

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

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

**JOINT MOTION OF PLAINTIFFS AND DEFENDANT CHICAGO HOUSING
AUTHORITY FOR AN ORDER AUTHORIZING DEVELOPMENT OF PUBLIC
HOUSING UNITS IN A LIMITED AREA**

Plaintiffs and Defendant Chicago Housing Authority ("CHA"), by their respective attorneys, with the support of Daniel E. Levin and The Habitat Company LLC (the "Receiver"), respectfully move the Court as follows:

- (A) To authorize development of 83 new non-elderly public housing units in mixed-income buildings to be scattered throughout an area bounded by 40th Street to the north, Root Street to the south, State Street to the east, and the railroad embankment west of Federal Street to the west (See Exhibit I, Levin Affidavit, Paragraph 2). The area is a "Limited Area" on a portion of the site previously occupied by CHA's Robert Taylor public housing development.
- (B) The Parties also move the Court to amend the Tenant Assignment Plan to require that the 83 public housing units that are the subject of this motion be made available to eligible families relocating under CHA's Plan for Transformation.

In support of this motion, the Parties state as follows:

1. For the reasons stated herein, the Parties believe the proposed development is “designed . . . to achieve results consistent with [the Judgment Order]” in this case, and that the Court therefore has the authority to enter the proposed order pursuant to paragraph X of the Judgment Order. 304 F. Supp. 736, 741 (N.D.Ill. 1969).

2. Though orders in this case restrict the CHA’s ability to develop new non-elderly public housing in “Limited Areas,” this Court has on a number of occasions waived those restrictions and permitted development of such housing following a site-specific, case-by-case review, usually based on a determination that the proposed development was “in furtherance of the purposes” of the judgment orders. For example, the Court has entered such orders on August 5, 2003, respecting the development of 14 public housing units as part of the mixed-income redevelopment of the Rockwell Gardens public housing development; on December 16, 2003, respecting the development of 27 public housing units as the initial part of the mixed-income redevelopment of Stateway Gardens; and on March 26, 2004, respecting the development of 54 public housing units as the initial part of the mixed-income redevelopment of the Robert Taylor public housing development.

3. On other occasions the Court has permitted the development of new non-elderly public housing to proceed in “Limited Areas” that were deemed to be “revitalizing”: Henry Horner in 1995, amended in 1996, 1998, and 2002; North Kenwood-Oakland in 1996, amended in 2000 and further amended in 2002 to include Madden-Wells; Near North/ Cabrini-Green in 1997, amended in 2000; ABLA in 1998; and Stateway Gardens in 2005. In each of these cases, the Parties represented that the proposed revitalizing areas had experienced a substantial increase in public and private investment, including private residential rehabilitation and new construction. In each case, the Parties advised the Court that such development activity, completed and already underway, combined with the proposed large-scale mixed-income

redevelopment of sites previously designated as exclusively public housing, made economic integration likely in the short run with a possibility that racial integration might follow in the long run.

4. As in the neighborhoods where the Court authorized development of Rockwell Gardens, the initial Stateway Gardens public housing units, and the first off-site phase of Robert Taylor redevelopment (C-1), the neighborhood in which the proposed on-site Robert Taylor development is to be constructed has seen encouraging activity in recent years, but the Plaintiffs and the Receiver do not believe that it can yet be designated a "Revitalizing Area." Conditions near Taylor have improved, but there has not been the same level of public and private investment that characterized the neighborhoods surrounding Henry Horner, North Kenwood-Oakland, Madden-Wells, Cabrini-Green, Stateway Gardens and ABLA at the time those Revitalizing Orders were entered. Instead, the Robert Taylor area in which the new public housing units are proposed to be developed contains a large number of run-down commercial establishments, empty buildings, and vacant lots. Private reinvestment in the area, while increasing, has been more limited and dispersed than in those neighborhoods found to be "revitalizing." See Exhibit I, Levin Affidavit, paragraph 8.

5. The Parties to this motion appeared before the Court on March 30, 2004 to discuss the C-1 order and the future of Taylor redevelopment. At that time, Plaintiffs raised specific concerns related to Washington Park public housing demolition, rehabilitation and redevelopment; the development of homeownership units in the Taylor redevelopment; social service provision; Metcalfe Park; area commercial development; and area schools. These were all concerns of and issues on which the CHA was engaged. The plaintiffs and defendant agreed to work on these issues before coming back before the Court. Many of the concerns raised by

the plaintiffs have seen progress in the past two years leading to an overall improvement in the area relevant to this motion.

