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**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Special Meeting--Friday, July 24, 1987

at 11:15 A.M.

(Council Chamber--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Harold Washington, Mayor, and Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Shaw, Vrdolyak, Fary, Carter, Langford, Streeter, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Osterman, Orr, Stone.

Absent -- Aldermen Caldwell, Huels, Madrzyk, Burke, Kellam, Gutierrez, Kotlarz, Cullerton, Schulter.

Call To Order.

On July 24, 1987 at 11:15 A.M., The Honorable Harold Washington, Mayor, called the City Council to order. Mr. Daniel J. Burke, Deputy City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Shaw, Vrdolyak, Fary, Carter, Langford, Streeter, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Osterman, Orr, Stone -- 41.

Quorum present.

Invocation.

Alderman Ed Smith (28th Ward) opened the meeting with prayer.

Placed On File -- CALL FOR SPECIAL MEETING.

The clerk informed the City Council that the following call for a special meeting was filed in the Office of the City Clerk on July 23, 1987, at 11:06 A.M.:

CITY COUNCIL
CITY OF CHICAGO

July 23, 1987.

Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
121 North LaSalle Street
Chicago, Illinois 60602

DEAR MR. KOZUBOWSKI -- We, the undersigned aldermen of the City of Chicago, hereby call a special meeting of the City Council of the City of Chicago, to be convened on July 24, 1987, at 11:15 A.M. in the City Council Chamber, City Hall, Chicago, Illinois, for the following purposes and for no other purposes whatsoever:

1. To consider the report of the Committee on Housing for the meeting held July 22, 1987 concerning the appointment of Bruce Sagan as a Commissioner of the Chicago Housing Authority for a term ending January 8, 1988.
2. To consider a resolution concerning fiscal and management issues at the Chicago Housing Authority and the Chicago Housing Authority's relations with H.U.D.

Very truly yours,

(Signed) DOROTHY TILLMAN,
Alderman Dorothy Tillman,
3rd Ward.

(Signed) LAWRENCE BLOOM,
Alderman Lawrence Bloom,
5th Ward.

(Signed) TIMOTHY EVANS,
Alderman Timothy Evans,
4th Ward.

(Signed) WILLIAM HENRY,
Alderman William Henry,
24th Ward.

APPOINTMENT OF MR. BRUCE SAGAN AS COMMISSIONER
OF CHICAGO HOUSING AUTHORITY.

The Committee on Housing submitted the following report:

CHICAGO, July 22, 1987.

To the President and Members of the City Council:

Your Committee on Housing having had under consideration a communication signed by Honorable Harold Washington, Mayor (which was referred on July 15, 1987) to appoint Mr. Bruce Sagan as a Commissioner of the Chicago Housing Authority for the term ending January 1, 1988. We recommend that Your Honorable Body *Approve* the said appointment.

This recommendation was concurred in unanimously by members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) DOROTHY TILLMAN,
Chairman.

On motion of Alderman Tillman, the committee's recommendation was *Concurred In* and said appointment of Mr. Bruce Sagan as a Commissioner of the Chicago Housing Authority was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Shaw, Vrdolyak, Fary, Carter, Langford, Streeter, Sheahan, Jones, J. Evans, Garcia, Henry, Soliz, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Osterman, Orr, Stone -- 39.

Nays -- Alderman Krystyniak -- 1.

Rules Suspended -- UNITED STATES DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT URGED TO RECOGNIZE PRINCIPLE OF
LOCAL MANAGEMENT OF PUBLIC HOUSING.

