

# THE NETWORK BUILDER

Issue No. 28 Fall 1996

The Chicago Rehab Network Newsletter

## An Accelerating Housing Crisis

### Renewing Chicago: The Returning Plan

by **Marion Coleman**

*Marion Coleman is Executive Director of People's Reinvestment and Development Effort (PRIDE).*

There is a housing crisis in Chicago! There is a housing crisis in Chicago! Yes, even with all the CDCs and for profit housing developers, even with a HUD administered public housing authority, even with a permanent low-income housing tax credit, even with a housing mobility program called Gautreaux that is a model for the country, there is a housing crisis in Chicago. I am not going to be so pessimistic to say that this is a planned crisis. But I will say that all of the policies and trends contributing to this crisis are part of a consolidated plan - Chicago's ever evolving renewal plan.

After all, this housing crisis does not affect the total or general population. In fact, some segments of Chicago's population are experiencing a glut in housing opportunities. The housing crisis in Chicago is limited to the working poor, particularly those with large families, and public housing residents



*Photo: Thom Clarke*

whose developments are being demolished. But then, urban planning in Chicago has always been about encouraging and supporting those populations whose residency would increase the tax base and pay for city services. With rare exception, these populations should be white.

Yet these plans for renewing Chicago have consistently had two faces. Plans laid for the white and middle class cast a darker shadow on Chicago's poor and minority communities. The plans that kept Chicago segregated for the middle class whites also built the ghettos and the BronzeVilles, where the poor and the blacks (not always synonymous) were herded into geographical areas

bounded by industrial, transportation and environmental boundaries.

Eventually, the cry for racial justice, equality, desegregation and non-discriminatory housing and hiring practices would call for other plans. Desegregation plans meant everybody moved outward: out of the ghetto for the blacks, out of the city for the whites. These plans were double-sided too. They built the suburbs. And they took down not just the walls to the ghettos, they took down the ghettos themselves.

A haphazard collection of property taxes encouraged owners to walk away from buildings with no forwarding penalty. Uneven city

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Three years ago, the affordable housing situation in Chicago was the worst it had ever been. In the decade between 1980 and 1990, Chicagoans watched their real incomes drop - in some neighborhoods they dropped by as much as 20 percent - while their rents doubled. Chicago lost over 40,000 units of housing.

In response to the Chicago Rehab Network's (CRN's) Affordable Housing and Community Jobs Campaign, Mayor Daley and the City of Chicago determined to address that crisis by pledging to spend an additional \$750 million to build 17,774 units of affordable housing over the next 5 years. We are half way there - in years and units. Kitty Cole of Lakefront SRO considers the city's progress towards its goals on page 4. Yet at the peak of the city's efforts to create new affordable housing, we are looking deeper into the woods than we were before, as other factors, fueled by other priorities, undermine our efforts to create affordable housing.

This issue assembles articles about Chicago's aggressive demolition policy, and the impending expiration of the contracts for thousands of units of housing made affordable by project based Section 8. It considers the impact of Welfare reform and the rebuilding of CHA. The numbers - breaking down how many housing units are at risk for which reasons - are listed in the back.

Meanwhile, CHA Executive Director Joseph Shuldiner challenges CRN to approach change at CHA in partnership. He points out we share essentially the same mission, "...to produce and maintain housing for low-income communities." It is a refreshing reminder in a development environment where the various actors often seem to work at cross purposes. Richard Townsell of Lawndale Christian Development Corporation illustrates the point in his article about demolition. The Department of Buildings tears down what the Department of Housing would preserve - because neither knows what the other is doing. Neither the building's owner nor the alderman can bridge the communication gap because fast track demolition means they do not know the building is under threat until they see the demolition crews.

Chicago's accelerating affordable housing crisis demands that we coordinate our plans. This issue is not designed to accuse the Building Commissioner of a personal crusade to tear down Chicago. We do not intend to stifle change at CHA or to discourage the Department of Housing from forming new partnerships. But now more than ever before this city must be careful not to lose sight of the purpose of its housing programs. This purpose is not just to revitalize any single area; it is to improve the situation of Chicagoans - particularly those Chicagoans who can least afford to house themselves.

Mayor Daley's first priority is to woo the middle class back to the neighborhoods. Is that appropriate when Chicago's poor are faced with a huge and growing housing crisis? Marion Coleman of PRIDE opens this issue of *The Network Builder* with a look at the dark side of past plans to redevelop Chicago. Some Chicagoans lost far too much under the same plans that were supposed to make Chicago better for everybody. Today's most popular plans have their dark side too. Will Chicago's schemes for creating mixed-income communities make an adequate place for the most vulnerable Chicagoans, or will they just phase out their homes?

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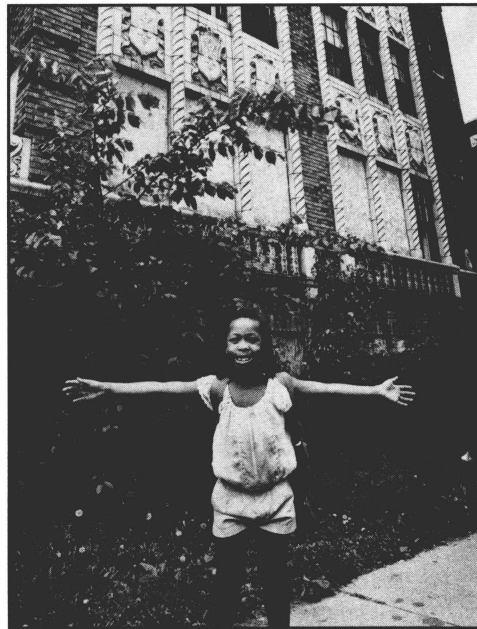
# Building for the Stakeholders

by **Kevin Jackson**

*Kevin Jackson is Executive Director of the Chicago Rehab Network.*

1996 presented me with a remarkable opportunity as the Executive Director of the Chicago Rehab Network. I have met people from all sectors eager to discuss the issue of housing, and I have listened to their hopes, ideas and fears. HUD officials have described their enthusiasm and support for new programs like the Chicago Partners. Leaders in the Department of Housing (DOH) have articulated their plans for new programs like Vintage Homes, while working to meet ambitious five year housing production goals. Investors from the private sector express their interest for new efforts and partnerships.

