

FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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DOROTHY GAUTREAUX, et al.,

Plaintiffs,

v.

CHICAGO HOUSING AUTHORITY,

Defendant.

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JUN 03 2005

66 C 1459 **MARVIN E. ASPEN**

Hon. Marvin E. Aspen

PLAINTIFFS' FURTHER STATEMENT
REGARDING CAC MOTION

In light of certain statements made in the Response of the Chicago Housing Authority (CHA) and the Statement of the Receiver respecting the CAC Motion, plaintiffs wish to clarify their position on addressing the vacancy issue at Lake Park Crescent.

First, CHA's Response (p.4) states that plaintiffs "originally supported a site-based waiting list, but . . . now say they cannot yet take a position. . ." This is a mischaracterization. When CHA proposed creating a site-based waiting list for Lake Park Crescent plaintiffs agreed to consider the concept, but insisted they could not support it unless, apart from all else, agreed, written monitoring procedures were first put in place. CHA, plaintiffs' counsel and Draper and Kramer have discussed but not agreed upon such written procedures. In the context of discussing a range of possible approaches, plaintiffs have made it plain that a site-based waiting list is not their preferred solution to the Lake Park Crescent leasing problem.

Second, the Receiver notes that apart from a site-based waiting list and CAC's proposal, two approaches to the current leasing problem, which are not mutually

exclusive, deserve consideration. (i) Plaintiffs agree that renewed efforts to recruit tenants from existing waiting lists seem to be bearing fruit, and agree with the Receiver that these should continue. (ii) Plaintiffs also support the Receiver's suggestion of offering Lake Park Crescent 50-80% units to eligible CHA families who have made permanent housing moves. Plaintiffs would however exempt families who have permanently moved to any other mixed-income unit developments authorized by the Court, not just to developments with similar income limits, because in plaintiffs' view none of the other developments -- still new -- should be subjected to the destabilization risk of encouraging families to move out. The universe of such "permanently moved" families would thus include those who have relocated permanently with Housing Choice Vouchers, to scattered sites, or to rehabilitated CHA public housing units.


Third, plaintiffs have said that they favored the 50-80% income requirement "as a proxy or surrogate for 'working families' at a time when plaintiffs doubted that it was permissible. . . to impose work requirements 'directly.'" (Pls. Response p. 4). Whatever representations may have been made by others, plaintiffs were then more concerned about the working status than the exact incomes of families entering the development. (This has since become the focus at most other mixed-income developments, which generally have work but not income requirements.)

Fourth, while plaintiffs agree with the Receiver's description of the neighborhood and the community's concerns in 1996, the nine ensuing years have brought significant change. In their 2002 Joint Motion to expand the North-Kenwood Oakland Revitalizing Area, the parties noted that the neighborhood had "experienced considerable revitalization activity" detailed in the Receiver's affidavit (attached to the joint motion)

which referred to improved residential, commercial, educational, and recreational conditions, including home prices above \$300,000 in late 2001. For this reason, among others, the Court enlarged the Revitalization Area and authorized development of 3000 residential units, including 850 family public housing units as to which there was no income requirement.

Finally, in response to the concern that eliminating the income requirement could result in all Lake Park Crescent public housing families being very low income, it should be noted that eight units (of 27 available as of a recent date) have already been occupied by 50-60% AMI families, and an additional 10 have been assigned to such families.

Respectfully submitted,



One of the Attorneys for Plaintiffs

June 3, 2005

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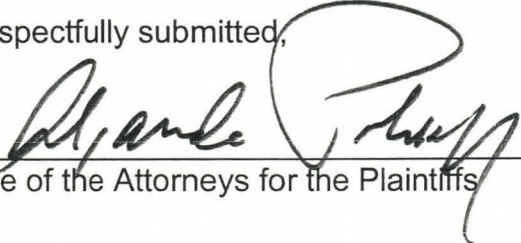
Hon. Marvin E. Aspen

NOTICE OF MOTION AND CERTIFICATE OF SERVICE

To: Attached Service List

PLEASE TAKE NOTICE that on Tuesday, June 7, 2005, at 10:00 a.m., we shall appear before the Honorable Marvin E. Aspen, of the U. S. District Court, 219 South Dearborn Street, Chicago, Illinois, and then and there present the attached **Plaintiffs' Motion for Leave to File, Instantly, Further Statement Regarding CAC Motion**, a copy of which is hereby served upon you.

Respectfully submitted,



One of the Attorneys for the Plaintiffs

June 3, 2005

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CERTIFICATE OF SERVICE

Alexander Polikoff, an attorney, hereby certifies that on June 3, 2005, he caused a copy of the foregoing Notice of Motion and Certificate of Service, together with the **Plaintiffs' Motion for Leave to File, Instantly, Further Statement Regarding CAC Motion** to be served in the manner indicated on the attached Service List.

A handwritten signature in black ink, appearing to read "Alex Polikoff", is written over a horizontal line.

Alexander Polikoff

Service List

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Chicago, IL 60603

By Fax: 312/422-0708
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Edward Feldman
Miller, Shakman & Hamilton
180 North LaSalle Street - #3600
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