Aldermen T. Evans, Tillman, Bloom, Henry, J. Evans, Giles, Shiller, Eisendrath, Soliz, Rush, Carter, Langford, Streeter, Natarus, Jones, Shaw, Roti, Stone, Sawyer, Beavers, Butler, Smith, Davis, Figueroa, Gabinski, Banks, Levar, Austin, Laurino, Hansen and Fary presented the following proposed resolution:

WHEREAS, The United States Housing Act of 1937, as amended, guarantees all citizens a decent, safe and sanitary place to live; and

WHEREAS, The Illinois Housing Authorities Act of 1934 declares the policy of the State of Illinois is to promote and protect the public health, safety, morals and welfare by relieving the shortage of decent, safe and sanitary dwellings through a broad grant of power to local housing authorities; and

WHEREAS, The Chicago Housing Authority (C.H.A.) was created under the Illinois Housing Authorities Act to carry out the State's purposes and now operates over 40,000 units of public housing serving over 145,000 Chicago citizens; and

WHEREAS, The C.H.A. has suffered for over 20 years from neglect, inadequate maintenance, poor management and underfunding as a result of which it has accrued over \$1 billion in deferred maintenance in its aging housing stock; and

WHEREAS, The U.S. Department of Housing and Urban Development (H.U.D.) and the C.H.A. as its agent, are mandated by the consent decree in *Gautreaux v. H.U.D.* to provide low income scattered site housing; and

WHEREAS, Although H.U.D. committed to advance payments to the C.H.A. to implement the *Gautreaux* consent decree, in fact H.U.D. varied from its own commitment by denying advance payments and forcing the C.H.A. to expend over \$38 million of its current operating funds to carry out the court's mandate and to date has not reimbursed C.H.A. for these expenditures; and

WHEREAS, On April 27, 1987, the C.H.A. submitted to H.U.D. requisitions totaling \$18 million within its then existing budget authority to partially reimburse itself for outlays for the *Gautreaux* implementation and sought H.U.D. approval for \$12 million in additional budget authority in order to complete reimbursement for the remainder of its *Gautreaux* outlays and sought as well a further \$30 million in additional budget authority to complete the scattered site program; and

WHEREAS, To date H.U.D. has sent the C.H.A. only \$5.6 million, and has not provided documentation directing the use of these funds and has failed to act on the C.H.A.'s requests for additional budget authority; and

WHEREAS, In March of 1987 the C.H.A. submitted a requisition for \$4.2 million for its modernization fund, of which H.U.D. on May 12, 1987 approved only 10%, none of which has yet been paid to reimburse the C.H.A.; and

WHEREAS, On May 11, 1987 the C.H.A. submitted a requisition for \$2.0 million advance funding for an approved emergency asbestos removal program and to date has received no funds with which to undertake the program; and

WHEREAS, H.U.D.'s failure to reimburse the C.H.A.'s operating fund for its *Gautreaux*-mandated expenditures and for its expenditures for modernization has forced the C.H.A. to delay payments to its vendors and slash its services; and

WHEREAS, H.U.D. has failed, despite repeated requests from the C.H.A. management and Board, to point out deficiencies in the C.H.A.'s requisitions or even to respond to these requests, so that the C.H.A. can receive its reimbursements; and

WHEREAS, The City Council and the administration, recognizing the acute need of the citizens of the City for proper management and operation of the C.H.A., has granted the C.H.A. \$5.4 million in C.D.B.G. funds for repair of its vacant units, provided that H.U.D. matches this grant; and further loaned to the C.H.A. \$25 million; and

WHEREAS, H.U.D. has failed to secure the necessary approvals or waivers in order for the C.H.A. to accept the City's \$25 million loan, which would ease the C.H.A.'s financial plight; and

WHEREAS, The Mayor, with the advice and consent of the City Council, has appointed an entirely new board of seven commissioners to the C.H.A. since April, 1986; and

WHEREAS, In January of 1987, the City, at the request of the C.H.A. Board, assigned a number of highly talented, experienced and dedicated executives to form an interim management team at the C.H.A. with the express aim of determining the conditions at the C.H.A. and identifying what steps had to be taken in order to properly manage the C.H.A. operations; and

WHEREAS, The Mayor appointed a C.H.A. Advisory Committee of civic and business leaders from the Chicago community, to provide pro bono advice and assistance to the C.H.A. Board and management team, thus adding private sector resources to the operations of C.H.A.; and

WHEREAS, The new management and Board have taken steps to correct the C.H.A.'s financial problems, to institute cost containment measures, to improve contracting practices, to return vacant units to use, to establish a comprehensive environmental policy and plan, and to develop a long-term plan to rehabilitate, replace and develop additional public housing units; and