The people I have heard the most from, of course, are the not-for-profit leaders in the community - members of the Network. I have witnessed tangible results of their mission to build communities at ribbon cuttings, groundbreakings and anniversary parties: where Bickerdike Redevelopment Corporation and Lawndale Christian Development Corporation have created new multi-family housing; where Bethel New Life, WECAN and CRCCC have created new single family homes and condos for affordable home-ownership; where Central City Housing Ventures has broken ground for a single room occupancy building that is the largest DOH commitment in Chicago's rapidly developing South Loop. Meanwhile, Lakefront SRO celebrated their first ten years with a highly successful banquet. These represent a performance record



*Photo: Thom Clarke*

that deserves attention and repetition. Can this level of activity continue?

Our ability to maintain adequate housing production at a time when the need for affordable housing is increasing, and resources for doing so are decreasing, has become a legitimate question. At the same time, the role of not-for-profits, and their ability to produce housing effectively, has also been drawn into question, in spite of their historic leadership in this field. In the course of all the ribbon cuttings I have attended to celebrate the successful completion of affordable housing projects, I have learned that this doubt is misplaced.

We are told for-profit firms must be efficient because they answer to shareholders. Not-for-profits are under the scrutiny of their shareholders too. The difference is that it is not an investor of capital, but a community resident who takes a stake in a neighborhood organization. Successful not-for-profits and community development corporations have always been responsive to and controlled by their stakeholders.

The claims of the various stakeholders in affordable housing are often competitive. Affordable housing is an industry that is built on community and the promise to respect the dignity of neighbors. It is also dependent on financial investors. The commitment of those who invest money in the project is not necessarily rooted in community development for human betterment - for reducing pain and suffering. Rather, they are looking for a return on their financial investment. There can be considerable tension over whose claims - those of the residents or those of the investors - are the most legitimate.

Private investment should not be prioritized over all the things that housing does for families, individuals and communities. The best way to reaffirm an investment in people is to prioritize community-driven development that starts by soliciting the participation of residents in our plans to keep housing affordable in the neighborhoods where they live.

When widespread abandonment of whole urban neighborhoods was the rule, community development corporations began perfecting their methods for drawing residents into the redevelopment of these neighborhoods. Bringing new interest and new investment to the inner city is important - but it is not more important than the network of families and institutions that never left. These networks are bolstered by community based development.

It is only recently that financial investors have found affordable housing to be a sound

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# Chicago's Department of Housing: Great Progress, Big Challenges

by Kitty Cole

*Kitty Cole is the Chief Program Officer at Lakefront SRO and the Chairman of CRN's Advocacy Committee.*

The Affordable Housing and Community Jobs Campaign brought together CRN, its allies and 260 Chicago community groups, churches, aldermen and other institutions who believed that Chicago's affordable housing gap had reached crisis proportions. In the last days of 1993, Mayor Daley agreed to invest \$750,000,000 in affordable housing over five years (1994-1999). For that victory, we owe a special thank-you to Aldermwomen Preckwinkle and Troutman, who planned and executed the campaign with us from its beginning.

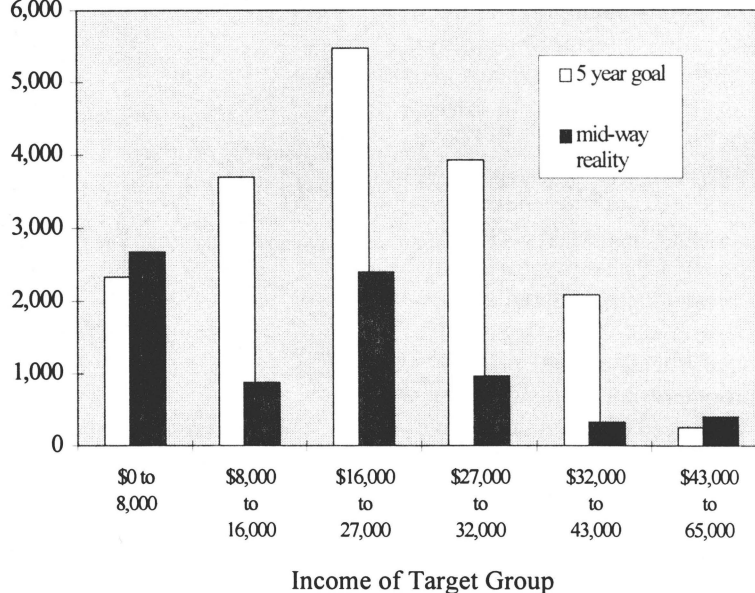
Today, we are half way toward investing that \$750 million, with some great victories and some great challenges. The city has done a wonderful job in supporting supportive SRO housing development to address the need for housing for the very, very poor and homeless. They have more than exceeded their goal for housing for people with an income level of 0-15 percent of the area median income. The Chicago Low-Income Housing Trust Fund rental subsidy program is a great resource for developers of housing for the very poor. At the other end of the income scale (81-120 percent of the area median income) the city has exceeded its goal due to its variety of homeownership programs.

