicago Housing Authority

June 26, 1998

B. EXISTING SITE CONDITIONS

1. Existing Physical Conditions

The ABLA development is situated on 100 acres and has more than 3,500 original units in a mix of highris walk-ups and rowhouses. Built successively over the course of thirty years between 1938 and 1968, ABLA is a vi example of the mistaken strategy of building superblock concentrated public housing developments that lead to physi and social isolation. ABLA has suffered a long history of inadequate maintenance combined with the natu deterioration of building systems and structures causing the housing stock to become generally obsolete. It is plagu with over a thousand City building code violations and currently exhibits an overall vacancy rate of 52%. The sev social and physical distress of ABLA has led the CHA, the ABLA LAC (Local Advisory Council), the Receiver, *Gautreaux* plaintiffs, the City of Chicago, and the residents to partner in a plan that will lead to the compl transformation of ABLA Homes.

As noted in the City of Chicago's 1997 Consolidated Plan Annual Performance Report and the recently relea Five Year Affordable Housing Strategy, the City has a continuing goal to work in partnership with the CHA to deve and facilitate housing programs that leverage private and public resources to benefit the range of constituencies in n of affordable housing. This goal will be accomplished by the funding of the 1998 HOPE VI revitalization grant for ABLA development.

a. Physical Deterioration:

The building systems of the ABLA development endured years of wear, weathering, abuse and neglect. absence of proper maintenance and the adverse conditions in this development have accelerated deterioration of m building systems to a point where the systems' integrity are compromised beyond repair. According to an independ physical assessment by On-Site Insight, Inc., these building systems would need to be completely replaced to sustain development (See Attachment). These conditions hold true for the exterior building components, the site systems internal mechanical systems. (Note: Phase I of Brooks Homes modernization was completed in May 1998 for 132 u An additional 220 units will be renovated in Phase II for a total of 352 rehabbed units under the Comprehensive C Program. 356 units of Brooks Homes will be demolished as part of this HOPE VI Application.)

(b) Major Structural Deficiencies

The housing stock at ABLA reveals numerous structural deficiencies. These varied building types are masonry construction whose structural deficiencies stem from age, weathering and the historical absence of prope maintenance. Deferred maintenance and vandalism have contributed to the adverse conditions and distress at all of th buildings. Typical structural defects include cracks and spalling in concrete columns at Grace Abbot and Brook Extension, and cracks in floor slabs, sidewalks, and other concrete components. Typical exterior defects includ improper grading around low rise buildings that allow large pools of surface water to pond along the edge of the buildin contributing to long term defects of the foundation walls. Settlement has also caused masonry walls and parapets mostly all the buildings to deteriorate and have heaved bricks. Stress cracks appear inside and outside of the wal Cracked and broken masonry joints and moisture damage from defective flashing has allowed the tuckpointing become distressed.

Roofs: The roofs at ABLA, with the exception of Grace Abbott rowhouses, are flat, built up roofs with interior drai and roof top exhaust fans. Leaks in the roofs are a continuous maintenance problem caused by conditions such as crac and punctures in the membranes, seals drying out around the base of the drains and split flashing. Numerous units in t high rise buildings are unleaseable due to the continuous roof leaks. Temporary repairs have been performed but have to adequately address the problem of uninhabitable units. Roofs at Jane Addams were installed over seven years ago, b the interior drains are still original and have deteriorated and continue to cause leaks.

Electrical/Mechanical: The present electrical system in each building in ABLA neither meets residents needs n complies with the City of Chicago's Building Code. Neither the kitchens nor bathrooms have 20 amp circuits or grou fault duplex receptacles. Revisions to the electrical system will require upgrade from the present service and also increase in primary, secondary and distribution services in order to accommodate the augmented electrical load.

The current heating system for the ABLA development includes underground distribution of steam heat and water supplied from a central heating plant located on the Jane Addams site. Inefficient overheating during the wi months and the inability to regulate the amount of heat for each unit has been a constant problem at ABLA. With all buildings being tied into this inefficient high pressure steam heating system, all the residents are affected through the

of or reduction in delivery of heat and hot water due to the many shutdowns that occur. Much thought has been given decentralizing the heating system at ABLA. Plans are currently underway for the decentralization of the occupi buildings at Grace Abbott but initial contractor costs are several million dollars over the budgeted amount. The cost decentralizing the buildings at Jane Addams will be cost prohibitive and involve locating a mechanical room in ea building's decrepit basement. Again, the central heating system was built in 1938 and is costly to maintain due to t continued repair of the underground steam and condensate piping, as well as the various auxiliary mechanical equipme By redeveloping the entire ABLA community with new townhomes, the heating systems will be more reliable with u to-date modern and more energy efficient equipment.

Lead Based Paint/Asbestos: Hazardous materials such as lead based paint (LBP) and asbestos have also be detected throughout ABLA by independent environmental consulting firms. LBP has been found on walls, ceilings a door and window frames, and many other components. Asbestos containing materials were found on pipe insulation a in some floor tile types. The designation of positive findings only indicates that these materials were detected, but r necessarily abated. Some abatement has been performed at ABLA but limited to priority situations. Public hea officials say lead is the No. 1 environmental threat to children – whether they live in public housing or suburban hom By demolishing existing housing units loaded with lead based painted components, disposing of it properly and buildi new, lead dust and chippings can be eliminated for the children of ABLA.

