

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

DIANE LINK WALLACE, et al.,)	
)	
Plaintiffs,)	No. 03 C 0491
)	
v.)	Judge Ruben Castillo
)	
THE CHICAGO HOUSING)	
AUTHORITY, et al.,)	
)	
Defendants.)	

SETTLEMENT AGREEMENT AND ORDER

Plaintiffs and defendant Chicago Housing Authority ("CHA") through their respective attorneys, enter into this Settlement Agreement and Order, and agree as follows:

WHEREAS, this lawsuit was filed on January 23, 2003, raising thirteen counts and alleging that, from 1995 to the present, CHA failed to develop a program to assist plaintiffs to relocate to racially integrated communities; and

WHEREAS, plaintiffs filed the First Amended Complaint on August 15, 2003, raising substantially the same claims raised in the initial Complaint; and

WHEREAS, on December 23, 2003, the Court granted in part and denied in part defendants' motion to dismiss the First Amended Complaint, dismissing Counts IV, XI, and XII, allowing Count XIII to proceed, and allowing Counts I, II, III, V, VI, VII, VIII, IX and X, to proceed subject to the holding that "any acts occurring more than two years before the filing of the initial complaint on January 23, 2003 are time-barred;" and

WHEREAS, on June 16, 2004, the Court granted in part and denied in part plaintiffs' motion for reconsideration, holding that, for purposes of Counts V, VI, VIII, IX, and X, acts that occurred after October 1, 1999 are not time-barred; and

WHEREAS, plaintiffs moved for class certification, defendants opposed the motion, and, on October 6, 2004, the Court granted in part and denied in part the motion for class certification and certified a class consisting of:

All present and former public housing residents who have moved or will move out of CHA public housing using a Housing Choice Voucher (also known as a Section 8 Certificate or a Section 8 Voucher) and who moved or will move into segregated neighborhoods using a Housing Choice Voucher after October 1, 1999, and have been, continue to be, or will be adversely affected by Defendants' and their agents' segregative and discriminatory actions, policies, and practices, as alleged in Plaintiffs' first amended complaint.

WHEREAS, during the course of the litigation, the parties have engaged in settlement discussions where, among other things, CHA has provided plaintiffs' counsel with information regarding (i) CHA's current programs and future plans to assist CHA residents relocating from CHA housing units under the Plan for Transformation to exercise their own choices to relocate to economically and racially integrated communities using Housing Choice Vouchers ("HCV"), and (ii) CHAC, Inc.'s Housing Opportunity Program ("HOP") to assist current HCV holders – including those class members who relocated from public housing from 1995 to 2003 – to exercise their own choices to relocate to economically and racially integrated communities, including certain modifications to the existing HOP (referred to hereinafter as "Enhanced HOP"); and

WHEREAS, the parties have expressed their general agreement, based on existing information and in the current environment, that these programs, including modifications thereto (as summarized in a Side Letter exchanged among the parties), if implemented, constitute "best and reasonable efforts" to assist class members to exercise their own choices to relocate to economically and racially integrated communities;

WHEREAS, plaintiffs and CHA mutually desire to settle this case in order to avoid the cost, burden and uncertainty of further litigation; and

WHEREAS, CHA has denied the allegations raised by plaintiffs in this case, and continues to deny those allegations;

NOW THEREFORE BE IT AGREED UPON AND ORDERED THAT:

1. CHA agrees to make best and reasonable efforts to provide programs to assist class members to exercise their own choices to relocate to economically and racially integrated communities. Plaintiffs acknowledge and agree that CHA has the authority, in its sole discretion, to make any changes to existing or future programs.

2. CHA agrees to provide plaintiffs' counsel with the following information during the term of this Settlement Agreement and Order, subject to the provisions of the Protective Order entered concurrently herewith:

(a) With reasonable promptness (but ordinarily within not more than 30 days), information regarding significant program changes that could affect efforts to relocate class members to economically and racially integrated communities;

(b) On a quarterly basis, the number of relocatees with HCVs who reside in each census tract, provided that CHA will provide this data retroactive to January 2004;

(c) With reasonable promptness (but ordinarily within not more than 30 days), all written reports of the Independent Monitor;

(d) On a quarterly basis, monthly and year-to-date progress reports compiled by CHA and CDHS from data supplied by the relocation and social service contractors;

(e) On a quarterly basis, reports of addresses of units in racially and economically integrated communities identified by relocation contractors through landlord outreach;

(f) With reasonable promptness (but ordinarily within not more than 30 days), copies of executed contracts with relocation contractors, social services contractors, and CHAC, Inc., including amendments thereto;

(g) On a quarterly basis, monthly and year-to-date progress reports compiled by CHAC regarding class members' participation in Enhanced HOP, including:

