

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

**DOROTHY GAUTREAUX, et al.,** )

**Plaintiffs,** )

**vs.** )

**CHICAGO HOUSING AUTHORITY** )

**Defendant.** )

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**CONCERNED RESIDENTS OF ABLA,** )  
**FERRELL FREEMAN, NONA YOUNG, CAROLYN** )  
**NANCE, WANDRA STIMAGE, VIOLA SINGLETON,** )  
**VERA SMITH, LATONYAMAXWELL, LATONYA** )  
**WILLETT, and LORREE BROWN on behalf of themselves,** )  
**AFRICA SIMPSON and KIZZIE JOHNSON, on behalf of** )  
**themselves and all others similarly situated,** )

**Intervenor-Plaintiffs,** )

**vs.** )

**THE CHICAGO HOUSING AUTHORITY (“CHA”),** )  
**an Illinois Municipal Corporation; PHILLIP JACKSON,** )  
**In His Official Capacity as Chief Executive Officer of the** )  
**CHA; THE UNITED STATES DEPARTMENT OF** )  
**HOUSING AND URBAN DEVELOPMENT (“HUD”); and** )  
**ANDREW CUOMO, In His Official Capacity as Secretary** )  
**of HUD, DANIEL E. LEVIN and THE HABITAT** )  
**COMPANY, jointly, as Gautreaux Receiver,** )

**Intervenor-Defendants.** )

**No. 66 C 1459  
Hon. Marvin Aspen**

**INTERVENTORS’ COMPLAINT**

## **PRELIMINARY STATEMENT**

1. This civil rights class action lawsuit is brought to redress the harm to current and former residents of the Addams, Brooks, Loomis, and Abbott (“ABLA”) public housing development on Chicago’s Near Southwest Side and to people on CHA's waiting list. ABLA is in the recently gentrified Near West Side medical district area and abuts Little Italy. As the neighborhood has become more desirable, the ABLA projects, blighted by years of neglect, stand in the way of “progress.”

2. The Chicago Housing Authority (“CHA”), using \$60 million of HUD money, developed a plan **with the Gautreaux Receiver** to tear down most of ABLA, destroying 3,000 housing units needed by the impoverished, very low-income, African American, female-headed households with children who live or recently lived in ABLA, or who have applied for public housing in Chicago and are waiting for an available unit.

3. **In August 1995 there were approximately 2,500 families residing at ABLA.** The CHA has already displaced over 1,000 **of these** families, and hundreds more will be relocated to "revitalize their neighborhood."

4. Ninety-nine percent of the residents of ABLA are African American. They have lived for decades both to the north and south of Roosevelt Road. The defendants' "revitalization" plans would change that. Where today there are very low income African American residents in ABLA on both sides of Roosevelt Road, "revitalization" will concentrate those who remain almost exclusively south of Roosevelt Road -- away from the gentrifying and predominately white areas of Little Italy and University Village that are north of Roosevelt Road, and away

from the new market and above-market rate construction which is the centerpiece of CHA's "revitalization" plan.

5. Under the defendants' plans, more than 2,500 units of public housing for very low income residents will be lost at ABLA, while hundreds of new homes unaffordable to them will be built. Approximately three-fourths of the new homes will be occupied predominantly by higher-income families, many of whom are likely to be white families.

6. Although one-half of the new units to be constructed at ABLA are set aside for "public housing eligible" families, these units will be for what federal guidelines term "low income" families (families with an average annual income between 50% and 80% of the area median income ("AMI") for the Chicago area (between \$28,700 and \$45,920 for a family of three). ABLA residents are overwhelmingly "very low income" families (with an average annual family income of \$5,883). Under defendants' plans, only a small portion of the proposed new units will be set aside for them. The "very low income" ABLA families will be given rehabilitated public housing units, not newly constructed homes, or will be relocated away from the community. More than two-thirds of very low income units at ABLA will be eliminated.

7. On July 13, 1999, the CHA defendants caused to be issued a Request for Proposal ("RFP") for a development manager to implement CHA's "revitalization plan" for ABLA. Responses to the RFP were due on or before September 16, 1999. **Subsequently, the defendants determined that three entities are finalists for the development manager. Defendants will select a development manager in the near future to implement the ABLA "revitalization plan."**

8. This suit has been filed because all reasonable steps short of litigation have failed. The sad fact is that less discriminatory means of consolidating, repairing and replacing the public

housing at ABLA are available to the defendants, but defendants have ignored these alternatives and have excluded plaintiff CRA, the individually-named plaintiffs, and plaintiff class members from participating or consulting in the formulation of plans for ABLA despite explicit statutory mandate to include them. (See § IV.B., *infra*.) Unfortunately, the people already displaced were not informed of their rights and instead of being offered the opportunity to remain in a revitalized ABLA, were **relocated** to segregated areas of Chicago, either by intent or culpable inaction, once again in violation of **their** statutory rights. Shamefully, these public agencies mandated to use public money to reduce racial segregation have conceived a plan which fails to alleviate the blight of segregation for these very poor, African American, female-headed households. **The ABLA intervenors** are seeking to have the Court protect them by forcing these public agencies to do what the law requires – fully informing the present and former ALBA residents of their rights, and requiring consultation with the residents to create a plan **that** provides the maximum amount of **viable** integrated housing for very low income families. (See, § IV., *infra*) Despite statutes and regulations requiring such conduct, defendants have to date failed to do this and have taken numerous actions in direct violation of federal housing and civil rights laws.

9. The ABLA plaintiffs' complaint was originally filed on July 29, 1999 and was assigned to Judge Robert W. Gettleman. On August 18, 1999 the plaintiffs in Gautreaux v. CHA, No. 66 C 1459, and the defendant Gautreaux Receiver filed a joint motion in this court to dismiss the ABLA plaintiffs' complaint without prejudice to the ABLA plaintiffs to seek leave to intervene in the Gautreaux case. On November 4, 1999, this Court granted the joint motion and dismissed the ABLA plaintiffs' complaint with prejudice but without prejudice to their right to intervene in Gautreaux. See Order of November 4, 1999, attached hereto as Exhibit A. The ABLA plaintiffs, pursuant to this Court's order of

November 4, 1999 and Fed.R.Civ.P. 24, are now filing their petition to intervene in Gautreaux and have attached their Intervenors' Complaint as their pleading that sets forth their claims for which intervention is sought.

## II. JURISDICTION AND VENUE

9. This court has jurisdiction over plaintiffs' claims under 28 U.S.C. §§ 1331 (federal question) and 1343 (civil rights), and 42 U.S.C. § 3613 (fair housing). Venue is proper in this judicial district under 28 U.S.C. § 1391(b).

