

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

RECEIVED

JUN 29 2001

DOROTHY GAUTREAUX, et al.,

Plaintiffs,

-vs-

CHICAGO HOUSING AUTHORITY, et al.,

Defendants.

No. 66 C 1459

MICHAEL J. JOHNS
CLERK, U.S. DISTRICT COURT

Hon. Marvin E. Aspen

DEFENDANT CHA'S RESPONSE TO PLAINTIFFS' MOTION TO SHOW CAUSE

The CHA responds to Plaintiff's Motion to Show Cause as follows:

There Will Soon Be 24 Vacant Lakefront Scattered Site Units

1. There are currently twelve vacant scattered site units in the Kenwood-Oakland area. These units were developed by the Receiver and turned over to CHA. Some were turned over as long ago as December of 2000.

2. There are an additional twelve scattered site units in the Kenwood-Oakland area that the Receiver has nearly finished. These units were originally to be completed in April of 2001, see the Receiver's April 20, 2001 Quarterly Report. It now appears that six units will be transferred to CHA on June 29, 2001 and six more units will be transferred in July, 2001—no later than July 27, 2001.

CHA Is Obligated To Give Eligible Displaced Lakefront Families First Priority For These Units

3. These units, as well as others in and outside of the Kenwood-Oakland community, are being built to replace the CHA properties demolished at 3939 S. Lake Park Ave., 3983 S. Lake Park Ave., 4040 S. Oakenwald St., 1130 E. 41st St., 4155 S. Lake Park Ave., and 1132 E. 42nd St. (hereafter "the Lakefront buildings"). The residents of the Lakefront buildings were relocated to permit demolition. These families are represented by the Lakefront Community Organization (hereafter "the LCO"). In 1995, the LCO and the CHA entered into a "Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future Use of Those Properties", a copy of which is appended hereto as Exhibit A. This agreement, among other things, guarantees:

1) that eligible displaced Lakefront tenant families shall have first priority for the 241 new units being built on the Lakefront site, the Drexel site, in the Kenwood-Oakland neighborhood, as well as for the 200 new scattered-site units to be built outside the Kenwood-Oakland neighborhood (par. 8); and 2) that the LCO and CHA will conduct an aggressive outreach campaign to contact eligible displaced Lakefront tenant families to determine if they wish to take advantage of the new replacement units, and that a "bar date" will be fixed by which all eligible families must be identified, (par. 11).

4. In its Lakefront Revitalization Order, dated June 3, 1996, this Court required CHA to honor that provision of its agreement with LCO that gives eligible displaced Lakefront families a first priority on the new housing, (par. 3). A copy of this Order is appended as Exhibit B. (In later Orders dated May 6, 1999 and July 1, 1999, this Court invalidated those portions of the LCO-CHA agreement that related to the development of the new units. Copies of these Orders are appended as Exhibit C.)

5. In accordance with this Court's Revitalization Order and its agreement with the LCO, CHA has always accorded eligible displaced Lakefront families first priority for the new units. Only 5 units were given to other CHA families. This occurred in 1998 and 1999 when there were no eligible displaced Lakefront families available to occupy these units. In addition to the Lakefront families placed in newly constructed public housing units, 326 eligible, displaced Lakefront families who opted for Section 8 vouchers were provided these vouchers. See the Affidavit of Lillian Fuentes, appended as Exhibit D.

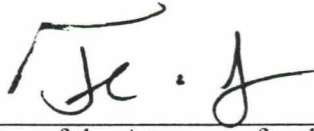
6. Also, since 1995, in accordance with its agreement with the LCO, CHA (together with the LCO) has conducted aggressive outreach campaigns to identify all eligible displaced Lakefront families. This has included advertising in three local newspapers, as well as on the radio, mailings, and funding an office and staff for LCO (in the amount of \$17,000 per month). LCO, on its own, has also conducted numerous outreach activities. See the Affidavit of Lillian Fuentes, appended as Exhibit D.

CHA's Proposed Plan For Lakefront Occupancy

11. In light of the availability of the (long-awaited) new public housing units on the Lakefront and the absence of identifiable, eligible, displaced Lakefront families, CHA proposes that the Court modify its June 3, 1996 Revitalization Order, insofar as it relates to occupancy, to provide as follows:

- A. Eligible displaced Lakefront families will continue to have first priority for all of the 441 new units to be built as Lakefront Replacement Housing;
- B. To the extent that eligible, displaced LCO families have not been identified by July 23, 2001, for the 12 existing vacant units and the 12 additional units coming on line June 29th and in July, these units shall be filled in accordance with the Tenant Assignment Plan for scattered-site housing previously approved by this Court;
- C. The Tenant Assignment Plan currently approved by this Court requires that 50% of new scattered-site units be allocated to eligible community residents, 25% allocated to CHA residents on the CHA Transfer List, and 25% allocated to needy families on the CHA Waiting List. CHA will seek a modification of the Tenant Assignment Plan, permitting CHA to assign Lakefront scattered-site units (not claimed by Lakefront families) to relocatees from other CHA developments, rather than to families on the CHA Transfer List or the CHA Waiting List;
- D. In the future, the Receiver shall continue to notify both CHA and the LCO of the estimated transfer dates for new units (as the Receiver regularly has done in the past, see Exhibit G hereto). Within 30 days of receiving the initial notice of a unit's estimated transfer date, the CHA (in consultation with the LCO) shall identify an eligible, displaced Lakefront family to occupy that unit. If no such family can be identified within this thirty-day period, then that unit shall be made available to a non-Lakefront family in accordance with this Court's Tenant Assignment Plan; and
- E. No later than September 15, 2001, the CHA shall complete a plan for finally identifying the universe of eligible, displaced Lakefront families, complete with a bar date which will cut off all further claims to replacement housing by displaced Lakefront families, and thereafter CHA shall implement this plan.

12. CHA believes that the foregoing plan will respect the "first priority" rights of the Lakefront families, while ensuring that units are not vacant and that the Gautreaux plaintiffs continue to receive the remedial relief they deserve.



One of the Attorneys for the CHA

G.A. FINCH
General Counsel
LILLIAN FUENTES
CHA Legal Department
200 W. Adams St., 21st Floor
Chicago, IL 60606
(312)791-8415

THOMAS E. JOHNSON
Johnson, Jones, Snelling, Gilbert
& Davis
36 S. Wabash Ave., Suite 1310
Chicago, Illinois 60603
(312) 578-8100

Attorneys for the CHA

Exhibit A

**REVISED AGREEMENT REGARDING FORMER RESIDENTS
OF THE LAKEFRONT PROPERTIES AND
THE FUTURE USE OF THOSE PROPERTIES**

-1

The Parties hereto enter this Agreement based upon a shared recognition and understanding that the rehabilitation of the remaining Lakefront Properties, hereinafter identified, is neither desirable nor appropriate. The parties do share a common goal of providing suitable housing choices to the former residents of the Lakefront Properties, including the choice to move back into the North Kenwood - Oakland community.

