

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

DOROTHY GAUTREAUX, *et al.*,

Plaintiffs,

V.

CHICAGO HOUSING AUTHORITY, *et al.*,

Defendant.

No. 66 C 1459

Hon. Marvin E Aspen

**JOINT MOTION FOR AN ORDER APPROVING SETTLEMENT AGREEMENT**

Plaintiffs (“Plaintiffs”) and Defendant Chicago Housing Authority (“CHA”), by their counsel, jointly move the Court for an order approving a Settlement Agreement (attached to the proposed Agreed Order as Exhibit A), resolving a controversy between the parties regarding CHA’s proposed rehabilitation of 509 units of public housing at the Altgeld Gardens/Murray Homes development (“Altgeld”). In support of this motion, the parties state the following:

1. Following initial conversations and negotiations between the parties about the proposed Altgeld rehabilitation, Plaintiffs filed in this Court, on May 27, 2014, a motion to schedule a conference between the parties and the Court to seek the Court's assistance in resolving the controversy and avoiding more formal litigation. The Court granted the motion and scheduled the conference for June 12, 2014.

2. At the June 12 conference, after hearing Plaintiffs' concerns with the proposed rehabilitation, the Court encouraged the parties to continue out-of-court conversations and negotiations to resolve their controversy.

3. Following the conference, on June 13, 2014, Plaintiffs filed in this Court a motion to enforce certain Gautreaux orders that they believed prohibited the Altgeld rehabilitation. In

addition, Plaintiffs filed motions for preliminary interim relief and immediate interim relief, respectively, to halt rehabilitation pending a final resolution of the controversy. Plaintiffs did not set a presentment date for their motions, and so, despite disagreeing with the merits of Plaintiffs' argument, CHA did not file responses to the motions.

4. Now, after further discussion and negotiation, the parties have reached a compromise in the form of a Settlement Agreement that the parties find mutually agreeable.

Wherefore, the parties respectfully request the Court to review the Settlement Agreement attached to the proposed Agreed Order and to enter the proposed Agreed Order approving it.

January 27, 2015

Respectfully submitted,

/s/ Alexander Polikoff  
One of the Attorneys for Plaintiffs

Alexander Polikoff  
Julie Elena Brown  
Business and Professional People  
for the Public Interest  
25 East Washington Street, Suite 1515  
Chicago, IL 60614

/s/ Scott Ammarell  
Chicago Housing Authority

Scott Ammarell  
General Counsel  
Chicago Housing Authority  
60 East Van Buren Street  
Chicago, IL 60605

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

DOROTHY GAUTREAUX, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	No. 66 C 1459
	)	
	)	Hon. Marvin E Aspen
CHICAGO HOUSING AUTHORITY, <i>et al.</i> ,	)	
	)	
Defendant.	)	

AGREED ORDER

Upon consideration of the parties’ joint motion advising this Court that the they have reached an agreement settling their dispute regarding Defendant’s proposed rehabilitation of public housing units at the Altgeld Gardens/Murray Homes development, and having considered the parties’ request for approval of the Settlement Agreement (attached hereto), it is hereby ORDERED that the parties’ joint motion is granted, and the Court approves the Settlement Agreement attached hereto.

ENTER:

\_\_\_\_\_

DATED: \_\_\_\_\_, 2015

## **MEMORANDUM OF AGREEMENT**

THIS AGREEMENT dated January \_\_\_\_, 2015 is made by and between the Chicago Housing Authority ("CHA"), a municipal corporation, Business and Professional People for the Public Interest ("BPI"), and the plaintiffs in the Gautreaux litigation. This agreement governs the CHA's remaining rehabilitation and redevelopment activities at that certain CHA property known as Altgeld/Murray Homes ("Altgeld").

### **BACKGROUND**

Under the CHA's Plan for Transformation, the CHA has committed to rehabilitating or redeveloping approximately 25,000 units of public housing, and CHA has to date rehabilitated approximately 1350 units of public housing at Altgeld. Beginning in 2013, CHA engaged in a community planning process to determine a proposed plan to continue redevelopment at Altgeld. The result of that recommendation was to rehabilitate approximately 509 additional units of public housing at Altgeld and to implement a series of other community and building improvements to enhance the Altgeld community.

