

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MISSOURI
SOUTHEASTERN DIVISION

FRANCES HINES, TIMOTHY OWENS)
PRISCILLA JOHNSON, ESSIE McCATREY,)
DANNY HINES, ANGELA MOORE, TINA)
SMITH, YOLANDA CLARK , and)
HOUSING COMES FIRST, INC.,)
a Missouri non-profit corporation,)
Plaintiffs,)

v.)

CHARLESTON HOUSING AUTHORITY,)
a municipal corporation;)
PAUL PAGE, in his official capacity)
as Executive Director of the)
Charleston Housing Authority;)
UNITED STATES DEPARTMENT OF)
HOUSING AND URBAN DEVELOPMENT;)
and MEL MARTINEZ, in his)
official capacity as Secretary of)
the United States Department of)
Housing and Urban Development,)
Defendants.)

No. 1:01CV00070CDP

SECOND AMENDED COMPLAINT

INTRODUCTION

1. Defendants Charleston Housing Authority and Paul Page (the “Housing Authority Defendants”) have embarked on a plan to vacate and demolish 50 low-income housing units known as the Charleston Apartments and located in Charleston, Missouri. The Charleston Apartments were financed in 1981 with a loan from the Farmers Home Administration (“FmHA”) under the Rural Rental Housing Program, Section 515 of the Housing Act of 1949, 42

U.S.C. § 1485, a program to address the housing needs of elderly, disabled, and low-income families in rural areas. The Charleston Apartments complex has also been operated with a subsidy from the United States Department of Housing and Urban Development ("HUD") under the Section 8 substantial rehabilitation program, 42 U.S.C. § 1437f, to ensure that its dwelling units were affordable to low-income families.

2. In order to preserve the stock of federally assisted low-income housing and prevent the displacement of tenant families, Congress placed restrictions both on the prepayment of mortgages under the Section 515 and other federal housing loan programs and on the non-renewal of expiring project-based Section 8 contracts. In their effort to vacate and demolish Charleston Apartments, the Housing Authority Defendants have flouted these preservation obligations and other duties accompanying the federal assistance that they accepted for the complex. Since at least February 14, 2000, they have refused to re-let vacant units to low-income families needing affordable housing, denied existing residents the opportunity to remain in the complex, failed to offer the complex for sale to nonprofit organizations and public agencies that would continue operation of the complex as low-income housing, and allowed the units to deteriorate and remain vacant in order to deter such entities from purchasing the complex.

3. Defendants United States Department of Housing and Urban Development and Martinez ("HUD") have acquiesced in and approved the Housing Authority Defendants' effort to withdraw Charleston Apartments from the federal Section 8 housing subsidy program without the provision of proper notice to the residents of the apartment complex or an opportunity for residents to remain in the complex with enhanced Section 8 vouchers. HUD has also violated its

affirmative obligations under the Fair Housing Act by failing to investigate the racial and socioeconomic effects of the loss of Charleston Apartments on Plaintiffs and the community.

I. JURISDICTION

4. Jurisdiction is conferred on this court by 28 U.S.C. §§ 1331, 1337, 1343(a)(3) and (4), 1361 and 1367; and 42 U.S.C. § 3613. Declaratory and injunctive relief is authorized by 28 U.S.C. §§ 2201 and 2202, 5 U.S.C. §§ 701 and 706, 42 U.S.C. § 3613, and Rules 57 and 65 of the Federal Rules of Civil Procedure. Waiver of sovereign immunity is provided by 5 U.S.C. § 702, 12 U.S.C. § 1702, 42 U.S.C. § 1404a and 42 U.S.C. § 1437f.

5. Plaintiffs' claims arise under the Fair Housing Act, Title VIII of the Civil Rights Act of 1968 as amended, 42 U.S.C. §§ 3601 *et seq.*; the United States Housing Act, 42 U.S.C. §§ 1437 *et seq.*; the Administrative Procedure Act, 5 U.S.C. §§ 701 *et seq.*; 42 U.S.C. §§ 1472, 1485; the Emergency Low Income Housing Preservation Act of 1987, 42 U.S.C. § 1472(c); the U.S. Housing Act, 42 U.S.C. § 1437f, note; the Uniform Relocation Act, 42 U.S.C. §§ 4601 *et seq.*; the Housing and Community Development Act of 1978 as amended, 12 U.S.C. § 1715z-1b; the Fourteenth Amendment to the United States Constitution; federal contracts; and 42 U.S.C. § 1983.

II. THE PARTIES

6. Plaintiff Frances Hines is an African-American low-income head of household who has resided at 715 Warren in the Charleston Apartments with her five children for two years. Ms. Hines works at a grocery store in Charleston, Missouri and also receives Supplemental Security Income (SSI) on behalf of one of her children who is disabled. Her household's total monthly income is approximately \$1,570, and she pays rent to the Charleston Housing Authority.

7. Plaintiff Essie McCatrey is an African-American low-income head of household tenant who has resided at 719 Warren in the Charleston Apartments with her son for fourteen years. Her household income consists of Temporary Assistance to Needy Families (TANF) benefits of \$235 per month, and she pays rent to the Charleston Housing Authority.

8. Plaintiff Timothy Owens is an African-American low-income head of household who has resided at the Charleston Apartments with her four children for 10 years. She works as a maid at a motel in Charleston, Missouri for \$5.15 per hour and she receives SSI benefits on behalf of one of her children who is disabled. She pays rent to the Charleston Housing Authority.

9. Plaintiff Priscilla Johnson is an African-American head of household who has resided at 700 Lon Moore in the Charleston Apartments with her five children for 10 years. Her household income consists of TANF benefits of \$324 per month. She pays rent to the Charleston Housing Authority.

10. Plaintiff Danny Hines is an African-American low-income head of household who has resided at 708 Warren in the Charleston Apartments with his two brothers for 10 years. He currently is unemployed. His rent is subsidized by the Charleston Housing Authority's FmHA Mortgage and project-based Section 8 contract.

11. Plaintiff Angela Moore is an African-American head of household who was on the Defendant Charleston Housing Authority's waiting list for assisted housing until June 15, 2001. On that date she was moved by the Charleston Housing Authority into public housing where she currently resides with her two children. Her only income is from her employment by the Visiting Nurses Association that pays her \$182.00 per week. Ms. Moore was on the waiting

list for three months. She had a Section 8 voucher that recently expired because she was unable to find suitable housing where the landlord would accept the voucher.

