

April 11, 2023

Dominique Blom
General Deputy Assistant Secretary for Public and Indian Housing
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, DC 20410

via email dominique.g.blom@hud.gov

RE: Suspend Action on the ABLA Land Disposition to the Chicago Fire Football Club

Dear Ms. Blom:

We are writing on behalf of a coalition of community-based organizations, whose membership includes ABLA residents, other public housing residents, and households in need of affordable housing to request that the Chicago Housing Authority (CHA) and U.S. Department of Housing and Urban Development (HUD) refrain from taking any further action to finalize the disposition of land at the former ABLA Homes until the Mayor Elect, Brandon Johnson, can review the proposal. The proposal to lease 23 acres of public housing land in a rapidly gentrifying area raises important civil rights issues that must be considered.

HUD failed to assess the civil rights implications of the proposal

Prior to the Section 18 disposition approval, HUD was required to conduct a civil rights review as part of its obligations to comply with civil rights laws and to affirmatively further fair housing.¹ On information and belief, HUD did not complete the required civil rights review prior to its approval of the Section 18 disposition application.

James Isaacs from HUD's Special Applications Center (SAC) signed the approval of the CHA's disposition application just six days after the February 28 mayoral election. Mr. Isaacs previously worked for the Chicago Housing Authority as its Director of Real Estate Development and acting Director of Capital Construction. This timing is highly suspect considering the controversy surrounding the proposal, as well as Mayor Elect Johnson's stated opposition to the use of CHA land for anything other than public housing.²

¹ "Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers, and associated requirements." [PIH2021-07 \(hud.gov\)](#) (January 19, 2021).

² "Hold the CHA accountable by immediately enacting a freeze on the transfer of CHA land to non-housing uses." Brandon Johnson, Affordable Housing, <https://www.brandonforchicago.com/issues/affordable-housing>.

The CHA and the Chicago Fire executed a lease agreement that allows the Chicago Fire to lease the land at ABLA for up to 60 years. This lease agreement is contingent upon further approvals by HUD, which are required to release and close on the Declaration of Trust. According to the disposition approval letter, these actions are expected to occur over the next thirty to sixty days, in the middle of the mayoral transition. Notwithstanding these necessary approvals, the City is continuing to quickly process permits for the site.³ We are asking that you refrain from taking further actions pending further review by the Mayor Elect and by HUD's Office of Fair Housing and Equal Opportunity.

We alerted HUD to significant civil rights concerns, as well as deficiencies in the SAC application, on December 12, 2022, but have yet to receive a response. We again wrote to HUD FHEO on March 6, 2023, and unbeknownst to us, that same day the SAC approved the application. To date, we have received no response to either of our objection letters. In those letters, we detailed the rigorous civil rights review that HUD must conduct to meet its obligations under the Fair Housing Act and other civil rights laws. We explained why CHA's certification that disposing of more than 23 acres of public housing land for use by a private, for-profit professional soccer team did not comply with its civil rights obligations. We further explained how the City of Chicago's process of rezoning the land failed to follow the city's own zoning policies and is another example of the city's failure to follow civil rights laws and to affirmatively further fair housing. These failures are the subject of numerous complaints by community-based organizations and fair housing organizations.⁴

The Need for Affordable Housing in Opportunity and Gentrifying Areas

As we have consistently emphasized, the ABLA community offers easy access to good jobs, healthcare, shopping, parks, universities, and many other amenities in Chicago's booming central core – access that thousands of CHA families once had but lost over the past two decades as the Plan for Transformation pushed families out to the Far South and Far West Sides of Chicago. The Near West Side has experienced significant change and gentrification over the past twenty years, as well as decreasing poverty and unemployment rates. While this area remains predominately rental housing, the City of Chicago's Affordable Requirements Ordinance Zone Map considers the area high opportunity areas for inclusionary affordable housing and a community preservation area.⁵

The Natalie M. Voorhees Center at the University of Illinois at Chicago ("Voorhees Center") completed a report analyzing the area in question that was submitted to HUD for review.⁶ The Voorhees Center found a moderate to high risk of displacement of low-income households from

³ First permit issued for Chicago Fire training facility, Urbanize Chicago, available at <https://chicago.urbanize.city/post/first-permit-issued-chicago-fire-training-facility> (April 7, 2023).

⁴ These include: (1) *Chicago Area Fair Housing Alliance, et al. v. City of Chicago*, HUD Administrative Complaint (Nov. 2018); (2) *Access Living of Metro. Chi. v. City of Chicago*, 372 F. Supp. 3d 663 (motion to dismiss denied) (N.D. Ill. 2019); and (3) a recent letter of finding by FHEO in *Southeast Environmental Task Force et al. v. City of Chicago*.