Following the announcement of the proposed plan, BPI indicated its opposition to CHA's plan to rehabilitate an additional 509 units of public housing at Altgeld. BPI and CHA met several times thereafter in an attempt to reach an understanding regarding how CHA would proceed with its activities at Altgeld.

In June of 2014, the Gautreaux plaintiffs filed motions before Judge Aspen in the Gautreaux litigation, alleging that several orders entered by the Gautreaux Court applied to rehabilitation of existing public housing units at Altgeld, and that the CHA was prohibited from rehabilitating any additional housing units at Altgeld without first complying with the Gautreaux orders. CHA denies that the rehabilitation of existing public housing units at Altgeld is governed in any way by the Gautreaux court orders.

Rather than litigating the issue and at the request of the Gautreaux court, BPI and CHA have engaged in extensive discussions and negotiations regarding the conditions under which CHA may proceed with rehabilitation of public housing units at Altgeld.

### **AGREEMENT**

#### **A. CHA Agrees to Demolish 180 Units of Public Housing in Blocks 15 and 16 at Altgeld.**

CHA agrees to demolish the public housing units in Blocks 15 and 16 at Altgeld. Because these units are located in the Murray Homes portion of the Altgeld development which is not eligible for historic designation, CHA is not required to engage in what is known as the Section 106 process to secure approval to demolish these public housing units. CHA must still secure approval from the U.S. Department of Housing and Urban

### **EXHIBIT A**



Development ("HUD") in order to demolish these units and CHA hereby commits to implementing the approval process in a timely and expeditious manner. Specifically, CHA will engage in the following steps: a) within 20 days of receipt of approval by HUD of CHA's 2015 Annual Plan, CHA will begin the process of amending the annual plan to call for the demolition of the public housing units in Blocks 15 and 16, including the process for public comment on CHA's proposed demolition, obtaining approval from CHA's Board of Commissioners and submitting an amended plan to HUD; b) within 20 days of receipt of approval by HUD of the amendment to the Plan, CHA will submit to HUD a demolition application for Blocks 15 and 16; c) within 20 days of receipt of approval by HUD of the demolition application, CHA will initiate the process to obtain a demolition contractor using the most expeditious procurement method available (the shorter of the Invitation for Bid process or use of a pre-approved demolition contractor, if available) and will apply for a demolition permit; and d) within 30 days of the procurement of a demolition contractor and permit, CHA will initiate the demolition of the public housing units at Blocks 15 and 16. CHA agrees to keep BPI informed of the progress of the above activities. CHA and BPI will work together to expedite any needed HUD approvals. On all vacant Blocks prior to demolition, CHA will use its best efforts to provide the most effective security feasible.

**B. CHA Agrees to Implement Community and Building Improvements at Altgeld.**

As a result of the community planning process, the proposed redevelopment plan for Altgeld contemplated a series of rehabilitation activities with respect to non-housing buildings and the development of new community buildings and other improvements. CHA has proposed and agrees to implement the activities listed below at Altgeld.

- 1) CHA agrees to rehabilitate the current management and social services offices. Said rehabilitation is underway and CHA expects that the rehabilitation will be complete in 2015. (Estimated cost \$2MM.)
- 2) CHA agrees to rehabilitate the Family Resource Community Center building known as the CYC building. Plans for such rehabilitation are complete and CHA expects to implement the rehabilitation in 2015 with completion set for 2016. (Estimated cost \$2.5MM.)
- 3) CHA agrees to renovate the CHA-owned Fieldhouse Building to include a new roof, asbestos remediation and an interior upgrade. Renovation plans will be completed in 2015 and CHA expects construction to start in 2016 with completion set for 2016. (Estimated cost \$3MM.)
- 4) CHA agrees to renovate the building known as the Gautreaux Child Care Center. Renovation plans will be completed in 2015, with construction to start in 2016 and completion scheduled for 2016. (Estimated cost \$2MM.)