12. Plaintiff Tisha Smith is African-American head of household who is on Defendant CHA's waiting list for assisted housing. Her household income consists of TANF benefits of \$136 per month and food stamps (\$87 per month). She currently lives with her minor child, her grandmother and another elderly woman in her grandmother's home in Charleston, Missouri. Ms. Smith has been on CHA's waiting list for over 1 year and was told several months ago that she was #19 on the list. She is pregnant and expecting another child in early August.

13 Plaintiff Yolanda Clark is an African-American head of household who is on Defendant CHA's waiting list for assisted housing. Her household income consists of TANF benefits of \$292 per month. Ms. Clark currently lives with her minor child, her sister and her sister's two children in a project house in Charleston, Missouri. She has been on CHA's waiting list for over 1 year. Ms. Clark is pregnant and expecting twins.

14. Plaintiff Housing Comes First, Inc. is a non-profit corporation organized and existing under the laws of the State of Missouri, with its principal place of business in the City of St. Louis, State of Missouri. Housing Comes First is a housing organization that engages in a variety of educational, informational, referral, and advocacy activities to prevent homelessness and preserve affordable housing. Housing Comes First has had to divert significant time and resources to address the loss of affordable housing, discrimination, the lack of resident participation, and denial of residents' rights in connection with defendant Charleston Housing Authority's threatened demolition of the Charleston Apartments described herein. The interests of Housing Comes First are adversely affected by the actions of defendants.

15. Defendant Charleston Housing Authority is a Missouri municipal corporation created and existing under the laws of the State of Missouri, Mo. Rev. Stat. §§ 99.010, *et seq.*, with its principal place of business at 700 S. Elm Street, Charleston, Missouri 63834. Defendant Authority is and at all relevant times herein was a public housing agency within the meaning of the U.S. Housing Act and its implementing regulations. Defendant Authority owns and operates the Charleston Apartments – a federally subsidized 50-unit Section 8 family housing development – and is required to operate and administer the Charleston Apartments in accordance with the U.S. Housing Act, the Fair Housing Act, and other federal law.

16. Paul M. Page is the Executive Director of the Charleston Housing Authority and, as such, is responsible for the operation and administration of all the developments and programs of CHA including the administration of the Charleston Apartments. Defendant Page is sued in his official capacity, and his office is located at 700 S. Elm Street, Charleston, Missouri 63834. Defendants Charleston Housing Authority and Page are referred to collectively as the “CHA” or “the Housing Authority Defendants.”

17. Defendant United States Department of Housing and Urban Development (“HUD”) is the federal agency charged with the administration and enforcement of the United States Housing Act, 42 U.S.C. §§ 1437 *et seq.*, including the Section 8 program; and the Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.*

18. Defendant Mel Martinez is the Secretary of the United States Department of Housing and Urban Development and, as such, is charged with the administration and enforcement of all functions, powers, and duties of HUD including those related to the Section 8 program and the Fair Housing Act. Defendant Martinez is sued in his official capacity. Hereinafter, defendants HUD and Martinez are referred to collectively as “HUD.”

III. STATUTORY AND REGULATORY FRAMEWORK

Section 515 of the Housing Act of 1949, 42 U.S.C. § 1485

19 Section 515 of the Housing Act of 1949, 42 U.S.C.A. § 1485, was established by a 1962 act of Congress (Senior Citizens Housing Act of 1962, Pub.L. No. 87-723, § 4(b), 76 Stat. 670 (1962)) which authorizes the Farmers Home Administration (“FmHA”) to make loans for the Rural Rental Housing program.

20. Loans made by FmHA pursuant to Section 515 are available to public, private, and non-profit borrowers for the purpose of providing rental or cooperative housing to low and moderate rate-income families and individuals, including senior citizens and disabled people. Loans under the Section 515 program are financed for up to 50 years at a market rate of interest.

21. Projects financed with a Section 515 loan “should expand the supply of decent, safe, and sanitary housing for very low-, low- and moderate-income elderly persons, persons with disabilities, and families in a nondiscriminatory way [and] should promote a greater choice of housing opportunities in the housing market area.” 7 C.F.R. § 1944.215(r).

22. In exchange for these long-term loans, borrowers must “[a]gree to comply with all FmHA requirements...and... regulations” and be “willing to honor the long term commitment associated with receipt of a Section 515 loan.” 7 C.F.R. §§ 1944.211(8) and 1944.211(14).

23. Borrowers are responsible for “meeting the objectives for which the loan and/or grant was made. 7 C.F.R. §1944.215(e); 7 C.F.R. §1930.113, Exhibit B, ¶III A2.

24. During the repayment period of a Section 515 loan, borrowers are required to maintain rents affordable to low-income families and individuals. 42 U.S.C. § 1485(p)(3). Since projects financed at market rates of interest will rent at rates that are not affordable to low and

moderate income families, several subsidy programs have been authorized to support the rents in Section 515 projects, including Interest Credit, Rental Assistance, and Section 8 Assistance.

Emergency Low Income Housing Preservation Act, 42 U.S.C. § 1472(c)

25. In 1987, Congress passed the Emergency Low Income Housing Preservation Act of 1987 (“ELIHPA”), 42 U.S.C. § 1472 (c), out of concern that a large portion of the housing stock constructed under the Section 515 program was vulnerable to mortgage prepayment and removal from the stock of low-income housing, thus thwarting the basic purpose of the program.

26. Prior to the enactment of ELIHPA, borrowers of Section 515 loans had the option of prepaying their mortgages at any time and removing their project from the program without restrictions. Subsequent to the enactment of ELIHPA, an owner of a project funded by a Section 515 loan who wishes to prepay its outstanding indebtedness must submit a request to prepay to Rural Housing Services (“RHS”), a United States Department of Agriculture (“USDA”) agency that presently administers FmHA loans. Before 30 days pass, RHS must notify each tenant of the housing development as well as interested nonprofit organizations and appropriate state and local agencies that the owner has submitted a request to prepay the Section 515 loan. 42 U.S.C. § 1472(c)(3).

27. RHS may not accept a prepayment offer until the requirements specified in ELIHPA have been met. Among other requirements, RHS must attempt to enter into an agreement under which the owner of the project commits to extend the low-income use of the project for 20 years from the date of the agreement. 42 U.S.C. § 1472(c)(4)(A). Since the purpose of ELIHPA is to preserve and extend the use of Section 515 projects as low-income

housing, RHS is required to offer various financial incentives to an owner who has indicated a desire to pre-pay the Section 515 loan. 42 U.S.C. §1472(c)(4)(B).