The testing results for ABLA are summarized in the following table:

SUMMARY OF ENVIRONMENTAL CONDITIONS *			
ABLA Development	LBP (Lead Based Paint)	Asbestos	UST (Underground Storage Tanks)
Jane Addams	Positive Findings	Positive Findings	None Registered
Grace Abbott Highrise	Positive Findings	Positive Findings	None Registered
Grace Abbott Lowrise	Positive Findings	No Testing Performed	None Registered
Brooks Extension	Positive Findings	Positive Findings	None Registered
Brooks Homes	Positive Findings	Positive Findings	None Registered

* For specific components, quantities, levels and locations see the attached individual reports at the end of this section

Deferred Maintenance: The deferred maintenance backlog is clearly a negative indicator of the level of decay at ABL Despite maintenance staff's attempt to attack routine maintenance problems, their efforts have done little to improve

quality of life within the residential units as indicative of the many code violations the ABLA development continues receive. Typical citations for the units, that do not meet Housing Quality Standards include repair of peeling paint ar plaster, extermination of rodents, cockroaches and other vermin, window repairs, installing rat-proof material arour exterior walls, plumbing repairs, repair of exterior canopies and repair of common sidewalks. Conservative intern estimates demonstrate that it would cost the Authority between $30,000 and $50,000 per unit to address the co violations at the units at Jane Addams alone (this being only a short-term repair). In the meantime, the City of Chicag continues to fine the Authority thousands of dollars each month for failing to remedy code violations.

(2) Major Site Deficiencies

Major site deficiencies are most notably the deteriorated underground steam system and especially t condensate return portion, which is inoperative. The ABLA development has several steam leaks billowing up from t various manholes throughout the development. Leaking ground water that falls on the hot steam lines causes these stea leaks. Standing water after a heavy rain at ABLA is due to the backed up sewer system and possibly broken piping. N infrastructure systems will be installed by the various utility companies: gas, lighting, electrical, sewer, etc.; w coordination by the City of Chicago and the CHA. Most recently one high rise building was demolished at Broc Extension and during the excavation of the foundations, there were remnants of charred buildings from the Chicago F in 1871, which gives evidence of the poor soil conditions at ABLA. This evidence helps to dictate the design of slab grade homes for the redeveloped area. There is also a lack of usable play equipment and landscaping on site. M playgrounds were taken down because of liability concerns due to them not having soft surfaces, but they were ne replaced. Paved parking lots are currently filled with potholes, have drainage problems and are magnets for abando cars and "backalley" mechanics.

(3) Design Deficiencies

Planning deficiencies of the past concentrated ABLA's public housing residents in one contiguous area physically isolated the public housing development. ABLA was built on four superblocks that are disproportionate to community at large. The density of the existing ABLA development is approximately 37.33 units per acre, which is h when compared to the average density of 28 per acre of typical Chicago neighborhoods. The proposed redevelopn

plans calls for an average of 28 units per acre. The original site planning for ABLA started with the Jane Addar development to the north with further developments sited to the south. The first plans disregarded the order of t established city grid and subsequent plans followed in this pattern. This created large off sets from the existing stree wastelands of large open spaces that are unused, unsecured and not well maintained, and an isolated enclave from the ci and the surrounding community. There is a lack of security planning and provisions, such as guard booths, sing entrances, locking systems or intercoms. The ABLA development has numerous indefensible spaces, like open lobbie which permit criminal elements to take control over buildings and common areas and multiple entries. The open gallerı on the high rise buildings at Brooks Extension cause exposure to the elements in inclement weather, which creates dangerous situation for residents and additional maintenance problems. Jane Addams has interior stairwells, which fe apartments on three floors. Not having a working intercom system, the front door is left opened and unsecured. Th exposes the stairways, which are steel pans filled with concrete, to the same inclement elements and continuous stea leaks from the basements. The existing stairs have rusted out metal nosing on top and rusted out steel pans in the ba which are dangerous and hazardous for the residents using the stairs. Another design deficiency at ABLA is the lack on site garden opportunities for the residents.

(4) Environmental Conditions

An environmental assessment was prepared for the ABLA development and it was found that there are deficient environmental conditions that could jeopardize the suitability of this site for the proposed revitalizati activities. No underground storage tanks have been registered at any of the developments. Six (6) underground stora tanks are registered at the central boiler house located to the north of the site within Jane Addams development and a scheduled for removal.

(5) Accessibility Deficiencies

The original building and site design of the buildings at ABLA did not address those physical modifications public housing that are currently mandated by the American with Disabilities Act (ADA). The ABLA community several residents with varying degrees of disability including mobility impairment (i.e. those requiring wheelchair c walker/cane), blindness and deafness. Although the ABLA management office has been modified, few improveme

have been performed to the residential buildings. There are physical barriers at entrances, common spaces and with units. These barriers include exterior stoops and steps into buildings, raised thresholds, no door pulls, and cracked ar broken sidewalks. In the majority of units, there is insufficient space in the kitchen and bathroom for a wheelchair maneuver. Also light switches, electrical outlets and door hardware have accessibility deficiencies. Incorporated into th comprehensive redevelopment efforts for ABLA will be full compliance with section 504 ADA and Fair Housir requirements.

b. *Distress Within Applicant's Control*

At the ABLA development approximately 52% of the units are vacant. Vacant units are heavily vandalized ar stripped of all equipment and components including windows, radiators and piping. Free flowing water from broken lin and weather exposure from these units accelerates deterioration of the buildings. Fire and smoke damage originatir from burned out abandoned apartments are clearly visible on the building's exterior. Most distress at the site is due to th level of high abuse that comes with isolating public housing residents within poorly maintained buildings. Crimin activity exacerbates the vandalism of stairwell and lobby lighting and security locks on the entry doors.

2. Distress in the Neighborhood

a. Physical Condition & Characteristics

The Near West Side of Chicago is a 5.76 square mile neighborhood directly west of the city's downtown. Th neighborhood represents a juxtaposition of one of the nation's poorest public housing communities with some of t. region's major generators of economic growth and opportunity. The targeted redevelopment area is anchored by th largest medical district in the country, the Illinois Medical District (IMD), and the University of Illinois at Chicago Ea and South Campuses (UIC). In addition to these large institutions, the Near West Side borders the vital industrial ar known as the Pilsen District and holds a strong historical significance to Chicago with areas such as Little Italy on Tayl Street.

