

B. The Proposed Settlement

1. The Horner Revitalization Program. After extensive discussions among plaintiffs, CHA, HUD and other interested persons, the parties have agreed to settle the case. The proposed settlement is called a consent decree, which is described in greater detail below. The consent decree sets out the terms for "**The Horner Revitalization Program**" in which CHA is required to complete a comprehensive renovation of the entire Horner development within six years. This renovation will consist of rehabilitation of existing Horner units, construction of new public housing units located both at Horner and on the near west side of Chicago, as well as demolition of several Horner buildings. In addition, **Horner** residents will be offered replacement housing in other areas of Chicago in both newly constructed units and existing units under the federal Section 8 Certificate program.

2. The Five Phases. The Horner Revitalization Program will be completed in five phases. CHA itself **will** not actually construct, rehabilitate or manage any of the new or rehabilitated public housing units. This work will be supervised by a private development manager who will use for-profit and not-for-profit development and managing companies. The timing of each phase and the work to be completed within each phase is set forth below:

Phase I - Scheduled for Completion by April 1997

1. Rehabilitate 2029 W. Lake and 2051 W. Lake.
2. Rent the rehabilitated units at 2029 W. Lake and 2051 W. Lake to "**mixed income**" families as follows: 50% of the units to public housing families (whose income is below 50% of median income of the Chicago Metropolitan Area) and 50% of units to "**low income working families**" (whose income is between 50% and 80% of median income).
3. Demolish 2111 W. Lake and 2145 W. Lake.
4. Replace the 285 units being demolished at 2111 W. Lake and 2145 W. Lake by constructing: (a) at least 90 units of new public housing on the site of 2111-2145 W. Lake, and (b) up to 179 units of new public housing on the near west side of Chicago.
- 5. The parties or the Court will decide whether CHA must rehabilitate or demolish the Horner Annex: if the Annex is to be rehabilitated, the parties or the Court will decide whether CHA may rent to mixed income families or only to public housing residents.
6. Build 126 units of "middle income" rental housing on the near west side of Chicago for families whose income is higher than 50% of median.

Phase II - Scheduled for Completion by April 1998

1. Rehabilitate 124 N. Hoyne and then rent to mixed income families.
2. The parties or the Court will decide whether CHA must

demolish the top half or all of 2215 W. Lake and 2245 W. Lake.

3. Replace the public housing units being demolished at 2215 and 2245 W. Lake by constructing up to 280 units of new public housing.

4. Build 60 units of middle income rental housing on the near west side of Chicago.

Phase III - Scheduled for Completion by April 1999

1. The parties or the Court will decide whether CHA may rent rehabilitated units at 1943 W. Lake and 1920 W. Washington to mixed income families or only to public housing residents.

2. Rehabilitate 1943 W. Lake and 1920 W. Washington and then rent to mixed income families or only to public housing residents.

3. Demolish 141 N. Wolcott and 1847 W. Lake.

4. Replace the 234 public housing units being demolished at 141 N. Wolcott and 1847 W. Lake by constructing up to 234 units of new public housing on sites to be determined by the parties or the Court.

5. Build 52 units of middle income rental housing on the near west side of Chicago.

Phase IV - Scheduled for Completion by April 2000

1. The parties or the Court will decide whether CHA must rent rehabilitated units at 1850 W. Washington, 1900 W. Washington and 1936 W. Washington to mixed income families or only to public housing residents.

2. Rehabilitate 1850 W. Washington, 1900 W. Washington and 1936 W. Washington and then rent to mixed income families or only to public housing residents.

3. Build 49 units of middle income rental housing on the near west side of Chicago.

Phase V - Scheduled for Completion by April 2001

1. The parties or the Court will decide whether CHA must rent rehabilitated units at 150 N. Hermitage and 140 N. Wood to mixed income families or only to public housing residents.

• 2. Rehabilitate 150 N. Hermitage and 140 N. Wood and then rent to mixed income families or only to public housing residents.