## III. PARTIES

### The Intervenor-Plaintiffs

#### The Concerned Residents of ABLA

10. The Concerned Residents of ABLA ("CRA") is an association of tenants living in the ABLA public housing development. CRA is incorporated as an Illinois non-profit organization. CRA's mission is to act as an advocate for ABLA residents in the residents' efforts to protect their rights as tenants of the CHA, to stimulate self-determination for the residents, and to encourage all ABLA residents to become responsible citizens of the community. CRA also seeks to represent the best interests of all ABLA tenants. All ABLA tenants are eligible to join CRA and to participate in CRA activities.

11. ABLA residents formed CRA in the fall of 1996 when it became clear to them that CHA had plans to tear down much of ABLA and to relocate many ABLA families. CRA was concerned that tenants' rights would not be upheld in this process, specifically, that tenants would be forcibly relocated and would not be able to live in the new replacement housing being built at ABLA.

12. Under federal housing statutes and HUD HOPE VI requirements discussed below, tenant organizations such as CRA are to be afforded a meaningful opportunity to participate in planning, development, implementation and monitoring of local urban revitalization programs; instead defendants have shut CRA out.

### **Individual Residents of ABLA**

13. Ferrell Freeman is an African American female. For over 40 years, Ms. Freeman lived in the Jane Addams portion of ABLA. Prior to her relocation south of Roosevelt Road in June 1997, Ms. Freeman lived for 25 years in a low-rise three-story walk-up apartment building located at 1328 W. Taylor Street. In October 1996, CHA informed Ms. Freeman that the municipal building court had issued a vacate order for her building, which order had been agreed to by CHA, and that she had six (6) days to move or face being set out of her unit. After she contested the unlawfully short notice, CHA eventually relocated Ms. Freeman to 1433 W. 13th Street, a 15-story high-rise in Grace Abbott Homes, an ABLA sub-development located south of Roosevelt Road. Ms. Freeman wants to return to the revitalized Jane Addams community, although CHA has not provided her any guarantee that she will be able to do so. Ms. Freeman is President of CRA.

14. Nona Young is an African American female who lives at 840 S. Lytle, in Jane Addams. For years Ms. Young has complained to CHA about the severe damage caused to her apartment by chronic water leakage through the roof. CHA never made anything other than cosmetic repairs. Now CHA is insisting that, due to deteriorating conditions, Ms. Young's building must be vacated and that she must move. CHA is trying to force Ms. Young to move to Altgeld Gardens, a racially segregated development on the far South Side of Chicago. CHA has not offered any guarantee to Ms. Young that she can return to the revitalized Jane Addams community, although she would like to do so. Ms. Young is a member of CRA.

15. Carolyn Nance is an African American female who lives at 916 S. Ada, in Jane Addams, with her daughter. She has lived in Jane Addams for almost 10 years. CHA has never personally interviewed Ms. Nance as to her housing needs or preferences, nor has it provided her with any notices regarding its plans to redevelop Jane Addams or ABLA. The only alternative housing which CHA has mentioned as being available to Ms. Nance is ABLA housing south of Roosevelt Road Ms. Nance wants to stay in the revitalized Jane Addams community, but CHA has given her no guarantee that she will be able to do so. Ms. Nance is a member of CRA.

16. Wandra Stimage is an African American female who lived from the early 1990's until January 1997 in a 16-story high-rise building at 1239 S. Racine with her children. In January 1997, her apartment became uninhabitable due to lack of heat, burst pipes, and flooding. CHA subsequently moved Ms. Stimage's family into an adjacent 16-story high-rise building at 1111 W. Roosevelt. CHA has never personally interviewed Ms. Stimage as to her housing needs or choices and has never provided her with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the federal Uniform Relocation Act ("URA"). See § IV.D, infra. CHA refused to allow Ms. Stimage's attorney to accompany her to a meeting where the CHA was discussing plans for Brooks Extension. She wants to remain and live at the new housing in Brooks Extension but CHA has not provided her any assurance that she will be able to do so. Ms. Stimage is a member of CRA.

17. Viola Singleton is an African American female who has lived at 1111 W. Roosevelt for 37 years. CHA has never personally interviewed Ms. Singleton as to her housing needs or choices and has never provided Ms. Singleton with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the URA. CHA refused to allow Ms. Singleton's attorney to accompany her to a meeting where the CHA was discussing

plans for Brooks Extension. She wants to stay and live at the new housing in Brooks Extension but CHA has not provided her any guarantee that she will be able to do so. Ms. Singleton is a member of CRA.

18. Vera Smith is an African American female who has lived in ABLA for almost 20 years, most recently with her grandchildren at 1209 S. Racine. CHA has never personally interviewed Ms. Smith as to her housing needs or choices and has never provided Ms. Smith with personal notices about CHA's redevelopment or relocation plans for ABLA or Brooks Extension, as required by the URA. She wants to stay and live at the new housing in Brooks Extension but CHA has not provided her any guarantee that she will be able to do so. Ms. Smith is a member of CRA.

#### **Individual Residents Displaced from ABLA**

19. Africa Simpson is an African American female who grew up in ABLA and lived with her children in 1239 S. Racine until January 1997, when burst pipes caused flooding in her apartment. Ms. Simpson made repeated calls for service, but to no avail. Instead CHA offered to move Ms. Simpson into a 15-story Abbott high-rise. Ms. Simpson, concerned about her and her children's safety, refused, and CHA then encouraged her to accept a Section 8 certificate, which she did. A Section 8 certificate is a federal rental subsidy which authorizes a local Section 8 administrator to pay rent to private landlords for privately owned apartments. Ms. Simpson lived with friends until she found a private landlord willing to accept her Section 8 certificate. However, Ms. Simpson's landlord failed to properly maintain the apartment. When the apartment subsequently failed its federally-required annual Housing Quality Standards ("HQS") inspection, Ms. Simpson was forced to vacate the apartment and remained homeless for several months. She has now found another apartment but wants to move back to ABLA to be close to

her job and her children's school. Ms. Simpson was never offered relocation assistance, nor did CHA inform her about the new units to be built at Brooks Extension. If CHA had informed her about the new units, she would have stayed at ABLA in order to obtain one of them.