The Chicago Housing Authority (CHA) and the Lakefront Community Organization (LCO), which is the sole representative of the displaced Lakefront tenant families¹, by their duly authorized representatives and attorneys, hereby agree as follows:

1. The CHA shall immediately apply to the Department of Housing and Urban Development ("HUD") for permission to demolish the four Lakefront Properties that have not been rehabilitated, namely the 453 units in the three building complex known as Lake Michigan Homes located at 1130 East 41st Street, 1132 East 42nd Street and 4155 South Lake Park, comprising HUD Project No. 2-4 and the 151 units in the building located at 4040 Oakenwald Street, part of HUD Project No. 2-34, Washington Park Homes.

2. In conjunction with its demolition application(s), CHA will submit to HUD replacement housing plans, as required by 42 U.S.C. 1437p(b)(3) and 24 CFR 970.11, for the provision of replacement housing units for each public housing unit to be demolished under its application(s). The replacement housing plans will provide for the acquisition or development of

¹ The "displaced Lakefront tenant families" means:

(i) all persons who were residing at the six Lakefront properties (i.e., 3939 S. Lake Park Avenue, 3983 S. Lake Park Avenue, 4040 S. Oakenwald Street, 1130 E. 41st Street, 4155 S. Lake Park Avenue and 1132 E. 42nd Street) as of October 1, 1985 and who were displaced by the proposed Lakefront properties rehabilitation project, except that "displaced Lakefront tenant families" does not include those tenant families who are leaseholders at Lake Parc Place on the date of this agreement;

(ii) the following tenant families who resided at 4040 Oakenwald Street from November, 1986 to November, 1991 and who were temporarily relocated to Lake Parc Place in 1991 and whose names are listed on attachment A hereto.

EXHIBIT

A

scattered site public housing units and the provision of Section 8 certificates.

3. No demolition of the four remaining Lakefront properties shall commence until: (a) HUD has entered binding funding commitments with CHA for the purposes set forth in paragraphs 4 and 5 of this Agreement; (b) the City of Chicago and CHA have identified, and CHA has obtained site control of, sufficient sites, which are acceptable to LCO, to develop 141 units of public housing in accordance with paragraph 6 of this Agreement and (c) the United States District Court has entered (i) an appropriate order permitting construction or rehabilitation of public housing under paragraphs 4 and 6 of this Agreement and (ii) an appropriate order amending CHA's tenant selection and assignment plan to permit priority occupancy rights to units developed under paragraphs 4, 5 and 6 of this Agreement to displaced Lakefront tenant families. If the conditions set forth in this paragraph 3 and in paragraph 15 below are satisfied, CHA shall demolish the four remaining Lakefront properties.

4. The CHA, through the Gautreaux-appointed Receiver, subject only to satisfaction of the conditions set forth in paragraphs 3(a) and 3(c)(1) of this Agreement, shall build approximately 100 units, but not less than 80 units, of public housing and shall build or otherwise provide a community center on sites owned or otherwise provided by CHA as part of its Lakefront properties, including the 4040 Oakenwald building. CHA, through the Gautreaux-appointed Receiver, shall apply to the City of Chicago Zoning Board of Appeals for a variance or special use which would permit construction of the community center, and shall appeal, if warranted by counsel for CHA or LCO, any determination that prohibits construction of the community center. CHA and the Gautreaux-appointed Receiver shall consult and attempt to reach agreement with LCO in all matters regarding the community center and shall provide LCO with office space in the community center.

5. Subject only to satisfaction of the conditions set forth in paragraphs 3(a) of this Agreement, the CHA, through the Gautreaux-appointed Receiver and/or the Joint Venture, shall build or rehabilitate not less than 200 scattered site units in communities of the City of Chicago other than North Kenwood-Oakland on sites which are acceptable to LCO.

6. The CHA, subject only to satisfaction of the condition set forth in paragraph 3(b) and 3(c)(1) of this Agreement, shall build 141 units of scattered site housing (new or rehabilitated) already funded pursuant to the Gautreaux Consent Decree, in the North Kenwood - Oakland community. These units will be developed by the Gautreaux-appointed Receiver and/or the Joint Venture, primarily on CHA owned vacant land and City of Chicago owned

sites, which are acceptable to LCO.

7. CHA shall apply to HUD for three hundred and two (302) Section 8 certificates for use as replacement housing. In the event CHA's Section 8 replacement housing application is not funded by HUD, either in whole or in part, CHA will make available up to 302 Section 8 certificates from its own inventory of Section 8 certificates to meet the replacement housing needs of displaced Lakefront tenant families.

8. Subject to the court order discussed in paragraph 3(c)(ii) of this Agreement, CHA shall offer, on a first priority basis, all units developed under paragraphs 4, 5 and 6 of this Agreement and all Section 8 certificates provided under paragraph 7 of this Agreement, (up to a combined maximum of 604 units and certificates), to eligible displaced Lakefront tenant families. Eligible families are all displaced Lakefront tenant families except those:

(a) who because of income are no longer eligible for CHA housing;

(b) who prior to moving out of the Lakefront Properties were subject to a written eviction order terminating their right to continued occupancy at CHA;

(c) who have been evicted from public housing for "good cause" as set forth at 24 CFR Section 966.4(1)(2) or other serious violation of their lease during the period of relocation

(d) who have been relocated outside of CHA housing but who, during the period of relocation, have been convicted of a felony involving physical violence to persons or crimes against property that adversely affect the health, safety or welfare of other persons or the misdemeanors of aggravated assault, unlawful use of a weapon, battery or criminal damage to property;

(e) who left CHA owing rent and who after a reasonable opportunity to resolve any account balance refuse or are unable to resolve any rent arrearage within a reasonable time of any determination of ineligibility.

Any displaced Lakefront tenant family determined to be ineligible for replacement housing pursuant to the provisions of this paragraph will be entitled to appeal the determination of ineligibility to a committee composed of three members chosen by LCO and three members chosen by CHA. This committee shall have access to all relevant documents that led to the finding of ineligibility, shall consider any evidence of rehabilitation of the tenant family or any evidence of the tenant family's willingness to participate in social service or other appropriate counseling service programs, and shall be empowered to waive any

Appeal Election
Committee } 3 LCO
 } 3 CHA

or all rent arrearages for good cause shown and to establish a reasonable installment payment plan.

This committee shall initially screen the tenants who shall reside in the housing to be provided under this Revised Agreement. After initial occupancy is completed the committee shall be expanded to nine (9) members, with the three (3) additional members to be selected from the residents who will reside in the new housing to be built under this Revised Agreement.

