

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

DOROTHY GAUTREAUX, et al.,	)	No. 66 C 1459
	)	66 C 1460
Plaintiffs,	)	
	)	
vs.	)	July 7, 2005
	)	10:30 o'clock a.m.
CHICAGO HOUSING AUTHORITY,	)	Chicago, Illinois
et al.,	)	
	)	
Defendants.	)	

TRANSCRIPT OF PROCEEDINGS - MOTION  
BEFORE THE HON. MARVIN E. ASPEN

APPEARANCES:

For certain plaintiffs: MR. ALEXANDER POLIKOFF  
Business and Professional People  
for the Public Interest  
25 East Washington Street  
Suite 1515  
Chicago, Illinois 60602

For Defendant Chicago  
Housing Authority: JOHNSON JONES SNELLING  
GILBERT & DAVIS  
BY: MR. THOMAS E. JOHNSON  
36 South Wabash Avenue  
Suite 1310  
Chicago, Illinois 60603.

For the Receiver: MILLER SHAKMAN & HAMILTON  
BY: MR. MICHAEL L. SHAKMAN  
180 North LaSalle Street  
Suite 3600  
Chicago, Illinois 60601

For the Central  
Advisory Committee: MR. ROBERT WHITFIELD  
10 South LaSalle Street  
Suite 1301  
Chicago, Illinois 60603

1 APPEARANCES: (continued)

2 For the Department of  
3 Housing & Urban  
4 Development:

MS. JANET ELSON  
Department of Housing &  
Urban Development  
77 West Jackson Boulevard  
26th Floor  
Chicago, Illinois 60604

5 ALSO PRESENT:

MS. SHIRLEY NEWSOME  
MS. TONI PRECKWINKLE  
MS. MARY WIGGINS

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MS. MARY M. HACKER  
219 South Dearborn Street - Room 1426  
Chicago, Illinois 60604  
(312) 435-5564

1 behalf of the North Kenwood Oakland Conservation Community  
2 Council.

3 THE COURT: I will be happy to hear what you have to  
4 say. Again, I would appreciate it if you would keep your  
5 remarks to five or ten minutes. I want to get out of here and  
6 have lunch and do some other things as well.

7 MS. PRECKWINKLE: Did you want us to begin, your  
8 Honor?

9 THE COURT: No. I think it would be more beneficial  
10 if you heard what these other folks had to say and then you  
11 can respond, all right?

12 MS. PRECKWINKLE: That would be great. Thank you.

13 THE COURT: Sure.

14 MR. JOHNSON: I would like to point out, too, Judge,  
15 that Ms. Elson from HUD is also present with us today.

16 THE COURT: Would you like to address the Court as  
17 well?

18 MS. ELSON: I just found out about this session about  
19 15, 20 minutes ago, so I don't have any prepared remarks. But  
20 depending on what people say, I might have some kind of  
21 comment.

22 THE COURT: All right. We'll start with the counsel.  
23 If you want to sit down and make yourselves comfortable.  
24 Again, I think all I need is five or ten minutes. Proceed.

25 MR. WHITFIELD: Your Honor, the motion that we filed

1 is rather straightforward and, as you said, you have read it.

2 THE COURT: How many units are covered in your  
3 motion?

4 MR. WHITFIELD: I believe 120 public housing units  
5 total. So we're talking about amending the June 1996  
6 revitalizing order requiring 50 percent of those units be  
7 reserved for persons making 50 to 80 percent of the median  
8 income.

9 And basically our motion -- and let me point out that  
10 we have tried to work with CHA, the CAC leadership, throughout  
11 this process, which is one reason why we brought the motion as  
12 opposed to also bringing a motion for a restraining order. We  
13 are not about trying to hold up leasing, which we feel is very  
14 important, even though we are aware that even as we speak some  
15 units might be filled by persons other than people that we  
16 represent.

17 But what we do think is that going forward it's  
18 important that the right of return that was promised to the  
19 25,000 families who negotiated the relocation rights contract  
20 be preserved as best as possible.

21 Also I want to clarify, we are not talking about  
22 doing away with the priority altogether. Let me clarify. The  
23 priority can stay in place for 50 to 80 percent of the people  
24 who get served first.

25 What we propose is that that be first offered to



1 everybody who has a right to return to the extent that those  
2 people are exhausted. And there are no more people making 50  
3 to 80 percent. It would then be offered to people who have a  
4 right to return who are working families. That is not a  
5 requirement in all mixed income developments, including Lake  
6 Park Crescent. Once those are exhausted -- and that's an  
7 eligibility requirement -- then, of course, you know, the  
8 units will be filled, you know, by going to a waiting list and  
9 so forth.

10 THE COURT: You say you have talked with the CHA.

11 MR. WHITFIELD: Yes.

12 THE COURT: Have you talked to the Receiver as well?

13 MR. WHITFIELD: We have not talked to the Receiver.

14 We have talked to counsel for the Gautreaux plaintiff class.

15 In fact, we had extensive meetings with them --

16 THE COURT: Yes, I know you have.

17 MR. WHITFIELD: -- and basically I think --

18 THE COURT: You're basically at odds with the  
19 Receiver?

20 MR. WHITFIELD: Right. The Receiver is the only one  
21 opposing, basically for the three main reasons. They say,  
22 first of all, 50 to 80 percent is required to prevent --

23 THE COURT: Yes, I know what they say. I was just  
24 wondering whether there was any common ground that the two of  
25 you could or should have explored even before you came here.

1 MR. WHITFIELD: We are hoping to do that, your Honor.  
2 As I say, we are not trying to do away with the priority  
3 altogether. It would stay in place. And to the extent anyone  
4 arises who meets that qualification, they would always be  
5 served first. But going outside the people who have a right  
6 to return to either the waiting list or outside, would just  
7 simply not only penalize the people who are waiting there but  
8 also have a ripple effect in other developments.

9 CHA, in effect, owes us 25,000 units for the family  
10 -- 25,000 families want occupancy. Every unit is occupied by  
11 someone other than that. It doesn't relieve them of that  
12 obligation. So money spent on that is money that won't be  
13 spent for our 25,000 to meet that obligation.

14 So we're concerned that, you know, in other words  
15 meeting that obligation for families who aren't covered by the  
16 right to return may exhaust those resources for families later  
17 on down the road, not to mention which there's really no  
18 rationale for making an exception for (unintelligible) mixed  
19 income as opposed to average mixed income as opposed to  
20 Kenwood Oakland, which is right adjacent to Lake Park Crescent  
21 and does not have this 50 to 80 percent requirement and has  
22 some of the very same people on the working group, myself  
23 included, who did not oppose that.

24 THE COURT: Okay.

25 MR. WHITFIELD: So that's basically our argument.

1 I would really like to sort of just, you know,  
2 emphasize the fairness in this. There is really no  
3 overwhelming reason why the 50 to 80 percent, which was  
4 imposed almost ten years ago, should stay in effect now.