28. If, despite these incentives, the owner refuses to enter into an agreement to extend the low-income use of the project, then the owner is required to offer to sell the project to a qualified nonprofit organization or public agency at fair market value. 42 U.S.C. § 1472(c)(5)(A). Once the owner does so, if 180 days pass without a bona fide purchase offer being made, then RHS may accept the owner's prepayment request.

29. During the pendency of the prepayment request, the owner must continue to operate the Section 515 development as low-income rental housing and offer vacant units for rent to eligible households subject to a lease addendum notifying new tenants of the pendency of the prepayment request.

30. If no bona fide purchase offer is made and RHS accepts the prepayment, tenants have the right to remain in their units and pay the higher rents, with or without federal, state, or other subsidy, unless evicted for cause unrelated to payment. 7 C.F.R. § 1965.206(b)(2)(x). Tenants in Section 515 developments with a project-based Section 8 contract that the owner decides not to renew have a right to "enhanced vouchers" that enable them to remain in the development with Section 8 rental assistance.

Section 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f as amended

31. In 1974, Congress enacted the Section 8 program as the primary effort of the federal government to further the central goal of the Housing Acts – “the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.” 42 U.S.C. §§ 1441, 1441(a); 12 U.S.C. § 1701t.

32. Section 8 of the United States Housing Act, 42 U.S.C. § 1437f, is federal rental assistance program to private landlords on behalf of low-income families. It has two basic forms: project-based assistance in which the subsidy is attached to the structure and portable Section 8 assistance in which the subsidy moves with the resident. 42 U.S.C. § 1437f.

33. In the project-based Section 8 substantial rehabilitation program, the landlord of the project and HUD enter into a renewable Housing Assistance Payment (“HAP”) contract wherein HUD agrees to provide assistance payments to the landlord to cover the difference between the rent contributed by the resident and the maximum approved contract rent for the unit. 24 C.F.R. part 881.

34. During the term of HAP contract under the Section 8 program, the owner must make available for occupancy by eligible families the total number of units for which assistance is committed under the HAP contract, including *inter alia* leasing or making good faith efforts to lease the units to eligible and otherwise acceptable families and taking all feasible actions to fill vacancies by renting to such families. 24 C.F.R. §§ 880.504(a), 880.504(d), 881.104 and 881.503

35. Recognizing that a landlord may decline to renew a HAP contract at the expiration of its term and thereby affect the residents of the project and the supply of low-income affordable rental housing, Congress enacted legislation requiring project owners deciding to opt out of the Section 8 program to give at least 1 years' prior notice of the contract termination to both the residents involved and HUD. The notice must include a statement that:

If the Congress makes the funds available, the Owner and the Secretary may agree to a renewal of the contract, thus avoiding termination, and that in the event of termination, HUD will provide tenant-based assistance to all eligible residents, enabling them to choose the place they wish to rent, which is likely to include the dwelling unit in which they currently reside.

42 U.S.C. §1437f(c)(8)(A) (emphasis added).

36. In 1999, Congress further protected residents affected by landlords' prepaying or opting out of Section 8 project-based programs by amending the U.S. Housing Act to afford such residents "enhanced vouchers" that allow them "to elect to remain" in their unit. Pub. L. No. 105-276, § 554; 42 U.S.C. §§ 1437f(t)(1)(B) and 1437f(t)(2).

37. Congress has also prohibited landlords from interfering with tenants' efforts to obtain rent subsidies, including owners of Section 515 housing with project-based Section 8 or enhanced vouchers under the U.S. Housing Act. 12 U.S.C. § 1715z-1b(b)(2); Pub. L. No. 105-276 § 599, 112 Stat. 2660.

The Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.*

38. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, provides that it shall be unlawful:

- a. To make unavailable or deny a dwelling to any person because of race, 42 U.S.C. § 3604(a); or
- b. To discriminate against any person in the terms, conditions, or privileges of renting a dwelling, or in the provision of services or facilities in connection therewith, because of race. 42 U.S.C. § 3604(b).

39. The Fair Housing Act also provides 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).

The Quality Housing and Work Responsibility Act of 1998, Pub. L. No. 105-276, Title V.

40. The Quality Housing and Work Responsibility Act of 1998 ("QHWRA") requires every public housing authority to prepare and to submit to HUD for approval an "annual public

housing agency plan” detailing, among other things, the housing needs in the housing authority’s jurisdiction and the public housing authority’s administration of its programs. 42 U.S.C. § 1437c-1(b)

41. The Quality Housing and Work Responsibility Act further requires each public housing authority to include a certification to HUD in its public housing agency plan that the public housing authority

will carry out the public housing agency plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, ... and will affirmatively further fair housing.

42 U.S.C. § 1437c-1(d)(15).

The Uniform Relocation Act, 42 U.S.C. §§ 4601 *et seq.*

42. The Uniform Relocation Act (“URA”), 42 U.S.C. §§ 4601 *et seq.*, and its implementing regulations provide in pertinent part that a displacing agency must implement a relocation assistance advisory program, including determining the relocation needs and preferences of each person to be displaced, explaining the relocation payments and other assistance for which the person may be eligible, explaining the procedures for obtaining such assistance, providing full, timely, and adequate notice regarding comparable replacement housing and the maximum replacement housing payment for which the person may qualify, and giving minority persons reasonable opportunities to relocate to decent, safe, and sanitary dwellings not located in areas of minority concentration. 42 U.S.C. § 4622; 49 C.F.R. §§ 24.202, 24.205 and 24.402.

43. Pursuant to the URA, no resident may be compelled to move unless he or she has received at least 90 days advance written notice from the displacing agency of the earliest date by which he or she may be required to move. The 90-day notice must either state a specific date

as the earliest date by which the resident may be required to move, or state that the resident will receive a further notice indicating at least 30 days in advance, the specific date by which he or she must move. 49 C.F.R. § 24.203 (c).