9. Up to a maximum of 604 eligible displaced Lakefront tenant families shall be afforded either their first or their second housing choice pursuant to paragraph 8 of this Agreement. CHA, through its tenant selection and assignment procedure, shall maintain a parity in the occupancy of public housing units developed pursuant to paragraph 4 of this Agreement between eligible low income and very low income families, as those terms are defined in 24 CFR Section 913.102. In the event that CHA's obligation to afford up to 604 displaced Lakefront tenant families with either their first or second housing choices can be reconciled with CHA's obligation to maintain a parity in the occupancy of public housing units, as required by this paragraph, CHA and LCO will negotiate a mutually agreeable amendment to this Agreement.

10. CHA shall negotiate and attempt to reach agreement with the LCO with respect to all matters involving the displaced Lakefront tenant families, including but not limited to agreeing with the Gautreaux-appointed Receiver and/or the Joint Venture relative to the site selection and design of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement and with CHA relative to the management and operation of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement.

11. CHA, with the assistance of LCO, shall conduct an aggressive outreach campaign to contact eligible displaced Lakefront tenant families in order to determine whether they wish to avail themselves of the housing opportunities being provided under this Agreement. CHA and LCO shall enter a side agreement setting forth the timing, scope and terms of the outreach program. A bar date will be fixed after which there will be no further right to replacement housing under this Agreement. Consistent with the outreach program developed by and agreed to by CHA and LCO, CHA will make all reasonable efforts to locate displaced Lakefront tenant families up to the bar date.

12. All displaced Lakefront tenant families who avail themselves of the replacement housing opportunities being provided under paragraphs 4, 5, 6 and 7 of this Agreement

shall be moved by CHA, at CHA's expense, or paid by CHA the amount of actual, reasonable moving costs, including the actual reasonable costs of utility reconnection.

13. The Gautreaux-appointed Receiver shall comply with Section 3 requirements in the demolition and construction identified in the Agreement, and shall work with CHA and LCO in identifying members of displaced Lakefront tenant families as eligible for training and employment opportunities pursuant to Section 3. CHA, directly or through its agent, shall provide training for interested residents regarding management and operation of the replacement housing units being provided pursuant to this Agreement.

14. By signing this document, LCO and CHA hereby agree that this Revised Agreement replaces and supplants the Memorandum of Accord entered into on May 27, 1986. However, if the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties are not satisfied by January 1, 1996, LCO may give CHA seven days notice of its intent to declare a breach of this Agreement. If those conditions are not satisfied within that seven day notice period, LCO may declare breach of this Agreement. Upon such a declaration of breach, this Revised Agreement shall be null and void, and the terms and conditions of the original Memorandum of Accord, dated May 27, 1986, shall be reinstated.

15. The construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement shall commence within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties and shall be completed within a reasonable time, as that term is defined by current construction industry standards for the type of construction and rehabilitation contemplated by the agreement. If the construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement has not commenced within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties or is not completed within ten months thereafter, LCO shall give CHA sixty days notice of its intent to declare a breach of this Agreement prior to instituting any suit to enforce the terms of this Agreement.

16. CHA's entry into this Revised Agreement in the context of the unique circumstances involving the displacement and relocation of the former residents of the Lakefront Properties shall not be deemed a precedent with respect to the relocation and replacement housing rights of other CHA tenants families who may be displaced and relocated from their present housing unit as a consequence of future demolition of CHA housing units.

17. This agreement shall be governed as to performance an interpretation in accordance with the laws of the State of Illinois. In construing the terms of this Agreement, neither C nor LCO shall be deemed the drafter of this Agreement.

18. In consideration of the Agreement by the CHA to enter into the above obligations, the LCO agrees to support CHA's application to HUD for demolition of the Lakefront Properties. Both parties to this agreement agree to comply with all terms a conditions set forth herein, agree to cooperate and support implementation of this agreement and acknowledge that this agreement is intended by the parties to be a binding contract enforceable by either party in any court of competent jurisdiction.

19. CHA shall reimburse LCO for all reasonable expenses incurred by LCO members in connection with the implementation of this Revised Agreement, including car fare and transportation, telephone and copying expenses. Such reimbursement shall be provided by CHA within 30 days of submission by LCO of reasonable proof of expenditures to CHA.

EXECUTED THIS 22nd DAY OF September 1995
IN CHICAGO, ILLINOIS

FOR THE LAKEFRONT COMMUNITY
ORGANIZATION:

By:

Clara Dixon
CLARA DIXON, President

By:

Izora Davis
IZORA DAVIS
Executive Board Director

By:

John Williams
JOHN WILLIAMS
Executive Board Director

By:

Darlene Rush
DARLENE RUSH
Executive Board Director

will

WILLIAM P. WILEN
MICHAEL PARDYS
ALLISON ASHE-CARD
Legal Assistance Foundation
of Chicago
143 S. Dearborn Street
Suite 700
Chicago, Illinois
Attorneys for LCO

FOR THE CHICAGO HOUSING AUTHORITY:

By:

Joseph Shulziner

JOSEPH SHULZINER

Marilyn Johnson

MARILYN JOHNSON
Chicago Housing Authority
200 W. Adams Street
Suite 2100
Chicago, Illinois 60606
Attorney for CHA

ATTACHMENT A

The families of:

1. Felisa Dixon
2. Michelle Davis
3. Assie Lee Williams
4. Audrey Motes
5. Yvette Jones
6. Rose Wallace
7. Carlos Roberts
8. Hattie Taylor
9. Addie Archibald
10. Debra Miller
11. Katie Johnson
12. Ronald Henry
13. Tonia Rush

CIA Southern Site Hawkes
Master Production Schedule
1/2/97

*ATTACHED
 N/A*

ADDRESS	UNIT TYPE	PRO	START FOUNDATION	ERECT FRAME	START DRYWALL	TURNOVER	DESIGN REVISIONS
827 E. BOWEN	3C	184A	ON HOLD	8/VALUE1	8/VALUE1	8/VALUE1	
824 E. 42ND	3C	184A	4/8/97	5/22/97	6/26/97	8/1/97	
900 E. 40TH	3D	184A	4/17/97	6/2/97	7/9/97	8/22/97	
802 E. 41ST	3LB	184A	4/28/97	6/5/97	7/14/97	8/27/97	
4418 S. UNIVERSITY	3LC	184A	7/25/97	8/12/97	9/18/97	11/3/97	
4448 S. UNIVERSITY	1C	184A	8/5/97	8/21/97	9/18/97	10/30/97	
4544 S. OAKENWALD	2E	184A	8/14/97	9/1/97	10/8/97	11/21/97	
4630 S. DREXEL	5H	184A	11/3/97	11/18/97	1/7/98	2/27/98	HC accessible
1218 E. 46TH	3C	184A	11/12/97	11/28/97	1/8/98	2/19/98	V & H
1218 E. 46TH	1B	184A	11/21/97	12/8/97	1/2/98	2/17/98	
4248 S. DREXEL	6H	184A	12/2/97	12/18/97	2/6/98	3/30/98	HC accessible

Note 4630 S. Drexel and 4248 S. Drexel are physically handicapped "Accessible" on the 1st floor.