Chicago is midway into implementing the Affordable Housing and Jobs Campaign victory. At the same time, forces at both the national and the city level are deepening the

## Big Plans

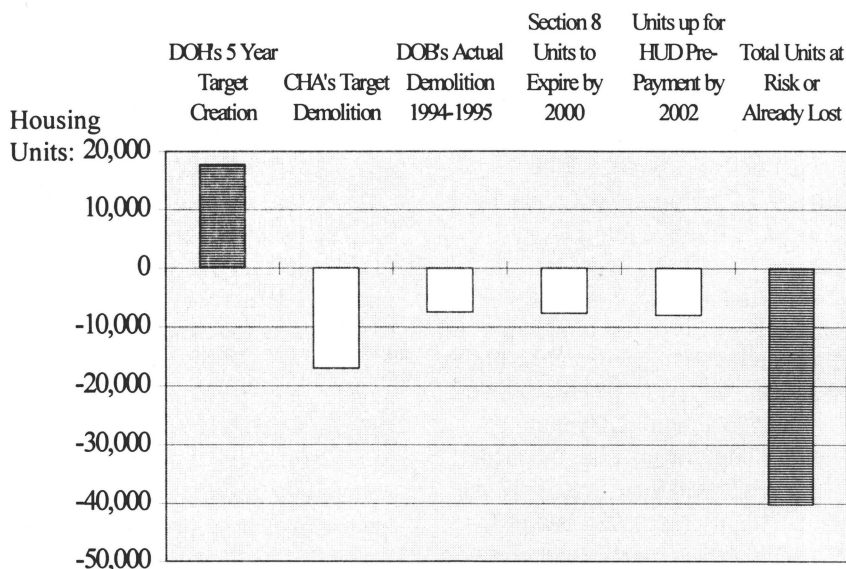
Housing Units Created by Income Group Targeted

Housing Units: 6,000



## Big Challenges

Housing Units Planned...And Housing Units Threatened



housing crisis in Chicago. For example,

\* In 1994 and 1995, the City's Department of Housing already helped finance the development of 5,205 units. During the same two years, the city's Department of Buildings demolished 7,491 residential units, with a net loss of 2,286 units. The demolition has continued into 1996.

\* HUD Secretary Henry Cisneros has announced plans to take down 17,000 units of public housing, with only fragmentary replacement plans.

\* Meanwhile, 8,000 HUD subsidized units will be eligible for prepayment by 2002, putting those units at risk.

\* 7,700 project-based Section 8 subsidies will expire by 2000. Those units are also at risk.

In spite of our Affordable Housing and Community Jobs Campaign victory, Chicago's supply of housing that is affordable to low-income people is shrinking, not growing.

Part of the problem is that while the city has come out strong in some areas, it has been weaker in others. For instance, in spite of its efforts to house Chicagoans at either end of the area median income scale (those making 0-15 percent and those making 81-120 percent of the area median income) the city's record for meeting the needs of people with incomes between 31-80 percent of that area median is not so great. These people often represent families, and their affordable housing needs are redeveloped, newly built and rehabbed bricks and mortar projects. They need larger units and more bedrooms. They need the support of family and neighbors. To maintain that support, they need to be able to continue to live in the community they are presently in - even as redevelopment begins. They need to

be able to abide side by side with people of all incomes in healthy, viable neighborhoods.

Other challenges we are addressing are:

#### **Affordable Housing Not At the Top of the List**

Affordable housing for all is not yet a priority for our public officials. Balanced development means that development for the middle class cannot be done without targeting resources for people who are already here. It is only this balance that will make our city a more stable, more safe, more desirable place to live.

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### **Chicago is midway into implementing the Affordable Housing and Jobs Campaign victory. At the same time forces at both the national and the city level are deepening the housing crisis in Chicago.**

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#### **Housing Development Outside the Context of the Community**

Developing housing within the context of the community means drawing on resident involvement. It means reinforcing our development efforts with anti-displacement strategies, support services, youth programs and jobs programs. CRN members have been at the forefront of developing housing within the context of the community. This means we must advocate for more rather than less CDC support, aggressive anti-displacement measures, support for superb property management and support for inclusive community planning efforts.

#### **Dwindling Public Resources**

We can no longer rely on federal resources to meet affordable housing needs. We not only have to target existing resources to meet the greatest

need, but we need to be our most creative in finding ways to tap other resources, such as corporate funds. This means corporate dollars from not only the private sector, but also from the city's corporate fund. Subsidies alone will not meet this need, we must find ways for the market to participate.

To meet these challenges we need to formulate a strong advocacy strategy along with our allies and partners in Chicago. CRN is in the midst of developing just such a strategy and have been meeting with our funders, lenders, the city, CHA, other coalitions, homeless advocates, intermediaries such as the Local Initiatives Support Coalition (LISC) and the Corporation for Supportive Housing and many others. The challenges we are addressing are:

**Take a Place at the Table with CHA**  
CRN members must take seriously Joseph Shuldiner's challenge to become partners with the decision makers at CHA. As partners, we must ensure that gross displacement of CHA residents does not take place, that affordable family housing is developed to meet the needs of residents who will lose their housing and that in communities where "mixed-income" housing is being developed, that the "mix" is balanced and that low-income families are not displaced due to gentrification.

#### **Property Tax Relief**

Low-income homeowners as well as developers of rental housing are being priced out of their neighborhoods with high property taxes. CRN needs to join its allies to study, plan and propose for equitable property tax relief.

#### **Diligent DOH Monitoring**

CRN has enjoyed a good dialogue with the Department of Housing. We need to continue that relationship. We will work with DOH to develop an

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# Prescription: Preventive Maintenance

**By Cheryl Thomas**

*Cheryl Thomas is the  
Commissioner of the Department  
of Buildings.*

During my two-year tenure as Building Commissioner, I've been continually impressed by the many cooperative efforts I've observed between community groups, city departments, aldermen and concerned citizens in an effort to preserve Chicago's building stock.