According to the 1990 Census, the Near West Side consisted of 21,543 housing units, of which over 5,900 a public housing units located in three developments in the community: Rockwell Gardens, Henry Horner Homes, a

ABLA Homes. In addition, there are a number of HUD subsidized developments in the community containing 2,24 units. In general, these subsidized developments are well-maintained.

The Near West Side is experiencing the tremendous energy of a revitalizing neighborhood with new market rat housing and large scale retail activities, and strong commercial corridors, such as Little Italy and Chinatown, whic continue to draw clientele from across the city. The neighborhood also houses city wide institutions such as St Ignatiu College Prepatory School and the United Center. The neighborhood is also home to more than 3,300 public housin families who have historically been isolated from the existing resources in the community. The stark contrast betwee public housing and the wider Near West Side communities presents the challenge of ending years of isolation ar concentration of poverty through integration and revitalization in the context of a mixed income community.

The disparities present in the Near West Side are also manifested in its physical characteristics. Large new constructed institutional buildings and private market housing abut and surround over 160 acres of public housing ar other deteriorated sub-standard housing. Built successively over the course of thirty years between 1938 and 196 ABLA is a vivid example of the failed strategy of superblock concentrated public housing developments with tl consequences of physical and social isolation. This plan will enable existing residents who desire to remain tl opportunity to obtain the benefits of the ongoing revitalization of the community.

b. Land Use and Economic Activity

The average density in the Near West Side is between 25-28 units per acre, but it can be as low as 11 units pe acre in certain areas such as new housing developments directly north of Jane Addams. ABLA, consisting of over 3,50 units within 100 acres, has an overall average density of 35 units per acre. ABLA housing includes a mix of rowhouse walk-ups, and highrises, and densities range from 32 to 81 units per acre.

c. Demographic Data

According to the 1990 Census, the Near West Side has a population of 46,197 persons within 16,473 househol Population of the Near West Side is approximately 67% African American, 22% Caucasian, 9% Hispanic, 5% Asian, a 5% other. The racial composition of ABLA is nearly 100% African American. The Near West Side's juxtaposition prosperity and extreme poverty is further demonstrated in the income levels. The 1996 estimated median househc

income for the Near West Side is $11,978. In the midst of major regional economic activity, approximately 55% of Nea West Side families live below the poverty level. Of those in the labor force, the Near West Side has a 20% unemployment rate.

As of March 1998, the average income of ABLA Homes was $7,000 or only 11.8 % of the 1998 area media income for a family of four in the Chicago metropolitan area ($59,500).

d. Crime Statistics

- Serious Crimes between 1995 and 1997 at ABLA.

	1995	1996	1997
Homicide	1	8	2
Criminal Sexual Assault	20	15	15
Serious Assault	255	264	221
Robbery	78	119	44
Burglary	122	105	104
Theft	180	186	219
Vehicle Theft	12	8	11
TOTAL	668	705	616

- Average number of police calls per month: there was an average of 1,565 dispatches per month within the three be area including ABLA Homes from March - September, 1996.
- Average monthly vandalism: Vandalism at ABLA Homes is a daily occurrence. Examples of vandalism inclu removal of window frames, kitchen sinks/plumbing fixtures, light fixtures in hallways, convectors/heating elemen and fire hoses. There are also common instances of fires in garbage chutes, broken windows, and removal stairwell fire doors in highrises. Management staff estimates that CHA expends approximately $40,000 per month, a little more than $125 per unit annually, to repair and/or replace items due to vandalism.
- Number of lease terminations/evictions for criminal activity: For the period from January to June 1997, there we 55 for-cause cases from ABLA Homes (44 for drug related one-strike, 4 for felony one-strike, and 7 for non or strike reasons.)

e. Adequacy of Existing Facilities

The Near West Side is served by many institutions and commercial facilities. In addition to the University Illinois at Chicago and the Illinois Medical District, the Near West Side is also home to Malcom X College, one of

top medical assistant training schools in the country. Unfortunately, ABLA residents have traditionally not benefi from the educational or economic strengths present in the neighborhood. The Near West Side is serviced by two elevat rail ("El") lines and several bus routes. The Eisenhower Expressway cuts through the middle of the Near West Side a the junctions for the Kennedy and Dan Ryan Expressways border the east side of the neighborhood. When asked to l strengths in their community, ABLA residents repeatedly cite the close proximity to downtown and accessible publ transportation as important valuable attributes of the community. Two commercial centers recently opened in the ar with large supermarket anchors, Jewel on Harrison Street and Dominicks on Canal Street. A new commercial center also being built on the southwest corner of Ashland and Roosevelt as part of the Illinois Medical District expansic These recent developments have greatly increased available retail services to the public housing communities.

f. Public School Systems

The public schools that primarily serve the ABLA population, Jacob Riis School, Smythe School, and Mec School, are under populated. Chicago Public Schools has agreed to keep them operating and re-evaluate the needs up completion of the proposed development activities.

g. Effect on the Neighborhood

The poor site design and physical deterioration of ABLA Homes have a blighting influence upon the Near W Side community. ABLA residents are isolated in superblocks which pose numerous dangerous and hazardous conditic for a resident population of which 33% are between the ages of one and ten. The deteriorated ABLA structures al hinder development of new housing, limit rehabilitation of the existing housing stock, deter commercial investment, a adversely affect the value of surrounding properties.

Long neglected maintenance of grounds deters efforts by residents to maintain their neighborhood. The m visual effect of ill-kept, litter-strewn, unlandscaped grounds and partially boarded-up and vacant apartments discoura residents from maintaining their surroundings, and has a blighting effect upon the surrounding community and less the economic base of the City. The high incidence of crime, vandalism, gang activity, squatting, and open drug discourages community interaction and creates social isolation. Community stability efforts, initiated by the ABLA L and concerned residents, are often undermined by the lack of security measures. Overburdened management, open

vacant apartments, and poor design of structures throughout ABLA create indefensible spaces and an atmosphere th encourages crime, gangs, drug sales, and attracts additional outside criminal elements. The high concentration of ve low-income minority persons, many lacking basic education or job skills, leads to social and economic isolation.