1218 E. 46th is Visually and Hearing Impaired on first floor.

Exhibit B

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

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

ORDER

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

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

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

The Court also being cognizant that on occasion it has

EXHIBIT

B

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

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

Now, therefore, IT IS HEREBY ORDERED:

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

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

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

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

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

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

ENTER:

Marion E. Copen

Judge

Date: *June 3*
~~May 27~~, 1996

Exhibit C

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	5/6/1999
CASE TITLE	Gautreaux vs. CHA		

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

MOTION:

DOCKET ENTRY:

- (1) ☐ Filed motion of [use listing in "Motion" box above.]
- (2) ☐ Brief in support of motion due _____.
- (3) ☐ Answer brief to motion due _____. Reply to answer brief due _____.
- (4) ☐ Ruling/Hearing on _____ set for _____ at _____.
- (5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) ☐ Trial[set for/re-set for] on _____ at _____.
- (8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
- (10) ☒ [Other docket entry] Lakefront Community Organization's motion for clarification is granted.

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

☐ No notices required, advised in open court.			Document Number
☐ No notices required.		number of notices	
☒ Notices mailed by judge's staff.		date docketed	
☐ Notified counsel by telephone.		docketing deputy initials	
☐ Docketing to mail notices.		5/6/1999	
☐ Mail AO 450 form.		date mailed notice	
☐ Copy to judge/magistrate judge.		GL	
GL	courtroom deputy's initials	Date/time received in central Clerk's Office	mailing deputy initials

EXHIBIT

C

(Reserved for use by the Court)

ORDER

Lakefront Community Organization (LCO) has asked that we explain our earlier ruling denying its Second Motion to Intervene, as our first minute order stated only that the motion "is denied." This order sets forth the requested clarification.

We denied LCO's motion to intervene because to grant it would have been futile. LCO's Intervenor Complaint asks that we order the CHA and the *Gautreaux* Receiver to secure funding from HUD, obtain control of land, and build housing, all within 10 months and all pursuant to the terms of a 1995 contract between LCO and CHA. The problem is that the requested relief must come from the Receiver, and the Receiver was not a signatory to the deal. Or, to put it differently, because of the Receivership Order the CHA did not have the authority to enter into a contract concerning the development of non-elderly public housing — the Receiver's domain — and it did not have the authority to contract on the Receiver's behalf. (This principle is set out in greater detail in an order dated August 12, 1998.) Those parts of the contract concerning the development of non-elderly public housing are unenforceable, so to allow LCO to intervene to attempt to enforce them would have been a waste of time.

The motion for clarification is granted. It is so ordered.



United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	7/1/1999
CASE TITLE	Gautreaux vs. CHA		

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

MOTION:

--

DOCKET ENTRY:

- (1) ☐ Filed motion of [use listing in "Motion" box above.]
- (2) ☐ Brief in support of motion due _____.
- (3) ☐ Answer brief to motion due _____. Reply to answer brief due _____.
- (4) ☐ Ruling/Hearing on _____ set for _____ at _____.
- (5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) ☐ Trial[set for/re-set for] on _____ at _____.
- (8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
- (10) ☒ [Other docket entry] Lakefront Community Organization's Rule 59(e) motion to reconsider (0-1) is denied.
- (11) ☒ [For further detail see order on the reverse side of the original minute order.]

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

P.S. 5
Walt

ORDER

The Lakefront Community Organization (LCO) has moved that we reconsider our denial of its second motion to intervene in this case.

Some background is in order. We denied the LCO's first motion to intervene on the ground that it was untimely. The LCO could have but did not appeal that denial. We summarily denied the LCO's second motion to intervene, and later (on a motion from the LCO) clarified that intervention was pointless because the LCO could not prevail on its contract claim; the intervention complaint failed to state a breach of contract claim. The LCO now argues in its motion to reconsider that its intervention complaint states equitable estoppel and promissory estoppel claims against the Receiver.

The most obvious problem is that this is the first time the LCO has argued that its complaint states any estoppel claims. Rule 59(e), under which the LCO claims it brought this motion, "does not allow a party to . . . advance arguments that could and should have been presented to the district court prior to judgment." *Moro v. Shell Oil Co.*, 91 F.3d 872, 876 (7th Cir. 1996). Besides, we doubt that the intervention complaint really does state either of those claims. The promise which is the basis of the promissory estoppel claim is that the Receiver agreed to support the LCO's request for a hearing on the pace of construction of some housing units. This promise doesn't even come close to indicating (as the LCO argues) that the Receiver acknowledged it was bound by the contract or that the LCO should forbear its right to declare the contract invalid. The equitable estoppel argument relies in addition on the Receiver's support of an area being designated a "Revitalizing Area" and the Receiver's building some of the units described in the contract to show that the Receiver has acted in a way "only consistent with the adoption of such contract." *Wiggins Ferry Co. v. Ohio and Mississippi Ry. Co.*, 142 U.S. 396, 408-09 (1892). But here the contrary is true: the Receiver's actions are completely consistent with its obligations under the receivership order.

In addition, we note that the Receiver has made a compelling argument that the second motion to intervene was in substance a motion to reconsider the first motion to intervene. It further argues that the second motion / motion to reconsider was improper because the LCO did not appeal the denial of the first motion, as in *B.H. v. Murphy*, 984 F.2d 196 (7th Cir. 1993). We agree with this position and note that we should have given it as an alternative reason in our order clarifying our denial of the second motion (even if no clarifying order was necessary because the denial of a motion to reconsider is not appealable).

The motion to reconsider is denied. It is so ordered.

Walt

Exhibit D

AFFIDAVIT OF LILLIAN FUENTES

Lillian Fuentes, being first duly sworn on oath, states as follows:

1. I am an Associate General Counsel for the Chicago Housing Authority and, in this capacity have had responsibility for, among other things, the CHA's participation in the Lakefront redevelopment program.

2. I am familiar with the manner in which newly-constructed Lakefront public housing units have been occupied. CHA has always given a first priority to those eligible, displaced families from the Lakefront properties that were demolished. These are the properties and families identified in the Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future Use of Those Properties, executed by CHA and the Lakefront Community Organization ("LCO") in 1995. The only time units were provided to needy families other than Lakefront families was in 1998 and 1999, when five units were allocated to other CHA families since there were no eligible, displaced Lakefront families available to occupy these units. In addition to giving the LCO families first priority for the new units being built, CHA has provided 326 Section 8 vouchers to eligible, displaced Lakefront families who sought this form of assistance instead of a new unit.