A. Washington Park: In 2004 when the Parties asked the court for a waiver to build the first off-site phase of Taylor redevelopment (C-1), the Washington Park Homes (high and low-rise public housing buildings scattered across several miles) included several dilapidated buildings located in close proximity to the proposed mixed-income developments that are the subject of this motion. CHA has made positive steps towards rehabilitation and redevelopment of these sites. The rehabilitation at Washington Park did not move as expeditiously as planned over the past two years, but is now fully underway. To date, 31 of 112 units have been rehabbed. CHA has demolished the vacant, boarded-up Washington Park buildings at Wabash Avenue and 42nd Street, adjacent to several proposed mixed-income Taylor buildings, and at 41st and Prairie Ave., adjacent to the rental units developed in phase C-1. On these 2 now vacant sites CHA intends to develop mixed-income rental housing that will include public housing replacement units. CHA is committed to improving these Washington Park sites in a way and on a schedule that will enhance the prospects for mixed-income success at Robert Taylor. See Exhibit I, Levin Affidavit, paragraph 7(g).

B. Homeownership: In 2004 when the Parties were before the Court, the plaintiffs expressed their desire for the homeownership phase of the off-site development C-1 to occur as close in time as possible to the development of the rental phase of C-1. The rental phase is now complete with a total of 110 units being developed, 54 of which were for public housing residents. However, the homeownership units were not constructed, for a variety of logistical, and financial reasons. Due to these changed circumstances, all parties are focused on, committed to, and understand the importance of

developing the on-site A-1 homeownership units as near in time as possible with the A-1 rental units. There is also a commitment by the parties, the Receiver, and the developers of A-1, through their partnership with the African-American Development Group Consortium, to build homeownership units as part of the next off-site phase of development (C-2). Additionally, the private market has become more engaged in constructing and rehabilitating homes in the vicinity of the newly constructed C-1 rental units and near the A-1 site, which is an encouraging sign that the area may be revitalizing. See Exhibit I, Levin Affidavit, paragraph 7(f).

C. Social Service Provision: CHA has engaged a social service provider to provide both pre- and post-move services to Taylor residents eligible to return to A-1 units. The plaintiffs believe competent provision of social services is integral to ensuring that as many class members as possible are able to meet the screening criteria at the A-1 development.

D. Metcalfe Park: The park is located immediately to the south of the proposed development. The park runs west of State Street from Root Street to 43rd Street. The parcel was converted from a coal yard to a community park in 1983. The Parties agree that the park could be a significant community resource and they are committed to working together to bring about improvements to the park and the poorly-maintained, privately-owned wooded area immediately to the west of the park.

E. Commercial Development: Recent revitalization has encouraged planning for commercial development in the area. The owners of a large parcel of land at 39th and State Street, immediately north of the proposed development area, are working with the City on plans for a commercial development. The CHA has set aside a large adjacent parcel for use as part of the commercial center. See Exhibit I, Levin Affidavit 7(f).

F. Schools: There have been positive developments related to the public schools in the Taylor vicinity in the past few years. Hartigan School, located immediately south of the housing to be built for phase A-1, will open in the Fall as a new charter school serving Pre-Kindergarten through 5th grade. Other schools in the area have also seen changes, such as the recently renovated King Magnet High School, a college preparatory magnet school at 41st and Drexel; and the Bronzeville Military Academy at 35th and Giles Street. See Exhibit I, Levin Affidavit, paragraph 7(d).

6. Given the continued progress on the issues identified above, and the improvement in the Taylor area for the reasons described below as well as in the attached affidavit from the Receiver, the Parties believe it is desirable that the proposed 83 public housing units be developed:

A. Quality Mixed-Income Housing

i. The proposed 83 public housing units will offer members of the *Gautreaux* Plaintiff class an opportunity to live in mixed-income housing. The units are only one part of the first phase ("Phase A-1") of Robert Taylor on-site development. Phase A-1 consists of 181 rental units and 73 homeownership units. (This includes 16 homeownership units which will be built once the City relocates the fire station currently located within the boundaries of this development.) See Exhibit I, Levin Affidavit, paragraph 2. The rental component includes the 83 public housing units that are the subject of this motion, 68 affordable rental units designated for households earning up to 60% of the area median income – up to \$45,250 for a family of four – and 30 rental units reserved for market rate tenants. See Exhibit I, Levin Affidavit, paragraph 4.

ii. Of the 73 homeownership units, all units will be sold at market rate. Marketing for these homeownership units is expected to begin in April 2006. Plaintiffs, CHA and the Receiver believe the timely development of homeownership units significantly enhances the area's revitalization prospects and is important for the stability of the mixed-income community. See Exhibit I, Levin Affidavit, paragraph 7(f).

iii. The proposed buildings will be privately owned and managed. The master developers are a joint venture of Michaels Development Company, Inc., Brinshore Development LLC and the affiliated development entity BMT-I, LLC. The buildings will be owned by a limited partnership whose general partner is affiliated with one of the developers. See Exhibit I, Levin Affidavit, paragraph 6.

