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

DOROTHY GAUTREAUX, at al.,	)	
Plaintiffs,	)	
v.	)	No. 66 C 1459
	)	Hon. Marvin E. Aspen
CHICAGO HOUSING AUTHORITY,	)	
Defendant.	)	

NOTICE OF MOTION

TO: ALL COUNSEL (See attached Service List)

PLEASE TAKE NOTICE that on DECEMBER 1, 2000 at 9:30 a.m., or as soon thereafter as counsel may be heard, I shall appear before the Honorable Marvin E. Aspen or any judge sitting in his stead, in Room 2541 of the U.S. District Court, 219 S. Dearborn Street, Chicago, Illinois and present ***Motion for Entry of Agreed Order***, a copy of which is attached hereto and hereby served upon you.

Respectfully submitted,

MILLER SHAKMAN & HAMILTON

By: Michael L Shakman
Michael L. Shakman

Dated: November ~~21~~ 24, 2000

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PROOF OF SERVICE

Michael L. Shakman, an attorney, hereby certifies that he served a copy of the foregoing Notice of Motion, Motion for Entry of Agreed Order and Agreed Order upon the persons listed on the accompanying Service List this 24th day of November, 2000 by depositing a copy in the United States mail addressed to each, with proper postage attached.

Michael L Shakman

Michael L. Shakman

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
	)	No. 66 C 1459
THE CHICAGO HOUSING AUTHORITY and	)	
TERRY PETERSON, its Executive Director	)	Chief Judge Marvin E. Aspen
	)	
Defendants	)	

MOTION FOR ENTRY OF AGREED ORDER

Daniel E. Levin and The Habitat Company, as Receiver, respectfully request the Court to enter the accompanying Agreed Order, which has been approved by counsel for the Receiver, the Chicago Housing Authority, the City of Chicago and the Gautreaux plaintiffs. In support of this Motion, the Receiver states as follows:

1. Under the federal HOPE VI Program Congress has provided funds for the revitalization of public housing as part of mixed income neighborhoods. Under that program, the United States Department of Housing and Urban Development ("HUD") has made grants for the redevelopment of five CHA public housing projects: The Cabrini-Green, Henry Horner Homes, Madden-Wells, Robert Taylor Homes and ABLA I and II developments (the "Five HOPE VI Projects").

2. In January 2000, the Receiver filed a motion requesting the Court to determine a reasonable fee for its work in connection with public housing funded under the HOPE VI program. Briefing of the Motion was suspended pending discussions between the parties.

3. The City of Chicago, CHA, the plaintiffs, the Receiver and HUD participated in a meeting with the Court on July 23, 2000, which resulted in an agreement on the Receiver's fee for the Five HOPE VI Projects. Further discussions between the parties have taken place concerning since that date concerning the form of Order to implement the agreement reached.

4. The attached Agreed Order reflects the agreement of CHA, the City of Chicago and the Receiver with respect to the Receiver's fee for the Five HOPE VI Projects. HUD, the Receiver, CHA and the City of Chicago have also separately entered into an Addendum to the Grant Agreements for the Five HOPE VI Projects pursuant to which HUD and the other parties agree to the same formula for computation of the fee as set forth in the Agreed Order. The agreements reflected in the Agreed Order are subject to confirmation by CHA's Board of Commissioners at its next meeting. The parties submit the Agreed Order for entry at this time because they do not anticipate disapproval by the CHA Board of Commissioners, but with the understanding that if disapproved, CHA may move to vacate the order without prejudice to any party's position concerning the Receiver's entitlement to fees for its HOPE VI work or the amount of such fees; and such matters shall then be considered by the Court de novo.

5. The Agreed Order implements the agreements reached with the Court's assistance on July 23, 2000. The Agreed Order provides for the application of a 3% fee based on the cost of construction of the public housing component of the Five HOPE VI Projects. That is the same fee that the Receiver has been paid with respect to most

of the housing it has developed as part of the Scattered Site Program administered by it under the Receivership Order of August 14, 1987.

6. The parties respectfully request that the Court enter the Agreed Order.

Daniel E. Levin and The Habitat Company

By Michael L. Shakman
One of their attorneys

Dated: November 24, 2000

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Edward W. Feldman
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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al., Plaintiffs,	)	
THE CHICAGO HOUSING AUTHORITY and TERRY PETERSON, its Executive Director	)	No. 66 C 1459
Defendants	)	Chief Judge Marvin E. Aspen

AGREED ORDER

This matter comes on to be heard pursuant to the Receiver's Motion to Set a Reasonable Fee for HOPE VI Projects, filed by Daniel E. Levin and The Habitat Company, as receiver ("Receiver") for the Chicago Housing Authority under this Court's Order ("Receivership Order") of August 14, 1987. Due notice having been given to all parties, the Court makes the following findings:

A. HUD has awarded CHA and the Receiver approximately $187 million for the development of public housing, and related social service programs, as part of larger mixed-income housing development and neighborhood revitalization projects, under the federal program known as HOPE VI, created by Congress in 1992 and funded thereafter on several separate occasions.