3. Since 1995, CHA and the LCO have conducted aggressive outreach campaigns to identify all eligible, displaced Lakefront families. This has included advertising in three local newspapers, as well as on radio, doing mailings and funding an office for LCO and its staff. Currently, CHA pays LCO \$17,000 per month for its office's expenses in outreach efforts.

4. Despite these outreach activities, LCO had identified only fourteen displaced Lakefront



families in the eighteen months prior to June 14, 2001. Of these fourteen, ten were eligible for the new units. After June 14, 2001, the LCO identified thirteen additional Lakefront families, ten of whom now appear eligible for the new units.


Lillian Fuentes

Signed and sworn to before me
on this 29th day of June, 2001


Notary Public



Exhibit E



The Chicago Housing Authority Office of the General Counsel

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners

Hallie Amey

Mamie Bone

Michael Darcy

Leticia Peralta Davis

Earnest Gates

Dr. Mildred Harris

Andrew Mooney

Sandra Young

Terry Peterson
Chief Executive Officer

Bridget Reidy
Chief Operating Officer

G.A. Finch
General Counsel

June 14, 2001

VIA FACSIMILE AND HAND-DELIVERY

Mr. Stuart Kirchoff Jones
Attorney At law
70 W. Madison Street
Suite 3600
Chicago, IL 60602

Dear Mr. Jones:

This letter will serve as the Chicago Housing Authority's response to your letter of April 16, 2001, directed to Terry Peterson, Chief Executive Officer.

In your letter you allege that CHA has violated substantive provisions of the Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future use of Those Properties ("Revised Agreement"), by (1) failing to complete public housing units within a "reasonable time" (Par. 15 of the Revised Agreement), and (2) that CHA has not begun construction of some projects within the agreed time limits, (Par. 15).

In partial response to those allegations we are enclosing copies of Orders entered by Judge Aspen in the matter of Gautreaux vs. CHA, Case No. 66C 1459, dated 5/6/99 and 7/1/99, respectively. (See Exhibit A). These orders, in effect, hold that all parts of the Revised Agreement dealing with redevelopment of the Lakefront properties are unenforceable, as said Revised Agreement was not entered into with the necessary party - The Habitat Company ("Habitat") - which as you know, is the Receiver for all development of CHA properties since 1987. If effect, the Gautreaux Court held that CHA was not an authorized party, nor did the CHA have authority to enter into the re-development parts of the Revised Agreement without Habitat.

In further response, we have met with Habitat and other parties of the Working Group For Development of the Lakefront Properties on several occasions and we can assure you that the Working Group continues to make great efforts in the construction of units in the Lakefront. We attach a Modified Kenwood-Oakland Revitalization Program Status as of 5/20/01 and the most current Program Summary for Lakefront Replacement Housing Units, as of 6/9/01, (Exhibit B) for your review.

200 West Adams • Suite 2100 Chicago, Illinois 60606 • (312) 791-8415

EXHIBIT

E

Mr. Stuart Kirchoff Jones
June 14, 2001
Page 2

While it is noted that there has been slow progress in the development of units, The Working Group is quick to point out that this is due to outside forces and/or circumstances and its efforts are well documented. The Habitat has presented several circumstances where the structuring and re-structuring of development deals sometimes take several years in the making. Nevertheless, the attached program description shows that site control, construction and/or completion of units is well underway for all 241 units in the North Kenwood-Oakland area.

Since all construction and development is in the hands of Habitat, we strongly suggest that you obtain Habitat's input and comments regarding these matters at your earliest convenience.

In your letter you correctly asserted that in the CHA's submission of its Replacement Housing Plan (RHP) the CHA had committed itself to building all units within a five (5) year period, and that said plan is also required by 24 CFR 970.11(d). Under the regulations, the plan implementation is not to exceed 6 years following HUD approval of the demolition or disposition applications. However, subsection 11(d)(2) further provides that "completion" does not mean that the replacement housing must be built or rehabilitated within the said number of years elected for the plan. Instead, completion of the plan would be "units that have reached the state of notice to proceed for conventional units and contract of sale for Turnkey units". Again, Habitat's position is that the timetables agreed upon by the CHA (without the Habitat's agreement) were untenable and/or unreasonable.

You further charged that the CHA had not made available the requisite 302 Section 8 certificates (vouchers) as provided by paragraph 7 of the Revised Agreement. CHA has provided 326 vouchers (not 302) by allowing several Lakefront families to split. All families have been successfully relocated into the Section 8 Program and all relocation expenses have been made. (This is well-documented with the Section 8 Relocation Department). Thus, this charge is baseless.

You further charge that "CHA has not offered" units to relocatees on a *first priority basis*, as provided in paragraph 8 of the Revised Agreement. In response, the CHA has (through the Office of Development Management, and the Occupancy Department) always provided a first priority to displaced lakefront families. In 1998 and 1999, since there were no other names of "displaced families" from the lists, and no folders submitted by Ms. Davis, five (5) units were turned over to the General Waiting List, after proper notice was given to Ms. Davis. (This is well documented in our files).

Mr. Stuart Kirchoff Jones
June 14, 2001
Page 3

We would like to add that currently, there are 12 vacant units. These have been vacant for several months, commencing on or about December, 2000. Ms. Davis has been informed several times of the vacancies. Some of these units were being occupied by "house sitters" to avoid vandalism. There will be another 12 units available on or before July 1, 2001, for a total of 24 vacant units. Ms. Davis has provided to the Occupancy Department a total of 14 folders in more than 18 months. Of those, 10 families have been found qualified, five of whom were either recently housed or will be housed any day, a sixth family has been deferred given the family size and bedroom requirements, and another 4 families will be placed shortly. (These numbers are not included in the number of vacancies above given).

The plaintiffs in the Gautreaux litigation have now filed a motion for a rule to show cause why it has not filled these long-vacant public housing units. CHA must respond to the motion with a plan for occupancy. CHA would like to fill each of these units with a displaced Lakefront tenant family. We are quite sure, however, that the Court will not provide us much additional time to locate, screen and move Lakefront families into these units. We therefore ask that the LCO provide us with all information currently in its possession on the identity and location of displaced Lakefront tenant families by June 18th, including all information on families we can immediately screen for occupancy. We also request a meeting between you and the CHA Legal Department for June 18th at which we can discuss the likelihood of identifying any additional displaced families in the near future. It is imperative that this meeting take place promptly, as we expect the Court will require a response from us to the Gautreaux motion in seven to ten days. Should we be unable to obtain the names of displaced families (ready to occupy the units) from the LCO, we will have no choice but to make these vacant units available to those families in need at other developments or on our General Waiting List (while retaining a first priority for any displaced Lakefront family who later is located).