20. Kizzie Johnson is an African American female who grew up in ABLA and lived with her children in 1239 S. Racine until late in 1996. At that time 1239 S. Racine was deteriorating to the point of uninhabitability, and CHA was vacating the building, so CHA moved Ms. Johnson to 1111 W. Roosevelt. CHA subsequently offered Ms. Johnson a Section 8 certificate, which she accepted because she did not want to stay in 1111 W. Roosevelt and see it suffer the same fate as 1239 S. Racine. Ms. Johnson rented a private apartment with her Section 8 certificate, but was subsequently forced to move when it failed an HQS inspection. Ms. Johnson has now found another apartment but wants to move back to ABLA to be close to her job and her children's school and day care. Ms. Johnson was never offered relocation assistance, nor did CHA inform her about the new units to be built at Brooks Extension. If CHA had informed her about the new units, she would have stayed at ABLA in order to obtain one of them.

### **CHA Waiting List Plaintiffs**

21. Latonya Maxwell is an African American female with four minor children. She first applied for CHA housing approximately four years ago, and she recently renewed her application for CHA housing. For approximately the past year, Ms. Maxwell has been homeless and has either resided in a temporary shelter or has doubled up with relatives. Ms. Maxwell has no foreseeable prospect of permanent housing and would like to live in a new or rehabilitated unit at ABLA.

22. Latonya Willett is an African American female who lives with her husband and two minor children. She applied for CHA housing approximately three years ago. Since that time

Ms. Willett's family has lived in two different apartments, and in each case has had difficulty paying the private market rents which are a high percentage of her family's income. Ms. Willett has no foreseeable prospect of affordable housing and would like to live in a new or rehabilitated unit at ABLA.

23. Lorree Brown is an African American female with four minor children. She applied for CHA housing approximately ten years ago. Since that time Ms. Willett's family has lived in numerous apartments, and in each case has had difficulty paying the private market rents which are a high percentage of her income. Ms. Willett has no foreseeable prospect of affordable housing and would like to live in a new or rehabilitated unit at ABLA.

#### **Class Action Allegations and Class Definition**

24. **Intervenor-plaintiffs Africa Simpson and Kizzie Johnson** bring this action on behalf of themselves and, pursuant to Fed. R. Civ. P. 23(a) and (b)(2), on behalf of all persons similarly situated. The plaintiff class (sometimes referred to herein as "class plaintiffs") is defined as: all persons who, on or after August 1, 1995, **legally resided in and subsequently moved out of the ABLA development.** The class is so numerous that joinder of all members is impractical, consisting of approximately 1,000 former ABLA families. There are questions of law and fact common to the class as a whole. The claims of representative parties are typical of the claims of the class, and the representative parties will fairly and adequately protect the interests of the class. The defendants have acted and refused to act on grounds generally applicable to the plaintiff class, thus making appropriate final injunctive and declaratory relief with respect to the class as a whole.

## **The Defendants**

### **The CHA Defendants**

25. Defendant CHA is an Illinois municipal corporation, created and existing under the Illinois Housing Authorities Act, 310 ILCS 10/1 et seq. The CHA is a Public Housing Agency within the meaning of 42 U.S.C. § 1437 and administers federally subsidized and assisted low-rent housing as authorized by the United States Housing Act (“USHA”). See § IV.A., infra.

26. Defendant Phillip Jackson is the Chief Executive Officer of the CHA. He is charged with establishing and administering the policies of the CHA, including those related to the daily operation, administration, and maintenance of all public housing in the City of Chicago.

27. The ABLA public housing development is owned and managed by the CHA defendants.

### **The Federal Defendants**

28. Defendant HUD is the federal agency charged with administration and enforcement of the United States Housing Act and of federal laws and contracts relating to the operation, administration, maintenance, rehabilitation and demolition of public housing projects.

29. Defendant Andrew Cuomo is the Secretary of HUD, and, as such, is charged with the administration and enforcement of all functions, powers and duties of HUD, including those relating to the public housing programs.

### **The Receiver Defendant**

**30. Defendants Daniel E. Levin and the Habitat Company, were appointed jointly by this Court in 1987 as Receiver for CHA with the responsibility “to develop and administer the scattered site program as effectively and efficiently as possible.” Order, August 14, 1987, at ¶ 1, a copy of which is attached hereto as Exhibit B. The Receiver was**

authorized to exercise “all powers of CHA respecting the scattered site program, ” including, but not limited to, construction of dwelling units “in compliance with applicable laws and ordinances.” Id. at ¶ 2.

31. This Court’s order appointing the Receiver did not preclude any party “from asserting any claims against the Receiver or any other party hereto for any matter in connection with the scattered site program or otherwise,” although the order did not constitute a waiver of any defense which the Receiver may have to any such claim. Id. at ¶ 9.

#### **IV. STATUTORY AND REGULATORY SCHEME**

##### **A. The United States Housing Act**

32.. Over sixty years ago Congress passed the United States Housing Act of 1937 (“USHA”), declaring that it is "the policy of the United States to promote the general welfare of the Nation by employing its funds and credit . . .to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe and sanitary dwellings for families of lower income . . . ." 42 U.S.C. § 1437.

33.. The national housing goal as stated in the USHA is the realization as soon as feasible of "a decent home and suitable living environment for every American family." 42 U.S.C. §§ 1441 and 1441a; 12 U.S.C. § 1701t.

##### **B. Defendants’ Duty to Consult with Plaintiffs as to Future Plans**

34. Section 18 of the USHA, 42 U.S.C. § 1437p, governs demolition of public housing developments. Sections 18(b)(1) and 18(b)(2) require that public housing agencies: (1) consult with affected tenants and tenant organizations regarding demolition and redevelopment plans,

and (2) relocate tenants displaced by demolition to replacement housing of their choice, to the maximum extent practicable.

35. Section 18(b)(1) provides that all applications for demolition submitted to HUD must have been “developed [by a public housing agency] in consultation with tenants and tenant councils, if any, who will be affected by the demolition . . .” 42 U.S.C. § 1437p(b)(1).

36. HUD has promulgated federal regulations implementing Section 18(b)(1). These regulations provide that public housing agencies must consult “with tenants of the project involved, any tenant organizations for the project, and any PHA-wide tenant organizations that will be affected by the demolition or disposition.” 24 C.F.R. § 970.4(a).

37. HUD is suppose to require public housing agencies receiving HOPE VI funds to involve all affected tenants in the redevelopment process:

Residents are to be included in all phases of the application preparation, planning, implementation and operation of the HOPE VI development ... [Public Housing Authorities or “PHAs”] are responsible for communicating and disseminating information to all affected residents and ensuring that all affected residents have opportunities to participate .... Resident involvement often starts with the duly elected resident council [in this case, the ABLA Local Advisory Council or "LAC"], but the PHA must make sure that the resident council is truly representative. PHAs must give all affected residents reasonable notice of meetings about HOPE VI planning and implementation, and provide them with opportunities to provide input. Such meetings should be open to all affected residents and their representatives.