5 THE COURT: All right. You're the movant, so I'll  
6 give you a few minutes to make any further comments if you  
7 want after I have heard from the others. All right?

8 MR. WHITFIELD: Thank you. I would appreciate that.

9 I also have here, just to identify, Mary Wiggins,  
10 who's a chairperson of the Central Advisory Council, who would  
11 like to make some comments after the community has spoken, if  
12 that's okay with your Honor.

13 THE COURT: Sure.

14 MR. WHITFIELD: Okay.

15 MR. JOHNSON: Judge, Tom Johnson on behalf of the  
16 CHA.

17 Our views are set forth in our brief, and as you  
18 know, we have been working on this, trying to solve this  
19 problem since December of 2004. The brief lays out all the  
20 twists and turns of the meetings and discussions that we have  
21 had in an effort to try to resolve this.

22 We also were very clear in our brief that we will  
23 live with and implement either of these sort of options that  
24 are on the table, the site-based waiting list option, which is  
25 attached to our brief, or the CAC proposal.



1 I think my time is best spent just updating you as to  
2 exactly where we are in terms of leasing. You know from the  
3 briefs that we started with 30 units at Lake Park Crescent  
4 that are in this 50 to 80 category which, as you know, is  
5 really a 50 to 60 category based on the financing of the  
6 units, for the most part.

7 As we stand here this morning, 15 of those units are  
8 as yet unleased. There are four applicant families in the  
9 final stage of being leased but we don't count them as leased  
10 until the person has moved in. So there are 15 still sitting  
11 there. Since these units were turned over in November of  
12 2004, that crystalizes the problem.

13 THE COURT: So then how many units does this motion  
14 --

15 MR. JOHNSON: How many does this motion relate to?

16 Well, it relates to the 15 that are presently unleased,  
17 although, as I say, there are families in the pipeline.

18 Your Honor should know, too, that while we are  
19 talking about the 15 at Lake Park Crescent out of the total of  
20 30, this 50 to 80 requirement is also in place at another  
21 development called Jazz on the Boulevard located not too far  
22 away from Lake Park Crescent --

23 THE COURT: The camel's nose under the tent.

24 MR. JOHNSON: Yes, sort of that way, although it's  
25 not too big a nose, I guess, because Jazz on the Boulevard has



1 about 15 units coming on later this year that are in this  
2 category. But probably whatever we resolve here is going to  
3 be the resolution for down there as well. But that's sort of  
4 the scope of the problem.

5 As you know from our brief, we explored at great  
6 length at Draper & Kramer what the problems were. Draper &  
7 Kramer is not a small player; they are a very experienced real  
8 estate firm. They said they could resell these units. When  
9 they encountered problems, they brought them to us.

10 At first they thought the ceiling rent on these units  
11 was a problem. We went around the block on that. In the end  
12 Draper & Kramer felt they would prefer the site-based waiting  
13 list.

14 While all those discussions were going on, while all  
15 those attempts to resolve the problems were going on, we did  
16 go through -- just so your Honor knows, we've invited all of  
17 the displaced lakefront families that fit this income criteria  
18 to come to these units. We have invited every CHA family in  
19 any CHA building in the entire city who fits these income  
20 criteria to come to these units. And then we embarked upon  
21 this process of contacting everyone on the CHA waiting lists  
22 and the scattered site waiting lists, and at this point, just  
23 to update the figures, we have contacted 7400 families.

24 This is an extremely time-intensive process because,  
25 as you can imagine, when you contact families, you get lots of

1 phone calls, lots of correspondence back.

2 Again, looking for people in this income category,  
3 the last mailing -- Draper & Kramer told us that most of the  
4 vacant units were one-bedroom units at this point, so the last  
5 mailing of 1500 just went to one-bedroom families, but 7400 in  
6 all. And out of those mailings we got interest from people  
7 within the range -- the income range from about 164 families  
8 that have all been referred over to Draper & Kramer.

9 Now, that process is going to continue and is  
10 continuing today as we speak. The question really before you  
11 is, do we supplement that with the site-based waiting list or  
12 the CAC's proposal. So we stand --

13 THE COURT: Can we do it without any precedent -- or  
14 should we do it without any precedent in regard to similar  
15 matters that might come up in the future?

16 MR. JOHNSON: Other 50 to 80 units? Right. I mean,  
17 one thing we have learned from this plan of transformation is  
18 usually it's good to go slow and see what works, stay with  
19 what works; if it doesn't, be ready to change. So maybe we  
20 should confine ourselves just to Lake Park Crescent at this  
21 point.

22 Pretty much, I think -- oh, just one other point. In  
23 the Receiver's papers, and I think it might have also been in  
24 the Gautreaux plaintiffs' papers, there was a suggestion that  
25 in addition to going to the site-based waiting list, that

1 somehow we would contact all of those 50 to 60 percent of AMI  
2 families, CHA families, who are already placed in permanent  
3 housing, okay, who have already gone through the whole process  
4 and are now sitting in their new units, and somehow solicit  
5 that group to see if they wanted to go down to Lake Park  
6 Crescent.

7           So the reality of that means to go to families up at  
8 Cabrini, North Town Village, at Hilliard on the south side and  
9 other developments like that, people who have now been in  
10 place, presumably whose kids are in school, they are situated,  
11 and somehow entice them to come down to a neighborhood that  
12 they have no interest in, without any difference in the  
13 economics.

14           So that is one part of the proposal that we think is  
15 probably not warranted. We take a lot of time, we don't see  
16 any likelihood of any significant success in enticing those  
17 families to come down.

18           Thank you, Judge.

19           THE COURT: Mr. Polikoff?

20           MR. POLIKOFF: Well, your Honor, this is a tough one.

21           The community understandably is concerned about the  
22 elimination of this requirement, this 50, 80 requirement. And  
23 we have to remember that this was one of the few communities  
24 in Chicago that went through a responsible planning process  
25 with respect to CHA development and ultimately not only didn't



1 oppose the Lake Park Crescent development, but really welcomed  
2 it and supported it as part of a larger community structure.

3 And although very many good things have happened to  
4 North Kenwood Oakland, it's still not the equivalent of  
5 Lincoln Park. And Shirley Newsome and Tony Preckwinkle, the  
6 Alderman, have poured many, many days and months and weeks,  
7 years, I guess, of blood, sweat and tears into the  
8 strengthening of the fabric of their community, and they are  
9 to be commended for that.

10 And it's not easy for the Gautreaux plaintiffs to  
11 take a position different from one that they espouse.  
12 Nonetheless, there are tough decisions that have to be made,  
13 and for the Gautreaux plaintiffs, for an understandable  
14 reason, I hope, we come down on the other side of this one.

15 That reason is that if we go to a site-based waiting  
16 list, we are, in effect, offering remedial units, units that  
17 are designed to provide relief for Gautreaux plaintiff  
18 families, to persons who are outsiders, who are not members of  
19 that class, while as Mr. Whitfield points out, members of that  
20 class will not have access to those units because of this  
21 income restriction.