44. Further, no such resident subject to displacement may be required to move from his or her dwelling unless at least one comparable replacement dwelling has been made available to the resident and, where possible, three or more comparable replacement dwellings shall be made available. 49 C.F.R. § 24.204 (a). A comparable replacement dwelling is one that “performs the same function, provides the same utility, and is capable of contributing to a comparable style of living.” 49 C.F.R. § 24.2. If a 90-day notice is issued before a comparable replacement dwelling is made available, the notice must state clearly that the occupant will not have to move earlier than 90 days after such a dwelling is made available. 49 C.F.R. § 24.203 (c)(3).

45. Finally, the displacing agency must draft a relocation plan such that solutions are developed to minimize the adverse impacts of displacement. Such planning, where appropriate, must precede any action which will cause displacement and should be scoped to the complexity and nature of the anticipated displacing activity, including an evaluation of program resources available to carry out timely and orderly relocations. 49 C.F.R. § 24.205.

IV. STATEMENT OF FACTS

The Development and Construction of Charleston Apartments

46. The Charleston Apartments is a 50-unit federally subsidized apartment complex located in Charleston, Missouri. Thirty-nine of the fifty units are located in the 700 block of Warren and Lon Moore Streets and the remaining eleven units are on the 400 blocks of West Cypress, West Market and West Commercial Street. Among the 50 units, there are nine four-

plex buildings with two and three bedroom units, twelve single family dwellings with four and five bedroom units and one duplex with three bedroom units.

47. Charleston Apartments was built in the early 1970's as Section 23 Leased Housing. On or about April 27, 1981, the development was converted to a FmHA-mortgaged Section 8 project-based Substantial Rehabilitation Project when FmHA made a 50-year loan to Defendant Charleston Housing Authority (CHA) in the amount of \$740,000 (the "Loan") pursuant to the Section 515 program. In connection with the Section 515 Loan, CHA executed a Loan Resolution, a promissory note (the "Note"), and a Deed of Trust on the property in favor of FmHA securing repayment of the Note.

48. In the Loan Resolution, CHA agreed *inter alia* that it shall comply with all applicable FmHA regulations so long as the loan obligations remain unsatisfied, shall comply with all of its agreements and obligations in or under the note, security instrument and any related agreement executed by CHA in connection with the loan, do other things as may be required by the Government in connection with the operation of the housing, and shall "not use the housing for any purpose other than as rental housing and related facilities for eligible occupants" unless "the Government gives prior consent." Loan Resolution, ¶6. A copy of the Loan Resolution is attached hereto as P. Ex. 1.

49. In the Deed of Trust, CHA agreed "to use the housing for the purpose of housing people eligible for occupancy as provided in Section 515 . . . and FmHA regulations then extant during [the] 20 year period beginning April 27, 2001." CHA and the Government agreed to give tenants, as well as the government, a right to enforce this provision. Deed of Trust, ¶27. CHA further agreed to maintain Charleston Apartments in good repair and not to "abandon the property, or cause or permit waste." Deed of Trust, ¶9. Finally, the Deed of Trust is subject to

future FmHA regulations not inconsistent therewith. Deed of Trust, ¶23. A copy of the Deed of Trust is attached hereto as P. Ex. 2.

50. The Note, like the Deed of Trust and Loan Resolution, provides that it is subject to present FmHA regulations and to future FmHA regulations not inconsistent with the Note. A copy of the Note is attached hereto as P. Ex. 3.

51. The Plaintiff Residents, other tenants currently and formerly residing at Charleston Apartments, and households eligible for occupancy at Charleston Apartments are third party beneficiaries of the Loan Resolution, Note, and Deed of Trust.

52. CHA entered into a 20-year Section 8 HAP contract with HUD beginning April 27, 1981 to cover the difference between the rent contributed by Charleston Apartment residents and the maximum approved contract rent for the unit. A copy of the HAP contract is attached hereto as P. Ex. 4.

53. The Plaintiff Residents and other tenants currently and formerly residing at Charleston Apartments are third-party beneficiaries of the HAP contract between the CHA and HUD for Charleston Apartments.

54. On April 17, 1995, the CHA and USDA executed a Management Plan for the Charleston Apartments wherein CHA promised inter alia that “ continual and periodic advertising...[would]be used in an effort to maintain the highest levels of occupancy that are reasonably attainable”, waiting lists would be kept, and prospective tenants would be selected from waiting lists when vacancies occurred. A copy of the Management Plan is attached hereto as P. Ex 5

55. CHA agreed to update the Management Plan triennially and obtain USDA approval for all revisions and modifications. On information and belief, in 1999, USDA

requested an update of CHA's 1995 plan. CHA, however, had decided to demolish the Charleston Apartments and clear the project for demolition – a plan that was inconsistent with the existing Management Plan wherein CHA agreed to attempt to maintain the highest levels of occupancy. Instead of obtaining USDA's approval to this modification to the Management Plan, CHA simply failed to submit any Plan to USDA.

The Housing Authority's Decision to Prepay the Loan, Withdraw Charleston Apartments from the Federal Housing Subsidy and Financing Programs, and Demolish the Apartment Complex

56. CHA began to prepay the mortgage on Charleston Apartments in July 1981 when it repaid loan principal in the amount of \$119,903.71. Three additional payments were made in August 1981. In addition, CHA has made over-payments on the mortgage each month, paying \$6,000 per month instead of the scheduled amount of \$5,624.

57. On or before July 12, 1999, the Housing Authority Defendants contacted USDA regarding prepayment in full of the mortgage on Charleston Apartments. On July 12, 1999, USDA informed the Housing Authority Defendants that any households occupying units at Charleston Apartments on April 27, 2001 could not be displaced.

58. On February 14, 2000, the CHA Board of Commissioners unanimously passed Resolution 604 calling for CHA to:

Make application to U.S.D.A. Rural Development to accept early pre-payment of the fifty (50) year loan in the 19th or 20th year, with the intention of NOT seeking to renew the HUD Housing Assistance Payment (HAP) contract, because of the intentions of the Board of Commissioners to DEMOLISH the project as soon as possible after April 2001, because of the high density of the population of low-income government apartments in a four (4) block area (109 apartments, site 1 and 61 apartments, site 2) history of drug crime and violent crime and limited funding.

Then provide a preference to Charleston Apartments' residents for admission to Charleston Housing Authority's Public Housing Vacancies and also

arrange the availability of Section 8 Resident Based Housing Assistance vouchers as an additional Option for the residents.

P. Ex .6.

59. At the time that the CHA Board of Commissioners adopted Resolution 604, there were 47 families residing in the 50-unit Charleston Apartments development. All but one of those 47 families were African-American.