B. HUD's HOPE VI awards to CHA and the Receiver are for the development of public housing as part of the redevelopment of the Cabrini, Horner, Madden-Wells, Taylor and ABLA housing projects into mixed income neighborhoods (the "Five HOPE VI Projects").

C. The Court has entered Revitalizing Orders with respect to certain of the Five Hope VI Projects, and is informed that Revitalizing Orders will be submitted for the Court's consideration with respect to the remainder of the public housing to be developed as part of the Five HOPE VI Projects.

D. The Court has previously determined in a series of Orders that development of new, non-elderly public housing under the HOPE VI program falls within the responsibilities of the Receiver under the Receivership Order. The Court has not previously determined what fee or other compensation would be appropriate for the Receiver's services in connection with any HOPE VI project. In connection with the Five Hope VI Projects, the Receiver has undertaken to continue its long-standing practice of consulting with CHA about all development-related decisions that materially affect non-elderly public housing for which the Receiver is responsible, and will provide copies to CHA of all development budgets and revisions thereof it submits to HUD.

E. Representatives of the Chicago Housing Authority ("CHA"), the City of Chicago, the United States Department of Housing and Urban Development ("HUD"), counsel for the plaintiffs and the Receiver have met with the Court. The Receiver and CHA have reached the agreements reflected in this Order. The Court finds the agreements reasonable.

WHEREFORE, IT IS HEREBY ORDERED:

1. The Receiver shall be paid from all sources of funds used in connection with the development of non-elderly public housing, including the HUD HOPE VI grants allocated by HUD for the Five HOPE VI Projects, (i) all direct costs and expenses reasonably incurred by the Receiver in connection with the performance by the Receiver of its duties pursuant to the Receivership Order and the subsequent orders of this Court with respect to the Five HOPE VI projects (the "Direct Costs"), (ii) to the extent not included in Direct Costs, a pro-rata share of

all salary, compensation and other direct costs of those employees of The Habitat Company (other than Daniel E. Levin and Douglas R. Woodworth) or other entities which are affiliates of or controlled either directly or indirectly by the Receiver, who at the direction of the Receiver perform services on behalf of the Receiver on the Five HOPE VI Projects (the "Shared Costs"), and (iii) a fee in the amount of three percent (3%) of the Five HOPE VI Project Costs, as defined in paragraph 2 of this Order (the "HOPE VI Fee"). The category of expenditures for which the Receiver shall be entitled to reimbursement include those described in the last sentence of paragraph 8 of the Receivership Order.

2. With respect to each of the Five HOPE VI Projects, the Five HOPE VI Project Costs are (i) the amount of the HUD HOPE VI grant allocated for the development of non-elderly public housing (excluding HOPE VI funds used for social services), plus (ii) any Gautreaux set-aside funds used for such purpose, less (iii) the amount of all Direct Costs and Shared Costs payable to the Receiver with respect to its work in connection with the development of HUD-funded non-elderly public housing in each such Project.

3. The Receiver shall be reimbursed for the Direct Costs and Shared Costs as they are incurred, and shall be paid the HOPE VI Fee with respect to each project as follows: (a) two-thirds of the HOPE VI Fee with respect to each of the Five HOPE VI Projects shall be paid in 48 equal monthly installments beginning on the Dates of Commencement set forth in paragraph 4 of this Order with respect to each project, and (b) one-third of the HOPE VI Fee shall be paid upon completion of construction of public housing units as part of each project on a pro rata basis to the total number of public housing units in such project. Amounts that have become due from the Dates of Commencement to the date of entry of this Order shall be promptly paid the Receiver upon entry of this Order.

4. The Dates of Commencement shall be as follows for each of the Five HOPE VI Projects:

a. For the Cabrini HOPE VI Project: September 1, 2000.

b. For the Horner HOPE VI Project: January 1, 1999.

c. For the ABLA HOPE VI Project: January 1, 2000.

d. For the Taylor HOPE VI Project: January 1, 1999.

e. Madden/Wells HOPE VI Project: July 26, 2000.

5. The arrangements reflected in this Order shall not operate as a precedent for the fee and administrative cost reimbursement to be paid the Receiver for services on HOPE VI projects other than Five HOPE VI Projects, or for its other services as Receiver in respects not covered by the cost and fee reimbursement provisions of this Order or the cost and fee reimbursement provisions of the Receivership Order.

6. Except as and to the extent specifically provided in this Order, the Receivership Order remains in full force and effect. The Court retains jurisdiction of this matter for all purposes, including enforcement and issuance, upon proper notice and motion, of orders modifying or supplementing the terms of this Order upon the presentation of relevant information or material changes in conditions existing at the time of this Order or any other matter.

ENTER:

____

United States District Judge

November ___, 2000