22 It's very difficult for the Gautreaux plaintiffs to  
23 espouse an approach after all these years that they have spent  
24 seeking to foster a remedy for a large class of families who  
25 have not yet been given a remedy, to see some available



1 remedial units go to outsiders. That's the key point, your  
2 Honor.

3 THE COURT: I understand.

4 MR. POLIKOFF: I want to add to that that with great  
5 deference, and understanding the concerns of the community, we  
6 can't address this question of whether or not to drop the 50  
7 to 80 income requirement without recognizing the great strides  
8 forward that the community has taken.

9 We aren't where we were in 1996. North Kenwood  
10 Oakland is a lot stronger today than it was then. The  
11 Receiver's motion details a lot of respects in which the  
12 community is enormously strengthened as compared to what it  
13 was then.

14 I also want to point out that in 1996, when this 50  
15 to 80 percent requirement was imposed, there were thousands of  
16 public housing units on the northern border of the community,  
17 in the Clarence Darrow and Madden Park and Ida B. Wells, CHA  
18 developments, most of which were populated virtually  
19 exclusively by extremely low income families.

20 Today many of those high-rise some of them, mid-rise,  
21 low-rise units, are gone. They are on a trajectory to be  
22 replaced with a vibrant mixed income community newly named  
23 Oakwood Shores, lots of infrastructure development by the city  
24 as part of that plan. It received a large Hope VI grant, as  
25 your Honor knows, and it's one of the exciting new ventures in

1 the city.

2           So far as the North Kenwood Oakland community is  
3 concerned, this is an enormous plus; that overhanging group of  
4 low income public housing developments is now well on the way  
5 to being history, to be replaced by a new community, and  
6 that's an important change in the community circumstances from  
7 1996 and a very, very positive one.

8           To summarize, I said it's a tough call. I don't like  
9 taking a position in opposition to one of the aldermen in the  
10 city whom I think most highly of, any public official, for  
11 that matter. But bearing in mind our responsibilities to the  
12 Gautreaux families whom we represent, our obligation to see to  
13 it that they get these units rather than outsiders, and  
14 balancing against that what we perceive -- it's a subjective  
15 call -- what we perceive to be the enormously strengthened  
16 community, and bearing in mind importantly, as Mr. Whitfield  
17 emphasized, the existing working requirements. After all, it  
18 was the razon detra for the Gautreaux plaintiffs proposing  
19 this requirement in the first place. I recognize there is  
20 some dispute about that, but historical events get murky.

21           What I can tell you with assurance, that our thinking  
22 was the same as it was at Henry Horner one year earlier, when  
23 in 1995 we proposed a mixed income requirement for Henry  
24 Horner and it was clearly then for the purpose, as we said, of  
25 getting working families in. And we do have a working family

1 requirement operative and that will remain operative at Lake  
2 Park Crescent even if the 50, 80 percent income limitation is  
3 eliminated.

4           So on balance, and with reluctance for the reasons  
5 I've stated, the Gautreaux plaintiffs would oppose a  
6 site-based waiting list and would support an elimination of  
7 the 50, 80 percent requirement in your Honor's order.

8           THE COURT: Okay.

9           MR. POLIKOFF: Thank you.

10          MR. SHAKMAN: Good morning, Judge. Michael Shakman  
11 for the Receiver.

12          As you can see, Mr. Levin is present in court this  
13 morning, as is Valerie Jarrett. Both are prepared to address  
14 questions the Court may have.

15          But I would like to outline for you briefly why the  
16 Receiver opposes the CAC motion and why the Receiver attaches  
17 considerable importance to it even though it involves, we  
18 believe, only six units currently. We will talk about the  
19 numbers in a moment.

20          The reason the Receiver opposes this motion is that  
21 it threatens the Receiver's ongoing efforts as the agent of  
22 this Court to generate public support for replacement public  
23 housing that the Receiver is responsible for developing, not  
24 only in the North Kenwood Oakland community but throughout the  
25 city.



1           The CAC motion is clearly an effort to cancel, do  
2 away with an important commitment to the community and to the  
3 city that was made in planning the new public housing that's  
4 being constructed now in this neighborhood.

5           As you know, the commitment was more than just talk;  
6 it was incorporated into the Court's order of June 3, 1996,  
7 and it's been in effect since that time. That commitment said  
8 that one-half of the replacement public housing units on the  
9 lakefront site and the Drexel Avenue site would be occupied by  
10 families who fell into the 50 to 80 percent of median income  
11 range. That commitment grew out of an intense and sometimes  
12 contentious community consultation process involving the city,  
13 the CHA, Mr. Polikoff, tenant representation, the Receiver,  
14 the North Kenwood Oakland residents, a community that has had  
15 a tradition of strong local community interest in what  
16 happens, and, of course, the Conservation Community Council  
17 and the Alderman, both being representatives -- in the case of  
18 the Alderman, an elected representative, in the case of the  
19 Conservation Community Council, a governmental body appointed  
20 by the mayor of the city to represent the community in  
21 community planning.

22           You may or may not recall, but the fact is that the  
23 community was strongly opposed to new public housing in  
24 Kenwood Oakland. The community residents felt that the  
25 community already had far more than its share of public



1 housing, and clearly it did. It did have far more than its  
2 share.

3 In response to what would have been a strong no vote  
4 by the community, the consultation process that the Receiver  
5 was involved in with all of the other parties that I  
6 mentioned, led to what can fairly be called a consensus or a  
7 compromise. And a key part of that consensus and compromise  
8 was that significant efforts would be made to assure that  
9 there would be economic integration at work in the public  
10 housing units. And that meant addressing the fact that,  
11 sadly, the public housing units in the City of Chicago had  
12 become isolated islands of very low income population who cut  
13 off from association with others and cut off from the broader  
14 community.

15 The city participated through Valerie Jarrett, who  
16 was then the Commissioner of Planning. Alderman Preckwinkle  
17 participated as the elected representative of the community.  
18 Shirley Newsome, who is here today and will address the Court  
19 shortly, was and is the chair of the Conservation Community  
20 Council appointed by the mayor, and of course the Receiver was  
21 involved as was Mr. Polikoff, the CHA, tenant representation.  
22 This was a considerable, impressive consultation process and  
23 it generated a result that got incorporated in the Court's  
24 order.

25 The 50 to 80 percent minimum, which what is we're

1 talking about, assured the community concerned that the  
2 housing involved would include residents who were not solely  
3 very low income and would take an important step in breaking  
4 the pattern of very low income only residents in Chicago  
5 public housing.

6         The Receiver believes that developing and maintaining  
7 community support is vital to his work, and his work is not  
8 just brick and mortar but it also involves generating support  
9 in the communities where replacement public housing is being  
10 built so that the residents of those -- of that replacement  
11 housing receive a welcome. As Mr. Polikoff correctly said,  
12 this community welcomed them after we went through this  
13 process, and that welcome is very important to the long-term  
14 social objective of breaking the pattern of isolation and  
15 segregation that led to the Gautreaux lawsuit in the first  
16 place.