B. Planned Robert Taylor Redevelopment

i. The development of rental and for-sale units in Phase A-1 represents only a portion of the overall Taylor plan. The U.S. Department of Housing and Urban Development has awarded two HOPE VI grants that the Receiver believes are sufficient to fund both Phase A-1 and the completed first off-site phase ("Phase C-1") of Taylor redevelopment. See Exhibit I, Levin Affidavit, paragraph 5. The Court authorized Phase C-1 on March 30, 2004 and, with the authorization of Phase A-1 of on-site Taylor redevelopment and the implementation of the redevelopment plan, a total of 334 new residential units will be constructed. In addition, plans have been drawn up for more than 2000 additional mixed-income units as part of the larger Taylor redevelopment effort.

The Parties are hopeful that funding will ultimately be made available for this additional development. See Exhibit I, Levin Affidavit, paragraph 5.

C. Development Prospects in the Surrounding Community

i. As noted in the attached affidavit, the Receiver believes that on-site Taylor development is located in an area whose redevelopment prospects are improving. The Parties and the Receiver believe that the single greatest impediment to mixed-income development in the area has been the presence of the Robert Taylor public housing high rises between 39th and 55th Streets, and the nearby Stateway Gardens high-rise family public housing developments between 35th and 39th Streets, northwest of the site. See Exhibit I, Levin Affidavit, paragraph 7(a). To date, 27 of the 28 Taylor buildings and seven of the eight Stateway buildings have been demolished, and the remaining buildings are scheduled to be demolished within the next year. *Id.* Funding has been provided to complete the demolition. The Parties and the Receiver believe that this demolition enhances significantly the area's revitalization prospects.

ii. The mixed-income redevelopment of Stateway Gardens, whose southern border is one block from the Taylor A-1 redevelopment, is currently underway. The Court signed an order in November 2005 deeming the area containing Stateway a "Revitalizing Area." The Stateway plan includes construction of 1316 new housing units on the Stateway site and in the surrounding community. One-third of the new units are proposed to be public housing, one third are proposed to be affordable housing, and the final third are proposed to be market-rate for-sale units. Funding has been committed for the construction of all of the proposed new public housing units at Stateway.

iii. The first off-site phase (phase 1a) of the Stateway redevelopment, Pershing Courts, has been completed and occupied. It is located at the northeast corner of State Street and 39th St. and consists of 27 public housing units within an 80 unit affordable housing development. The Parties and the Receiver believe that the close proximity of the Pershing Courts development to the proposed Taylor redevelopment has the potential to contribute positively to the area's revitalization. See Exhibit I, Levin Affidavit, paragraph 7(c).

iv. In the last several years, there has been an increase in public and private investment in the area north and east of the area of proposed Taylor redevelopment. This includes the recently constructed Chicago Police Department Headquarters at 35th Street and Michigan, the rehabilitation and reopening of the historic Chicago Bee Building at 37th Street and State Street as a branch library, and renovation of numerous private single and multi-family dwellings throughout the area. While much of this new investment is located to the north and east of the Taylor area, the Parties and the Receiver believe that it reflects an increased interest in revitalization of the area. See Levin Affidavit, paragraph 7(d-f).

v. The Parties and the Receiver believe that in a neighborhood that has not seen significant construction or investment in decades, the proposed development may act as a catalyst to further neighborhood development. See Exhibit I, Levin Affidavit, paragraph 8.

D. Locational Advantages – The proposed on-site development is approximately five miles from the heart of downtown Chicago and one mile from the City's lakefront. It is well-served by prominent streets and expressways. The Chicago Transit Authority's

Green line stops several blocks from the proposed development site and offers passengers a quick ride to the Chicago Loop. See Exhibit I, Levin Affidavit, paragraph 7(h).

7. For the several reasons stated in paragraph five and six above, the Parties believe that the proposed order should be entered, subject to the following conditions: (1) the planned 68 affordable and 30 market-rate rental units in the buildings that are the subject of this motion are built and marketed roughly simultaneously with the development of the 83 public housing units to be authorized pursuant to this motion, and the 57 for-sale units (not including the 16 homeownership units to be built once the City relocates the fire station currently located within the development area) planned for the immediate area are marketed roughly simultaneously with such development, and (2) the public housing units are and remain well-distributed among the non-public housing units within the buildings and across the development that is the subject of this motion.

8. Because these 83 public housing units will be developed as part of a new mixed-income development in which public housing will ultimately comprise approximately 33% of the total units and will be dispersed throughout the buildings, and because these units are being built as replacement housing for CHA's Robert Taylor development, the Parties also seek to amend the current Tenant Assignment Plan to require that the public housing units in the developments that are the subject of this motion be made available to eligible families relocating under CHA's Plan for Transformation. Similar arrangements were approved by this Court's orders of March 24, 2003, respecting the Lake Park Crescent and Jazz on the Boulevard developments, August 5, 2003, respecting the Rockwell Gardens redevelopment, December 16, 2003 and November 21, 2005, respecting Stateway Gardens redevelopment, and March 26, 2004 respecting the Robert Taylor (C-1) redevelopment.

WHEREFORE, Plaintiffs and the Defendant Chicago Housing Authority respectfully request the Court to enter an order in the form attached hereto.

Respectfully submitted,

/s/ Alexander Polikoff

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