The ABLA Redevelopment Plan will effectively address many of the neighborhood deficiencies such as physic deterioration, poor site design, social isolation, and lack of municipal infrastructure and will create a revitalize sustainable mixed income community.

(3) Need for Funding

a. Urgency of Distress

The Authority has approximately 1,200 outstanding work orders for ABLA, of which 10% are dangerous ar hazardous. Common examples of these dangerous and hazardous violations include standing water in basements, op vacant units, plaster peeling, missing stair pans in hallways, missing peep holes, roof leaks, paint peeling, missing flo tile, and rotten kitchen cabinets.

In large part, code violation problems are most prevalent in Jane Addams, the oldest development within ABL As a result of these extensive violations, the Authority has been forced to close seven of the buildings at Addams. total, sixteen ABLA buildings have been closed due to code violations. Although, a special crew has been assign specifically to address dangerous and hazardous work orders, the City of Chicago recently brought demolition su against the CHA in regards to four buildings which the City has determined are a threat to the public health and safety.

The severe distress at the site is also demonstrated in a vacancy rate of 52% and a tenant population of more th 1,500 families below 15% of the area median income. Without immediate intervention, the level of distress at the s will become imminently greater.

b. Lack of Available Funds

The CHA critically lacks available funds to implement the ABLA Redevelopment Plan. In the Draft Viabil Analysis Summary and Proposed Revitalization Schedule, the CHA proposes a 15 year revitalization timetable seventeen of the most distressed developments in the housing stock including ABLA Homes. The Viability Analy states in part, "Existing levels of modernization funds are simply insufficient (and were never intended) to co

relocation, demolition, rehabilitation, and new construction on the scale contemplated by the plans. CHA receives $1 million per year in modernization funding, but available dollars for physical improvements are limited to approximate $50 million per year. (CHA uses a large portion of the modernization budget to pay for the costs of security.) Furth CHA estimates that the non-Viability sites will require $625 million in rehabilitation funds over the 15-year phasi period. Even with regular infusions of HOPE VI funds, it is doubtful that CHA can complete all the work proposed at t 202 sites and maintain the non-202 sites in good condition."

Only with HOPE VI funds can ABLA be adequately redeveloped. A notable factor of the ABLA Redevelopme Plan is that it includes commitments and plans for complete funding of the revitalization, including all on-site and o site replacement units, relocation, demolition, and self-sufficiency programs.

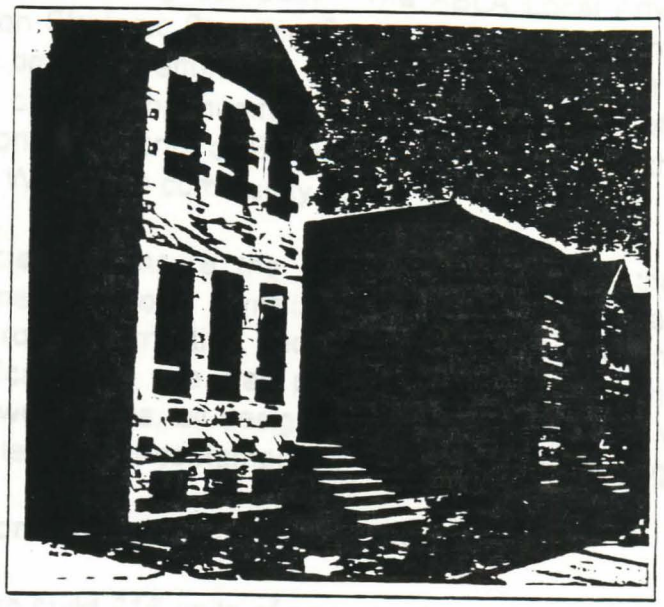
The revitalization of public housing developments throughout the City is a priority for the City of Chicago demonstrated in the City's Consolidated Plan - "Neighborhoods Alive!" See excerpt from the City's Consolidated P in Exhibit D Attachments.

EXHIBIT B ATTACHMENTS

- ***HUD Form – Application Data: Existing Units, Occupancy, Vacancy and Application Data: Relocation, Income & Non-Dwelling Structures***
- *City map*, to scale, ID's existing development in the context of existing city streets, CBD and other key city sites
- ***Site map – Existing Conditions and Buildings to be Demolished***
- ***Pictures of Existing Conditions***
- ***On-Site Insight Physical Assessment Reports***
- ***Environmental Reports***

SECTION 4

REVITALIZATION



4. *REVITALIZATION*

The Brooks Extension Revitalization Plan is a comprehensive effort to revitalize one of Chicago's most neglected neighborhoods. The ABLA Local Advisory Council (LAC), the Brooks Extension Strategic Planning Committee (BESPC), and the residents have invested significant time and effort into developing a Plan which will ensure the long term sustainability of this community. The implementation of the Plan is much anticipated by not only residents of Brooks Extension, but also the entire ABLA area and the larger Near West Side community.

The Plan is expected to ensure the long term viability of the development and complement other neighborhood revitalization efforts. In general, the Plan calls for density reduction through demolition, redesign, and the promotion of a mixed income community. Specifically, the site plan proposes the construction of a minimum 200 residential units in two phases, all designed as market rate units with room sizes and amenities comparable to other contemporary apartments in the neighborhood.

a. New Housing Construction and Modernization

The CHA proposed to build 216 units of new construction, in single, two- and three-unit row house and semi-detached styles. Preliminary bedroom counts, as determined at this time, are:

Bedrooms	Units	Percentage
One	38	20%
Two*	80	30%
Three*	78	30%
Four	30	15%
Total	**226**	**100%**

20 of these units will originally be combined to make six 5-Bedroom and four 6-Bedroom units for a total of **216 units initially. They will be deconverted later.*

Due to the lack of available affordable housing units in the City, replacements units are targeted to be rental. It should be noted though that this Plan does not preclude any resident from participating in CHA's Homeownership Program. The Brooks Extension Revitalization Plan in fact provides additional resources to residents interested in the Homeownership Program through the case management and assessment services provided in the Family Self Sufficiency Program.