You further allege that "the CHA has not complied in good faith with Paragraph 10, requiring CHA and LCO to negotiate and reach agreement on all matters" involving the displaced LCO families, including site selection and design of constructed and rehabilitated housing and planned construction of sites. In response, every other participant entity of the Working Group - Habitat, Draper & Kramer, Community Builders, CHA -- are jointly of the opinion that all of the matters contained in your allegation are matters and decisions dealt with during the Working Group

Stuart Kirchoff Jones
June 14, 2001
Page 4

meetings. Ms. Davis, for the most part, has failed to appear at these sessions. Our office is in possession of a number of notices, and the sign-in sheets showing the fact that Ms. Davis was advised to attend, and that she was absent from the majority of those meetings.

You further state that "CHA has not attempted, in accord with the requirements of paragraph 11, an aggressive program with LCO to contact eligible displaced LCO families", and that CHA has failed to enter into a "side agreement" with LCO as required by the Revised Agreement regarding outreach. In response, CHA conducted an aggressive outreach campaign in 1997, advertising in three local newspapers, and conducting a number of radio advertisements. Moreover, in conjunction with Ms. Davis and the LCO, there have been multiple outreach activities conducted during the last several years in the Lakefront community, including, but not limited to newspaper ads, mailings, continuing services by the LCO office of walk-ins. CHA's continued monthly payments and reimbursements of Ms. Davis' for her outreach expenses is continuing proof of those efforts.

It is true that no outreach campaign thus far has included a "bar date", in part due to the fact that development of units was slow. However, since the CHA and Habitat are very close to obtaining tax credit status for the mixed income project for the Lakefront site (120 units) and the Drexel site (30 units), which are both in the design and development stages with estimated start dates for the Spring, 2002, CHA is interested in conducting an outreach campaign immediately, which will include a closure, or "bar date" after which no other "displaced" families will be allowed to apply. Pursuant to paragraph 11 of the Revised Agreement, this outreach is to be performed by CHA "with the assistance of LCO" and all efforts will be made to locate families up to the bar date contained in the outreach campaign.

CHA has always been willing to enter into an appropriate side agreement setting forth the timing, manner and scope of an outreach campaign and to allow the LCO to assist the CHA in such an outreach campaign. (See the letter of Joseph Shuldiner to Ms Davis dated July 18, 1997 attached hereto as Exhibit C). Most recently, Ms. Davis has conducted several outreach campaigns, the results of which are not yet known to the CHA. Given this matter, and the fact that a "formal" side agreement was never signed by CHA nor by the LCO, we will consider a proposal to enter into an appropriate formal side agreement.

The seventh allegation made in your letter states that CHA has not provided moving expense support to the relocated families, in violation of paragraph 12 of the Revised Agreement. The Office of the General

Stuart Kirchoff Jones
June 14, 2001
Page 5

Counsel has contacted several departments, and no one can find any Mr. evidence that any claims for relocation expense reimbursement remain outstanding or have been refused. In fact, the Section 8 and Relocation Department has provided evidence that relocation expenses were paid by CHA. If Ms. Davis has names, address and/or telephone numbers of any relocatees having a pending reimbursement or moving expense claim she should forward those names and/or claims to the attention of Associate General Counsel Lillian Fuentes, immediately.

The eighth and final challenge contained in your letter is that CHA has failed to work with the LCO in identifying tenants as eligible for training and employment. Paragraph 13 of the Revised Agreement calls for the Habitat, the CHA and the LCO to jointly identify tenant families that are eligible for training and employment opportunities pursuant to Section 3. In response, the CHA asserts that CHA, through its Office of Programs, together with other agencies, including the Mayor's Office of Work Development (MOWD), and other service agencies, have held meetings at the LCO office, and have repeatedly requested information from Ms. Davis regarding eligible residents. Most currently, Community Builders has requested names and information from Ms. Davis of eligible persons needing job training or other support services. Ms. Davis, to date, has not provided the names of such persons.

While we strongly believe that litigation should be avoided, please be aware that CHA is prepared to strongly defend any allegations made by Ms. Davis.

Furthermore, please be on notice that we have received several complaints from displaced persons, who have recently written letters to the Executive Offices alleging that Ms. Davis has refused to process their applications, and other incidents of harassment and unprofessional behavior. Ms. Davis has refused to meet with the Working Group on repeated occasions and these circumstances are untenable at best, and further display a lack of good faith and a breach of the LCO's obligations under the Revised Agreement.

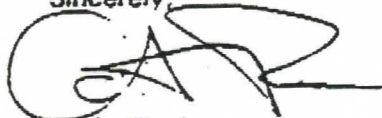
To the extent that Habitat, in its performance of its duties as the Receiver, is willing to work on a plan for the development of the off-site units, and to the extent that it will be possible to obtain the approval and cooperation of the Working Group and the City of Chicago for off-site unit development, we encourage all parties to meet and try to find a solution to what the Receiver considers an impossible number of units (200) to be built outside of the North Kenwood area.

200 West Adams - Suite 2100 Chicago, Illinois 60606 - (312) 791-8415

Stuart Kirchoff Jones
June 14, 2001
Page 6

Please feel free to contact the undersigned with any comments or questions regarding this matter, or Lillian Fuentes, at (312) 791-8415 Ext. 153.

Sincerely,

A handwritten signature in black ink, appearing to be "G. A. Finch", written over a large, stylized "C" or "G" shape.

G. A. Finch
General Counsel

Cc: Terry Peterson, Chief Executive Officer
Sharon Gist Gilliam, Chairperson, Board of Commissioners

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	5/6/1999
CASE TITLE	Gautreaux vs. CHA		

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

MOTION:

--

DOCKET ENTRY:

(1)	☐	Filed motion of [use listing in "Motion" box above.]
(2)	☐	Brief in support of motion due _____
(3)	☐	Answer brief to motion due _____ Reply to answer brief due _____
(4)	☐	Ruling/Hearing on _____ set for _____ at _____
(5)	☐	Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____
(6)	☐	Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____
(7)	☐	Trial[set for/re-set for] on _____ at _____
(8)	☐	[Bench/Jury trial] [Hearing] held/continued to _____ at _____
(9)	☐	This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to] ☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
(10)	☒	[Other docket entry] Lakefront Community Organization's motion for clarification 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	Document Number
☐	No notices required.			
☒	Notices mailed by judge's staff.		date docketed	
☐	Notified counsel by telephone.		docketing deputy initials	
☐	Docketing to mail notices.		5/6/1999	
☐	Mail AO 450 form.		date mailed notice	
☐	Copy to judge/magistrate judge.		CL	
GL courtroom deputy's initials		Date/time received in central Clerk's Office	mailing deputy initials	

ORDER

Lakefront Community Organization (LCO) has asked that we explain our earlier ruling denying its Second Motion to Intervene, as our first minute order stated only that the motion "is denied." This order sets forth the requested clarification.

