

HUD, Joliet settle dispute over low-income housing

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About 90 days into trial, two combatants in a fight over the future of a low-income housing complex ceased their hostilities against each other.

But the settlement between the city of Joliet and the U.S. Department of Housing and Urban Development did not end the war.

Joliet is still battling other parties opposed to the city's plan to condemn Evergreen Terrace and redevelop the land on which it sits.

The bench trial on the claims of those parties — the complex's owners and four tenants — is continuing before U.S. District Judge [Charles R. Norgle](#).

HUD, however, will no longer be at those litigants' side.

A settlement approved by Norgle calls for HUD to drop its opposition to Joliet's plan.

The settlement also calls for Joliet — if it succeeds in condemning or otherwise acquiring Evergreen Terrace — to provide affordable housing within the city limits for any resident who is displaced.

Evergreen Terrace is a 356-unit complex near downtown Joliet. It is subsidized by federal grants.

In 2005, Joliet filed an eminent domain action in state court alleging that Evergreen Terrace was blighted.

The city said it wanted to replace the complex with other affordable housing and a park.

Evergreen Terrace's owners opposed the action, contending that the claim of blight was an excuse to discriminate against black people in violation of the Fair Housing Act.

HUD later intervened in the case and removed the action to federal court.

Like Evergreen Terrace's owners, HUD and the four tenants who also intervened in the case contended that condemning the complex would violate housing law.

All claims in the matter were consolidated and the trial before Norgle began in September 2012.

In addition to dropping its opposition to Joliet's attempt to condemn Evergreen Terrace, HUD agreed to restore millions of dollars in federal grants.

In addition to agreeing to provide affordable housing for any displaced tenants, Joliet agreed to make at least 115 low-income housing units available for at least 20 years.

The units initially would be at the Evergreen Terrace site, but subsidies for them could later be transferred to other housing with HUD's permission.

Joliet also agreed to use most of the site for public purposes for at least 20 years.

Both sides declared victory.

"The settlement guarantees that the United States will attain its major goal in this litigation, namely to preserve the affordable housing rights of low-income residents in Joliet and those at Evergreen Terrace in particular," U.S. Attorney [Zachary T. Fardon](#) said in a statement.

An attorney for the city, [James R. Figliulo](#) of Figliulo & Silverman P.C., said the settlement was a winning proposition for his client — and others affected by the litigation.

"I think it's a victory for everybody," he said. "It's a victory for the city of Joliet, a victory for the citizens of Joliet and a victory for the residents of Evergreen Terrace."

Norgle approved the settlement agreement Tuesday in *City of Joliet v. Mid City National Bank of Chicago, et al.*, No. 05 C 6746, and *United States v. City of Joliet*, No. 11 C 5305.

In addition to Figliulo, attorneys from the firm representing Joliet are [Peter A. Silverman](#), [Stephanie D. Jones](#), [Carl A. Gigante](#), [Thomas D. Warman](#) and [Melissa N. Eubanks](#).

Assistant U.S. Attorneys [Patrick W. Johnson](#) and [Ernest Y. Ling](#) represented the federal government.

Also representing the government were Andrea K. Steinacker and Beth S. Frank, both of the U.S. Justice Department in Washington, D.C.

Attorneys from Ungaretti & Harris LLP represent Evergreen Terrace's owners.

Attorneys from Jenner & Block LLP and the Sargent Shriver National Center on Poverty Law represent the tenants.