One hundred and eight (108) units will be made available for very low income residents with an income below 50% of the area median, and one hundred and eight (108) units will be for families having an income of 50-80% of the area median. With the reduction in the number of units on-site from 450 to at least 200, and an income distribution as

noted above, the proposed development lessens the concentration of very low income families and promotes income diversity.

b. Development Method

The proposed method of development will be by the conventional method. This allows for control of the development and design process by the Grantee and those parties to the Development Management Agreement. The Habitat Company, as receiver for the CHA's Scattered Site Program, is the Development Manager and has utilized this method extensively with success. Request for Proposals ("RFP's") for the development of at least 200 units will be issued pursuant to HUD guidelines. The RFP for architectural/engineering services is targeted for release by February 20, 1998 and the RFP for construction contractor is targeted for release by July 24, 1998.

The BESPC, the ABLA LAC, and the CHA will continue to meet regularly with the Development Manager throughout the implementation phases including pre-bid conferences and monthly update meetings.

c. Schematic Drawings

A site plan is attached as Attachment 1. Also attached are schematic elevations of the units anticipated to be constructed, as Attachment 2.

d. Density

The density of the development will be 21.56 units per acre, based on the 226 new units on the proposed 10.48 acre site. The existing density is approximately 58.6 units per acre for the 7.68 acre Brooks Extension site.

The location of the varied income units has not yet been determined, but will be reviewed as design and construction phases commence. It is intended that each building footprint will contain a mix of low-income and very low-income units. There will be no differentiation between low-income and very-low income units.

e. Community Space

The proposed redevelopment plan does not contemplate any non-dwelling spaces. The plan does, however, provide for open and green spaces pursuant to City of Chicago Guidelines for Residential Development. These guidelines require that 150 square feet of open space be provided adjacent to each dwelling unit, and that 200 square feet of common open space per unit be provided within the Planned Development. Thus, for at least 200 units, approximately 40,000 square feet of common space would be required. The proposed plan illustrates approximately 78,000 square feet (or 1.79 acres) of common space, at three locations on the site.

STATE OF ILLINOIS

CHICAGO HOUSING AUTHORITY

IN RE:

ABLA REDEVELOPMENT-1998 HOPE VI
APPLICATION FACT SHEET

TRANSCRIPT OR PROCEEDINGS taken i the above-entitled cause before, JOSEPH SHULDINER, Executive Director, taken before GWENDOLYN BEDFORD, Notary Public and Certified Shorthand Reporter withi and for the County of Cook, State of Illinois, at Th University of Illinois at Chicago, 804 South Halsted Lecture Hall D-1, Chicago, Illinois, held on the 19t day of June, 1998 at the hour of 2:00 p.m. pursuant to notice.

1 MR. SHULDINER: That means it is time t
2 begin. Okay. Good afternoon. My name is Joe
3 Shuldiner and I am the Executive Director of the
4 Chicago Housing Authority. Shannon DeWitt is
5 basically the Budget Coordinator for City of Chicago
6 And we are holding the public meeting for the Hope V
7 application that we hope to submit on June 29.
8 I recognize faces. Some of you
9 were here the last time I did it in the building nex
10 door. So what I wanted to do in talking about this
11 proposed application, we're all hopefully working of
12 the same two sheets that were given out as you came
13 in.
14 I would really focus on the
15 overall and how this plan is different from the last
16 application. The first difference is very clear. I
17 think Shannon's presence demonstrates a much greater
18 involvement by the City of Chicago as we'll get to a
19 we do it. This has been a plan that has been worked
20 on by a number of partners and truly represents a
21 collaborative effort.
22 The second major difference
23 between this plan and the former one is for those of

1 you who have been following this saga, in 1996 there
2 was a request for Hope VI, which basically just aske
3 for funds to do replacement units for Brooks
4 Extension, which is the yellow area on the map on th
5 second page. And at that time approximately
6 $25 million was granted for approximately 216 units
7 of public housing to replace the three high rises
8 that stood on Brooks' Extension at that time. That
9 money was awarded and we have been moving a long to
10 fulfill that particular application.
11 As you do know, I'm sure, the 123
12 South Racine building was vacated and demolished.
13 The original plan was that would occur the Housing
14 Authority would acquire Liberty Shopping Center and
15 demolish this and the units would be built on that
16 site. And when those units were built, it would
17 accommodate the people residing in 1111 West
18 Roosevelt, and 1209 South Racine, they would move
19 into those units, and then those two buildings woul
20 be demolished and then units built back all the way
21 to Roosevelt.
22 Last year's application, which w
23 not funded, basically continued to treat the ABLA

1 effort as a multi-phase effort. It proposed
2 requesting for what is now the maximum amount, which
3 is $35 million that is allowed to any given Housing
4 Authority to build approximately 200 units in the
5 area that is now Addams Park, which is the lower
6 right orange on your map.
7 And that would be replacement
8 housing for Addams which is the purple on the top of
9 the northern end of the ABLA Development, so that
10 ABLA would be demolished. That it would be
11 developed, privately developed with primarily
12 non-subsidized housing with some subsidized housing
13 on some sites and 200 additional units of the public
14 housing would be built on the land that is now Addar
15 Park. At that time, there was a different plan how
16 Addams Park would be replaced.
17 This is all by way of background
18 to get to this year's application, which basically
19 rejects the approach of last year, which was to
20 recognize that this could be done in phases. Becau
21 last year assumed that Addams Park and Addams was i
22 effect Phase III, I guess, with Brooks being Phase
23 and that Abbott would be dealt with in some future