17         The Receiver's conclusion is that his commitment to  
18 the community would be breached, and the credibility of his  
19 work in this community and elsewhere, where the Receiver is  
20 called on to become involved in sensitive and difficult  
21 discussions with the community and local representatives,  
22 would be compromised if a commitment of this sort that's  
23 documented in a court order and was the result of an exemplary  
24 public debate is done away with. And there's really no  
25 compelling reason for it to be done away with in this case.

1 Ms. Newsome is here and Alderman Preckwinkle is here;  
2 they will address the Court. All were participants in the  
3 process. They will confirm, as the affidavits we filed with  
4 you do confirm, that the 50 to 80 percent requirement was not  
5 intended simply as a substitute for having a requirement that  
6 a portion of the public housing residents be employed. That  
7 requirement, the 50 to 80 percent requirement, was fully  
8 discussed, it was debated. It was agreed to and ordered to  
9 increase the probability that there would be true economic  
10 diversity in the new public housing component of this  
11 development. It was tailored to encourage -- also to  
12 encourage market rate occupants and to break up the  
13 concentration of very low income residents.

14 A requirement that public housing residents be  
15 employed is not the same thing at all. In any case, that is  
16 not the agreement that was reached with the community or the  
17 city or reflected in the Court's June 1996 order.

18 Ms. Jarrett reminded me that the city contributed  
19 land for approximately 90 units that are involved in this  
20 development, and the city's commitment to that contribution  
21 was based expressly on the planning commitment that Ms.  
22 Jarrett spearheaded and is confirmed in the Court's order to  
23 generate this level of integration within the public housing  
24 component. So there's also a city component of commitment  
25 here.



1 Let me talk about the number of units involved  
2 because our understanding is a little different than what you  
3 have heard.

4 We understand that the motion now involves only six  
5 units in the 50 to 60 percent range in the Lake Park Crescent  
6 project. And my source for that is Lawrence Grisham, who is  
7 part of the Receiver's staff and who will be happy to expand  
8 on how he comes to that number.

9 The other 24 units have been and will be occupied, we  
10 understand, with the families who meet the requirement. It's  
11 very likely that if additional time is allowed, because this  
12 has been a relatively compressed process that's been going on,  
13 that eight -- or the six remaining units will also be occupied  
14 by families who meet the requirement.

15 It's our view that it's much too early in the rental  
16 process to give up on the effort. The remaining units can be  
17 filled from the CHA waiting list or from among Section 8  
18 residents in other housing or by using a site-based waiting  
19 list. Any of those will work, and all of them should be  
20 tried, in the Receiver's view, to ensure compliance with the  
21 Court's order and the commitment to the community.

22 THE COURT: If we do try and are not successful?

23 MR. SHAKMAN: We recognize that after an appropriate  
24 effort has been made -- we don't think that's happened yet --  
25 the Court may want to take another look at this.



1 But a strong point I want to make this morning is  
2 that an appropriate effort has not yet been made and a grant  
3 -- approving the CAC motion at this point would send the wrong  
4 message not only to the community, but it would send the wrong  
5 message to the CHA.

6 The CHA admits at page 3 of its brief -- and  
7 Mr. Johnson acknowledged when he made comments a few minutes  
8 ago that the CHA only began to address this issue, the need to  
9 identify tenants for this 50 to 60 component, in December of  
10 last year; that's a little more than six months ago.

11 You will hear from Alderman Preckwinkle, when she  
12 talks to you, that she has been meeting with the CHA  
13 regularly, Terry Peterson of the CHA, the Executive Director,  
14 for years and has been telling him you need to get started on  
15 this process, you can't wait until the last moment and you  
16 have to consider alternatives together.

17 So part of our --

18 THE COURT: How much time do you think it would take  
19 to accomplish that?

20 MR. SHAKMAN: I think without -- at least a process  
21 that's given a full year's real effort. It hasn't been done,  
22 and I think candidly the CHA was late in starting it, late in  
23 dealing with this. And it sends the wrong message to the CHA  
24 to say that if you don't start a process that is admittedly  
25 novel, because they haven't done this before, and you wait

1 until you're on the -- long past the startup of the project  
2 and on the eve of having units come on line --

3 THE COURT: Did you talk to Mr. Whitfield about him  
4 entering and continuing his motion to give them --

5 MR. SHAKMAN: I confess I have not. And I have to  
6 confess as well that I am here as Mr. Feldman's substitute  
7 because he got called out to an emergency, so I don't have the  
8 full background. Mr. Feldman may or may not have had  
9 conversations.

10 THE COURT: According to Mr. Whitfield, he hasn't had  
11 conversations with him.

12 MR. SHAKMAN: I have no reason to question Mr.  
13 Whitfield on that issue.

14 THE COURT: I'm not suggesting that there can be an  
15 amicable resolution among you. All that I'm suggesting is  
16 that it would have made some sense for Mr. Whitfield to speak  
17 with you and some of the others who oppose this position to  
18 see if there could be some kind of meeting of the minds. You  
19 propose one yourself, which could simply mean me delaying  
20 action on his motion until the CHA had a reasonable amount of  
21 time to do the things you say it should be doing to give some  
22 credibility to Mr. Whitfield's proposal.

23 Does that make sense at all?

24 MR. SHAKMAN: It all makes perfect sense to me. The  
25 one year number I picked as an example is not written in

1 stone.

2 THE COURT: I'm not holding you to the one-year  
3 number or giving that one-year number any credibility. But it  
4 seems to me that there may very well be a reasonable period of  
5 time that everybody could agree on that would be long enough  
6 for the CHA to exhaust a good faith effort to do what it has  
7 to do.

8 MR. SHAKMAN: That makes a lot of sense to me, Judge.

9 It may be that Ms. Newsome or Alderman Preckwinkle  
10 can elaborate on contacts with Mr. Whitfield that I don't know  
11 about. And I apologize to the Court, being a pinch-hitter  
12 today I don't bring the full background --

13 THE COURT: That's all right.

14 MR. SHAKMAN: Thank you, Judge.

15 THE COURT: Alderman Preckwinkle, would you like to  
16 say a few words?

17 MS. PRECKWINKLE: Thank you, your Honor.

18 You know, I think the first thing I would say is that  
19 I am profoundly disappointed to be here today. I thought that  
20 we would settle this matter nine years ago in 1996 with a  
21 revised memorandum of accord, and I never expected to appear  
22 in court again on this matter.

23 I am by profession a history teacher, so forgive me  
24 if I give you a little history; it's probably history you're  
25 well aware of but let me remind you nonetheless.



1 I was elected in 1991 and I promised that I would try  
2 to take down the vacant CHA buildings on the lakefront and try  
3 to work for a mixed income community, low-rise, lower density,  
4 mixed income community on the site, and for several years got  
5 virtually nowhere.