60. The Housing Authority Defendants have not rented vacant or vacated units at Charleston Apartments since the adoption of Resolution 604 on February 14, 2000.

61. On June 18, 2000, the City of Charleston, Missouri passed and approved Resolution No. 980, pledging that it would provide all labor, machinery, and funds necessary to complete the demolition of the Charleston Apartments if CHA did not have adequate eligible funding to initiate or complete such demolition and disposal. A copy of Resolution No. 980 is attached as P. Ex. 7.

62. In December 2000, the Housing Authority Defendants filed a prepayment request with USDA. In keeping with its plan to demolish and prevent the use of Charleston Apartments as low-income housing, CHA failed to include with its prepayment request proposed language in compliance with USDA requirements that would be used as a lease addendum for all tenants moving into the project while the prepayment request was pending; evidence that it had taken the required steps to opt out of the Section 8 HAP contract; and other required information and documentation necessary for USDA adequately to make a prepayment report.

63. The Housing Authority Defendants decided and informed USDA that CHA would not agree to extend the low-income use of Charleston Apartments even with financial incentives from the agency.

64. On or about January 8, 2001, USDA sent residents of Charleston Apartments written notice that the CHA had submitted a request to prepay the mortgage on Charleston Apartments.

65. The Housing Authority Defendants have failed to offer to sell Charleston Apartments to qualified nonprofit organizations or public agencies that would maintain the complex as low-income housing.

66. On information and belief, USDA has not made a decision regarding approval or disapproval of CHA's prepayment request on Charleston Apartments. On June 5, 2001, USDA informed CHA that by failing to lease vacant units at Charleston Apartments and perform maintenance at the complex and moving current residents to public housing, it was not in compliance with the Loan Agreement under the Rural Rental Housing Program. A copy of USDA's letter to CHA is attached hereto as P. Ex. 8.

67. On information and belief, the Housing Authority Defendants performed no analysis of the racial and socioeconomic effect of the decision to prepay the mortgage on Charleston Apartments, the decision to opt out of the Section 8 HAP contract for Charleston Apartments, or the decision to demolish Charleston Apartments.

68. On information and belief, HUD performed no analysis of the racial and socioeconomic effect of its decision to permit CHA to opt out of the Section 8 HAP contract for Charleston Apartments.

The Displacement of Charleston Apartments Residents

69. The Plaintiff Residents and other residents of the Charleston Apartments learned about the Housing Authority Defendants' plans to demolish their homes on or about April 20, 2000, when CHA sent them a letter notifying them of its resolution to "vacate the project and

demolish it” and purporting to give them the required one-year notice of its decision not to renew the Section 8 HAP contract when it expired April 26, 2001.

70. CHA’s letter informed residents that eligible residents would receive tenant-based Section 8 assistance following termination of the HAP contract and that their right to choose the place they wished to rent likely would not include the dwelling unit in which they currently resided. A copy of the April 20, 2000 letter is attached as P. Ex. 9.

71. On December 20, 2000, the Housing Authority Defendants provided residents of the Charleston Apartments with another letter which confirmed the decision not to renew the HAP contract with HUD after the contract expired on April 26, 2001, repeated the intention to vacate and demolish the Charleston Apartments, and advised that subsequent Section 8 tenant-based rental assistance likely would not enable residents to choose to rent the units they were currently occupying. A copy of the December 2000 letter is attached as P. Ex. 10.

72. HUD authorized, acquiesced in, and approved the Housing Authority Defendants’ purported one-year notice to residents of Charleston Apartments.

73. HUD authorized the Housing Authority Defendants’ termination of the Section 8 HAP contract at Charleston Apartments and processed enhanced vouchers in support of that termination despite improper notice to residents of Charleston Apartments.

74. HUD authorized the Housing Authority Defendants’ termination of the Section 8 HAP contract at Charleston Apartments despite CHA’s refusal to permit residents to remain in their units at Charleston Apartments with their enhanced vouchers.

75. CHA encouraged current residents of Charleston Apartments to apply for its public housing units, stating that they would be given a preference on CHA’s waiting list and would be housed before those families who had not been “involuntarily displaced.”

76. Plaintiffs Tisha Smith, Yolanda Clark and other households on the CHA waiting list are unlawfully being denied opportunities to receive assisted housing as a result of the Housing Authority Defendants' plan to cease to operate Charleston Apartments. Plaintiffs Smith, Clark and other households on the CHA waiting list have not been offered units at Charleston Apartments.

77. On information and belief, there are less than eight families remaining at Charleston Apartments, all of whom are African-American. As tenants have vacated the units, CHA has left the units empty, unsecured, and subject to vandalism, thus diminishing the prospects for selling the units to a nonprofit organization that would operate the units as low-income housing and furthering the Housing Authority Defendants' goal to demolish the apartment complex.

78. The Housing Authority Defendants have violated their affirmative duties under the loan documents and the Section 515 Rural Rental Housing Program to use Charleston Apartments as rental housing for eligible families, to keep the apartment complex in good repair, to not permit waste, and to offer the complex for sale to qualified nonprofit organizations and public agencies that would preserve the apartment complex as low-income housing.

79. CHA has violated its affirmative duties under the HAP contract and the Section 8 program to "take all feasible actions" to fill vacancies, to make a good faith effort to lease the units at Charleston Apartments to eligible families, and to allow residents to remain in their units with enhanced vouchers. It has also violated its affirmative duties under the Management Plan to advertise the units in an effort to "maintain the highest levels of occupancy that are reasonably attainable."

80. The Housing Authority Defendants have not informed the residents of Charleston Apartments in writing of a specific date as the earliest date upon which they would be required to move or advised that they would receive a further notice indicating at least 30 days in advance, the specific date by which they must move.

81. The Housing Authority Defendants have failed to offer the Plaintiff Residents comparable replacement dwellings, provide them written notice of specific comparable replacement units, inform them in writing of the maximum replacement housing payment for which they are eligible, or offer them proper moving expenses.

82. The Housing Authority Defendants have failed to give the Plaintiff Residents reasonable opportunities to relocate to decent, safe, and sanitary dwellings not located in areas of minority concentration.

83. The Housing Authority Defendants failed to determine the relocation needs and preferences of residents of Charleston Apartments or to develop a relocation plan that minimizes displacement of residents from that complex.