1 date. This plan is much more comprehensive in that
2 it deals with all of ABLA, all of the areas. And
3 actually is premised on that if the funding comes
4 through, that basically there will be sufficient
5 funding to address the entire development.
6 Now, that is possible because
7 again the difference this year versus the prior year
8 is the participation of the City. And of course
9 while their psychic and personal involvement is
10 wonderful, we tend to be most grateful for the
11 financial involvement which is listed in the middle
12 of page one where you see that the first column, the
13 first row, that $59,483,000, that would be the
14 combination of approximately $25 million received tw
15 years ago, plus the 35 million we would be applying
16 for this year, which would give us slightly under
17 $60 million.
18 The next group is basically the
19 contribution that comes from City activities.
20 Issuance of bonds, tax credits, first time homeowne
21 mortgage payments and some home funding or other
22 funding from the Department of Housing. And then t
23 last row talks about the amount of money that would

1 come out of the private sector to basically finance
2 the market rate units and other amenities.
3 So I'm sorry, the tax credits go
4 in that, because that goes to those units. And then
5 TIF proceeds are in there as well. That is another
6 factor that it would be a TIF that would help pay fo
7 a number of the site improvements and other
8 necessities that are part of this proposal.
9 The last grouping on the chart
10 here tries to give you a picture of the income mix
11 that we are proposing in fairly gross or large terms
12 in the sense you see that there are approximately
13 1467 units that would be financed out of the people
14 between 0 and 35 percent of median income. This is
15 the population that would receive direct assistance
16 from the CHA. Even though obviously we consider
17 units for people in the 50, 60, 70 percent for publi
18 housing eligible families, the reality is the way th
19 rents work, those people's rents carry the operating
20 cost and don't need direct subsidy beyond any subsic
21 that may be in the construction. The important
22 component here is to see that 1,084 of these units
23 will be on site and 383 will be off site.

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1 In another part of collaboration
2 with the City, we would be working with the
3 Department of Housing to identify those 383 off site
4 housing opportunities.
5 The unit count, the next group,
6 845, is for people between 36 percent and 120 percen
7 of median income. Again, for those between 36 and 8
8 percent, it is still a public housing eligible
9 population. But it is not units that will be
10 financed by the Hope VI grant and public housing
11 money. Instead it will be units financed by tax
12 credits and money related to that as well as in the
13 upper, which is the 80 to 120, it would be some of
14 the Department of Housing money for first time home
15 buyers. The new homes for Chicago Program, et
16 cetera.
17 And then actually in addition one
18 of the requests that the residents of ABLA made was
19 that there be 50 units of for sale housing made
20 available to them. So obviously it would be people
21 going through self-sufficiency or people at the uppe
22 levels of the public housing eligibility. But that
23 would be home ownership.

1 And lastly 966 units for people
2 who are over 120 percent of median income. And that
3 as you see, that basically the bulk of that is being
4 paid for by the homeowners themselves. And both in
5 terms of mortgage money et cetera.
6 So again the basic premise this
7 time is because of the ability to get additional
8 partners to leverage the money, we're able to come u
9 with a plan that, if funded, would allow us to
10 address the balance of ABLA instead of the plan last
11 year which really had some questions unanswered.
12 While there were discussions about ABLA and the rest
13 it never actually said how that would be funded and
14 probably left it in HUD's mind perhaps, even
15 correctly, that we would be coming back for more
16 money at a future time.
17 Just a few other things. As I
18 mentioned before, the application is due on June 29,
19 a week from Monday. This is a public meeting in
20 support of that. There was a meeting held for the
21 residents earlier this week and we continue to meet
22 with them.
23 Another thing I want to mention

1 that in the collaboration the resident leadership ha
2 been actively involved, both with direct presence as
3 well as their consultants, the receiver, Habitat has
4 been present as well as Alex Polikoff who is the
5 Plaintiff in the Gautreaux case and Gautreaux
6 approval would be necessary.
7 In fact, there was a combined
8 CHA/Polikoff motion before Judge Aspen today to
9 obtain a waiver to allow this development to proceed
10 a waiver from Gautreaux, a decree to allow this
11 project to proceed.
12 Just some other things. You see
13 the last sentence on the first page underlined? I
14 will tell you that when I went to the meeting with
15 the residents, some residents were talking about
16 their unreadiness to move. Others were saying "Can
17 it happen yesterday?" We wants to be realistic up
18 front, because the development, since really nothing
19 is started in the way of new construction, we want t
20 make it clear that even with all the funding in
21 place, because of the relocations and because of the
22 land clearing and the land assemblage and because of
23 just the enormity of this enterprise, you're looking

1 at a subject like 2800 units back on site, 3000 unit
2 all together. We're being conservative in estimatin
3 that this would take between seven and ten years.
4 Let me quickly go through the map
5 and then turn it over to Shannon for anything that
6 she would like to add and then we can take care of
7 any questions. As I said, the difference here,
8 although the color coordination is to identify the
9 different areas, I do want to say that the effort up
10 front, although the funding sources might be
11 different, the developers could be different for
12 different parcels, the up front attempt is to try to
13 treat this as one development.
14 So for example, the income mix
15 that you see on page one, while we don't expect it t
16 be perfectly duplicated on ever square inch of this
17 land, we try treat all the areas the same and try to
18 end up with as much of a similarity mix as possible
19 This isn't going to work exactly
20 because start with the middle of the Brooks, there
21 where if you go by you can see the rehabilitation
22 that is being done. Initially that will all be for
23 existing residents of ABLA who by and large are bel

1 35 percent of median income. So in that particular
2 area, at least initially, it will be virtually 100
3 percent for people between 0 and 35 percent of media
4 income. Although even here there is an attempt to
5 get a mix. So it is understood on turn over of thos
6 units, there will be an attempt to rent those units
7 to people in the rest of the mix between 35 and 80
8 percent of median income, even there.
9 So as I said, as designed here
10 Addams is pretty much the same. It is still
11 contemplated with the extent that it is allowed by
12 the State and HUD because of the Historic
13 Preservation designation, we would assume demolition
14 of the site and new construction. What is also
15 different from this time around from the last time I
16 guess the light orange color along Roosevelt Road,
17 that that area would be acquired by the City and
18 combined with, and it is under light -- if you look
19 between Loomis and Racine south of Roosevelt you wil
20 see the alley and then a break in which you still
21 have the light orange, that is presently part of the
22 Brooks Homes. So that land that the City acquired o
23 Roosevelt Road would be combined with the CHA land