6 I was fortunate, though, in 1993. When Bill Clinton  
7 was elected president he chose one of my colleagues, Edwin  
8 Eisendrath, to be regional director of HUD. And shortly after  
9 Edwin was sworn in I went to him and said, you know, look, I  
10 need your help, colleague. We're not getting anywhere on the  
11 lakefront in trying to redevelop this site and I could use  
12 your help.

13 Edwin was good enough to convene monthly meetings for  
14 a year-and-a-half that included all the parties that you have  
15 heard from, not just resident leadership at CHA, but CHA and  
16 the Receiver and BPI and the Department of Housing and Shirley  
17 Newsome and myself. I may have forgotten someone or some  
18 entity. Shirley can help you on that. We met for a  
19 year-and-a-half every month to try to work out a revised  
20 memorandum of accord that we could all sign onto, and  
21 eventually that was the case.

22 When we came to court to support that revised  
23 memorandum of accord, we were opposed in court by community  
24 residents, residents for responsible redevelopment of North  
25 Kenwood Oakland who made the case that you've heard from Mr.

1 Shakman; that is, that our community already had an abundance  
2 of not only public housing but subsidized housing and very low  
3 income families and that it was not in the community's  
4 interest to have any more public housing at all.

5 My vision for the community has always been a mixed  
6 income -- as a mixed income community, and I have always said  
7 that we have to have a place in redevelopment of North Kenwood  
8 Oakland for those who are very poor. This was not a position  
9 that was greeted with uniform enthusiasm as I expressed in the  
10 community over time. Hence, the creation of RRR and some very  
11 difficult community meetings in which yours truly and Shirley  
12 Newsome and other community representatives took a great deal  
13 of abuse for their support, the return of public housing  
14 residents to the community.

15 So having been in your courtroom nine years ago  
16 supported by people who are now at odds on this issue, and  
17 coming to an agreement and having sold that agreement to the  
18 community, that is, we're not recreating concentrations of  
19 poverty, we're going to have mixed income communities and  
20 mixed income even in terms of our public housing population --  
21 as I said, it's discouraging to be here.

22 You know, I also want to say that in those  
23 discussions over a year-and-a-half in Edwin Eisendrath's  
24 office at HUD, there was never any discussion of working  
25 families, never, that I can recall. I don't even recall

1 working families coming up. It was always about income  
2 tiering because it's quite true that you can be very poor in  
3 this country and have a full-time job. It's a disgrace but  
4 it's surely true.

5 So it was never about working. There are lots of  
6 people in CHA who work full or part time. That wasn't the  
7 issue. It was always income tiering. So my recollection is  
8 different from others who have spoken to you this morning.

9 I think the third point I wanted to make, other than  
10 my beginning point that government needs to keep its promises  
11 and the idea we should revisit this nine years later is  
12 discouraging to me, and that there was never -- it's my second  
13 point that there was never any discussion about working  
14 families, it was always about income tiering.

15 The third thing I find discouraging is Mr. Johnson's  
16 testimony about CHA. You know, CHA has known since December  
17 of 2003 -- 2004, rather -- I take it back, has known since  
18 1996 that they were going to have to provide 50 percent of  
19 these units at 50 to 80 percent of median. And the testimony  
20 I think is December of 2004, that they began looking for  
21 people to fill these positions.

22 Now, if you've known for eight years at that point  
23 that you have to find these residents, you would think it  
24 would have occurred to somebody that they needed to be working  
25 on this so that they could fill the units when they were



1 available. As a matter of fact, in May of 2004 we had a grand  
2 opening for the development, so somebody might have started  
3 thinking about it, you know, six months prior to that, in May.

4 So I'm appalled that CHA would defend itself by  
5 saying how difficult this is when they had years and years and  
6 years to work on it and didn't. It reflects, I think, their  
7 general ineptitude. I find that discouraging as well.

8 You know, as an elected official my major currency is  
9 my credibility, and I made a commitment to the community that  
10 I represent that I was going to try to work toward the  
11 creation of mixed income communities and try to eliminate the  
12 pockets of concentrated poverty that existed in my ward. And  
13 working on the revised memorandum accord was part of that  
14 strategy and part of that commitment. So I'm here today to  
15 support the agreement that we reached in 1996 and the income  
16 tiering that was part of it.

17 Thank you.

18 THE COURT: Thank you very much.

19 Ms. Newsome?

20 MS. NEWSOME: Good morning, your Honor.

21 THE COURT: Good morning.

22 MS. NEWSOME: I'm here on behalf of the North Kenwood  
23 Oakland community as a whole.

24 While I am an appointed representative, I am also a  
25 resident. And the very first thing that I would like to have

1 as a part of the record is that the community as a whole is  
2 not an adversary of residents of public housing and we have  
3 worked very hard over the years to be a representative of them  
4 in various forms where they could not be a representative of  
5 themselves.

6 Secondly, I would like to interject my bit of  
7 history, which goes back a bit further than that of the  
8 elected official, Alderman Toni Preckwinkle, in that in the  
9 early '80s, when then Vince Lane was the Executive Director of  
10 the Chicago Housing Authority, he himself approached the  
11 residents of the community to help him develop a mixed income  
12 scenario at Lake Park Place. He actually came with his staff  
13 to what was then basically a block club association meeting.  
14 He told us that what he envisioned for Lake Park Place, he  
15 could not do it alone; he needed the help of the community and  
16 he asked us for our commitment and we gave him our commitment  
17 to work with him. Although we felt at the time the suggested  
18 mixed income that he was proposing, which was 50/50, was not  
19 proper and proved to be the case, we did, in fact, agree to  
20 give assistance to him. So we were invited into this process.

21 And over the years I believe we have played a vital  
22 role in what has happened in North Kenwood Oakland. Our  
23 community at one point was very much divided along the lines  
24 of the public housing residents, their return, and the greater  
25 community itself. We have been able to overcome that and we

1 were a part of a process that is very much like the present  
2 day working groups. I believe we kind of set the precedent  
3 for today's working groups under the plan for transformation  
4 in that we had all of the players who were involved in this  
5 process and who were capable of making this process successful  
6 at the table.

7         At the time that promises were made to the residents  
8 of Lake Park Place and to the residents of North Kenwood  
9 Oakland, we had a different set of players but there are some  
10 constants that remain today. Mr. Vince Lane is no longer  
11 there, Mr. Eisendrath is no longer there, but basically all of  
12 the other players remain.

13         The one other player who was very, very important to  
14 the process and is no longer at the table is Izora Davis. She  
15 at the time represented the residents of Lake Park Place, and  
16 we have -- as the alderman has alluded to, we had some very  
17 difficult meetings but we were able to work together.

18         Her focus was on that of the greater community and  
19 not just the population of her buildings there on Lake Park  
20 Avenue. And so we were able to come up with agreements, we  
21 were able to get her to make concessions that previously had  
22 not been made, and we continued to maintain a relationship  
23 with her and most of the residents of Lake Park Place. They  
24 are our neighbors.