- (i) The number of relocatees who moved from public housing from 1995 through 2003 with Housing Choice Vouchers, broken down by the census tract in which they currently reside;
- (ii) CHAC's outreach efforts to encourage class members to enroll in Enhanced HOP;
- (iii) The number of class members who enroll in Enhanced HOP;
- (iv) The number of class members enrolled in Enhanced HOP who take neighborhood tours; choose to search in racially integrated neighborhoods; and receive escorted visits to at least three units in racially integrated neighborhoods; and

(v) The number of social service referrals made to pre-10/1/99 relocatees (by service type);

(h) At plaintiffs' counsels' request, and no more than once per quarter, data will be provided for a particular week showing the addresses of all units in racially integrated neighborhoods identified to class members enrolled in Enhanced HOP;

(i) Reasonable access to observe relocation meetings or activities attended by class members, including, but not limited to, building closing meetings, move-out meetings, search tours, and meetings to inform class members of their eligibility to participate in relocation programs; provided that CHA will cooperate with plaintiffs' counsel in responding to inquiries about the schedule of upcoming meetings with reasonable promptness (ordinarily within one week) and that plaintiffs' counsel will provide reasonable advance notice (ordinarily at least one week) of intent to attend any meeting.

3. Based on the foregoing, this case is hereby voluntarily and conditionally dismissed without prejudice and with leave to reinstate against CHA for a period of three years from the date CHA notifies plaintiffs' counsel that Enhanced HOP is fully operational. If leave to reinstate is not sought by said date or if prior to said date, plaintiffs advise CHA and the Court in writing that plaintiffs do not intend to reinstate this case, this Order will ripen into a final judgment of dismissal without further order of the Court.

4. If, within the three year period, plaintiffs believe that CHA is in breach of the Settlement Agreement and Order, plaintiffs shall first promptly serve written notice of the alleged breach upon CHA. CHA will respond in writing within 30 days. If the parties are unable to resolve the dispute within 30 days after CHA serves its response, or within such further time as the parties may agree, plaintiffs may seek leave to reinstate the case.

5. Should this case be reinstated and further proceedings in this matter be held, no defenses based on this conditional dismissal (including laches and statute of limitations) shall be allowed; however, CHA shall not be considered to have waived any laches or statute of limitations defenses that may have existed prior to the date of this Settlement Agreement and Order, and no party shall be considered to have waived any other claims or defenses.

6. Attorneys' fees and costs in the amount of \$200,000.00 will be paid to plaintiffs' counsel within thirty days after the expiration of the time for appeal of the Court's entry of this Settlement Agreement and Order, or, in the event any appeal is filed to the Court's entry of this Settlement Agreement and Order, within thirty days after the Court's entry of this Settlement Agreement and Order is affirmed and becomes final. No additional costs or fees incurred by plaintiffs on or before the date this Settlement Agreement and Order is entered shall be assessed against the defendants.

7. Following the issuance of adequate notice and a Rule 23(e) fairness hearing, the Court finds that the settlement contained in this Settlement Agreement and Order, though not a final disposition of all of the claims of the class, is fair, reasonable, and adequate.

8. This Settlement Agreement and Order is binding on all parties, including all members of the class, and the Court retains jurisdiction of this matter for purposes of reinstatement on the terms described herein.

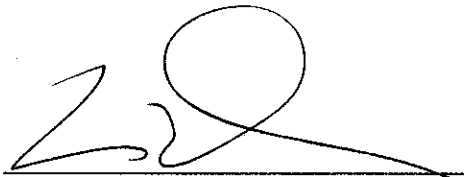
AGREED TO BY:



Clyde E. Murphy
Sharon K. Legenza
Gail H. Kim
CHICAGO LAWYERS' COMMITTEE FOR
CIVIL RIGHTS UNDER LAW, INC.
100 N. LaSalle St., Suite 600
Chicago, IL 60602
(312) 630-9744

William P. Wilen
Katherine E. Walz
Rajesh D. Nayak
SARGENT SHRIVER NATIONAL
CENTER ON POVERTY LAW, INC.
50 E. Washington St., Suite 500
Chicago, IL 60602
(312) 263-3830

Attorneys for Plaintiffs



Christina M. Tchen
Lee P. Garner
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
333 W. Wacker Dr., Suite 2100
Chicago, IL 60606
(312) 407-0700

Donald Hubert
Philip J. Fowler
HUBERT & FOWLER
188 W. Randolph St., Suite 801
Chicago, IL 60601
(312) 368-0213

Attorneys for Defendant

ENTERED this 3rd day of May, 2005



Ruben Castillo, U.S.D.J