We denied LCO's motion to intervene because to grant it would have been futile. LCO's Intervenor Complaint asks that we order the CHA and the *Gautreaux* Receiver to secure funding from HUD, obtain control of land, and build housing, all within 10 months and all pursuant to the terms of a 1995 contract between LCO and CHA. The problem is that the requested relief must come from the Receiver, and the Receiver was not a signatory to the deal. Or, to put it differently, because of the Receivership Order the CHA did not have the authority to enter into a contract concerning the development of non-elderly public housing — the Receiver's domain — and it did not have the authority to contract on the Receiver's behalf. (This principle is set out in greater detail in an order dated August 12, 1998.) Those parts of the contract concerning the development of non-elderly public housing are unenforceable, so to allow LCO to intervene to attempt to enforce them would have been a waste of time.

The motion for clarification is granted. It is so ordered.

A handwritten signature in black ink, appearing to be 'M R' followed by a long horizontal stroke.

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	7/1/1999
CASE TITLE	Gautreaux vs. CHA		

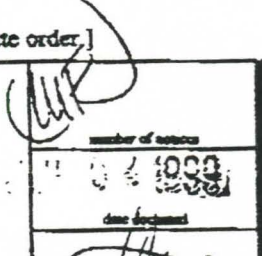
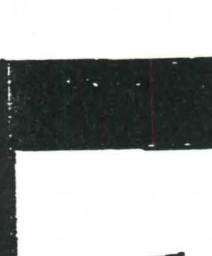
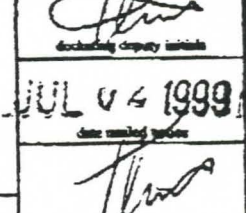
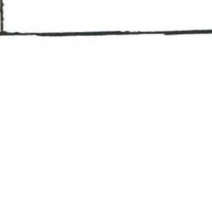
[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

--

DOCKET ENTRY:

(1)	☐	Filed motion of [use listing in "Motion" box above.]
(2)	☐	Brief in support of motion due _____.
(3)	☐	Answer brief to motion due _____. Reply to answer brief due _____.
(4)	☐	Ruling/Hearing on _____ set for _____ at _____.
(5)	☐	Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
(6)	☐	Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
(7)	☐	Trial[set for/re-set for] on _____ at _____.
(8)	☐	[Bench/Jury trial] [Hearing] held/continued to _____ at _____.
(9)	☐	This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to] ☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
(10)	☒	[Other docket entry] Lakefront Community Organization's Rule 59(e) motion to reconsider (0-1) is denied.
(11)	☒	[For further detail see order on the reverse side of the original minute order.]

☐	No notices required, advised in open court.		
☐	No notices required.		
☐	Notices mailed by judge's staff.		
☐	Notified counsel by telephone.		
☒	Docketing to mail notices.		
☐	Mail AO 450 form.		
☐	Copy to judge/magistrate judge.		
GL	courtroom deputy's initials		
		Date/time received in central Clerk's Office	

ORDER

The Lakefront Community Organization (LCO) has moved that we reconsider our denial of its second motion to intervene in this case.

Some background is in order. We denied the LCO's first motion to intervene on the ground that it was untimely. The LCO could have but did not appeal that denial. We summarily denied the LCO's second motion to intervene, and later (on a motion from the LCO) clarified that intervention was pointless because the LCO could not prevail on its contract claim; the intervention complaint failed to state a breach of contract claim. The LCO now argues in its motion to reconsider that its intervention complaint states equitable estoppel and promissory estoppel claims against the Receiver.

The most obvious problem is that this is the first time the LCO has argued that its complaint states any estoppel claims. Rule 59(e), under which the LCO claims it brought this motion, "does not allow a party to . . . advance arguments that could and should have been presented to the district court prior to judgment." *Moro v. Shell Oil Co.*, 91 F.3d 872, 876 (7th Cir. 1996). Besides, we doubt that the intervention complaint really does state either of those claims. The promise which is the basis of the promissory estoppel claim is that the Receiver agreed to support the LCO's request for a hearing on the pace of construction of some housing units. This promise doesn't even come close to indicating (as the LCO argues) that the Receiver acknowledged it was bound by the contract or that the LCO should forbear its right to declare the contract invalid. The equitable estoppel argument relies in addition on the Receiver's support of an area being designated a "Revitalizing Area" and the Receiver's building some of the units described in the contract to show that the Receiver has acted in a way "only consistent with the adoption of such contract." *Wiggins Ferry Co. v. Ohio and Mississippi Ry. Co.*, 142 U.S. 396, 408-09 (1892). But here the contrary is true: the Receiver's actions are completely consistent with its obligations under the receivership order.

In addition, we note that the Receiver has made a compelling argument that the second motion to intervene was in substance a motion to reconsider the first motion to intervene. It further argues that the second motion / motion to reconsider was improper because the LCO did not appeal the denial of the first motion, as in *B.H. v. Murphy*, 984 F.2d 196 (7th Cir. 1993). We agree with this position and note that we should have given it as an alternative reason in our order clarifying our denial of the second motion (even if no clarifying order was necessary because the denial of a motion to reconsider is not appealable).

The motion to reconsider is denied. It is so ordered.

PROGRAM SUMMARY FOR LAKEFRONT REPLACEMENT HOUSING UNITS

Program Name	Number of Units	Current Program Number	Previous Program Number	Developer	Status
Lakefront Site	120	IL06-P002-193	IL06-P002-193	Draper and Kramer	Design/Development - Est. Start Spring '02
Drexel Site	30	IL06-P002-193	IL06-P002-193	The Thrush Companies	Design/Development - Est. Start Spring '02
Lakefront Scattered Sites	33	IL06-P002-184	IL06-P002-184	New England Builders	Complete
Lakefront Scattered Sites	21	IL06-P002-208	IL06-P002-184	New England Builders	Complete
Lakefront Scattered Sites (Flip)	2	IL06-P002-180	IL06-P002-180	New England Builders	Complete
Shakespeare Townhomes (Thrush)	12	IL06-P002-208	IL06-P002-180	The Thrush Companies	Construction - Estimated Completion 7/01
Shakespeare Homes (New Kenwood)	3	IL06-P002-209	IL06-P002-180	New Kenwood, LLC	Design/Development - Est. Start Fall '01
4300 Blocks	20	IL06-P002-180	IL06-P002-180	To Be Determined	RFP to be re-issued by 7/01
Total Units	241				

Program Name	Number of Units	Current Program Number	Previous Program Number	Developer	Status
Lakefront Scattered Sites (Rogers Park)	38	IL06-P002-194	IL06-P002-194	The RJ Group	Complete
Totals Units	38				