25         What I am concerned with is that we were



1 pre-transformation. We were able to forge agreements, we were  
2 able to come together as a working group. We were able to  
3 determine that the mix should be one-third, one-third,  
4 one-third, which set the precedent for the CHA transformation,  
5 and we did that basically without the CHA transformation  
6 hanging over our heads, so to say.

7 I think what has happened over the course of time is  
8 that we have changed administration, we have been presented  
9 with CHA transformation as a plan, and to a certain extent it  
10 overshadows agreements that were made initially by the group  
11 that was not a part of transformation. And I am concerned  
12 that the promises that were made not only to the residents of  
13 the community but to the residents of public housing at that  
14 time, not be overshadowed by laws that have come into effect  
15 since.

16 The CHA has continued to come back to the community  
17 and has gotten concessions from the community with regard to  
18 plans that were a part of transformation. They are looking  
19 forward to coming to the community in the near future again so  
20 that we might even amend our conservation plan, which is law,  
21 to accommodate the residents of public housing.

22 We cannot in good faith support what has been  
23 presented because it goes against the promises that were made  
24 to us prior to CHA transformation.

25 As the Alderman has stated, there was no discussion

1 of working requirements because that was not what our efforts  
2 were geared toward at the time. We specifically raised the  
3 issue of the greater population of North Kenwood Oakland which  
4 did not occupy public housing but shared the same economic  
5 status. And we informed the residents at that time, because  
6 we knew at some point many of those poorer residents, some of  
7 whom who were working, some who were not, would be possibly  
8 displaced as the community went through its transition; some  
9 Section 8 units would be converted into market rate units and  
10 those people were concerned as to where would we go.

11 All of the emphasis was on public housing residents,  
12 but what about the other poor that occupied the North Kenwood  
13 Oakland community. So we had to ensure that some  
14 consideration would be given to them. And we, as a part of  
15 our agreement, we thought, more or less were assuring or  
16 guaranteeing that they, too, would be served along with the  
17 public housing population.

18 Now, the units that we are discussing today, they are  
19 not an enormous number of units. I do believe that if  
20 additional time were granted for this process to take its  
21 course, that CHA, along with Draper & Kramer as the developer,  
22 would be able to find residents for those particular units.  
23 But I'm also very conscious of the fact that the effort has  
24 not been made to extend itself to the greater population of  
25 North Kenwood Oakland who were promised that they would be

1 given consideration after the residents who had the initial  
2 right to return to those units.

3           And so, what I wish to leave with you today is the  
4 fact that while the CHA is presently concerned with promises  
5 that they are making and have made as the result of CHA plans  
6 for transformation, there were promises made prior to CHA  
7 transformation and those promises need to be kept as well,  
8 particularly if CHA is going to continue to be successful in  
9 the North Kenwood Oakland community. And I do believe that  
10 this community has, more or less, set the precedent for public  
11 housing, mixed income development throughout the city as well  
12 as the nation.

13           It was Mr. Lane's theory that if it could work in  
14 North Kenwood Oakland, it could work anywhere. For that  
15 reason, it has to work in North Kenwood Oakland, and promises  
16 made have to be promises kept to the community as well as to  
17 the residents.

18           Thank you.

19           THE COURT: Thank you, Ms. Newsome.

20           MS. PRECKWINKLE: Your Honor, if I may, there's  
21 something that I neglected to mention in my remarks which I  
22 ought to put on the record.

23           I meet every month or two with Terry Peterson, and  
24 the issue of filling the 50 to 80 percent of median units in  
25 Lake Park Crescent and Jazz on the Boulevard is a recurring



1 topic in our meetings. I repeatedly told him that I didn't  
2 care how he found people to fill those units, whether they  
3 went to other developments and asked people if they were  
4 interested, whether they went to the waiting list, the CHA  
5 waiting list, whether they took people who had permanent  
6 placements elsewhere and invited them to be residents of Lake  
7 Park Crescent. I didn't care as long as they met their  
8 commitment as part of the memorandum of the Court.

9           So I just want the record to reflect the fact that I  
10 repeatedly raised this issue with Terry Peterson and let it be  
11 known to him what my position was; that is, that CHA needed to  
12 do as the memorandum of the Court in 1996 required them, and  
13 that is, find residents in the 50 to 80 percent median.

14           Thank you.

15           THE COURT: Okay. I will let you respond,  
16 Mr. Johnson. I want to make sure I've heard -- yes?

17           MS. ELSON: If you don't mind, I would like to make a  
18 few comments on behalf of HUD.

19           I did call Linda Wawzenski as soon as I heard about  
20 this session. She was not able to attend. She had some  
21 paralegal interviews set up already.

22           THE COURT: Yes.

23           MS. ELSON: She had not been informed either.

24           Just a little bit of my history. I have been an  
25 attorney with HUD for almost 27 years, I have been involved

1 with working with the CHA before the appointment of the  
2 Receiver, and I've come to the courtroom frequently when John  
3 Jensen was Mr. Gautreaux within the HUD organization, so I do  
4 certainly have some familiarity. And my current major  
5 responsibility is working on mixed finance projects with the  
6 CHA and Receiver and developer, so I am fairly familiar with  
7 most of these materials.

8 A few points I would like to make quickly, your  
9 Honor. First of all, I think there was a little bit of  
10 confusion about the number of units we have been talking about  
11 at this point and I think it's fairly important that we get a  
12 good understanding of what the number of units really in  
13 question are.

14 We have figures ranging from the need to fill six,  
15 eight, twelve or 15 units, and that number out of 30 I think  
16 possibly casts a different light on the significant effect  
17 here. So, again, I just want to point that out.

18 One of the things I would like to mention is that in  
19 a perfect world it would be great if we had more time and just  
20 let the process continue. And I'm not a financing expert but  
21 I think the answer to that question is that this project is  
22 now behind schedule and in terms of the original financing,  
23 some things really are called into question if units are not  
24 filled promptly.

25 On the other hand, to counterbalance that, I would

1 have to say that the notion of a campaign to bring in people  
2 who are not on the current CHA waiting list is problematic to  
3 HUD.

4       When you look at our regulations, the regulations  
5 talk about the acceptability of waiting lists, site-based  
6 waiting lists and certain circumstances, but they are written  
7 on the expectation -- or presumption that indeed all of those  
8 applicants have been public housing applicants. The notion  
9 that there is a list of public housing applicants currently of  
10 many thousands of families and now some folks who have not  
11 been part of that process, are not on that list, all of a  
12 sudden being brought in to form a -- either immediate  
13 occupancy or a site-based waiting list, is something that is  
14 just not envisioned in our regs. So as a general principle,  
15 we're not in favor of the notion of going to the outside.

16       On the other hand, I think there's maybe somewhat of  
17 a compromise position that should be considered here. I was  
18 in a couple of meetings in the last several months discussing  
19 this issue and one of the things we talked about was the  
20 notion that of the many, many people who have called or  
21 responded to inquiries, the CHA folks, the applicants and  
22 those currently at other sites and on other waiting lists who  
23 have responded, many were very interested but they did not  
24 meet the 50 percent threshold.