HUD’s FY 1998 HOPE VI Guidebook at 1 (emphasis added).

C. **Defendants' Duty to Assist in Relocation, Alleviate Segregation, and Provide Residents Their Choice of Replacement Housing**

38. The ABLA “revitalization” is being funded with \$59 million of HOPE VI funds appropriated in 1996 and 1998.

39. Section 18(b)(2) provides that “all tenants to be displaced as a result of the demolition or disposition will be given assistance by the public housing agency and are [to be]

relocated to other decent, safe, sanitary, and affordable housing, which is, to the maximum extent practicable, housing of their choice, including housing assisted under Section 1437f [the Section 8 housing program] of this title . . .” 42 U.S.C. § 1437p(b)(2).

**40.** HUD’s applicable regulations regarding Section 18(b)(2) provide:

*Relocation of displaced tenants on a nondiscriminatory basis.* Tenants who are to be displaced as a result of demolition and or disposition must be offered opportunities to relocate to other comparable/suitable . . . decent, safe, sanitary and affordable housing (at rents no higher than permitted under the Act) which is, to the maximum extent practicable, housing of their choice, on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, familial status, or sex, in compliance with applicable Federal and State laws. 24 C.F.R. § 970.5(a).

**41.** In October 1998, Congress amended Sections 18(b)(1) and 18(b)(2) of USHA. See Quality Housing and Work Responsibility Act of 1998 (“QHWRA”), Pub. L. 105-276, 112 Stat. 2461 (Oct. 21, 1998). HUD subsequently determined that all demolition applications received by HUD on or before the effective date of QHWRA, October 21, 1998, are to be processed pursuant to the provisions of Section 18(b)(1), Section 18(b)(2) and 24 C.F.R. Part 970 that were in effect prior to October 21, 1998. 64 Fed. Reg. 8203 (Feb. 18, 1999).

**D. Defendants’ Duty to Help Relocate and Not Resegregate**

**42.** Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act (the “Uniform Relocation Act” or “URA”), 42 U.S.C. § 4601 et seq., in order to ensure that persons displaced from their homes as a result of government action are resettled into new homes following certain procedures and are not materially disadvantaged by their forced relocation.

**43.** In particular, the URA and its implementing regulations specify that:

a. "A displacing agency, before approving a project, must assess the characteristics and needs of the households to be displaced (42 U.S.C. § 4625(c), 49 C.F.R. § 24.205 (c)(2)(i)), and

determine whether qualified replacement housing is available to meet those needs." 49 C.F.R. § 24.205(a)(2), 24 C.F.R. § 970.8(d)(3).

b. A displacing agency must "[a]ssure that a person not be required to move from a dwelling unless the person has had a reasonable opportunity to relocate to a comparable replacement dwelling. . ." 42 U.S.C. § 4625(c)(3). The URA defines the term "comparable replacement dwelling" as a "dwelling that is (1) decent, safe and sanitary; (2) adequate in size to accommodate the occupants; (3) within the financial means of the displaced person; (4) functionally equivalent; (5) in an area not subject to unreasonable adverse environmental conditions; and (6) in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment." 42 U.S.C. § 4601(10).

c. "Wherever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means." 49 C.F.R. § 24.205(c)(2).

d. Every family covered by the URA is entitled to 42 months of relocation assistance payments in the amount that the family's rent increased as a result of relocation, up to a maximum total disbursement of \$5,250. 49 C.F.R. § 24.402.

**44.** In QHWRA (see supra ¶ 39) Congress amended Section 18 of the USHA by providing that the URA would no longer apply to demolition and relocation activities under Section 18. However, HUD has determined that the URA shall continue to apply to (a) any person displaced before October 21, 1998, (b) any person displaced as a result of HUD's approval of a demolition before October 21, 1998, and (c) any person displaced as a result of a demolition that is part of a HOPE VI project. 64 Fed. Reg. 8203-8204 (Feb. 18, 1999).

#### **E. Defendants' Duty to Maintain Neighborhoods**

**45.** The Community Development Block Grant ("CDBG") Program was created pursuant to Title I of the Housing and Community Development Act ("HCDA"), as amended,

codified at 42 U.S.C. § 5301 et seq. The primary objective of the HCDA is “the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.” 42 U.S.C. § 5301(a). For purposes of the HCDA, “low income” is defined as 0% to 50% of area median income, and “moderate income” is defined as 50% to 80% of area median income. 24 C.F.R. § 570.3.

**46.** In any development project assisted under the CDBG Program, there must be a residential anti-displacement and relocation assistance plan in place that provides, among other things, that:

a. governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 1437f of this title. 42 U.S.C. § 5304(d)(2)(A)(i).

b. such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy. 42 U.S.C. § 5304(d)(2)(A)(ii).

c. in the case of displaced persons of low and moderate income, provide . . . compensation sufficient to insure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent. 42 U.S.C. § 5304(d)(2)(A)(iii)(I).

d. Persons displaced shall be relocated into comparable replacement housing that is –

- (I) decent, safe and sanitary;
- (II) adequate in size to accommodate the occupants;
- (III) functionally equivalent;
- (IV) in an area not subject to unreasonably adverse environmental conditions.

42 U.S.C. § 5304(d)(2)(A)(iv).

**F. Defendants' Duty Not to Segregate**

**47.** The Fair Housing Act provides that "it shall be unlawful":

a. "To . . . make unavailable or deny[] a dwelling to any person because of race, color, . . . sex, [or] familial status. . ." (42 U.S.C. § 3604(a)); or

b. "To discriminate against any person in the terms, conditions, or privileges of . . . rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, sex [or] familial status. . ." 42 U.S.C. § 3604(b).

**48.** The Fair Housing Act provides further that HUD shall administer its programs and activities relating to housing and urban development in a manner affirmatively to further fair housing. 42 U.S.C. § 3608(e)(5).

**49.** Title VI of the Civil Rights Act of 1964 provides that "[n]o person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance." 42 U.S.C. § 2000d.

**50.** HUD has promulgated federal regulations implementing Title VI which provide, in pertinent part, that:

[a] recipient, in determining the types of housing, accommodations, facilities, services, financial aid, or other benefits which will be provided under any such program or activity, or the class of persons to whom, or the situations in which, such housing, accommodations, facilities, services, financial aid, or other benefits will be provided under any such program or activity, or the class of person to be afforded an opportunity to participate in any such program or activity, may not, directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin.