84. The Charleston Housing Authority currently administers no federal Section 8 housing voucher program.

85. On information and belief, 13 of the 47 families residing in Charleston Apartments on February 14, 2000 were provided tenant-based Section 8 housing vouchers by the East Prairie Housing Authority of East Prairie, Missouri. None of these families were able to find housing with their vouchers.

The Need for Affordable Housing in the City of Charleston and Mississippi County

86. According to data recently released from the 2000 Census, forty-six percent, or 2,158, of Charleston, Missouri residents are African-Americans. The total population of

Mississippi County, the county in which the city of Charleston is located, is 13,427. Twenty-one percent, or 2,757, of Mississippi County residents are African-American.

87. According to a survey published by the Defendant HUD in 1998, the average Charleston Apartments family had resided in the development for 7.5 years. This survey further stated that 95 percent of the households residing in Charleston Apartments at that time were headed by African-Americans.

88. According to the annual agency plan for Charleston Housing Authority for the fiscal year beginning January 1, 2001, African-American families and low-income families of all racial affiliations in Mississippi County have “severe” needs with respect to the affordability, supply, and quality of housing in the county.

89. According to the annual agency plan for the East Prairie Housing Authority for the current fiscal year beginning October 1, 2000, African-American families and low-income families of all racial affiliations in Mississippi County have “severe” needs with respect to the affordability, supply, and quality of housing in the county.

90. CHA’s annual public housing agency plan for fiscal year 2001 states that a total of 63 families are on CHA’s assisted housing waiting list. Of these families, 55 are described by CHA as African-American.

91. Low-income African-American households in Mississippi County have a disproportionately great need for affordable rental housing compared to the needs of the general population of low-income households in the county. According to a tabulation of 1990 Census data prepared on behalf of the Defendant HUD, the most recent year for which such data is available, there is a total of 1,417 renter households in Mississippi County with incomes from 0 to 80% of the area median income. Of these 1,417 households, 56% have housing affordability

problems, meaning that these households pay more than 30% of annual income for housing costs. A total of 417, or 29%, of these 1,417 renter households are headed by African-Americans. Sixty-nine percent of these African-American households pay more than 30% of their annual incomes for housing costs.

The Adoption of Resolution No. 639

92. On June 11, 2001 the Board of Commissioners of the Housing Authority adopted Resolution No. 639 revoking and rescinding Resolution No. 604 and resolving to “explore and pursue” the demolition of the nine four-plex buildings and the “preservation” and “restoration of the twelve(12) single dwelling and one (1) duplex in combination with either an enhanced voucher program or a renewed, repriced, restructured...[HAP] contract or preferably conversion to Public Housing Program.” The Resolution further provides that the preference given to Charleston Apartments for admission into CHA public housing shall remain in effect. A copy of Resolution No. 639 is attached hereto as P. Ex. 11.

93. On information and belief, the Board of Commissioners of CHA performed no analysis of the racial or socioeconomic effects of the actions contemplated by Resolution No. 639.

94. Resolution No. 639 commits CHA to no particular course of action and sets no deadline or timeframe for action of any kind. Further, it fails to identify any funding source for the alternate uses it describes for Charleston Apartments. On information and belief CHA has not abandoned its demolition plans for the Charleston Apartments and only passed Resolution No. 639 in an effort to divert judicial scrutiny of said plans. There are still 43 vacant Charleston Apartment units that CHA refuses to lease.

95. With respect to pre-payment of the Loan, Resolution 639 authorizes Defendant Page to take such action as he shall deem proper in his discretion to negotiate or litigate with the U.S.D.A. in order that U.S.D.A will accept the amount tendered by CHA as its final payment. Defendant Page has now apparently notified USDA that CHA has withdrawn its pre-payment request. Yet, CHA still persists in its effort to pay off the Loan more than 20 years prior to its maturity date. On information and belief, the alleged withdrawal of the prepayment request is a legal slight of hand designed to mask CHA's willful violation of its ELIHPA obligations.

Injuries Suffered by Plaintiffs as a Result of the Defendants' Actions

96. Defendants' actions have had and will continue to have a disproportionate adverse impact on African-Americans. At all times relevant to this complaint, African-Americans have comprised the largest percentage of residents occupying the Charleston Apartments and the largest percentage of persons on the waiting list for CHA's assisted housing. Low-income African-American renter households in Mississippi County also have a disproportionately great need for affordable housing.

97. Defendants' actions threaten the Plaintiff Residents, other residents of the Charleston Apartments, Plaintiffs Smith, Clark and other households on the waiting list for assisted housing operated by the CHA, and other families needing assisted housing in Charleston, Missouri with imminent injury, including eviction and displacement from their homes, the severing of personal, family and community ties, discrimination, and lack of access to assisted housing and even homelessness. The named individual Plaintiffs are adversely affected by defendants' actions as complained of herein.

98. Defendants' actions have caused and continue to cause injury to the mission of Plaintiff Housing Comes First to prevent homelessness and to preserve, expand, and ensure the

availability of affordable housing for low-income families in Missouri. As a result of defendants' actions, Plaintiff Housing Comes First has had to divert significant time and resources from its other educational, counseling, referral, and advocacy activities in order to address the loss of affordable housing, discrimination, displacement of residents from their homes, diminished access of waiting list and other low-income families to assisted housing, and the denial of residents' housing rights in connection with Defendants' actions and omissions regarding the Charleston Apartments. Plaintiff Housing Comes First has been adversely affected by Defendants' actions as complained of herein.

99. The Housing Authority Defendants are "persons" within the meaning of 42 U.S.C. § 1983, and all actions alleged herein by the Housing Authority Defendants were taken under color of state law. Plaintiffs have no adequate remedy at law.

CLAIMS FOR RELIEF

CLAIMS AGAINST THE HOUSING AUTHORITY DEFENDANTS

COUNT I

Violation of the Rural Rental Housing Program Requirements, 42 U.S.C. §§ 1472, 1485

100. By failing to lease vacant units and operate Charleston Apartments as rental housing for eligible families, to maintain Charleston Apartments in good repair and prevent waste, the Housing Authority defendants have violated Plaintiffs' rights under 42 U.S.C §§ 1472(c), 1485, their implementing regulations, and 42 U.S.C. § 1983.