- 5) CHA agrees to construct a new building to replace what is now known as the Center for New Horizons Child Care Center. CHA expects to complete design plans and start construction in 2016 with completion scheduled for 2017. (Estimated cost \$2.5MM.)
- 6) CHA agrees to construct a new building to house the "Altgeld Library" and a family resource center. CHA expects to complete design plans and start construction in 2016 with completion scheduled for 2017. (Estimated cost \$4-5MM.)
- 7) Upon demolition of the public housing units in Block 15, CHA will expand the existing Carver Park to include new park facilities, such as tennis courts, skate parks, basketball courts. The specific facilities will be subject to CHA's discretion following discussions and agreement with the Chicago Park District to operate the implemented facilities. CHA expects to complete construction of these facilities in 2017. (Estimated cost \$2.5MM.)
- 8) CHA agrees to implement certain transportation upgrades, including sidewalks, street resurfacing, bike paths and walking trails. The specific upgrades will be subject to CHA's discretion. These upgrades will be completed by the end of 2017. (Estimated cost \$4MM.)

BPI and CHA acknowledge that these projects are currently budgeted by CHA to be completed between 2015 and 2017, that CHA has specifically identified funding sources for these projects, and that some of such funding sources are subject to annual authorization by HUD and may be reduced or eliminated. CHA will notify BPI as soon as practical in the event it learns that any of its contemplated funding sources will be reduced or eliminated, and the parties agree that they will engage in discussions to determine the extent to which modifications of the activities outlined herein may be altered.

**C. BPI and CHA Agree to Engage in Periodic Discussions Regarding Security and Safety of Residents.**

BPI and CHA agree that to help ensure residents' quality of life there must be a plan for, and commitment to, monitoring and addressing security issues, and will take the following actions:

CHA will assure that its security plan for Altgeld includes: a) regularly updated incident logs to track crime on the property, b) security cameras throughout the property, c) encouraging residents to report crime to 911 and the management office, d) maintaining ongoing communication with the police (including attending CAPS meetings and other community meetings to address recurring security problems), e) hiring private security as needed, and e) other measures determined to be useful. CHA will seek to enlist the cooperation of other community institutions in addressing security issues in the community, such as CPS, the local schools and the Chicago Park District, among others.



CHA and BPI will meet on a quarterly basis to discuss security issues at Altgeld Gardens. CHA's security plan will be presented at the first such quarterly security meeting. Any subsequent changes to the security plan will be presented at the next scheduled CHA/BPI quarterly security meeting following such changes. CHA will report crime incident data and other neighborhood security problems at each of the quarterly security meetings.

The first CHA/BPI quarterly security meeting will be held within 30 days of the effective date of this Agreement.

**D. CHA Agrees to Implement a Unit Matching Program Regarding the 218 Units Which Will Include a Mobility Counseling Demonstration Program.**

CHA agrees that it will match the 218 units rehabilitated in Blocks 7 and 8 to units that CHA acquires or develops in general areas as defined under the Gautreaux court orders or in opportunity areas as defined from time to time by the parties. BPI and CHA acknowledge and agree that such units may be: a) units acquired as public housing units in general or opportunity areas; b) units in general or opportunity areas which are supported by CHA under its Property Rental Assistance program through the use of project-based vouchers; or c) units in general or opportunity areas occupied by families from the CHA's public housing waiting list under the Mobility Counseling Demonstration Program to be established pursuant to this Agreement. In order to incentivize families on CHA's public housing waiting list to elect to use a tenant based voucher in a general or opportunity area, CHA agrees to create a Mobility Counseling Demonstration Program described below and to be approved by CHA's Board of Commissioners. The program will be administered by CHA's existing mobility counseling agency under a contract amendment agreed to be suitable to achieving the objectives of the Program. Upon the expiration of such contract, as amended, and if CHA chooses (in its sole discretion) not to extend the same, CHA will conduct a procurement for a Mobility Counseling contractor whose duties will include continuation of the Mobility Counseling Demonstration Program under a contract agreed to be suitable to achieve the objectives to the Program.

Said Mobility Counseling Demonstration Program shall consist of the following elements:

- 1) CHA shall make offers to families having at least one child who are on the CHA's public housing waitlist as of December 16, 2014. Those who choose to participate in the Program must agree to utilize the voucher in a general or opportunity area. Those who decline to participate in the Program will be returned to the waiting list in the same position they previously occupied.