The key to maintaining and preserving buildings citywide is practicing preventive building maintenance. Preventive building maintenance means repairing and maintaining a property before it falls into disrepair. One of the goals of the Department of Buildings is to educate owners and tenants alike about the ways buildings can be made safer so that eventually, more buildings will be conserved and fewer torn down.

I realize demolition is a great concern to many Chicagoans, but razing dangerous abandoned buildings is necessary. These hazardous structures serve as havens for criminals and drug dealers. Abandoned buildings are a blight on a community and bring property values down. Too often, we hear stories of young men and women being attacked within an abandoned building. In many cases, the buildings are merely shells that have been cannibalized of all plumbing and wiring. They are usually accidents waiting to happen.

The Department of Buildings has enlisted the help of the City Council, the Chicago Police Department and residents across the



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city in an effort to identify these dangerous structures. Due to the intense threat these buildings pose, the city seeks their demolition through the court system.

At the same time, the Departments of Housing and Planning and Development put forth a great deal of effort toward creating mixed-income and affordable housing within all city neighborhoods.

It is my goal to balance the demolition and conservation of buildings. This can be done when owners become more accountable for their structures. There are proper steps to take that will keep a building safe and prevent it from falling into disrepair. Homeowners, landlords,

building managers and tenants must become more involved in maintaining their properties.

Too often, absentee landlords don't put any effort into conserving their buildings and they end up being demolished. On the other hand, an owner can spend all kinds of money and time trying to improve a building and the tenants unfortunately are the party responsible for the deteriorating property.

Together, we must do better. Owners, landlords and tenants alike share responsibility for the buildings in which they live, manage and own. They should be accountable for making them safer, more attractive and more structurally sound. The City of Chicago shares the obligation by offering incentives and programs which will instruct people how to maintain their properties.

To help achieve the goal of conserving buildings, the Department of Buildings launched the Community Outreach Bureau (COB) during 1996. The COB has moved forward quickly, attending more than 300 community meetings since March.

The Community Outreach Bureau is a tool the Department utilizes to educate Chicagoans about the proper ways to maintain a building. The CAPS (Community Area Policing Strategy) plans to implement a landlord training program at the end of this year in order to educate landlords and building managers about how to keep buildings safe. Additionally, the Department of Housing offers a multitude of incentives and projects geared toward maintaining housing in Chicago.

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# Problem: Fast Track Demolition

by **Richard Townsell**

*Richard Townsell is Executive Director of Lawndale Christian Development Corporation.*

I received a phone call one day this summer from a resident in the neighborhood that was a bit distressing. He informed me that a building that Lawndale Christian Development Corporation (LCDC) owned was being torn down. I immediately called my staff and we ran over to see how far the demo crew had gone. A third of the building had been demolished.

The fact that 1619 S. Avers was being torn down was troubling to us for several reasons. First and foremost, HUD had given LCDC federal dollars under the Hope 3 program to renovate this building and sell it to a first time home owner from the community.

The next issue that was apparent was that we didn't receive any notice that this building would be torn down. Although the Department of Housing sold us the building, the Department of Buildings tore it down. There was no communication between the two departments about this building. The Department of Buildings had nothing in their files to show that LCDC owned the building and that there were federal dollars involved in renovating it.

Finally, it was the second building of ours in half a year that was torn down although they were both boarded up and cleaned of all debris. How could all of this have been avoided?

It seems that we have competing interests at work in the city. The Department of Housing's role is to provide resources to save



*Photo: Thom Clarke*

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## **It seems we have competing interests at work in the city.**

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buildings and build new construction while the Department of Buildings' role is to enforce code compliance and tear down hazardous buildings.

The 1996 budget for demolition in the city was around \$11 million, while the budget for boarding up abandoned buildings was around \$475,000. The 1997 budget calls for \$13 million in demolition and \$600,000 in board up. Clearly in communities like North Lawndale, which have suffered through severe redlining and disinvestment for decades, demolition has been and will continue to be the response.

I have seen firsthand what demolition does to a community. It sucks the life out of a community when buildings fall to the wrecking ball. It immobilizes a community and sends a subtle message that citizens do

not have the resources to solve community problems. Rarely does a building get torn down in one day. Many times buildings are more dangerous during demolition than when they were standing, because for weeks you have one-third of a building standing with bricks everywhere. It looks like a scene out of a war torn country.

Why is demolition the response in a community where 40 percent of the land is already vacant, and there are scant resources available to save these buildings? Why would the city want to actively participate in adding more vacant land to its inventory?

Some of the reasons we have heard are legitimate. Residents want them to be torn down because they are drug havens. Some of these buildings are near schools and kids could be dragged into them. Fires happen because people take shelter in them and set fires to stay warm. However, if you polled most residents and asked them if they prefer that the

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# A New Partnership?

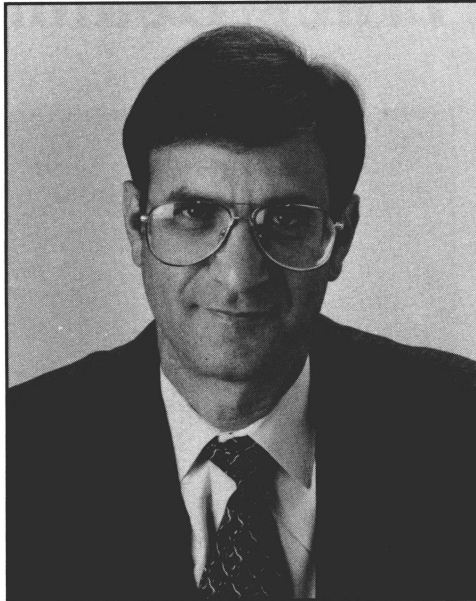
**by Joseph Shuldiner**

*Joseph Shuldiner is Executive Director of the Chicago Housing Authority*

Is it time for something completely different? How about a Chicago Housing Authority and community based housing partnership? It has been almost axiomatic that big city public housing authorities (PHAs) and community based housing organizations do not work together. Why is this? After all, the PHAs and the community groups have essentially the same mission. They both are trying to produce and maintain housing for low-income people in strong communities.