1 and allowed for development of residential or perhap
2 mixed commercial residential. Along Roosevelt is
3 treated differently than the rest of the development
4 because of past timing and also recognition that tha
5 housing will probably be more dense than elsewhere i
6 the development, because it sits on Roosevelt.
7 I discussed Brooks already. One
8 of the parts of this plan that we hope would be of
9 improvement to the community, you can see that Fosco
10 Park is enlarged. And in addition to which there is
11 a plan for a new Community Center/Boys and Girls
12 Club. This would be where the Boys and Girls Club i
13 Addams would be relocated as well as the Community
14 Center off the LAC, et cetera.
15 To the left the area that is now
16 Addams Park and Grace Abbott, over time this is a
17 little bit towards the end of the 7 to 10 year
18 period. This will all be new housing, obviously the
19 vacant land that is now a park. And to the west
20 would be the earlier phases of putting in new
21 housing. But as the housing came on and as the off
22 site opportunities became availability, then the ne
23 to the last phase would be the northern end of this

1 darker orange, I guess is north of 14th Street woul
2 come into play.
3 The last existing phase would
4 probably be, as I recall the orange and the lower
5 southeast portion. And we also did include Loomis i
6 this because frankly for those of you who are not
7 aware, Loomis itself is not funded out of the public
8 housing program. It is funded out of a program that
9 is equivalent to a project base Section 8 whose
10 contract actually expires this year, but has been
11 rolled over for one year. And therefore, whose
12 future funding is certainly unclear at present and
13 just the line on Congress rolling it over from year
14 to year. We wanted to recognize the fact that Loomi
15 needs to be upgraded and the funding source
16 identified in excess to keep it as a viable housing
17 into the future. That is the tan.
18 Just lastly, as though is not on
19 the map per se, it is not colored, the City and the
20 -- are aware of potential opportunities south of 15t
21 Street. And that is just kind of out there. This
22 plan doesn't specify what that might be. But if you
23 have any questions about that, we have something tha

1 we have looked at and have raised as a potential if
2 more land is needed to accommodate the numbers that
3 have been discussed here.
4 In any event, as I said, thanks to
5 Shannon's efforts and those of Commissioner Stash,
6 this plan has really -- the consensus around this
7 plan among the people who have participated in its
8 development, I won't say it occurred painlessly, but
9 it occurred fairly rapidly, in the sense of we all
10 knew we needed to get it done if we were going to
11 work backwards from the due date.
12 Having just gone through this
13 document, let me just turn this over to Shannon to
14 add anything that she would like and try to answer
15 any questions that you might have.
16 MS. DEWITT: Good afternoon. On behalf
17 of the Mayor and the City of Chicago we are happy to
18 see you all here and show your interest in the Hope
19 VI application. They're really isn't much to say.
20 Joe covered it all. But I would like to reiterate
21 one point that Joe touched upon and that this that
22 this is a team effort. This Hope VI application wil
23 be submitted by consensus agreement of the residents

1 the ABLA LAC, CHA, the Gautreaux Plaintiffs
2 represented by Alex Polikoff, Habitat and the City.
3 When everyone decided it was
4 important for all of us to come together to take sur
5 that at least we could get an agreement right off on
6 the physical part of it all, we definitely, as Joe
7 said, commend the Department of Housing under the
8 direction of Commissioner Stash and David Saltzman
9 who is representing the Department here today for
10 stepping forward and being innovative with CHA and
11 coming up with a way to finance all this. We think
12 at the end of the day everyone will be pleased.
13 As it states in the information
14 you have, the City and CHA are committed to making
15 sure that any and every resident that wants to stay
16 in the ABLA community will be able to do so. I thin
17 it is a great opportunity.
18 MR. SHULDINER: Okay. We know everybod
19 that was able to find their way here have to be
20 extremely intelligent. You have any questions? Fir
21 away.
22 UNIDENTIFIED MALE: First question on
23 the residents. My question is about the 50 units

RESIDENT AND COMMUNITY INVOLVEMENT

General Guidance for the HOPE VI Program

The participation of both public housing residents living at HOPE VI sites to be revitalized and the surrounding community is essential to the HOPE VI program and community building efforts. This guidance seeks to clarify the role of residents and the community in the HOPE VI process, and provides public housing authorities (PHAs) with a suggested framework for resident and community involvement as they plan, develop and manage their HOPE VI project.

Full resident involvement and community input are crucial elements of the HOPE VI program. The spirit of the HOPE VI program is one of full consultation and collaboration among the Grantee, affected residents and the broader community. The Grantee must consider the advice, counsel, recommendations and input of affected residents and the broader community in its decision-making throughout the entire development process. As the Grantee of the HOPE VI funds, the PHA has the fiduciary responsibility for the grant, and therefore has final decision-making authority regarding the use of funds.

This guidance suggests ways that housing authorities can foster resident and community involvement. PHAs are encouraged to implement approaches to meet the needs of their particular residents and address the circumstances that relate specifically to their revitalization efforts.

Key Principles for Resident Involvement

There are four key principles of the HOPE VI program with regard to affected residents: Collaboration, inclusion, communication and participation. *Collaboration* involves working together to create a vision that drives the HOPE VI revitalization effort. The goal is a "spiritual" partnership with residents, in which the PHA and residents have a shared commitment and a productive relationship. Residents are to be included in all phases of the application preparation, planning, implementation and operation of the HOPE VI development in this spirit of collaboration.

Effective collaboration also requires *inclusion*. PHAs are responsible for communicating with and disseminating information to all affected residents and ensuring that all affected residents have opportunities to participate in the activities related to the HOPE VI planning and development process.