25       According to Lilian Fuentes, who used to be in CHA



1 legal and is now a major person in their occupancy area, the  
2 sense of the people receiving the phone calls and the  
3 inquiries and doing this work was that if the 50 percent was  
4 lowered to 40 percent, maybe 35 percent, but somewhere in the  
5 35 to 40 percent range, that these units would have filled  
6 very quickly; that there's a fairly large number in the CHA  
7 demographic that fit into that band, although they are not yet  
8 up and hopefully will be up to the 50 to 60 percent band, but  
9 they are not at that point quite yet.

10 So I think there should be some serious discussion of  
11 the possibility of maybe not eliminating this threshold but  
12 just lowering it.

13 I think if you -- you know, what is the difference in  
14 the quality of the family who makes 40 percent of area median  
15 income instead of 50 percent? They're working, they're  
16 meeting that criteria. Of course there's always a financial  
17 consideration, but as long as the CHA operating subsidy is  
18 providing an adequate source of funding to make up the  
19 difference between the family's income and what the expenses  
20 of running the building are, I don't think you need to worry  
21 about deterioration of the real estate. They're working  
22 families, they should be good tenants. I don't know what  
23 makes them bad tenants just because they fall below the 50  
24 percent mark.

25 And I think the only -- a couple things I wanted to

1 add to that. Mr. Polikoff talked about some of the other  
2 activity in the community. We are hoping that either by today  
3 or by tomorrow morning HUD will be approving the next phase of  
4 the Madden-Wells project; the first phase has gone very well.  
5 As we understand all aspects, physically, occupancy, providing  
6 social services -- another phase hopefully will be approved  
7 certainly no later than noon tomorrow. So that again adds to  
8 the notion of an additional mixed income community moving  
9 forward hopefully very quickly, like the first phase.

10 And in terms of the Receiver's credibility, I guess  
11 my reaction would be that the Receiver has developed their  
12 credibility and their reputation over the last 17 years. They  
13 are no longer at a stage where acquiring vacant parcels is the  
14 major burden that it was during the late '80s and the early  
15 '90s. And so, I feel fairly convinced that the Receiver's  
16 credibility can withstand an assault based on this one fairly  
17 small issue in the overall scheme of things that's been going  
18 on for the last 17 years.

19 MS. PRECKWINKLE: Excuse me. Your Honor --

20 THE COURT: Everything has to come to an end, Ms.  
21 Preckwinkle.

22 MS. PRECKWINKLE: I'm sorry, your Honor.

23 You know, I have never met this woman before in my  
24 life. I am distressed by what she says. It's not just the  
25 Receiver's credibility that is on the line here. It's all of

1 us who stood behind the memorandum of accord in 1996. And  
2 particularly, it's me and Shirley and Valerie.

3 I don't know where this woman came from, but she  
4 surely wasn't part of our discussions in 1996. And I'm  
5 appalled that she would think that it doesn't matter about the  
6 Receiver's credibility. This is an issue for me and my  
7 community, the community I represent. I committed to trying  
8 to create a mixed income community, and if she doesn't care  
9 about my credibility or Shirley's credibility or Valerie's  
10 credibility, we ought to talk to her outside the chambers.

11 MR. LEVIN: What about my credibility?

12 MS. PRECKWINKLE: I'm sorry. Dan Levin's  
13 credibility, too.

14 MS. ELSON: I did not say anything about the  
15 Alderman's credibility or Ms. Newsome's credibility. I was  
16 referring specifically to the point of the Receiver's  
17 credibility, which I think speaks for itself based on the last  
18 17 years.

19 THE COURT: Let me say that everyone in this room has  
20 extraordinary credibility, I think, and this motion is not  
21 going to be resolved by me weighing anyone's credibility or  
22 the extent of the ire that someone may have in regard to  
23 someone's credibility or their lack of it.

24 I appreciate, you know, the intense emotion that  
25 everyone has on this issue. I appreciate how you're involved



1 in this issue and I commend it, I don't denigrate it. But I  
2 assure you that this will be resolved in a very calm manner  
3 and that no one need to be bringing into the mix the  
4 credibility of anyone.

5 Before I let -- oh, yes --

6 MR. JOHNSON: I just want --

7 THE COURT: You're going to have the next to the last  
8 word. Mr. Whitfield is going to have the last word. And I  
9 think there's only one other person who wishes to be heard  
10 other than Mr. Johnson and Mr. Whitfield about summing up.  
11 I'm sorry, will you identify yourself?

12 MR. WHITFIELD: This is Mary Wiggins. She's the  
13 Chairperson of the Central Advisory Council.

14 THE COURT: Why don't you come up and tell me what  
15 you would like me to hear.

16 MS. WIGGINS: Good morning, your Honor.

17 I would like to make a statement that I am not  
18 against the Receiver or Ms. Preckwinkle or Ms. Newsome. I'm  
19 just here to make sure that our residents and the people use  
20 our right of return, the relocation rights contract.

21 Ms. Preckwinkle gave a statement that Izora Davis was  
22 the spokesperson for what happened on the lakefront, which  
23 shouldn't have never been because our tenants at Randolph at  
24 that time was the LAC president, too, Washington Park, who  
25 should have had input on the meetings they were having in '96

1 since she done passed in '97.

2 All I'm saying is, if they could lower it to the 45  
3 percent to 40 percent income, our people could reach that  
4 medium. The site specific criteria takes care of everything  
5 else that the residents would have to do in order to move into  
6 Lake Park Crescent.

7 I'm not fighting against the site specific or  
8 anything -- the residents are not being able to meet the 50 to  
9 80 percent of the median income, so that keeps you from  
10 renting these units.

11 If they follow all the site specific guidelines and  
12 everything that's a part of the Lake Park Crescent lease, I  
13 don't think our people would have a problem coming in there  
14 because they are not going to do anything -- they're not --  
15 they're going to meet the social criteria.

16 I believe in them having any kind of social service  
17 that they need to have to make them to be able to fit into  
18 this community. They're just not fitting into the income  
19 part, and I don't think it's fair for you to keep it there at  
20 the 50 to 80 percent if the people can't meet the income, and  
21 then you accuse CHA of not looking for the people. Maybe from  
22 November to this July hasn't been enough time to find the  
23 people that meet the 50 to 80 percent income.

24 So my thing with the CAC and the reason why we fought  
25 is because we didn't want them to go to a waiting list to keep

1 our people out because they have a right of return. And  
2 25,000 of our people have to be satisfied before 2009, because  
3 that's when the plan for transformation is over.

4 That's all I have to say, your Honor. Thank you.

5 THE COURT: Thank you.

6 MR. SHAKMAN: Judge, is there any chance you would  
7 entertain 60 seconds of additional comment from me?

8 THE COURT: 60 seconds and then we will go to  
9 Mr. Johnson.

10 MR. SHAKMAN: I'm informed by the Receiver that it's  
11 relevant to note that at Horner there is an identical  
12 requirement of 50 to 80 percent and that a quarter of that  
13 number is about 100 units. And CHA did undertake an extended  
14 outreach program before the units came on line and did fill  
15 those units.