24 C.F.R. §§ 1.4(b)(2)& (3).

## **G. Receiver Defendants' Duties of Care and Loyalty and Fiduciary Duty**

**[Sharon and Bob: please insert appropriate statement of receiver's duties]**

### **V. STATEMENT OF FACTS**

#### **A. The ABLA Development**

**51.** ABLA is a family public housing development located on 100.5 acres of land on the Near Southwest Side of Chicago. It consists of four different sub-developments: Jane Addams Homes, Robert Brooks Homes and Brooks Extension, Loomis Courts, and Grace Abbott Homes. See ABLA Site Plan on the following page 18A.

**52.** Approximately 99% of the residents at ABLA are African American. Approximately 82% of the residents at ABLA are female, and 48% of the residents are under 18 years of age.

**53.** The average ABLA household size is 2.7 persons. The average annual family income at ABLA is \$5,883. For 1999, the area median income ("AMI") in Chicago for a comparable family (i.e., three persons) is \$53,750.

**54.** To determine eligibility for public housing, HUD has created two categories of public housing based on income limits: "low income" and "very low income" housing. For 1999, the income limit in Chicago for eligibility for "low income" housing is \$43,000 for a family of three. For "very low income" housing, the ceiling is \$28,700 for a family of three. Virtually all of the families who reside in ABLA qualify as "very low income" households under HUD's guidelines, and most of the housing in ABLA is categorized as "very low income" housing.

**55.** Since 1995, the CHA has been preparing for "revitalization" by consolidating, vacating and demolishing ABLA buildings. CHA has already displaced over 1,000 (or about 40%) of ABLA's families. Almost all of these families are now living in racially segregated areas.

**B. Defendants' Redevelopment Plans for ABLA**

**56.** Through a combination of demolition, rehabilitation, and new construction, the defendants intend to reduce the number of very low income public housing units at ABLA by 2,525 -- from 3,596 units to 1,071 units -- a 70% reduction in housing available to very low income families.

**57.** Under defendants' "revitalization" plans, almost 3,000 public housing units at ABLA will be demolished:

<b>ABLA SUB-DEVELOPMENT</b>	<b>TOTAL UNITS: PRE-REVITALIZATION</b>	<b>UNITS TO BE DEMOLISHED</b>
Jane Addams Homes	987	987
Robert Brooks Homes	835	375
Brooks Extension	450	450
Loomis Courts	126	0
Grace Abbott Homes	1,198	1,180
<b>TOTAL</b>	<b>3,596</b>	<b>2,992</b>

See ABLA Demolition Plan, below **at page 19A**. (Buildings shown in red are to be demolished.)

**58.** This massive elimination of public housing units will be undertaken by the defendants as an "urban revitalization demonstration program" under the HOPE VI program. The CHA defendants have detailed their plans to "revitalize" ABLA in three separate HOPE VI applications (i.e. **1996, 1997 and 1998**), as a result of which they have received HUD approvals for \$59.5 million in federal funds. The CHA intends to combine these federal funds with an additional \$345.5 million of funds from the city and private developers.

**59. However, in June 1998, CHA had not yet submitted its 1998 HOPE VI application to HUD. Defendant CHA, the Receiver Defendant and counsel for plaintiffs in Gautreaux drafted a “revitalization order” for ABLA limiting the number of very-low income units (both new and rehabilitated) to 1,084 and limiting the number of newly constructed units for very-low income families to 656. On June 18, 1998, they presented the revitalizing order to this Court in a joint motion, in part as an inducement to HUD to obtain an additional funding for ABLA under the HOPE VI program. See Joint Motion, attached hereto as Exhibit C. This Court entered the proposed order sua sponte, as is, on the agreement of the parties on the very day it was presented. See Order of June 18, 1998, attached hereto as Exhibit D. No hearing was held and no evidence was presented to the court on the legality of the proposed order, or whether the proposed order complied with the various statutes cited in § IV, supra. HUD then approved and funded defendants’ 1998 HOPE VI application (incorporating the June 18, 1998 revitalizing order) in the amount of \$35 million.**

**60.** Under the defendants’ plans, 2,417 units of housing will be **constructed** on CHA-owned land at ABLA, of which:

a. 40% (966) will be market rate units sold to families with incomes exceeding 120% of the AMI (over \$68,880 for a family of three);

b. 33% (795) will be low and moderate income units sold or rented to families with incomes between 51% and 120% of AMI (between \$28,700 and \$68,880 for a family of three); and

c. Only 27% (656) will be very low income units rented to families with incomes at or below 50% of AMI (under \$28,700).

**61.** Upon information and belief, the federal defendants have provided the City of Chicago with Community Development Block Grant (“CDBG”) funds pursuant to 42 U.S.C. § 5301 et seq.,

and the CHA defendants will in part fund the implementation of the ABLA “revitalization” plan with monies received through the CDBG program.

**62.** At least 2,995 occupied and vacant occupiable very low income units will be or already have been demolished as part of the defendants’ plans. See ABLA Demolition Plan at 19A, supra.

**63.** CHA submitted demolition applications for ABLA to HUD pursuant to Section 18 of the USHA prior to October 21, 1998.

**C. The Jane Addams Homes**

**64.** Defendants' plans will most severely impact the Jane Addams Homes, which is located north of Roosevelt Road. Addams is surrounded by areas commonly known as Little Italy and University Village. The Illinois Medical District lies immediately to its west, and the University of Illinois at Chicago immediately to its east. These are all gentrified or rapidly gentrifying areas.

**65.** In the census tract in which Jane Addams is situated, 87.1% of the residents are African American. By contrast, all but one of the five adjoining census tracts is majority white -- the sole exception being tract #2831, which has slightly more African Americans than whites.

<b>Census Tract</b>	<b>% African American</b>	<b>% White</b>
#2832 (Jane Addams)	87.1%	11.9%
#2833 (E. of Jane Addams)	7.9%	54.4%
#2822 (N.E. of Jane Addams)	8.0%	62.4%
#2823 (N. of Jane Addams)	0.0%	93.4%
#2824 (N.W. of Jane Addams)	13.5%	66.7%
#2831 (W. of Jane Addams)	41.7%	37.5%

**66.** There are currently 26 walk-up (low-rise) apartment buildings at Jane Addams, providing 859 units of "very low income" housing. This housing is occupied exclusively by families earning between 0% and 50% of the AMI. Under defendants' HOPE VI/CDBG plans, all of these very low income units will be demolished. In their place, private developers will build 700 or more new units, with 80% of these expected to be sold at market-rate prices. None of the contemplated new units have been identified as replacement units for very low income residents.