The reasons vary from city to city, but they primarily are money, politics, and philosophical approach. In general, housing authorities have a dedicated income stream direct from HUD. The PHA need not rely on the local government nor go through its labyrinthine funding processes to fight for a share of the CDBG or HOME money. And while housing authorities historically have been under-funded, their funding levels seem huge to the community groups who usually pay their staffs much lower salaries and benefits. At the same time, on the national level, PHAs see the programs funding community groups growing, often at the expense of the public housing program.

Politically, the PHA is less susceptible to local pressures, again, because it need not go through local city council review for its funding, and because its authority structure gives it an independence greater than that which a local government department or delegate agency has.



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**There are potential obstacles to PHA/Community Group partnerships...but in this time of dwindling resources, there are few alternatives.**

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Lastly, big city PHAs are bureaucracies that have existed more than fifty years in an often hostile environment that has been increasingly regulated and over-regulated. Their constituents are an amorphous group of economically eligible people that usually span all ethnic, racial and family composition ranges. As a result, the authorities tend to look at issues from an authority-wide, or even national perspective. The community groups usually represent a specific neighborhood. These groups form and reform; their leadership changes.

Their constituents are much closer and more identifiable. Their horizons are more focused on particular blocks or even particular corners.

Unfortunately, the result of this lack of interaction is that the

collective constituents are suffering. PHAs and community groups should and must work together in the years ahead.

I believe that alliances between PHAs and community groups serve both parties. The public housing world is changing. Deregulation is on the way. PHAs will have to become more competitive with other low-income housing providers. And just as importantly, PHAs more than ever realize the need to place their units in better neighborhoods. They now need links to many communities where presently none exist.

Community groups need more help than ever as government subsidies shrink, and the operating subsidies and Section 8 certificates that housing authorities administer are an attractive resource. In addition, most authorities have bonding power, and/or have the institutional strength to attract conventional financing. There are potential obstacles to PHA/Community Group partnerships. Housing Authorities fear becoming involved in local fights and appearing to favor one community or a group in a community over another.

Community groups fear partnering with a big institutions with its myriad rules and regulations. But in this time of dwindling resources, there are few alternatives. Therefore, we must immediately begin the dialogue between housing authorities and community groups on how best to form these partnerships. At the Chicago Housing Authority, we are identifying those resources and assets which we can bring to partnerships with community based housing organizations. It is our

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# Numbers Games

On October 9, the Chicago Tribune reported that HUD had pledged \$122 million to take down the Robert Taylor Homes, "America's largest cluster of public housing," and that a fifth of it would be put to use demolishing five of the towers as early as next spring.

The attention grabbing part was that this would be part of a larger plan to take down 17,000 units, and to replace them with 4,000 units of low rise replacement housing. The "remaining displaced" (that's as many as 13,000 families) would receive HUD rent vouchers. "To secure that promise," however, Cisneros announced plans to provide Section 8 rent vouchers to house only 3,340 families. Even assuming the buildings to be demolished are riddled with vacancies, these vouchers fall far short of securing a promise to house the displaced.

Before demolition begins, there are already an estimated 48,000 people on the waiting list to receive Section 8 vouchers or certificates from CHA, according to a recent report by the Metropolitan Planning Council. The same report is scattered with other interesting figures. For instance, the Chicago Housing Authority receives about 15,900 new applications to live in family developments every year. The estimated unmet demand for rental units for low-income families in Chicago is 80,200, and in 1991, the affordable housing gap in the greater metropolitan region weighed in at 117,200 units, according to the calculations of the national Center for Budget and Policy Priorities.

These are not the only numbers we have heard in reports of plans for CHA. What seems persistent through all of them though, is that while there are already too few housing units for very low-income Chicagoans, plans for rebuilding CHA have focused on taking down the public housing high-rises. Replacement housing has not been the priority: we've heard vague assurances there will be enough of it, but specific plans to build it fall far behind. CHA Executive Director Joseph Shuldiner and DOH Commissioner Marina Carrott made relevant remarks about housing priorities at a recent forum on public housing held for architects.

As private sector affordable housing developers, Chicago Rehab Network members have generally considered public housing outside of their sphere. Maybe that's why we were not widely represented at the Chicago Architecture Foundation's Sheltered by Design Forum, where architects got together with housing experts to discuss ideas like new urbanism, contextual design, mixed-income communities — and public housing. The absence of a community contingent was noticed, however, and it was resolved to try to include community people in future events - although the hostess told us a little defensively "They were invited," they just didn't come.

During a question and answer session, one veteran of the

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**"This is not a numbers game. This is not about how many units we have, but how many units we have that people want to live in."**

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housing movement who was there raised his hand and asked Shuldiner about replacement units.

Shuldiner has doubtless addressed that questions many times before, just as he will certainly address it many, many times again, and maybe that's why he answered a little sharply.

"This is not a numbers game. The question is not how many units we have, but how many units we have that people want to live in."

That last figure probably depends on what the alternative is - but he went on to explain himself further: we cannot afford to forget that if public housing is to survive in any form at all, we must be able to take it to a skeptical tax paying public and "sell them a product."

Imperceptible renovations won't sell. Shuldiner says one of the first things he had to do as HUD appointed head of CHA was to go to his new staff and ask "Where did the \$600 million you spent on renovations go?" They had a hard time showing him. "And guess what," he asked ironically, "Congress asked the same thing."

To argue that quality counts more than quantity to an audience of design professionals is to preach to

the choir, and the audience approval of Shuldiner's response was audible. You could almost hear the murmur "Yeah. Somebody's got to tell these foot dragging housing advocates they've got to make way for real change, to answer to the real world."