3. The parties or the Court will decide whether CHA may demolish the top half or all of 120 N. Hermitage and 111 N. Wood.

4. Replace the public housing units being demolished at 120 N. Hermitage and 111 N. Wood by constructing up to 234 units of new public housing on sites to be decided by the parties or the Court.

5. Build 116 units of middle income rental housing on the near west side of Chicago.

3. Horner Housing Certificates. By **May 4, 1995**, CHA will issue to each principal leaseholder at Horner a Horner Housing Certificate. This certificate will guarantee to each leaseholder the right to a replacement housing unit, PROVIDED that the leaseholder continues to meet certain Occupancy Standards. These standards provide that leaseholders will lose their eligibility for replacement housing if they (1) voluntarily move out of **CHA** housing, (2) are evicted pursuant to court order, (3) are convicted of certain felonies or misdemeanors, (4) have a household member who is convicted of certain felonies or misdemeanors, unless the household member is excluded from the household, **or** (5) unreasonably refuse to participate in a family needs assessment to be conducted by a qualified evaluating agency.

4. Horner leaseholders will have five choices for replacement housing. All Horner buildings must be vacated of tenants before the demolition or rehabilitation can occur on that building, unless the parties agree otherwise. Prior to beginning work in each phase, the parties will ask the leaseholder of each Horner unit to select the type of replacement housing the leaseholder prefers among five choices: (1) Remain at Horner and move to a newly rehabilitated Horner unit; (2) Remain at Horner and move to a newly constructed public housing unit on a Horner site; (3) Move to a newly built public housing unit located on the near west side of Chicago; (4) Move to a newly built or rehabilitated public housing unit located in an area of Chicago that is no more than 30% African-American (a "scattered site **unit**"); or (5) Receive a Section 8 Certificate that allows the leaseholder to move to an area of Chicago or the suburbs that is no more than 30% **African-American** and pay the same amount of rent that the leaseholder currently pays (a "**Section 8 unit**"). Leaseholders electing to remain at Horner in a rehabilitated unit will have to move to temporary housing until the rehabilitated housing is ready for occupancy. Where possible, a resident's preference for replacement housing will be honored, particularly if the preference is for the resident's existing unit. But the size of the family and the availability of the particular type of replacement unit may make it impossible to provide the family with their first preference. CHA will provide all necessary moving assistance and expenses for all temporary and/or permanent moves.

5. There will be **presentations** to all Horner residents to **explain** the five choices for replacement housing. **Between April 4, 1995 and May 4, 1995**, presentations will be made to all Horner residents living in Phase I and Phase II buildings to explain each of the five choices for replacement housing. Three presentations will be made at St. **Malachy's** Church, 2248 W. Washington, Chicago, Illinois, for tenants in each of the Phase I and Phase II buildings. For Horner residents living in Phase III, IV and V buildings, additional presentations will be made. All Horner residents will be informed of the date, time and place for each of these meetings.

6. Horner leaseholders residing in Phase I and Phase II buildings must make their election for replacement housing by June 5, 1995. Horner leaseholders residing in 2051 W. Lake, 2245 W. Lake, 2215 W. Lake and 124 N. Hoyne must make their election for replacement housing by June 5, 1995. Tenants residing in the Horner Annex will be required to make their election at a later time. See Paragraph 8 below.

7. Horner leaseholders residing in 2051 W. Lake must move to a temporary unit or a permanent replacement unit no later than 60 days prior to the start of rehabilitation at 2051 W. Lake. Horner leaseholders residing at 2051 W. Lake will move to 124 N. Hoyne on a temporary basis if they elect to obtain permanent replacement housing in a new public housing unit on the near west side of Chicago or in a new or rehabilitated unit at Horner. If they prefer, these leaseholders may move directly, without having to move into temporary housing, to a scattered site unit or a Section 8 unit. See Paragraph 4 above for an explanation of these two types of replacement housing.