**67.** If Hope VI/CDBG "revitalization" goes forward unchanged, virtually all Jane Addams residents will be moved south of Roosevelt Road. In a 1997 Hope VI filing with HUD, the CHA explicitly stated that federal funds were being sought to demolish Jane Addams and to concentrate replacement housing for Addams residents, to the extent it was being provided, south of Roosevelt Road (around Addams Park which is located at 14th and Loomis Streets); in fact, the CHA has already relocated many Addams residents south of Roosevelt Road.

**68.** Since 1995, the CHA has engaged in a conscious policy of displacing Addams residents by allowing their units to deteriorate to the point of near or actual uninhabitability. The CHA has allowed and encouraged uninhabitable conditions and then used these same poor building conditions as a reason to vacate and/or demolish Addams units. In April 1997, 567 families lived at Jane Addams; by April 1998, approximately 430 families lived there; by December 1998, only 353 families were left. These actions constitute de facto relocation and demolition, an emptying out of Addams without complying with the requirements of the USHA, the URA and the CDBG Program.

**69.** To further advance its program of demolition and displacement, CHA has aggressively marketed its Section 8 program to ABLA residents in general and to Addams residents in particular, encouraging as many families as possible to move out. Between 1995 and 1998 more families were relocated from ABLA with Section 8 certificates and vouchers than

from any other CHA development. About 25% of all Section 8 certificates or vouchers went to ABLA families, who make up only 8% of the total CHA resident population. The targeting of ABLA residents increased in 1998. Beginning in March 1998 about 40% of all Section 8 certificates or vouchers went to ABLA families. The actual numbers of ABLA residents displaced under the Section 8 program from March 1, 1998 to September 30, 1998 compared to other CHA developments are as follows:

<b>CHA Development</b>	<b>Number of Families Displaced By CHA Under the Section 8 Program March-September 1998</b>
ABLA	104
Lakefront	34
Robert Taylor Homes	33
Cabrini Green	22
Washington Park	21
Rockwell Gardens	12

**70.** The defendants have failed to provide Jane Addams residents with their choice of replacement housing, as required by Section 18 of the USHA, failed to provide them personal notices or other benefits as required by the URA, and failed to provide sufficient replacement units as required by the CDBG Program. Nor have defendants conducted the area housing availability survey or comprehensive individual tenant assessments and interviews as required by the URA. CHA has also sought to expedite the emptying of Jane Addams buildings by, in some cases, providing tenants with unlawfully short notices to vacate.

**71.** Almost all of the families leaving Addams have been relocated into racially segregated areas. CHA's intra-development relocation of Jane Addams residents has led to the perpetuation

and exacerbation of residential racial segregation as Addams tenants have been, and continue to be, relocated to predominantly African American communities south of Roosevelt Road.

72. In addition, of those ABLA families who have been displaced out of ABLA altogether through the Section 8 program, the majority have relocated to racially segregated areas. Between 1995 and 1998 about 80% of CHA families relocated through the Section 8 program moved to Chicago census tracts that were at least 90% African American. In addition, of the thirty Chicago census tracts receiving the most CHA families, all but two are at least 97% African American.

**D. The Robert Brooks Extension**

73. Brooks Extension lies in a triangular area south of Roosevelt Road and between Blue Island Avenue and Racine Avenue. See ABLA Site Plan, supra. Until last year, the Brooks Extension consisted of three high-rise buildings, each containing 150 units. In 1998, the CHA defendants vacated and demolished one of them (1239 S. Racine) and have expressed their intent to demolish the remaining two buildings, for a total loss of 450 units.

74. The defendants' 1998 Hope VI/CDBG plans call for the construction of 108 replacement units, although in 1996, CHA secured approval from HUD to construct 250 replacement units. As a result, where there were once 450 units, the defendants' "revitalization" plans will result in 108 units. This will be insufficient to house even the current Brooks Extension residents. As of December 1998, and despite steady deterioration of their living conditions, sometimes to the point of near or actual uninhabitability, 200 families remain living at Brooks Extension. Obviously one-hundred eight new units will not accommodate these families -- even if every new unit were reserved for very low income families.

75. The Hope VI/CDBG revitalization plans do not specifically reserve these 108 new units for very low income families. Under the plan, as few as half of the new units (54) might be reserved for very low income families. As a result, there will be insufficient units for residents who want to stay at Brooks Extension or for those who left Brooks Extension without being provided full and complete information about their replacement housing choices and who, therefore, may want to return.

76. The defendants have failed to provide Brooks Extension residents with their choice of replacement housing as required by Section 18 of the USHA, failed to provide them with personal notices or other benefits as required by the URA, and failed to provide sufficient replacement housing units as required by the CDBG Program. Nor have defendants conducted the area housing availability survey or comprehensive individual tenant interviews that are required by the URA.

77. As in the case of Jane Addams, CHA's current and planned relocation of Brooks Extension residents has led and will lead to the perpetuation and exacerbation of residential racial segregation as tenants have been and will continue to be relocated to predominantly African American communities.

**E. The Grace Abbott Homes**

78. Abbott presently provides 1,198 units of housing in 166 row houses and seven 15-story high-rises. These buildings are located south of Roosevelt Road, in an area bounded by Loomis Street on the east and Ashland Avenue on the west. The area is severely racially segregated: according to the 1990 census, approximately 99% of the residents of the census tract where Abbott buildings are located are African American.

79. The defendants' HOPE VI/CDBG revitalization plans call for demolishing all seven Abbott high-rises, including a newly rehabilitated building at 1440 West 13th Street. At least 1,180

units of housing will therefore be lost, and only 100 to 300 units of very low income housing will be constructed in their place. Under the defendants' plans, the new units will be built on what is now Addams Park or on Abbott land, all of which is south of Roosevelt Road.

**F. Brooks Homes and Loomis Courts.**

**80.** The defendants intend to demolish approximately 58% of the units in Brooks Homes (483 of 835) and to rehabilitate the remaining 352 units (132 Brooks Homes units have thus far been rehabilitated). All 126 units at Loomis Courts are also to be rehabilitated. Defendants intend to house only very low income families at **Brooks Homes and Loomis Courts**, all of which **housing is** located south of Roosevelt Road.