As of 6/8/01

exhibit B

MODIFIED KENWOOD-OAKLAND REVITALIZATION PROGRAM STATUS AS OF

05/20/01

<u>Units Within North Kenwood-Oakland Communities</u>	<u># of Units</u>	<u>Modified Timetable</u>
Units complete as of 3/31/01 (1 st Quarter '01 Aspen Report)	56	03/97 - 11/00
Units currently under construction	12	06/00 - 06/01
Units currently proposed for the "Drexel" site* (Mixed Income)	30	04/01 - 03/05
Units currently proposed for the "Lakefront" site* (Mixed Income)	120	04/01 - 03/06
Units currently proposed for the "4300 Blocks" site**	20	07/01 - unknown
Units by private developer commitment	<u>3</u>	unknown ***
TOTAL UNITS	241	

<u>Units Outside of North Kenwood-Oakland Communities</u>	<u>Units</u>	<u>Timetable</u>
Units rehabilitated in General Areas (Rogers Park)	38	12/96 - 03/98
Eighteen (18) Habitat-owned parcels in Woodlawn I	<u>+90</u>	unknown***

* In design/development process

** Reissuing Request for Proposals

*** Subject to determination of actual start date and, if applicable, the absorption rate of market product

- I. Woodlawn Community has not permitted construction. Designation of Woodlawn as a Revitalizing area is recommended and may clear up the present impasse

Exhibit B - page 2

Exhibit F



The Chicago Housing Authority

Sharon Gist Gilliam
Chairperson

Rahm Emanuel
Vice-Chairman

Board of Commissioners
Hallie Amey
Mamie Bone
Michael Darcy
Leticia Peralta Davis
Earnest Gates
Dr. Mildred Harris
Andrew Mooney
Sandra Young

Terry Peterson
Chief Executive Officer

G.A. Finch
General Counsel

Hand Delivered Correspondence

June 25, 2001

Ms. Izora Davis,
President
Lakefront Community Organization
3983 S. Lake Park Avenue
First Floor
Chicago, IL 60653

RE: Lakefront Community Organization, Revised Agreement
And Gautreaux matter

Dear Ms. Davis:

The Office of the General Counsel received a call last week (June 17, 2001) from Mr. Stuart Kirchhoff Jones to the effect that he was no longer representing the interests of the Lakefront Community Organization.

I am enclosing a copy of the letter that our office sent to Mr. Jones, together with all attachments, in respect to responding to claims made in Mr. Jones' letter of April 16, 2001 directed to Mr. Terry Peterson, Chief Executive Officer for the CHA. I am also enclosing a copy of a motion filed in the Gautreaux litigation by BPI. Lastly, I enclose a copy of a letter sent to Mr. Jones by our outside counsel, Thomas E. Johnson, with regards to the Gautreaux matter.

The motion brought by the plaintiffs' counsel in the Gautreaux matter requires the CHA to show cause as to why the scattered site units in the North Kenwood Oakland area remain vacant and/or with house sitters, instead of being turned over to the CHA's general waiting list.

Given the fact that CHA must respond on or before June 29, 2001 regarding the status of those units, we hereby make a demand from you to forward to CHA's Office of the General Counsel a list containing all possible eligible persons qualifying for a priority to those units as "displaced Lakefront families", any completed file that has not yet been submitted to the Occupancy Department, and/or the names of persons who have submitted an application to you but whose files, for some reason, remain incomplete, on or before the close of business of Thursday, June 28, 2001.

200 W. Adams - Suite 200 - Chicago, Illinois 60606 - (312) 791-8415

EXHIBIT

F

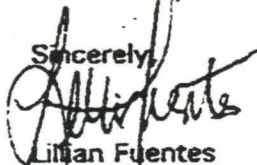
tabbles

Ms. Izora Davis
Page Two
June 25, 2001

I encourage you and the Lakefront Community Organization to work closely and expediently with the CHA with regards to placing "displaced Lakefront families" into those units. We expect Judge Aspen to make a ruling that the vacant units be turned over to the general waiting list if, after reasonable efforts being made, insufficient number of eligible Lakefront families appear.

If you have obtained representation by new counsel, please ask him or her to immediately contact the undersigned at the Office of the General Counsel. If you are not represented, I would request that you contact me immediately to discuss these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Lillian Fuentes", written over the word "Sincerely,".

Lillian Fuentes
Associate General Counsel
Ext. 153

Exhibit G

THE HABITAT COMPANY

"Estimated Property Transfer Schedule"
HUD Program IL06-P002-208

Date Prepared: 08/30/00
Last Revision: 06/28/01

Contractor: Thrush-Kenwood
Architect:
Manager: TWO

Distribution

4000-19.0

- A. Polikoff (BPI)
- V. Jarrett (Habitat)
- V. Golden (Habitat)
- I. Davis (LCO)
- A. Bartels (Thrush)
- V. Nichols (TWO)
- T. Preckwinkle
- S. Newsome (CCC)
- C. Byrd (CHA)
- C. Hampton (CHA)
- L. Little (CHA)
- D. Schwartz (CHA)

Building	PROPERTY	# OF UNITS	# OF BDRMS.							DATE OF PUNCH LIST	ESTIMATED DATE OF TRANSFER AND KEY TURN OVER	REVISED SINCE LAST ISSUE
			1	2	3	4	5	6	7			
	4530 South Woodlawn Avenue	3	3								06/29/01	X
	1122 E. 46th Street	3	3								06/29/01	X
	4506 South Woodlawn Avenue	3	3								07/27/01	
	4556 South Woodlawn Avenue	3	3								07/27/01	

KEY:

 - Building Transferred

- VHI Visually and Hearing Impaired Units
- HC c Physically Handicapped "Accessible" Units
- HC d Physically Handicapped "Adaptable" Units
- Building Transferred
- ~ Utility Transfer Letter Complete
- ++ Completion Documents Complete
- N/A Information Not Available

EXHIBIT

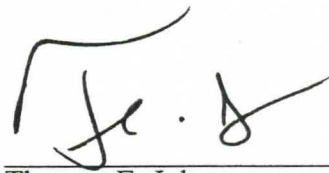
G

tables

CERTIFICATE OF SERVICE

Thomas E. Johnson, an attorney, certifies that he filed the foregoing Defendant CHA's Response to Plaintiffs' Motion to Show Cause, with the Clerk of the United States District Court for the Northern District of Illinois on June 29, 2001 and served copies by first-class mail on:

Alex Polikoff
Robert Jones
Business and Professional People
For the Public Interest
25 East Washington St., #1515
Chicago, Illinois 60602

A handwritten signature in black ink, appearing to read 'T.E. Johnson', is written above a horizontal line.

Thomas E. Johnson