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### **UNITED STATES SUES CITY OF JOLIET TO PRESERVE AFFORDABLE HOUSING FOR LOW-INCOME RESIDENTS, MOSTLY AFRICAN-AMERICAN**

CHICAGO — The United States filed a civil lawsuit today against the City of Joliet, alleging that it has violated federal housing laws by moving to condemn and take through eminent domain a federally-subsidized affordable housing development known as Evergreen Terrace, the United States Attorney's Office and the Justice Department's Civil Rights Division announced. Joliet's action would displace from their homes approximately 764 low-income residents, most of whom are African-American, and require most of these residents to leave Joliet because of the lack of sufficient affordable housing elsewhere in the city. The government is seeking a court order prohibiting the alleged housing discrimination as well as unspecified monetary damages for those harmed by the city's actions and a civil penalty.

The lawsuit, filed in U.S. District Court in Chicago, states that the effect of the city's actions and proposed actions is "to limit or reduce the number of Black or African-American residents residing within the City of Joliet. Such actions, if carried out, would have a disproportionate adverse impact on African-Americans and operate to perpetuate segregation in Joliet."

“The City of Joliet continues to try to condemn Evergreen Terrace while neglecting to propose any realistic plan for relocating its residents within the city, making it necessary for the federal government to take steps to protect the housing rights of these residents,” said Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

“Particularly in today’s economy, the City of Joliet’s proposed actions would have a devastating and unacceptable impact on Evergreen Terrace residents, who are disproportionately African American,” said Thomas E. Perez, Assistant Attorney General for Civil Rights. “Today’s action is a reminder that when local governments take unjustified actions that reduce opportunities for affordable housing, they risk violating federal anti-discrimination laws.”

According to the complaint, Evergreen Terrace is a 356-unit apartment complex consisting of eight buildings on North Broadway and North Bluff streets on the west side of the Des Plaines River. Approximately 731 of 764 residents, or 95.6 percent, are African-American, while approximately 16 percent of Joliet’s 147,433 residents identified themselves as Black or African-American in the 2010 census.

The complaint alleges that Joliet violated the Fair Housing Act when it acted to condemn the Evergreen Terrace complex. The rents at Evergreen Terrace are subsidized by the U.S. Department of Housing and Urban Development (HUD) under the Section 8 program.

Beginning in 2001, the owners of Evergreen Terrace applied to HUD to restructure the mortgages under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA) in return for a commitment to continue providing affordable housing at Evergreen Terrace over the life of the mortgage. MAHRA, which was enacted in 1997, established a process by which the Secretary of HUD was to evaluate whether to approve restructuring of Section 8 complexes like Evergreen Terrace. Consistent with MAHRA, HUD’s contractors, the Illinois Housing Development Authority

(IHDA) and a private consulting firm, conducted an independent assessment of Evergreen Terrace and considered the input of interested parties, including the City of Joliet.

Although the city contended that the property was blighted, HUD's contractors determined that the city's objections lacked merit and that there was a critical need for affordable housing in Joliet that would not be met if the restructuring for Evergreen Terrace was not approved. Based on these conclusions, HUD approved the restructuring in 2005. In response, the city filed a lawsuit in 2005 to take Evergreen Terrace by eminent domain. Due to the mortgage restructuring, HUD is a defendant in the city's condemnation action, which is currently pending in Federal Court in Chicago. The United States will seek to consolidate today's lawsuit with the pending condemnation action. (*City of Joliet v. Mid-City National Bank of Chicago, et al.*, 05 C 6746.)

A tenant of Evergreen Terrace also filed a fair housing complaint with HUD in 2009, alleging that Joliet's actions violated the Fair Housing Act. HUD referred the complaint to the Justice Department pursuant to a provision in the Fair Housing Act that authorizes DOJ enforcement when HUD refers a complaint alleging discriminatory zoning or land use practices by a local government.

The government alleges that many of the residents would be left with nowhere in the city to live due to the lack of affordable housing in and around Joliet, and in the absence of a meaningful plan by the city to counteract the effect of eliminating 356 units of affordable housing. In addition, the lawsuit alleges that the city's actions violate the federal Housing and Community Development Act, which prohibits unlawful discrimination in any program or activity funded in whole or in part by HUD through HCDA programs. The United States alleges that the city's Department of Economic and Community Development, which has annually received more than \$1 million from

such programs, has been and will continue to be involved in Joliet's actions to condemn and take Evergreen Terrace.

The lawsuit seeks a court order that would enjoin the city from proceeding with the condemnation without ensuring that there will be sufficient and adequate affordable housing for those persons who would be displaced from Evergreen Terrace and require it to take steps to prevent the recurrence of any similar discriminatory conduct.

The federal Fair Housing Act prohibits discrimination in housing based on race, color, religion, national origin, sex, disability and familial status. Fair housing enforcement is a priority of the Civil Rights Division. More information about the Civil Rights Division and the laws it enforces is available at [www.justice.gov/crt](http://www.justice.gov/crt). Individuals who believe that they may have been victims of housing discrimination can call the Housing Discrimination Tip Line at 1-800-896-7743, email the Justice Department at [fairhousing@usdoj.gov](mailto:fairhousing@usdoj.gov), or contact the U.S. Department of Housing and Urban Development at 1-800-669-9777.

The government is being represented by Assistant U.S. Attorney Patrick Johnson, together with attorneys from the Justice Department's Civil Rights Division in Washington.

The lawsuit contains merely allegations of unlawful conduct. In civil cases, the government has the burden of proving the allegations by a preponderance of the evidence.

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