WHEREAS, It is for the benefit of the 145,000 residents of the C.H.A. and in the best interests of all the citizens of the City of Chicago that the current C.H.A. board be allowed to address C.H.A. problems, install its own management team, and improve conditions at the C.H.A. in cooperation with H.U.D.; now, therefore,

Be It Resolved by the City Council of the City of Chicago:

That the City Council of the City of Chicago deploras H.U.D.'s lack of responsiveness to the needs of the residents of the C.H.A., and the requests and requisitions of the C.H.A. Management and Board, its delays in releasing appropriate subsidies, its inconsistent application of policies and its contradictory directives which threaten and compromise the delivery of needed services to over 145,000 C.H.A. residents and citizens of the City of Chicago; and

That the City Council strongly urges H.U.D. to commit to a spirit of cooperation with the C.H.A. in resolving C.H.A.'s continuing fiscal crisis; and

That the City Council strongly urges H.U.D. to acknowledge that through orderly democratic process, resulting from the support and cooperation of the people of the City of Chicago, the residents of the C.H.A., the City Council and the Mayor, and every level of government, and a broad representation of the private sector, the Chicago Housing Authority currently has achieved one of the finest Boards of Commissioners in the history of public housing in Chicago, ably served by professional management and informed by nationally-respected advisers; and

That the City Council strongly urges H.U.D. to recognize the principle of local management of public housing, and to respect the rights lawfully vested in the State of Illinois, and to forbear any attempt to deny the right of self-government and local management to the people of the City of Chicago, under the Illinois Housing Authorities Act of 1934; and

That a suitable copy of this resolution be sent to the Illinois Delegation of the United States Congress and to the U.S. Department of Housing and Urban Development.

Alderman T. Evans moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Shaw, Fary, Carter, Langford, Streeter, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Osterman, Orr, Stone -- 39.

Nays -- Alderman Vrdolyak -- 1.

Alderman T. Evans next moved to *Extend the Privilege of the Floor* to The Honorable Carl Officer, Mayor of East St. Louis, Illinois. The motion *Prevailed* by a *viva voce* vote.

The Honorable Carl Officer, Mayor of East St. Louis, Illinois (who was accompanied by Mr. James T. Ingram, Public Information Officer for East St. Louis; Mr. Kevin L. Ellis, East Saint Louis Housing Commissioner; and representatives of the Concerned Citizens for Justice Organization, the Reverend Joseph Davis, Mt. Zion Church and the Reverend Robert Bailey, Shiloh Church) then offered to the Council the experience of East St. Louis in having control of its public housing authority assumed by the U.S. Department of Housing and Urban Development (H.U.D.). Castigating the lack of performance by the H.U.D. management team, he circulated among the aldermen photographs depicting current East St. Louis public housing conditions under the H.U.D. administration. Mayor Officer also observed that Chicago officials were charged with the fiduciary responsibility as well as the moral right and obligation to offer all Chicagoans decent, livable, clean, safe housing and urged Chicago to attempt to retain local control of its housing authority.

On motion of Alderman T. Evans, the said proposed resolution was then *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Sawyer, Beavers, Shaw, Fary, Carter, Langford, Streeter, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Banks, Giles, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Osterman, Orr, Stone -- 39.

Nays -- None.

PRESENCE OF VISITORS NOTED.

Alderman Davis called the Council's attention to the following visitors:

Mr. Andimba Toivo Ja Toivo, Secretary General, South West Africa People's Organization.

Mr. Himyangerwa Asheeke, Deputy Representative, South West Africa People's Organization Observer Mission to the United Nations.

Mr. Kondja Shikongo, Assistant to the Secretary General, South West Africa People's Organization.

Adjournment.

Alderman T. Evans moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

A handwritten signature in cursive script that reads "Walter S. Kozubowski".

WALTER S. KOZUBOWSKI,
City Clerk.

7/24/87

SPECIAL MEETING

2529

Adjournment.

Alderman T. Evans moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

WALTER S. KOZUBOWSKI,
City Clerk.