101. By failing to include with its prepayment request to USDA proposed language in compliance with USDA requirements that would be used as a lease addendum for all tenants moving into the project while the prepayment request was pending; evidence that it had taken the

required steps to opt out of the Section 8 HAP contract; and other required information and documentation necessary for USDA adequately to make a prepayment report, the Housing Authority Defendants have violated Plaintiffs' rights under the Emergency Low Income Housing Preservation Act, 42 U.S.C § 1472(c), its implementing regulations, and 42 U.S.C. § 1983.

102. By failing to offer to sell Charleston Apartments to qualified nonprofit organizations and public agencies that would maintain the complex as low-income housing, the Housing Authority Defendants have violated Plaintiffs' rights under the Emergency Low Income Housing Preservation Act, 42 U.S.C § 1472(c), its implementing regulations, and 42 U.S.C. § 1983.

COUNT II

Violation of the Section 515 Loan Resolution, Note, and Deed of Trust

103. By failing to lease vacant units and operate Charleston Apartments as rental housing for eligible families or to maintain Charleston Apartments in good repair and prevent waste, the Housing Authority Defendants have materially breached the Loan Resolution, Note, and Deed of Trust between the Housing Authority Defendants and USDA for Charleston Apartments, proximately caused injury to Plaintiffs, and violated their rights as third-party beneficiaries of those contracts.

104. By failing to include with its prepayment request to USDA proposed language in compliance with USDA requirements that would be used as a lease addendum for all tenants moving into the project while the prepayment request was pending; evidence that it had taken the required steps to opt out of the Section 8 HAP contract; and other required information and documentation necessary for USDA adequately to make a prepayment report, the Housing Authority Defendants have materially breached the Loan Resolution, Note, and Deed of Trust

between the Housing Authority Defendants and USDA for Charleston Apartments, proximately caused injury to Plaintiffs, and violated their rights as third-party beneficiaries of those contracts.

105. By failing to offer to sell Charleston Apartments to qualified nonprofit organizations and public agencies that would maintain the complex as low-income housing, the Housing Authority Defendants have materially breached the Loan Resolution, Note, and Deed of Trust between the Housing Authority Defendants and USDA for Charleston Apartments, proximately caused injury to Plaintiffs, and violated their rights as third-party beneficiaries of those contracts.

COUNT III

Violation of the United States Housing Act, 42 U.S.C. § 1437f, its implementing regulations, the Multifamily Assisted Housing Reform and Affordability Act of 1997 as amended, and 42 U.S.C. § 1983

106. By failing to lease or make good faith efforts to lease all units at Charleston Apartments to eligible and otherwise acceptable families, the Housing Authority Defendants have violated 42 U.S.C. § 1437f, 24 C.F.R. 880.504, and 42 U.S.C. § 1983.

107. By purporting to terminate and opt out of the Section 8 HAP contract for the Charleston Apartments without proper notice and refusing to the Plaintiff Residents and other eligible residents of the Charleston Apartments enhanced vouchers and the choice to remain at the Charleston Apartments, the Housing Authority Defendants have violated Plaintiffs' rights under the Multifamily Assisted Housing Reform and Affordability Act of 1997, Pub. L. No. 105-65, 111 Stat. 1385, 1420 as amended, 42 U.S.C. § 1437f, note; the United States Housing Act, 42 U.S.C. § 1437f(t), and 42 U.S.C. § 1983.

COUNT IV

Violation of the Housing and Community Development Act of 1978 as amended, 12 U.S.C. § 1715z-1(b)

108. By refusing to accept enhanced vouchers allowing Charleston Apartment residents to remain in their homes, the Housing Authority Defendants have interfered with Plaintiffs' efforts to obtain rent subsidies in violation of the Housing and Community Development Act of 1978 as amended, 12 U.S.C. § 1715z-1b(b)(2).

COUNT V

Violation of Fourteenth Amendment to the United States Constitution and 42 U.S.C. § 1983

109. By purporting to terminate the Section 8 HAP contract for Charleston Apartments without proper notice, adopting and implementing a plan to demolish the 50 subsidized housing units comprising Charleston Apartments, and failing to maintain the complex in good repair and prevent waste, the Housing Authority Defendants are acting to deprive Plaintiffs of their property interest in continued occupancy in the Charleston Apartments without adequate procedural due process in violation of the Due Process Clause of the Fourteenth Amendment to the United States Constitution and 42 U.S.C. § 1983.

110. By failing to lease vacant units at Charleston Apartments to low-income families and placing households residing at Charleston Apartments in vacant CHA public housing units ahead of Plaintiffs Clark and Smith and other households on the CHA waiting list for assisted housing, the Housing Authority Defendants are acting to deprive Plaintiffs Clark and Smith and other households on the CHA waiting list for assisted housing of their property interest without adequate procedural due process in violation of the Due Process Clause of the Fourteenth Amendment to the United States Constitution and 42 U.S.C. § 1983.

COUNT VI

Violation of the Uniform Relocation Act, 42 U.S.C. §§ 4601 *et seq.*

111. By failing adequately to assess the needs and preferences of the Plaintiff Residents and other displaced Charleston Apartment residents, failing to give them reasonable opportunities to relocate to decent, safe, and sanitary dwellings not located in areas of African-American concentration, failing to provide them with comparable replacement housing, failing to inform them of the maximum replacement housing payment for which they may be eligible, failing to give them proper and timely notice of the earliest date upon which they may be required to move, failing to offer them proper moving expenses, failing to development a plan that minimizes displacement, the Housing Authority Defendants have violated Plaintiffs' rights under the Uniform Relocation Act, 42 U.S.C §§ 4601 *et seq.*, its implementing regulations, and 42 U.S.C. § 1983.

COUNT VII

Violation Of the Missouri Administrative Procedure Act, Mo. Rev. Stat. §536.100 *et. seq.*

112. By failing to lease vacant units and operate Charleston Apartments as rental housing for low-income families, failing to maintain the complex in good repair and prevent waste, adopting and implementing a plan to demolish Charleston Apartments, terminating the Section 8 HAP contract at Charleston Apartments without proper notice, and refusing to accept enhanced vouchers allowing Charleston Apartment residents to remain in their homes, the Housing Authority Defendants have failed to operate Charleston Apartments in an efficient manner so as to provide decent, safe and sanitary dwelling accommodations for low-income families, deprived Plaintiffs of their property without due process, and have acted

unconstitutionally, unlawfully, unreasonably, arbitrarily, and capriciously and abused their discretion in violation of the Missouri Administrative Procedure Act, Mo. Rev. Stat § 536.150.