16 THE COURT: Okay.

17 MR. JOHNSON: I think I can make mine in fifteen  
18 seconds, Judge.

19 I only rise because the Receiver and the Alderman  
20 suggested that CHA began identifying families for these 50 to  
21 80 units in December of 2004. That is not what I said in the  
22 brief; that is not what I said to you. That's not, in fact,  
23 what happened.

24 Just so your Honor knows, many months before the  
25 construction was complete on these units, CHA gave Draper &



1 Kramer information on all of the families in CHA across the  
2 entire city that met this income requirement. There were  
3 nearly 400 families living all over the city. We also gave  
4 them all the information of the families amongst the lakefront  
5 displacees, which was a very small number, that met the income  
6 requirements.

7 What happened in December of 2004 is that Draper &  
8 Kramer came to us and said, all of these CHA families are not  
9 enough. We need to find another source of families for these  
10 units because all of the CHA families were entitled to this  
11 relocation; we have gone through and we have vacancies. And  
12 that's when, in December of 2004, we began exploring these  
13 alternatives of reducing the ceiling rent, going to the  
14 waiting list and doing site-based waiting. So just for point  
15 of clarification.

16 The only other thing is on the vacancies, I did check  
17 yesterday. Our information is there's seven one-bedrooms,  
18 five two-bedrooms and three three-bedrooms without signed  
19 leases right now.

20 THE COURT: Mr. Whitfield?

21 MR. WHITFIELD: Judge, I think starting off, I do  
22 want to say a response to a couple comments you made.

23 I did reach out before we filed a motion to CHA, to  
24 -- Mr. Polikoff I had a meeting with; I also talked to  
25 Alderman Preckwinkle several times. She and I are neighbors

1 and we meet in Hyde Park sometimes. And I had advised her  
2 that if this came to pass, that our families with the right of  
3 return were passed over for people on the waiting list or  
4 people who hadn't even applied, that the CAC would oppose  
5 this. That was several months before we actually filed a  
6 motion.

7           So I must admit I did not reach out to the Receiver.  
8 I did place a call, I think to Ms. Jeffers; she might have  
9 been on vacation, but I did not follow that up, so I was  
10 remiss in that.

11           I think it boils down to this: You know, is the  
12 working requirement, the CHA is unopposed, not only Lake Park  
13 but all mixed income, does it serve -- I know it's not the  
14 same as the 50, 80, but does it serve the same fundamental  
15 purpose which Mr. Polikoff alluded to? I think it does,  
16 creating economic diversity. If it's true, then there is no  
17 breach, you know, to any agreement or understanding that was  
18 made.

19           I also want to point out that the CAC was not a party  
20 to these negotiations in 1996 that led to this -- Ms. Wiggins  
21 alluded to that. CHA was, in fact, controlled by HUD in 1996  
22 and --

23           THE COURT: Well, I mean, just because you weren't a  
24 party to it really is not relevant. There are new  
25 organizations that spring up all the time.

1 MR. WHITFIELD: Very true.

2 THE COURT: If we were to revisit every agreement  
3 just because there's a new organization that has an interest  
4 that didn't exist at the time of the agreement, I would be  
5 spending a lot of time reviewing agreements.

6 MR. WHITFIELD: You asked, you know, will we be  
7 amenable to some type of resolution, maybe continuing our  
8 motion? I talked to Ms. Wiggins briefly. We're open to that  
9 to a certain extent. We don't think a year is necessary  
10 because our review of some of the statistics of CHA -- there  
11 may not be that many people left.

12 We don't think it prudent, as Mr. Polikoff pointed  
13 out, to take people who have already had other mixed income  
14 who meet these criteria, and then take them from those places  
15 -- that's creating the same problem or adding to it.

16 But we are amenable to continuing the motion,  
17 however, with the proviso -- there are only about six or seven  
18 units to be filled. I don't think a great deal of harm would  
19 be done if those units were leased to people with a right to  
20 return who, as Ms. Elson pointed out, don't meet the 50 to 80  
21 but are working families who maybe meet the 30 to 50 percent  
22 median income.

23 You would fill the units, we could continue our  
24 discussions, try to enter into some kind of resolution. We're  
25 open to that, the CAC is open to that if, you know, the other



1 parties are.

2 THE COURT: Thank you very much.

3 MR. WHITFIELD: Yes.

4 THE COURT: All right.

5 Let me say this: I am ready to rule and I could rule  
6 right now, but I'm not going to. I'm going to rule probably  
7 next Thursday or Friday. The reason for that is that there  
8 are people who have differences with each other in regard to  
9 the agreement in this room and in their oratory expressed  
10 those agreements quite vociferously.

11 But having said that, you people live together in the  
12 community and work together in the same community and I see no  
13 one in this room of ill will. And for that reason I think it  
14 makes sense to give you an opportunity, which may or may not  
15 be successful, to sit down and see if there's some kind of an  
16 accommodation that can be made that won't make everybody happy  
17 but that everyone can live with to resolve what I perceive is  
18 a very small problem, because we're only talking about a  
19 handful of units, but a big problem in terms of perhaps a  
20 precedent or perhaps a demeaning of a position that has been  
21 put forth in the community by various parties.

22 So what I'm saying is that, you know, I make  
23 decisions all the time, I make them quickly, I am not the  
24 least bit reluctant to make them, even hard decisions, and  
25 this is not a hard decision. I'm not going to make it today.

1 I want, Mr. Whitfield, for you to sit down with the  
2 Receiver, with your neighbor, the Alderman, with HUD, CHA, Mr.  
3 Polikoff, and see if you can work something out that you all  
4 can live with. Again, something that's not going to make you  
5 all completely happy, but it seems to me that the greater good  
6 is not to make two or three parties extremely happy; the  
7 greater good is to make you all live together and work  
8 together because you're all people essentially of good will  
9 trying to accomplish something for the community. You have  
10 different views as to what is best for the community, but I  
11 think you all have the very same goal of trying to do what is  
12 best for the community.

13 Since Mr. Polikoff, by seniority, not only in age but  
14 in terms of endurance, has been around, I would like for you  
15 to let me know by Thursday morning, A, if there has been some  
16 kind of an accommodation made or, B, if you want me to delay  
17 my ruling because you're working on one that can be made, or,  
18 C, if you are completely at loggerheads and want me to rule.

19 Thank you very much.

20 (Which were all the proceedings had at the hearing of the  
21 within cause on the day and date hereof.)  
22  
23  
24  
25

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true,  
correct and complete transcript of the proceedings had at the  
hearing of the aforementioned cause on the day and date  
hereof.

Maurye. Hacker  
Official Court Reporter  
U.S. District Court  
Northern District of Illinois  
Eastern Division

10/27/05  
Date