**G. Intervenor-Plaintiffs' Attempts to Consult with CHA**

**81.** The CHA defendants know about the rights of ABLA residents and former residents under the USHA, the URA, and Titles VI and VIII of the Civil Rights Acts, and of the obligations these laws impose on them when implementing consolidation, demolition and HOPE VI programs for ABLA. Nonetheless, the CHA has encouraged (and in some cases forced) ABLA tenants to move out without providing them proper notice of or full information about redevelopment plans for ABLA, without offering them the choice to live in the new housing, and without providing them the full range of federally-mandated relocation benefits, such as advisory services, a choice among three comparable replacement units, and relocation expenses.

**82.** The CHA defendants have also long been on notice that conditions at the Robert Brooks Extension violate even the minimal health and safety requirements of the Chicago Building Code. These unsafe and unsanitary conditions have been documented by plaintiffs, with the help of a structural engineering firm, Crest Consulting Engineers, P.C.

**83. Intervenor-plaintiffs** have attempted to work with the CHA defendants. The CHA defendants, however, have refused to include **intervenor-plaintiffs** in the process of formulating and implementing plans for the ABLA community, stating that it is CHA's policy to negotiate all major redevelopment and modernization activities only with the local LAC.

**84.** CHA and the LAC, however, have refused to admit Ms. Freeman, other CRA members, and their counsel to CHA and LAC meetings concerning the revitalization of ABLA, and have excluded them from participating in the preparation of HOPE VI applications to HUD.

**85. For example,** on February 20, 1998, CHA and the LAC forcibly prevented Ms. Freeman, other CRA members, and CRA's legal counsel from attending a meeting to discuss the CHA's plans for replacement housing for ABLA residents. CHA Police Department and Redevelopment personnel were called in to physically block CRA members and their attorneys from entering the meeting. Even after ABLA residents at the meeting informed the LAC's President, Deverra Beverly, and CHA's Redevelopment Director, Andrew Rodriguez, that they wished to be represented at the meeting by CRA members and the CRA's legal counsel, CRA and legal counsel were still barred from entering.

**86.** The LAC does not represent **intervenor-plaintiffs'** views and has refused to present **intervenor-plaintiffs'** views to the CHA in its consultations with the CHA. The LAC fails to represent the views of many ABLA residents.

## **VI. INJURY TO THE NAMED PLAINTIFFS AND THE PLAINTIFF CLASS**

**87.** According to the 1990 United States census, 39% of the families living in the City of Chicago are African American. African American families, however, constitute 63% of the households living below the poverty line.

**88.** According to the 1990 United States census, 31% of the families living in Chicago are female-headed families. Female-headed families, however, constitute 66% of the families living below the poverty line.

**89.** According to the 1990 United States census, 26% of the families living in Chicago had related children under the age of 18. Families with children, however, constitute 40% of the families living below the poverty level.

**90.** The defendants' plans for ABLA, as described above, reduce the number of housing units available both to current and to recently displaced ABLA residents. These plans have an adverse discriminatory impact on African Americans, females, and children because these groups are disproportionately eligible for public housing as compared to their representation in the general population, and they are disproportionately represented among ABLA residents.

**91.** The defendants' plans for ABLA and the relocation activities already undertaken by the CHA defendants, as described above, also exacerbate and perpetuate racial residential segregation, and they deny current and recently displaced ABLA residents the opportunity to reside in integrated neighborhoods.

**92.** These actions will cause and have caused irreparable injury to the named plaintiffs and to members of the plaintiff class. As a result of the defendants' actions, the plaintiffs and members of the plaintiffs class have lost or will lose their homes, have suffered or will suffer displacement, and will be denied the opportunity to reside in the replacement housing currently proposed by the defendants. The defendants are in the midst of destroying the community in which the plaintiffs have lived and established personal ties.

**93.** The defendants' plans and actions as described above have caused and will cause irreparable injury to plaintiff Concerned Residents of ABLA, in that:

a. CRA represents the interests of its members, each of whom has been or will be harmed by defendants' proposed redevelopment plans;

b. The above-described activities of defendants have frustrated CRA's mission to promote tenant involvement in the redevelopment process and to facilitate a redevelopment plan that furthers the interests of all ABLA residents;

c. CRA has lost actual and potential members due to CHA's ongoing pattern of encouraging and/or forcing ABLA tenants to move out of the development by, inter alia, allowing units to deteriorate, relocating tenants with Section 8 certificates and vouchers, and transferring tenants to other public housing developments.

**94.** All of defendants' actions described herein constitute a pattern, practice and policy of housing discrimination and discrimination in general on the basis of race, gender and familial status.

**95. Intervenor-plaintiffs** have no adequate remedy at law.

## **VII. CLAIMS FOR RELIEF AGAINST ALL DEFENDANTS**

### **Claims Under Title VIII of the Civil Rights Act of 1968**

#### **COUNT I – Against All Defendants**

**96. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**97.** The defendants' actions as described above will have an adverse discriminatory effect upon African Americans and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of race . . . ."

**COUNT II – Against All Defendants**

**98. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**99.** Defendants' actions as described above will have an adverse discriminatory effect upon female-headed households and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of . . . sex . . ."

**COUNT III – Against All Defendants**

**100. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**101.** Defendants' actions as described above will have an adverse discriminatory effect upon families with children and therefore constitute a violation of the Fair Housing Act, 42 U.S.C. § 3604(a), which provides that "it shall be unlawful . . . [t]o make unavailable or deny . . . a dwelling to any person because of . . . familial status . . ."

**COUNT IV – Against All Defendants**

**102. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**103.** The defendants' plans for Jane Addams as described above will deny current and displaced ABLA residents and future public housing residents the opportunity to reside in a racially integrated neighborhood, in violation of the Fair Housing Act, 42 U.S.C. § 3604.

**COUNT V – Against All Defendants**

**104. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

105. The defendants' actions as described above have and will exacerbate and perpetuate residential housing segregation and therefore constitute a violation of 42 U.S.C. § 3604.

**Claims Under Title VI of the Civil Rights Act of 1964**

**COUNT VI – Against All Defendants**

106. **Intervenor-plaintiffs** re-allege paragraphs 1 to 95 of this Complaint and incorporate them herein.

107. The defendants' plans as described above will have an adverse discriminatory effect upon African Americans, and therefore violate plaintiffs' rights secured by Title VI, which provides that "[n]o person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance," 24 C.F.R. §§ 1.4(b)(2) and (3) (regulations implementing 42 U.S.C. § 2000d).

**COUNT VII – Against All Defendants**

108. **Intervenor-plaintiffs** re-allege paragraphs 1 to 95 of this Complaint and incorporate them herein.

109. The defendants' actions as described above have and will exacerbate and perpetuate residential racial segregation and therefore constitute a violation of 24 C.F.R. §§ 1.4(b)(2) and (3) (regulations implementing 42 U.S.C. § 2000d).