COUNT VIII

Violation of the Quality Housing and Work Responsibility Act of 1998, 42 U.S.C. § 1437c-1(d)(15)

113. By failing to consider the racial and socioeconomic effects of opting-out of the HAP contract and vacating and demolishing Charleston Apartments, the Housing Authority Defendants have failed to administer the federal housing programs in a manner affirmatively to further fair housing in violation of the Quality Housing and Work Responsibility Act of 1998, 42 U.S.C. § 1437c-1(d)(15), 42 U.S.C. § 1983, and Mo. Rev. Stat. § 536.150.

COUNT IX

Violation of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, 42 U.S.C. § 3604(a) and (b)

114. By failing to lease vacant units and operate Charleston Apartments as rental housing for eligible families, failing to maintain Charleston Apartments in good repair and prevent waste, failing to provide the information necessary for USDA to prepare a prepayment report, failing to offer Charleston Apartments for sale to nonprofit organizations and public agencies that would operate the complex as low-income housing, purporting to opt out of the Section 8 HAP contract without proper notice, and refusing Charleston Apartment residents the choice to remain at the complex with enhanced vouchers, the Housing Authority Defendants have made unavailable and denied housing because of race in violation of Plaintiffs' rights under the Fair Housing Act, 42 U.S.C. § 3604(a) and its implementing regulations.

115. By failing to lease vacant units and operate Charleston Apartments as rental housing for eligible families, failing to maintain Charleston Apartments in good repair and prevent waste, and placing households residing at Charleston Apartments in vacant CHA public housing units ahead of households on the CHA waiting list for assisted housing, the Housing Authority Defendants have made unavailable and denied housing to Plaintiff Smith, Clark and other households on the waiting list because of race in violation of their rights under the Fair Housing Act, 42 U.S.C. § 3604(a) and (b), and its implementing regulations.

CLAIMS AGAINST HUD

COUNT X

Violation of the Fair Housing Act, 42 U.S.C. § 3608(e)(5), and the APA, 5 U.S.C. §§ 701 *et seq.*

116. By failing to consider the racial and socioeconomic effects of its decision to approve the CHA's non-renewal of the HAP contract at Charleston Apartments despite the CHA's failure to comply with federal law, HUD failed affirmatively to further fair housing in violation of the Fair Housing Act, 42 U.S.C. § 3608(e)(5), and the Administrative Procedures Act, 5 U.S.C. §§ 701 *et seq.*

COUNT XI

Violation of the Administrative Procedures Act, 5 U.S.C. § 706 (2)(A)-(D)

117. By authorizing and approving CHA's purported one-year notice to opt out of its HAP contract, authorizing termination of the Section 8 HAP contract at Charleston Apartments despite CHA's improper notice to residents and refusal to allow residents to remain in their homes with enhanced vouchers, failing to prevent the demolition of the Charleston Apartments and acquiescing in CHA's neglect of the Charleston Apartments, and otherwise failing to prevent CHA from interfering with the residents' rights to obtain Section 8 rental assistance, HUD has

abused its discretion and acted arbitrarily, capriciously, not in accordance with law, without observance of procedure required by law, short of statutory right, and contrary to constitutional right in violation of the Administrative Procedures Act, 5 U.S.C. § 706 (2)(A)-(D).

RELIEF

WHEREFORE, the Plaintiffs pray this Court:

1. Enter a declaratory judgment that the actions and omissions of the Housing Authority Defendants set forth above violate Section 515 of the Housing Act of 1949, 42 U.S.C. § 1485; the Emergency Low Income Housing Preservation Act of 1987, 42 U.S.C. § 1472(c); the Loan Resolution, Deed of Trust, and Promissory Note regarding Charleston Apartments; the Fair Housing Act, 42 U.S.C. § 3604; the Uniform Relocation Act, 42 U.S.C §§ 4601 *et seq.*; 42 U.S.C. § 1437f, note; Section 8 of the United States Housing Act, 42 U.S.C. § 1437f; Housing and Community Development Act of 1978 as amended, 12 U.S.C. §1715z-1b(b)(2); the Quality Housing and Work Responsibility Act of 1998, 42 U.S.C. § 1437c-1; the Due Process Clause of the Fourteenth Amendment to the United States Constitution; and 42 U.S.C. § 1983.

2. Enter a declaratory judgment that the actions of HUD set forth above violate the Fair Housing Act, 42 U.S.C. § 3608; the Administrative Procedure Act, 5 U.S.C. §§ 701 *et seq.*; and the Fifth Amendment to the United States Constitution.

3. Enter a preliminary and permanent injunction:

a. enjoining the Housing Authority Defendants from demolishing the Charleston Apartments and implementing Resolution 604;

b. enjoining the Housing Authority Defendants from evicting, inducing or encouraging any residents to move out of Charleston Apartments;

c. enjoining the Housing Authority Defendants from prepaying the Charleston Apartments FmHA mortgage, or in the alternative, if the Charleston Apartments FmHA mortgage is permitted to be prepaid, requiring the Housing Authority Defendants to offer Charleston Apartments for sale to qualified purchasers for a period of not less than 180 days and to comply with all other USDA requirements;

d. enjoining HUD and the Housing Authority Defendants from terminating or failing to renew the Charleston Apartments HAP contract for all 50 units in the complex until unless and until such time as any prepayment of the FmHA mortgage has been accepted and processed in accordance with USDA requirements;

e. requiring the Housing Authority Defendants to lease and operate all 50 dwelling units at Charleston Apartments in accordance with the Rural Rental Housing Program, the HAP contract, and all applicable laws, including but not limited to all legal requirements related to the admission of residents to and the physical condition of Charleston Apartments;

f. requiring HUD and the Housing Authority Defendants to take all steps necessary affirmatively to further fair housing in the operation of the Charleston Apartments;

g. enjoining the Housing Authority Defendants from discriminating on the basis of race or from engaging in any activities that have a racially discriminatory effect.

4. Award Plaintiffs their costs.

5. Grant Plaintiffs such other and further relief as the court deems just and proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that on December 26, 2001 a copy of the foregoing
Second Amended Complaint was hand delivered to the following counsel of record:

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The undersigned certifies that on December 26, 2001 a copy of the foregoing Second
Amended Complaint was served by first class mail, postage prepaid, addressed to the following
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