- 2) CHA will then determine whether families having chosen to participate in the Program are eligible for a voucher, to include review of income, credit and criminal background check requirements.
- 3) Families who meet the eligibility requirements will be provided an initial orientation to the Program conducted jointly by the CHA and its mobility counseling contractor.
- 4) The mobility counselor will provide a specific orientation regarding usage of the voucher in general and/or opportunity areas with the use of peer counseling. The mobility counselor will then provide housing search assistance in destination (general and/or opportunity) areas in Cook and DuPage Counties as needed by the participants. The mobility counselor will also provide assistance with and facilitate negotiations with landlords as well as providing assistance with security deposits in an amount not to exceed \$500 per family.
- 5) CHA will prioritize unit inspections for Program participants to complete the inspection within 10 days of submission of a request for approval of the unit.
- 6) Vouchers will be issued upon acceptance into the Program for a period of 90 days with an initial automatic 60 day extension. Upon the representation of the mobility contractor that the family in question is engaged in good faith efforts to complete the process as rapidly as possible, and an identification of the impediments to speedier progress, there will be additional extensions of 30 days each.
- 7) Participants in the demonstration program who move into units in general and/or opportunity areas in Cook or DuPage Counties will then be assigned to a FamilyWorks service provider for a two-year period post-move in order to support the family's integration into the neighborhood. Such counseling will include quarterly visits with the family in the first year and semi-annual visits in the second year. Such requirements will not restrict a family's ability to request more intensive interaction with the service provider.
- 8) Participants may use their vouchers in general and/or opportunity areas consistent with federal porting regulations, but will receive housing search assistance only in destination (general and/or opportunity) areas in Cook and DuPage Counties.
- 9) Exception rents (up to 150% of fair market rental values) will be available within Chicago city limits pursuant to CHA's existing exception rent process. To the end of enabling mobility counselors to readily ascertain CHA's payment (reasonable rent) standard by unit addresses, CHA will give prompt consideration to data on comparable rents submitted by the mobility contractor.



CHA anticipates moves to general or opportunity areas in the Demonstration Program by a maximum of 50 families in 2015, 70 families in 2016, 60 families in 2017, and the balance in 2018 with the caveat that the Program will end when CHA matches a total of 218 units through the three methods identified above. In the event that vouchers become unavailable for the Demonstration Program, CHA will be obligated to match the remainder of unmatched units to public housing units acquired by CHA in general and/or opportunity areas or those units supported by the Property Rental Assistance program in general and/or opportunity areas.

**E. Other Terms and Conditions**

CHA acknowledges and agrees that the mobility counseling program described in Section D is an integral requirement to BPI's agreement herein; therefore, CHA also agrees that it will not execute a contract with its selected general contractor to rehabilitate the public housing units in Blocks 7 and 8 until such time as CHA's Board of Commissioners approves the demonstration program described in Section D above and the appropriate contract amendment with CHA's contractor is executed. At that time, and following court approval of this agreement, CHA will have the ability to proceed in all due course with respect to the implementation and completion of the rehabilitation of Blocks 7 and 8.

BPI acknowledges and agrees that in order for CHA to implement the rehabilitation of the public housing units in Blocks 7 and 8, CHA will need to obtain HUD approval through the Section 106 process for properties eligible for historic designation. BPI agrees to cooperate with CHA to complete the Section 106 process by supporting CHA's expressed intention to rehabilitate public housing units in Blocks 7 and 8 which are eligible for historic designation at Altgeld. BPI and CHA acknowledge that CHA's current submissions with respect to the Section 106 process include not only the public housing units in Blocks 7 and 8, but units in Blocks 11, 12 and 13 as well. CHA further agrees that it will not initiate any efforts of any kind or nature to rehabilitate any public housing units in Blocks 11, 12, or 13 until such time as CHA has: accomplished the demolition of Blocks 15 and 16 as described in Section A; completed the community and building improvements described in Section B; and matched the 218 units of housing rehabilitated in Blocks 7 and 8 to 218 units in general and/or opportunity areas through the methods described in Section D. At that time CHA and BPI will jointly assess circumstances in Altgeld. If after such assessment CHA determines to engage in further residential rehabilitation at Altgeld it will be free to do so. BPI and the Gautreaux plaintiffs shall be free to oppose such action, including without limitation in the Gautreaux litigation.