8. The Horner Annex. After 109 new near west side public housing units are constructed and made available to Horner Extension families and construction has begun on an additional 125 public housing units in Phase I, the residents of the Horner Annex shall vote as to whether they would prefer occupying the replacement units and indicating their preference among the five types of replacement housing (see Paragraph 4 above) or having the Annex rehabilitated. Each principal leaseholder of the Horner Annex shall be permitted to cast a secret ballot on this issue. After this vote is taken, CHA, taking into account the results of the vote, shall either begin the process of rehabilitating the Annex or file a demolition application for the Annex with HUD. The plaintiffs or the CHA defendants may ask the Court to overturn HUD's decision relating to demolition. If the Annex is to be rehabilitated, the parties or the Court shall decide whether CHA may rent to mixed income families or only to public housing families. If the Annex is to be demolished, CHA shall use the property as a parking and concession facility, to be managed by a firm selected jointly by plaintiffs and the CHA. In addition, before **demolition** CHA must first complete construction and rehabilitation on the remaining 296 public housing and low-income working family units required of it in Phase I and provide replacement housing for all Horner Annex residents.

9. Rehabilitation of Horner Units. The Horner units to be rehabilitated will be totally renovated, including new cabinets, appliances, bathroom showers, ceiling fans and floor coverings. The first floor of each building will be set aside for resident use and services, such as day care, job training, laundry facilities, meeting and community rooms, management offices and rest rooms. In addition, CHA is required to re-landscape the grounds, plant trees, and construct parks and play areas on the common areas of **the**

properties to enhance the development.

10. Occupancy of Newly Constructed and Rehabilitated Units. Newly constructed and rehabilitated units will be made available to Horner leaseholders in the following order: (1) to Horner development residents who resided in Horner buildings at the time these buildings were vacated to permit rehabilitation or demolition; (2) to other Horner development residents; (3) to current CHA residents who were residing at Horner on or after May 30, 1991 but vacated prior April 4, 1995 (in reverse order to their departure from Horner); and (4) to applicants for public housing. Should there be an insufficient number of newly constructed or rehabilitated units for those current Horner residents who resided in buildings to be rehabilitated or demolished, a lottery will be conducted to determine which of these residents will obtain the newly constructed or rehabilitated units.

11. Occupancy Rates and Conditions at Newly- Constructed and Rehabilitated Units. CHA must keep all newly constructed and rehabilitated public housing units at least 97% occupied by eligible families. CHA also must maintain these units in decent, safe and sanitary condition, in compliance with all local codes relating to health and safety, and in compliance with HUD's Housing Quality Standards.

12. Occupancy Rates and Conditions at Horner Buildings Prior to Rehabilitation or Demolition. CHA must keep the occupancy rate at the buildings scheduled to be rehabilitated or demolished the same as it was on April 4, 1995 until the building is vacated for rehabilitation or demolition. During this time, CHA must negotiate an annual maintenance budget with plaintiffs after a joint inspection of each building by CHA's inspector and the plaintiffs' inspector. Based on these inspections, CHA and the plaintiffs will prioritize repairs to be undertaken. First priority shall be given to remedying dangerous and hazardous conditions, maintaining elevator service and interior lighting in hallways and stairways, and securing vacant and open units.

13. Generally, there will be no demolition until replacement housing is built. Under the proposed settlement, the general rule is that CHA may not demolish any Horner building unless replacement housing has been constructed (or acquired and rehabilitated) and made available to Horner residents and other public housing residents on a "one-for-one" basis; this means that CHA must provide one unit of replacement housing for each unit that is demolished. In this way the total number of public housing units will not be reduced. In addition, the parties must agree that CHA has completed each and every one of the actions required of it in the preceding Phase and that each Horner resident residing in the building to be demolished has been provided replacement housing.