We can argue about who will finally answer to the real world, and how they will be made to answer. We can argue that if the choice is a lousy tower or the street, the tower is probably, in fact, the superior design option. More importantly, though, we agree CHA residents deserve positive change. The question is which priorities should direct that change.

Shuldiner is right. If we want a voice in maintaining those priorities, we will have to have our eye on a worthy product. But the first question is, does the Chicago Rehab Network want to become involved in the tremendous challenges of rebuilding CHA? If the answer to the first question is yes, the second question will be "How?"

Shuldiner has extended the invitation to the affordable housing movement to become partners with CHA. He did it in his article for this newsletter, where he proposed that CHA and community development corporations (CDCs) could partner in joint venture development or in property management. He also points out that partnerships with CDCs could help give CHA residents access to our communities, and so help break down the CHA community's current isolation.

Shuldiner extended the invitation to partnership again at the forum, where he tried to give it the extra edge of a challenge: "We're willing to do our share, we don't know about the communities - whether they're willing to do theirs." After the panel discussion, he approached a CRN staff member to re-iterate "I want to work with you." Will we take that challenge?

Chicago Housing Commissioner Marina Carrott says her department will. Two years ago,

she told the architects wryly, she had been quick to distance her department from CHA and its troubles. But now that CHA seems to be buying into some of DOH's wisdom ("Don't own; don't lease; don't manage property") she is looking forward to working in partnership with the housing authority as it rebuilds itself.

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### **The Department of Housing will take part in the partnership that rebuilds the Near North Development Area**

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The Department of Housing will take part in the partnership that rebuilds the Near North Development Area, which swallows Cabrini Green. At the time of the meeting, Commissioner Carrott told the architects that 3 Cabrini towers were coming down, and that they would be replaced by 2,100 units of housing. Thirty percent of it would be public housing [of which half will be accessible to CHA residents due to further income guidelines]; 50 percent of it would be market rate; 20 percent of it, or about 420 units, would be "affordable" units targeted to families earning 80 percent of the area median income. That is where the Department of Housing comes in. DOH would subsidize the affordable units with zero percent loans made possible by CDBG and HOME funds.

These numbers may change since Mayor Daley announced planning for the Near North Development Area would start afresh. Still, if DOH plans to take a large part in the partnership that rebuilds Cabrini and the Near North Side, CRN will find itself interested in that partnership too.

For instance, Commissioner Carrott mentioned she is looking forward to working with new development partners. Should we take that to mean the McLeans and other large for-profit developers who are in the running to take on the Cabrini redevelopment?

Further, how many of those 420 units of affordable housing, which are being built to replace Cabrini with a more affluent community in the already affluent Near North Side, should we expect to see put toward the DOH's 5 year affordable housing goals? Those goals were originally set to increase the affordable housing stock and revitalize neighborhoods across the whole city. Is the rebirth of the Near North Development Area the proper use of those funds?

Commissioner Carrott says she believes low-income Chicagoans deserve the opportunity to live in the Near North Development Area, and she assures us this will represent a modest portion of DOH funds spent gradually over a ten year period. If this also represents a more general faith in concentrated development projects targeted to revitalize specific areas, does it represent a backing away from the neighborhood development orientation advocated by CDCs? Will this focus eventually redirect dollars from the neighborhoods toward more centralized projects, for example? Will CDCs be encouraged to refocus their efforts from developing their communities to participating in the projects revolving around these focus areas? Where are these focus areas being chosen? The South Loop? The Near North Side? The central communities of the Chicago 21 Plan?

This is not to pretend there is something sinister about these plans, but if they are the result of an intelligent planning effort, they are the expression of certain priorities. Are these the priorities CRN wants to support?

Shuldiner is right again: this is not a numbers game. Then again, those of us who want to help choose the priorities that shape Chicago had better keep asking about the same old numbers: how many units, developed where, for whom — and how much of our public investment will be dedicated to them?

# CRN Members:

## Good Ideas for CHA

When we asked representatives from CRN member organizations about their hopes and concerns for rebuilding CHA, the first question was "What aspects of CHA restructuring are you optimistic about." Most people said "None," but not because they do not hope for positive change.

**Marilyn Sanabria of Logan Square Neighborhood Association** agrees that more housing vouchers could be a good thing: she was on a Section 8 waiting list for 9 years before she was able to move out of Lathrop Homes.

**Donnie Brown of Century Place Development** pointed out that CHA restructuring could be used as an opportunity to break up concentrated poverty in minority communities.

**Karen Tamley at Access Living** thinks scattered site housing could also present an opportunity to desegregate disabled public housing residents - if it is built to be accessible to the disabled.

**Judith Walker of Ahkenaton** agrees that dispersing high concentrations of the poor could work if it is approached not as a magic answer, or a means to save money, but as a way to strengthen communities, families and the city.

**Yittayih Zelalem of the Natalie Voorhees Center at UIC** notes that much enthusiasm for rebuilding CHA is linked to a faith in mixed-income communities. Mixed-income communities could be a worthy goal - if we are really willing to place low-income housing in upper income communities as well.

In other words, when we asked "What aspects of CHA restructuring are you optimistic about," and people said "None," it was not because they did not see opportunities for positive change for CHA residents, but because they were not confident the changes would be made to benefit low-income Chicagoans. When we talk about replacing the Taylor towers or the Cabrini complex with low rise/mixed-income developments, with scattered site housing and with vouchers, is the primary motive really to improve the lives of the families who depend on CHA for a place to live? When replacement housing seems to take a low priority, it is easy to suspect the real goals lie elsewhere. What will happen if the real priority is to improve the value of the real estate and to expand the tax base?