⁵ ARO Community Area Map, Department of Housing, https://www.chicago.gov/content/dam/city/depts/doh/aro/ARO_Community_Map.pdf

⁶ <https://static1.squarespace.com/static/5871061e6b8f5b2a8ede8ff5/t/63a0b40d06092c7f51734056/1671476242647/12.12.22+SAC+Letter+re+ABLA+Disposition.pdf> (December 12, 2022).

the Near West Side. With substantial ongoing public and private investment, access to jobs, healthcare, retail, and universities near the Chicago business district, the Voorhees Center found that “Roosevelt Square is poised to become one of the fastest growing and most coveted communities in Chicago” and that “now is the opportune time to build affordable housing.” The Voorhees Center further found that “in a community that is seeing significant neighborhood reinvestment resulting in gentrification and displacement [the Chicago Fire proposal] is a significant shift in CHA and City of Chicago policy.”⁷

CHA and the City have a duty to ensure that they do not deny, by intent or effect, affordable housing opportunities to protected classes throughout Chicago, especially where housing can be built in opportunity areas and thereby help reduce the pervasive racial segregation in the city.⁸ Further, CHA, and the City have an obligation to affirmatively further fair housing which requires that “[a]ctions must be taken to fulfill, as much as possible, the goal of open, integrated residential housing patterns and to prevent the increase of segregation.”⁹ A failure to comply with this duty jeopardizes the City and CHA’s receipt of federal funds.¹⁰ As recipients of federal housing dollars, including federal housing and community development funds, the City of Chicago and CHA are also subject to Title VI of the Civil Rights Act of 1964 and Section 109 of the Housing and Community Development Act of 1974 and are prohibited from discriminating on the basis of protected class status in any program or activity that receives federal funds or other federal financial assistance. By failing to conduct a civil rights review, HUD likewise breached its duty to promote integrative housing patterns and to affirmatively further fair housing.¹¹

The neighborhood around ABLA presents the CHA and City a prime opportunity to create affordable housing opportunities that will help address past problems and create more racially and economically inclusive neighborhoods. To the extent that the City’s plan for the land at ABLA has been motivated by CHA’s and Related Midwest’s failure to timely build promised affordable replacement units at Roosevelt Square, the City should prioritize the creation of this affordable housing over a perceived need to make use of the land by leasing it to a soccer team. At a minimum, CHA should—as it has in other gentrifying neighborhoods, like those near the Cabrini and Lathrop developments—retain the land until development can occur.

⁷ Voorhees Center Memo, citing Betancur, J., and Kim, Y. (2016). Impact of ongoing gentrification in Pilsen. Natalie P. Voorhees Center for Neighborhood and Community Improvement.

⁸ *Texas Department of Housing & Community Affairs v. The Inclusive Communities Project, Inc.*, 576 U.S. 519 (2015).

⁹ *Otero v. New York City Hous. Auth.*, 484 F.2d 1122, 1134 (2nd Cir. 1973).

¹⁰ *United States ex. rel. Anti-Discrimination Center Inc. v. Westchester County*, 668 F. Supp. 2d 548, 569 (S.D.N.Y. 2009); See generally HUD’s 2021 Interim Final Rule Restoring Affirmatively Furthering Fair Housing Definitions and Certifications available at <https://public-inspection.federalregister.gov/2021-12114.pdf>

¹¹ 42 U.S.C. § 3608(e)(5); *Otero v. New York City Hous. Auth.*, 484 F.2d 1122, 1134 (2nd Cir. 1973). (HUD must take affirmative steps to promote the “goal of open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, of racial groups whose lack of opportunities the [Fair Housing Act] was designed to combat.”).

HUD, CHA, and the City of Chicago Should Refrain from Further Action

Rather than conducting the proper civil rights analysis, HUD took the drastic step of approving an application that could negatively impact affordable housing opportunities in Chicago for generations to come. The City and CHA has a duty to create desperately-needed affordable housing in a gentrifying neighborhood, but they instead joined forces to lease to a soccer team valuable land that should have been reserved for public housing residents. In the process, the City and CHA have ignored the significant role they have played in making land designated for future public and affordable housing unavailable for those purposes.

Taken together, HUD's actions with respect to the disposition application approval here are arbitrary, capricious, and not in accordance with the law in violation of the Administrative Procedures Act. For that reason, we ask that HUD review its decision and direct the CHA and the City to cease taking any further action until that HUD review is complete and Mayor Elect Johnson is in place and has had an opportunity to review the City and the CHA's position on the matter. Please contact Emily Coffey at (312) 888-4195 if you require any additional information.

Sincerely,

Emily Coffey
Micaela Alvarez
MacKenzie Speer
Chicago Lawyers' Committee for Civil Rights

Lawrence Wood
Brigid Carmichael
Legal Action Chicago

Kate Walz
Lauren Song
National Housing Law Project

cc:

Mayor Lightfoot
Mayor Elect Johnson
Demetria L. McCain
Lynn M. Grosso
Jacy D. Gage
Sasha Samberg Champion
Lon Meltesen
Yana Karnaukhov