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Federal Court Lifts 23-Year Receivership from CHA

CHA, Habitat, and Gautreaux Plaintiffs Learn of Federal Judge Aspen's Historic Decision to End the Receivership

CHICAGO (May 20, 2010) – In a dramatic development, U.S. District Judge Marvin Aspen today ended 23 years of a court-ordered receivership of CHA. According to the order entered today in the U.S. District Court, “The Court finds that substantial progress has been made to ameliorate the conditions that warranted the Receivership and that a responsible transition should occur to restore to the CHA the powers and functions that had been transferred to the Receiver by the Receivership.”

Effective June 1, 2010 responsibility for all acquisition, development of and redevelopment of public housing in Chicago will transition back to the Chicago Housing Authority from the current court-appointed receiver Daniel Levin and The Habitat Company.

Judge Aspen originally appointed Mr. Levin and Habitat in a 1987 court order that gave them authority to develop and administer CHA's scattered site and redevelopment program. The 1987 action by the Court was done to enforce compliance by CHA of the 1969 Gautreaux order, which mandated that all new housing built by CHA be done outside of predominantly low-income African-American neighborhoods. In 1987, it was determined that CHA needed assistance in complying with the order and the Court appointed Habitat as the receiver. Since August 1987, the Receiver has developed directly, or overseen the development of, over 4,000 units of public housing.

“This is a historic day for the City and for CHA” Richard M. Daley said. “Since we regained control of CHA in 1999 we have worked diligently to increase accountability and transparency, to ensure housing opportunities for low-income residents throughout the city and to improve the communities that had long existed in the shadows of the towering high rises. Judge Aspen's order is testament to all that has been accomplished.”

In 1999, Mayor Daley committed to overhaul CHA and redevelop or rehab 25,000 units of housing through the Plan for Transformation. The Plan for Transformation is the most ambitious redevelopment of public housing ever attempted in the United States. Since the Plan's inception, hundreds of blighted buildings have been demolished and nearly 18,000 units have been rehabilitated or redeveloped and integrated back into the fabric of the City. Residents have found new opportunities to improve the quality of life for themselves and their families. And surrounding communities that stood in the shadow of public housing for half a century are being revitalized through new investment.

Observing these improvements, Judge Aspen, who has overseen both the Gautreaux and Receivership Orders, asked the parties to develop a plan for the termination of the receivership and the restoration of all powers and duties regarding development of non-elderly public housing in a responsible manner to CHA. Since September 2009, CHA and Habitat worked collaboratively to develop a transition plan.

“Over the past several years, we have greatly enjoyed the partnership that has emerged between CHA and The Habitat Company. Working together we made enormous progress in implementing one of the most challenging and visionary urban development programs in the country. The results speak for themselves. Under Mayor Daley, CHA’s Board of Commissioners and, most recently, Lewis Jordan’s leadership, CHA has been transformed from an agency in crisis to a national leader in housing development and community revitalization,” said Mr. Levin. He continued, “In my long career, I’ve been involved in many successful developments, but nothing gives me a greater sense of pride and accomplishment than the work that we have done in transforming public housing in Chicago. We look forward to continuing our wonderful partnership with CHA.”

To ensure a smooth transition, CHA and Habitat will jointly begin a three-year transition, during which time Habitat will serve in the role of Gautreaux Development Manager and work with CHA to ensure the full transfer of knowledge and experience of the Receiver by May 31, 2013. To facilitate the Court’s and the plaintiffs’ ability to monitor CHA’s continued compliance with the 1969 judgment, the quarterly reporting currently performed by the Receiver will continue.

“This action by the court today further affirms CHA’s transformation,” said Lewis Jordan, CEO of CHA. “CHA’s strong board, leadership team and dedicated staff along with our ability to work collaboratively with residents and other community stakeholders have uniquely positioned us for this next chapter in CHA’s history. We thank Habitat for their important work over the last 23 years and look forward to working together to further the goals of the Plan for Transformation, which at its heart is a strong commitment to the principles embodied in the Gautreaux decision.”

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