

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

DOROTHY GAUTREUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	
-vs-	)	No. 66 C 1459
	)	No. 66 C 1460
CHICAGO HOUSING AUTHORITY, et al.,	)	
	)	Judge Aspen
Defendants.	)	

JOINT MOTION OF THE PLAINTIFFS AND THE CHA REGARDING HEARTS UNITED III  
DEVELOPMENT

The plaintiffs and the Chicago Housing Authority jointly move that this Court enter the attached Order, permitting the Hearts United III development to proceed. In support of this motion, the parties state as follows:

1. The Hearts United III development consists of fifty-three newly constructed rental housing units, located on scattered sites between 42<sup>nd</sup> and 44<sup>th</sup> streets, between Vincennes and Cottage Grove Avenues, in Chicago. The units are financed with Low-Income Housing Tax Credits from the State of Illinois, tax credit equity, an FHA insured first mortgage and TIF financing from the City of Chicago. The City also provided 29 City-owned parcels for \$1.

2. The Hearts United III development is being undertaken by the Bonheur Development Corp. This developer was competitively selected by the State of Illinois and the City of Chicago. CHA has been asked to provide 13 units of project-based Section 8 assistance, through a Housing Assistance Payment contract with the developer. The Section 8 subsidy will support rents of \$650 per month for a one-bedroom

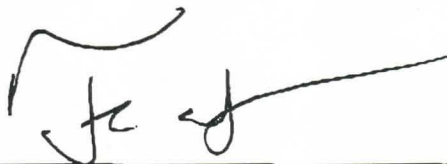
apartment to \$1275 per month for a four bedroom apartment. The tenant will pay a proportion equal to 30% of adjusted monthly income.

3. The development will help spur the revitalization of the Grand Boulevard community area of the City. The area where the housing will be built has been designated by the City of Chicago as a Redevelopment Area and the City Council has established a TIF district for the area. The area already includes the Hearts United I and Hearts United II developments, consisting of 223 new mixed-income units, 56 of which are public housing units Authorized by this Court's Orders of January 5, 1999 and November 30, 2000. The area also includes the Jazz on the Boulevard project. This is a mixed-income development, now under construction, that will include 137 units, 30 of which will be public housing units authorized by this Court's order of June 3, 1996. The area now includes the development of traditional for-sale residential activity, including the 133 townhouses in two separate New Homes for Chicago programs (between 40<sup>th</sup> and 44<sup>th</sup> streets at Vincennes, and at 46<sup>th</sup> and Woodlawn), as well as the 34-unit development called Drexel Row at 43<sup>rd</sup> and Drexel. New home sales in the area indicate that detached single-family homes are selling for \$280,000. In addition to this residential activity, the business district at 47<sup>th</sup> and Cottage Grove is being revitalized as a key commercial strip in the area, with a large grocery store and a new auto parts retailing facility.

4. The plaintiffs and the CHA disagree about whether new construction in limited and revitalizing areas, assisted with project-based section 8 subsidies, falls within the Judgment Order of this

Court. Without resolving this issue, the parties agree that the CHA should be permitted to sign its Housing Assistance Payments contract with the Hearts United III developer for the thirteen Hearts United III units. This is without prejudice to the parties' respective positions on the legal issues presented. The proposed Order accomplishes this result.

5. The Receiver has been fully apprised of the Hearts United III development, and this Motion and Order. The Receiver has no objection to the entry of this Order.



One of the Attorneys for the CHA

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	)	Judge Aspen
Defendants.	)	

AGREED ORDER

This matter coming to be heard on the Joint Motion of plaintiffs and the CHA, and the Court having reviewed the same, IT IS HEREBY ORDERED THAT:

1. CHA is authorized to supply project-based Section 8 funding, through a HAP contract, to the developers of the Hearts United III development, to be built in the Grand Boulevard neighborhood of Chicago.

2. Such authorization shall be without prejudice to the position of either party as to the applicability of this Court's Orders to dwellings developed with project-based section 8 funding, and this Order shall not be cited by either party as bearing on such applicability.

3. This Court's Judgment Order previously entered herein on July 1, 1969, as modified from time to time, shall remain in full force and effect, and this Court retains jurisdiction to enforce the same.

ENTER: \_\_\_\_\_

Hon. Marvin E. Aspen  
United States District Court

Dated: \_\_\_\_\_



7/02/2005 12:18 FAX 3124220708 CCDC JJSGD

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## FAX TRANSMISSION

Number of pages including this one: 7

**TO:** Julie Brown (312-641-5454); Eddie Feldman (312-263-3270)  
**FAX:**  
**FROM:** Thomas Johnson  
**DATE:** May 2, 2005

Here is a copy of the agreed motion for Hearts III

### Confidentiality Notice

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CHICAGO HOUSING AUTHORITY, et al.,	)	Hon. Marvin E. Aspen
Defendants.	)	

**NOTICE OF MOTION**

TO: SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on **Thursday, May 5, 2005 at 10:30 a.m.**, or as soon as counsel may be heard, I shall appear before the Honorable Judge Aspen in the courtroom usually occupied by him, at the U.S. District Courthouse, 219 South Dearborn Street, Chicago, Illinois, and then and there present **JOINT MOTION OF THE PLAINTIFFS AND THE CHA REGARDING HEARTS UNITED III DEVELOPMENT**

  
\_\_\_\_\_  
One of the attorneys for CHA

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**CERTIFICATE OF SERVICE**

Thomas E. Johnson, an attorney, hereby certifies that a copy of this Notice and attached Motion was served upon the parties on the attached Service List, by facsimile and U.S. mail, with proper postage prepaid, on April 26, 2005.

  
\_\_\_\_\_  
Thomas E. Johnson

05/02/2005 12:20 FAX 3124220708 CCDC JJSGB 003

## SERVICE LIST

*Gautreaux, et al. v. CHA, et al.*  
Case Nos. 66 C 1459; 66 C 1460

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