14. The only exception to the aeneral rule on demolition is where CHA can meet a five-Dart test. CHA may demolish a building before replacement housing is built if CHA can prove to the Court that (1) it has acquired title to the land on which the replacement housing is to be built, (2) the funding for the replacement units has been awarded and a contract for the money with HUD has been signed, (3) construction has begun on each of the replacement units, (4) all Horner residents residing in the building to be demolished have been provided replacement housing and (5) the site on which the building to be demolished is located is needed for the construction of replacement housing or to improve marketing of the rehabilitated properties. However, HUD is requiring that 2111 W. Lake and 2145 W. Lake be demolished no later than April 1996 but is providing funding to build replacement housing on the 2111-2145 W. Lake site.

15. CHA must consult with and reach aareementwith plaintiffs and the Horner Local Advisory Council' before proceeding with actions required of it under the decree.- CHA and the development manager must consult with and attempt to reach agreement with plaintiffs and the Horner LAC before doing work under the Consent Decree. The plaintiffs and the Horner LAC shall appoint a **seven-**member committee consisting of Horner residents who shall comprise the Horner Resident Committee ("**HRC**"). The HRC shall meet with representatives of the CHA and the development manager on all matters relating to the Settlement. The HRC shall have the right to select and have compensated by CHA one or more consultants in the field of architecture, engineering, housing rehabilitation, development, demolition, regulations and procedures relating to CHA and HUD, local government and marketing to provide it advice regarding matters relating to the Consent Decree. CHA shall pay said consultants on a monthly basis a reasonable fee for services rendered by them.

16. HRC's Risht of Access to Certain Eviction and Police Records. To enable the HRC to ensure that CHA is properly applying the Occupancy Standards referred to in Paragraph 3 ~~above~~, the CHA must provide to the HRC copies of all notices of **termination** of tenancy served on any Horner resident for any reason other than nonpayment of rent as well as Chicago Police Department and other arrest reports. The HRC must keep these records strictly confidential. IF YOU FAIL TO OBJECT TO THIS PROPOSED SETTLEMENT YOU WILL BE DEEMED TO AGREE TO THE DISCLOSURE OF THIS INFORMATION TO THE HRC.

17. Future Statutory Chanaes. If Congress enacts legislation which removes the requirement that HUD fund all the replacement housing to be provided to Horner residents required by the settlement, the parties will attempt to reach agreement on appropriate modifications to the settlement. HUD will continue to provide funding for any replacement housing still required by law. The modifications shall seek, at a minimum, to provide decent, safe

and sanitary housing to Horner residents. If the parties are unable to reach agreement, a modification may not be imposed by the court but the plaintiffs may reinstate their complaint against CHA and/or HUD.

C. Your Right To Object To The Proposed Settlement

If you object to any of the terms of the proposed consent decree, you must submit any objections you may have in writing on or before March 31, 1995 to H. Stuart Cunningham, Clerk of Court, United States District Court for the Northern District of Illinois, Eastern Division, Room 2074, 219 S. Dearborn Street, Chicago, Illinois 60604 Re: Objections to Consent Decree, Henry Horner' Mothers Guild v. CHA and HUD, 91 C 3316 (N.D. Ill.).

Any objections you submit will be considered by the Court in determining the fairness of the proposed consent decree.

D. Further Court Hearings

There will be a hearing before Judge James B. Zagel on April 4, 1995 at 10:00 a.m. in Courtroom 1919 of the United States Courthouse, 219 S. Dearborn Street, Chicago, Illinois, to determine the fairness and adequacy of the proposed settlement. If you have filed your written objection on or before March 31, 1995 as provided in Section C above, you may also appear at the hearing in person to tell the court why you object to the proposed settlement. You do NOT have to file objections or come to the hearing if you agree with the terms of the proposed settlement. You should file objections only if you disagree with some or all of the terms of the proposed settlement.

E. Additional Information

If you wish additional information about this notice or

the proposed settlement, you may contact the plaintiffs' attorneys
by writing or calling:

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The court papers and a complete copy of the proposed consent
decree are available for inspection in the Office of the Clerk of
the Court at 219 S. Dearborn Street, Chicago, Illinois 60604 on the
20th floor. Please do not call the Judge or Clerk of Court. They
will not be able to give you any advice about the case.