**Mattie Butler of WECAN** states it the most forcefully. "I don't know what CHA reform means. I think it is part of a grand plan to gentrify. It's all about control of the African American community - about shuffling African Americans around." If our plans really are about improving public housing and not just about moving people around, that will affect how we approach everything.

## Rent Vouchers Could be a Good Idea If...

When people who live in public housing are asked where they would most like to live, they give different answers, but a sizable number say they would like to take a housing voucher so they can live wherever they want.

It sounds like a sensible idea, but it is not entirely true that you can take a housing voucher wherever you want. For one thing, you're limited by where a landlord is willing to take the voucher. For another, you are limited by where the community at large is willing to accept you. And of course, you are still limited by the already inadequate supply of affordable housing.

Marilyn Sanabria recalls looking for housing with a certificate from the Gautreaux program, which was supposed to allow the dispersal of high concentrations of public housing residents out of African American communities. Walking into a neighborhood with a certificate meant having to sell yourself to a skeptical community. She recalls that some of the

people in the program were given certificates to take to places like Gurnee, where landlords did not want to accept them.

Although Section 8 certificates are supposed to extend the reach of public housing to the suburbs, the Cook County reality is that over half of Section 8 families are reconcentrated in only 7 of 120 communities.

Donnie Brown of Century Place is concerned tenants will be too quick to think vouchers are a cure all. It uncertain whether landlords will take on the bureaucratic tangles that accompany Section 8 in order to bring public housing residents into their buildings. Even if they do, the certificates are only funded for one to two years at a time, after which funding must be renewed. Donnie points out that to move out of a CHA building on the promise of a voucher is to subject yourself to the possibility of eviction that is far more immediate

than it would be in an existing CHA building. At least for now, vouchers expire more readily than public housing is torn down.

Funding for existing rent certificates has never failed to be renewed, CHA officials are quick to point out. Still, if you were a landlord, would you bank on rent certificates that might, or might not be re-funded by Congress next year?

Yittayih Zelalem suspects landlords will be more hesitant to accept certificates as long as they do not represent long term commitments. Donnie Brown agrees: suppose your tenant loses his voucher after a couple of years. How long will it take you to get him out?

Such an unreliable form of subsidy will not encourage you as a landlord to make improvements - to make your units accessible to disabled voucher holders for instance, as Karen Tamley points out. It is certainly not reliable enough to

encourage you to build new housing, which may be the biggest failing in voucher logic. Even if you are among the fortunate who get a voucher, it only makes you slightly better poised to compete for housing in a local market where the affordable housing deficit was already (before you and 4,000 other families moved out of public housing with a voucher in your fist) 117,000 units. Spending 30 percent of your income on rent rather than spending 70 percent is only an improvement if there is a place to rent.

Vouchers could be a good idea, if we take steps to ensure that: a tenant's real access to a community cannot be closed by discrimination; there is an affordable housing stock in place for using the vouchers; vouchers represent a commitment that is not subject to budget negotiations each year; and the vouchers can meet market rents.

## Scattered site replacement housing could be a good idea if...

As permanent structures, scattered site replacement housing offers the commitment that vouchers do not. One of the problems with building scattered site replacement housing, though, is finding a place to put it.

Alberto Barrera said when he lived in Marquette Park, people were admirably willing to welcome scattered site public housing. Mattie Butler says there is scattered site in Woodlawn, and it works out very well - many WECAN volunteers live in it. But not everyone feels that way.

Judith Walker lives in Washington Park - a moderate income community close to Robert Taylor, Washington Park Homes and Wells. Many of the homeowners fear the influx of the displaced public housing residents in their community. "Those communities that can organize against such an influx will do their best to force the displacement

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**"Those communities that can organize against such an influx will do their best to force the displacement to other, less organized communities."**

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to other, less organized communities."

Conversely, Judith argues, taking on an unfair burden of displaced public housing residents can only increase the strain on already fragile communities. Further, if no one has the authority to step in and ensure an equitable distribution, "the placement of public housing will be reduced to a level of local, and even individual bickering."

Donnie Brown concludes a social experiment is in order. He argues we must redirect our attention

from the rights of individuals and small groups to what is right for the larger society. This means someone must be given the authority to carefully engineer the placement of scattered site housing.

Another difficulty with scattered site housing is that you can't easily build 790 units at one time (790 units will be taken down in the first round of demolition at the Robert Taylor Homes.) Furthermore, scattered site's sister concept, the mixed-income community, requires that part of the redevelopment investment will be devoted to moderate and upper income housing. Yittayih Zelalem worries this means a major portion of anything built will be set aside for middle income people. "One of the plans for redeveloping Cabrini only set aside 15 percent of the replacement units for current public housing residents," he says.

## Mixed-income communities could be a good idea if...

In planning the value of mixed-income communities, it is important not to overestimate the magic that will be made by dispersing the poor. It is equally important to recognize that, like all change, dispersing CHA residents will have some negative consequences.

For example, Yittayih Zelalem points out, when people who have been living in CHA buildings for 20, or 30 years, their buildings contain their communities. What will be the effects of scattering their personal support networks - their friends, their extended families? How will we measure the impact of separating children from the support of their grandparents for example?

Judith Walker sees other negative consequences to dispersing CHA communities. "Families that are currently living under the roof of public housing have access, in a concentrated way, to the few social supports available. CHA staff work with agencies to increase access to those social services. When the poorest families are scattered throughout the city, access to those services is threatened."

The impact will be exaggerated when we consider where those families will find it easiest to scatter. As fragile families fan out into fragile communities, the effect of their relocation will be to stress an already weakened social fabric.

If mixed-income communities are to bring the benefits that are expected of them, some effort must go into making sure they are built responsibly. For instance, how will we ensure that when public housing residents are scattered, they are not scattered only through those communities least able to organize against them?