This Agreement shall be governed by and construed under the laws of the State of Illinois and each party represents and warrants that it and the undersigned representative of each party has full power and authority to enter into this Agreement and that it has received all necessary or required approvals with respect thereto. Each party further represents and warrants that it has not assigned, pledged, encumbered, or in any manner

transferred or conveyed all or any portion of the claims covered by this agreement, and that no statements or representations made by the other party, except as specifically recited in the Agreement, have influenced, induced, or caused it to execute this Agreement, or were relied upon in entering into this Agreement.

This Agreement cannot be changed, modified, or amended except by a writing executed by each of the parties. This Agreement may be executed in counterparts and copies of this Agreement shall have the same force and effect for all purposes as the original. This Agreement is intended by the parties to settle the issues raised by the motions and memorandum respecting Altgeld filed June 13, 2014 by the plaintiffs in the Gautreaux litigation, and the parties agree that this settlement and the Court's approval thereof shall have no precedential value with respect to any other CHA development. Upon approval of this Agreement by the court, plaintiffs will withdraw their said motions.

CHA affirms that its entry into this Agreement has been authorized by its Board of Commissioners.

This Agreement is executed this \_\_\_\_\_ day of January, 2015.

---

Chicago Housing Authority, a municipal corporation  
By: Michael R. Merchant, CEO

---

Business and Professional People for the Public  
Interest, on behalf of the Gautreaux Plaintiffs  
By: E. Hoy McConnell, II, Executive Director

---

Gautreaux Plaintiffs  
By: Alexander Polikoff, one of their counsel

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

DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	
	)	No. 66 C 1459
vs.	)	
	)	Hon. Marvin E. Aspen
CHICAGO HOUSING AUTHORITY, et al.,	)	
	)	
Defendants.	)	

**NOTICE OF MOTION**

To: Attached List

PLEASE TAKE NOTICE that on Thursday, January 29, 2015, at 10:30 a.m., we shall appear before the Honorable Marvin E. Aspen, Judge of the United States District Court for the Northern District of Illinois, Eastern Division, and then and there present the **Joint Motion for an Order Approving Settlement Agreement**, a copy of which has been filed and is attached and hereby served upon you.

/s/ Alexander Polikoff  
One of the Attorneys for Plaintiffs

January 27, 2015

Alexander Polikoff  
Julie Elena Brown  
Business and Professional People for the  
Public Interest  
25 East Washington Street, Suite 1515  
Chicago, Illinois 60602  
312- 641-5570; fax: 312-641-5454



**CERTIFICATE OF SERVICE**

I, Alexander Polikoff, an attorney, certify that on Tuesday, January 27, 2015, I caused copies of the foregoing Notice and Motion to be served upon the counsel shown on the attached Service List via CM/ECF.

/s/ Alexander Polikoff  
Alexander Polikoff

**SERVICE LIST**

Scott Ammarell, General Counsel (Via CM/ECF)  
Chicago Housing Authority  
60 East Van Buren Street  
Chicago, IL 60605

Thomas E. Johnson (Via CM/ECF)  
Johnson, Jones, Snelling, Gilbert & Davis  
36 South Wabash Avenue, Suite 1310  
Chicago, IL 60603

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

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

**NOTICE OF FILING**

To: Attached Service List

PLEASE TAKE NOTICE that on Monday, August 3, 2015, I filed the attached **Joint Motion to Modify the Judgment Order** with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois 60604.

/s/ Julie Elena Brown  
One of the Attorneys for Plaintiffs

Julie Elena Brown  
Alexander Polikoff  
Business and Professional People for the  
Public Interest  
25 East Washington Street - #1515  
Chicago, Illinois 60602  
312/641-5570

**CERTIFICATE OF SERVICE**

Julie Elena Brown, an attorney, hereby certifies that on Monday, August 3, 2015, she caused a copy of the above-described document to be electronically served on the parties listed on the attached Service List.

/s/ Julie Elena Brown



**SERVICE LIST**

Scott Ammarell, General Counsel  
Chicago Housing Authority  
60 East Van Buren Street  
Chicago, IL 60605

Thomas E. Johnson  
Johnson, Jones, Snelling, Gilbert & Davis  
36 South Wabash Avenue  
Suite 1310  
Chicago, IL 60603