**VIII. CLAIMS FOR RELIEF AGAINST THE CHA DEFENDANTS**

**Claims Under Section 1983 and Section 18 of the USHA**

**COUNT VIII – CHA Defendants Only**

110. **Intervenor-plaintiffs** re-allege paragraphs 1 to 95 of this Complaint and incorporate them herein.

**111.** The CHA defendants are each "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

**112.** The CHA defendants failed to meaningfully consult with plaintiffs CRA and individual ABLA residents who will be affected by the proposed demolition plans for ABLA and therefore violated Section 18(b)(1) of the USHA. 42 U.S.C. § 1437p(b)(1)

**COUNT IX – CHA Defendants Only**

**113. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**114.** The CHA defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

**115.** In implementing their plans to redevelop ABLA, the CHA defendants have failed to relocate displaced ABLA tenants to decent, safe, sanitary, and affordable housing which is, to the maximum extent practicable, housing of their choice. Defendants have thereby violated plaintiffs' rights under Section 18(b)(2) of the USHA, 42 U.S.C. § 1437(b)(2).

**Claim Under Section 1983 and the Uniform Relocation Act**

**COUNT X – CHA Defendants Only**

**116. Intervenor-plaintiffs** re-allege paragraphs 1 to 94 of this Complaint and incorporate them herein.

**117.** The CHA defendants are "persons" within the meaning of 42 U.S.C. § 1983, and their actions described herein were taken under color of state law.

**118.** The CHA defendants' relocation of families residing in Jane Addams and Brooks Extension has violated the Uniform Relocation Act and regulations promulgated thereunder because CHA has:

(a) Failed to adequately assess the needs and preferences of the displaced families pursuant to 42 U.S.C. § 4625(c)(1) and 49 C.F.R. § 24.205(c)(2)(1);

(b) Failed to give displaced families reasonable opportunities to relocate to decent, safe and sanitary replacement dwellings within their financial means that are not located in areas of African American concentration pursuant to 49 C.F.R. § 24.205(c)(2)(C);

(c) Failed to provide the displaced families comparable replacement housing, including housing that is decent, safe and sanitary pursuant to 42 U.S.C. §§ 4625(c)(3), 4630(3) and 49 C.F.R. § 24.2(d)and(f).

(d) Failed to provide the displaced families up to 42 months of relocation assistance payments in the amounts that the families' rent increased as a result of the relocation, up to a maximum total disbursement of \$5,250, pursuant to 49 C.F.R. § 24.402.

**IX. CLAIMS FOR RELIEF AGAINST THE FEDERAL DEFENDANTS**

**Claim Under the Fair Housing Act**

**COUNT XI - Federal Defendants Only**

**119. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**120.** In approving the CHA defendants' plans for ABLA, the federal defendants violated their duty under 42 U.S.C. § 3608(e)(5) affirmatively to further fair housing.

**Claims Under the Housing and Community Development Act**

**COUNT XII – Federal Defendants Only**

**121. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**122.** Defendants’ plans provide for only 1,249 very low and low income replacement housing units. The plans therefore fail to provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the 2,992 occupied and vacant occupiable very low and low income dwelling units demolished, in violation of 42 U.S.C. § 5304(d)(2)(A)(i).

**COUNT XIII – Federal Defendants Only**

**123. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**124.** Defendants’ plan fails to guarantee that 2,992 comparable replacement dwellings in the community remain affordable to persons of low and moderate income for 10 years from the date of initial occupancy and fails to provide compensation sufficient to insure that, for a five-year period, the displaced families will not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent, in violation of 42 U.S.C. § 5304(d)(2)(A)(ii) and (iii).

**Claim Under the Administrative Procedures Act**

**COUNT XIV - Federal Defendants Only**

**125. Intervenor-plaintiffs** re-allege paragraphs 1 to **95** of this Complaint and incorporate them herein.

**126.** Defendant HUD is an agency within the meaning of 5 U.S.C. § 701(b)(1) of the Administrative Procedure Act (“APA”).

**127.** In approving the CHA defendants’ plans for ABLA despite the violations alleged above, the federal defendants took actions that were arbitrary, capricious, an abuse of discretion, not in accordance with law, in excess of statutory authority and without observance of procedures required by law, within the meaning of 5 U.S.C. § 706(2)(A)(C) and (D).

**X. CLAIMS AGAINST THE RECEIVER DEFENDANT**

**Claims Relating to Receiver's Breach of Duties of Care, Loyalty, and Fiduciary Duty**

**COUNT XV-Receiver Defendant Only**

**128. Intervenor-plaintiffs re-allege paragraphs 1 to 95 of this Complaint and incorporate them herein.**

**129. [Sharon and Robert: Insert cause of action allegations, using additional counts if necessary]**

**X. RELIEF REQUESTED**

WHEREFORE, **intervenor**-plaintiffs respectfully request that this Court:

A. Declare that the actions and omissions of the defendants, as set forth above, violate Title VIII, Title VI, Section 18 of the United States Housing Act, the Uniform Relocation Act and the Housing and Community Development Act.

B. Enter a preliminary and permanent injunction:

(1) Enjoining defendants from implementing the defendants' present ABLA redevelopment plans, including any efforts to relocate the residents of ABLA in violation of the United States Housing Act, the Uniform Relocation Act and the Housing and Community Development Act;

(2) Enjoining the awarding, transfer, or expenditure of any ABLA-related HOPE VI or CDBG funds until a new revitalization plan for the ABLA development is developed by CHA after full consultation with CRA and all other ABLA residents; and

(3) Enjoining defendants from failing to reprocess applications for replacement housing of the approximately 1,000 families forced to relocate from ABLA since August 1995, to offer these families the right to return to a new or rehabilitated unit at ABLA,

and, to otherwise insure that each family's relocation comports with the United States Housing Act, the Uniform Relocation Act and the Housing and Community Development Act.

(4) Enjoining defendants from failing to maintain the ABLA development in substantial compliance with the health and safety provisions of the Chicago Municipal Code until a new revitalization plan for the ABLA development can be implemented;

C. Enter an order requiring defendants to pay plaintiffs' reasonable costs and attorneys' fees for the prosecution of this action.

D. Enter an order that the **intervenor**-plaintiffs shall not be required to post bond as security for the issuance of a temporary restraining order or preliminary injunction; and

E. Grant **intervenor**-plaintiffs such further relief as this Court deems just and proper.

Dated: **November 24, 1999**

Respectfully submitted,

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