Resident involvement often starts with the duly elected resident council, but the PHA must make sure that the resident council is truly representative. PHAs must give all affected residents reasonable notice of meetings about HOPE VI planning and implementation, and provide them with opportunities to provide input. Such meetings should be open to all affected residents and their representatives. Conducting resident surveys on key issues is another way to obtain meaningful input from all affected residents.

PHAs and residents should be aware that resident councils often evolve and are redefined in the new mixed-income communities. For example, the resident councils may take the shape of community resident associations which include both public housing and market rate residents. Active resident and resident council participation in the HOPE VI development process will assist with this transformation and ensure continuity of resident involvement.

Regular *communication* and *information sharing* with the residents regarding all aspects of the revitalization plan are essential to ensure continuing involvement, support, inclusion and collaboration. PHAs are responsible for informing affected public housing residents of all revitalization activities, and must make documents such as the HOPE VI Application, Grant Agreement, Developer's Agreement, Revitalization Plan, Relocation Plan, Community and Supportive Services Plan, and minutes of meetings with affected residents available on-site at the management office. The information disseminated should be clear and understandable to the target population. Technical language and complicated concepts may require simplification for both residents and the community-at-large. Where residents speak a number of languages besides English, PHAs can explore using language-based focus groups and consider other means of getting information to residents. PHAs should put in place a public information strategy in order to get timely information to residents and the community. Reporting outcomes of development activities is one way to keep people engaged in the process. Some PHAs use a quarterly HOPE VI newsletter to keep residents informed of the outcomes and the status of revitalization activities.

Residents should be encouraged to *participate* in the planning and implementation of the entire development process. For example, residents may participate on selection panels to choose development partners and consultants, attend meetings with the development team, program manager, public and private lenders, the city and other partners, and participate in working and advisory groups (e.g., the Community Task Force). Where affected residents and/or community representatives are included on selection panels, the Grantee must constitute the majority of the panel membership.

PHAs are responsible for providing or funding training to residents on the fundamentals of development issues related to procurement, financing, development of mixed income communities, demolition, relocation (e.g., Section 8), design and planning, and operations to enable residents to participate meaningfully in HOPE VI planning and implementation activities. Residents and housing authorities should work together to identify specific needs and appropriate sources of training to meet those needs. For example, local universities, non-profit organizations, and professional associations may be excellent sources of technical assistance and training for residents.

This participatory process seeks to build consensus while also assuring that PHAs obtain valuable input from residents critical to creating a positive living environment. Residents need to see that their input is thoroughly considered in creating and implementing the revitalization plan. This input is integral to the planning and implementation of the HOPE VI program without controlling it.

Resident and Community Involvement Prior to the Award of Grants

Resident and community participation are key ingredients to a successful HOPE VI application. Involving residents and the community in the planning process and in shaping the HOPE VI application should start well before the application is submitted, ideally a year or more before submission. Early discussions with residents and community members about the HOPE VI application should focus on the entire development process and how it works. Basic topics of discussion may include: physical design of buildings, demolition, unit mix, relocation, procurement, homeownership plans, lease agreements and community and supportive services. Affected residents, as well as other stakeholders, should achieve a sense of ownership of the plan.

The effectiveness of resident and community participation in the planning and application preparation process will be carefully assessed during the application review process. Notice of Funding Availability (NOFAs) explain the specifics of how resident involvement will be evaluated. NOFA applications have required PHAs to submit a Resident Consultation Plan that details how affected residents and the broader community have had and will continue to have full and meaningful involvement in the planning and implementation of revitalization.

Procurement

Housing authorities are encouraged to include residents on selection panels for the procurement of services related to the HOPE VI revitalization efforts, including the selection of the developer. PHA officials or employees must constitute a majority on all selection panels. Typically, the PHA establishes an evaluation plan which sets up the criteria for evaluating the proposal, helps the panel reach consensus in the procurement decision and lends structure to the process. In addition, the HUD Procurement Handbook has specific guidelines that must be followed. Residents who participate on these panels must receive training on procedures, conflict of interest issues, and substantive issues concerning the specific services to be procured so that they can participate as informed panel members.

Community Involvement

In addition to affected public housing residents, neighbors, service providers, community groups, local officials, public agencies, and other stakeholders must be involved in the HOPE VI planning and implementation process. A Community Task Force (CTF) is one way to involve these different players, and foster broader collaboration and support for the HOPE VI program. The CTF provides advice, counsel and recommendations to the PHA on all aspects of the development process, including both the "hard" side and self-sufficiency activities. The PHA is responsible for ensuring that the CTF holds regular meetings. PHAs should support the CTF by disseminating information, providing sufficient notice about time and place of meetings, developing formal agendas, and providing meeting minutes and reports, etc.

Experience has shown that for effective integration and acceptance of public housing and low-income residents into the broader community, the broader community must be involved in developing the HOPE VI proposal. Collaboration, inclusion, communication and participation are also critical elements in the community involvement process. The support and involvement of the community surrounding the HOPE VI development and proposed scattered sites is crucial for developing a sound and feasible development plan.

Conclusion

Every HOPE VI project is unique in terms of unit mix, geographic area, local needs and desires, and social and economic history. Over the years, each PHA has developed a unique relationship with its residents and the surrounding community. That relationship must meet the needs and challenges of the particular plan and community. PHAs must create and maintain frameworks for trust to build those relationships and truly transform distressed public housing, the surrounding community, and the lives of residents. At a minimum:

- Resident and community involvement is required throughout the entire HOPE VI planning, development and implementation process.
- Housing authorities must provide information and training so that residents may participate fully and meaningfully throughout the entire development process.

Only through effective collaboration and consensus-building can a PHA generate resident and community support of the plan. Working together requires not only the solicitation and gathering of resident and community input, but also serious consideration and response to that input, even if the input is rejected. While residents are to participate actively in all aspects of the HOPE VI process, PHAs remain accountable for meeting the terms of the Grant Agreement, have fiscal responsibility for the funds, and have final decision making authority.