Yittayih Zelalem furthers the argument that if you want to be taken seriously in your argument about the importance of mixed-income

communities, you must be willing to create them even in affluent neighborhoods. Affluent neighborhoods have convinced everyone they will tolerate no threat to their property values. "If that's true, how can we even begin to talk about luring affluent people into low-income neighborhoods?"

Skittish north side homeowners might not see it, but Yittayih Zelalem believes low-income communities are more violently impacted by upper income residents moving in than vice versa, for the simple reason that low-income

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**As fragile families fan out into fragile communities, the effect of their relocation will be to stress an already weakened social fabric.**

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residents are more vulnerable to change. It doesn't take much renewal for rents to leap out of reach, or for low-income housing to begin to come down.

Buildings coming down evokes the credibility issue that underlies all of these points. Rent vouchers, scattered site housing and mixed-income communities might all be excellent ideas, but if the primary goal is to find housing for people rather than to just move them around, why does it have to start with multi-million dollar demolition projects?

This is why someone like Mattie Butler, who likes very much how scattered site has worked out in her community, comes to make comments that the audience at the Sheltered by Design Forum might find incomprehensible. Of CHA restructuring in Grand Boulevard, she says: "I think it is part of a grand plan to gentrify." Why else would it have to start with tearing the towers at

Cabrini and the Robert Taylor Homes down? Bad design and awful conditions accounted for, at least those units really exist. "Those buildings are already paid for."

At any rate, even if those towers must, and ought to, come down; even if having quality housing that people will want to live in is urgently important; in an important sense, the final issue really is a numbers game.

Marilyn Sanabria says of the tenants she works with "I don't think people realize what it means - they don't think they'll be put on the street." Even if the resident's don't want to think about the possibility of homelessness, it is up to the planners and housing advocates to make plans to prevent it.

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*Cole, continued from page 5*

objective ranking process for loan review and identify ways to make a more equitable and efficient process. Just as important, we must encourage DOH to look beyond the numbers that will meet its official goals and keep its eye on the real supply of affordable housing in Chicago. The Chicago Rehab Network will work closely with DOH to develop new initiatives and sources of funding so that the Affordable Housing and Jobs campaign will become a total reality for Chicago.

If you are interested in participating in these advocacy efforts, you can:  
Join the Advocacy Committee: Call Kitty Cole at Lakefront SRO (773) 561-0900.  
Or join the discussion on Property Tax Relief: Call Kevin Jackson at CRN (312) 663-3936.



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## Welfare Reform Is Here...

We all understand vaguely that in two years, when thousands of people in Chicago lose their welfare benefits, they are going to have a harder time paying the rent. But, like Marilyn Sanabria says, most of us don't quite believe it's going to happen. What's the best way to illustrate the impact that welfare reform really will have on people's ability to house themselves in the next few years?

One good way is to consider the joint impact of welfare reform and CHA reform.

Judith Walker says she is concerned the impact that welfare reform will have on CHA has not been adequately considered. Ninety percent of CHA residents receive public assistance. That means CHA can at least be assured of drawing rent in the form of 30 percent of that welfare check every month. In a few years, that won't be true. What will

happen then?

"They'll be evicted," reasons Marilyn Sanabria. "CHA will have to evict them. They [the residents] don't believe it will really happen. But I think CHA will evict them."

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**90 percent of CHA residents receive public assistance. What will happen when those benefits are cut off?**

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But CHA won't be the only landlords with evictions to make. Nationally, only 1/4 of mothers who receive welfare also receive housing assistance. That means, in theory, 3 in 4 of them support market rents with their welfare checks. Even assuming that the gulf between the welfare check and the rent requires some maneuvering, welfare actually

represents a significant form of housing assistance. Or at least it used to. Now it represents a large, but undetermined factor in the acceleration of Chicago's affordable housing crisis.

*Thomas, continued from page 6*

I suggest very simply whether you are a single-family homeowner or the owner of a 6-flat - conduct a building inspection at least twice a year. Look for things that might be in disrepair and easy ways to make you property safer. Maybe that means looking for light bulbs that are burned out in hallways each week. It sounds like a small detail, but realistically, these little things add up to a safer building.

Talk to neighbors and other building owners in your

*Thomas, continued from page 14*

neighborhood. Identify a day where everyone on the block plans to repair the exterior of their building. Gutters can be emptied, leaves bagged and window wells cleaned. If a neighbor sees someone across the street sprucing up and practicing preventive building maintenance, they are more inclined to do the same.

Each year, the Department of Buildings conducts more than 100,000 building inspections. It's during these inspections that owners can get a better idea of what needs to be done each year in order to keep buildings safe. If your building hasn't been inspected by the Department of Buildings, plan to conduct your own inspection.

Many of the inspections are a direct result of citizen requests and complaints. Last year, the city received about 8,000 calls solely reporting abandoned buildings. Conversely, builders are also willing to invest in Chicago. During 1995, approximately 20,000 building permits were issued - more than ever before. The total estimated value of construction was \$1.5 billion. This year we are moving ahead issuing even more permits than last year.

The bottom line is that although new construction may be soaring, there must be a bigger push to maintain the building stock that already exists. Being a responsible owner who practices preventive business maintenance is the key.

Please contact the city at (312) 744-3430 in order to schedule a meeting with a representative from the Department of Buildings Community Outreach Bureau. We are committed to working with owners in order to identify ways to make their buildings safer.

Ultimately, working together makes Chicago a better place for all people to live and work.

*Townsell, continued from page 7*

buildings be saved - restored to their former glory and inhabited by responsible people — the answer would be YES. So it seems to be a resource problem and not an abandoned building problem. In this light, to demolish buildings in a community is not necessarily the best response.

Most of the buildings in my community were built in the early 1900s by highly skilled craftsmen. They are brick grey stones and are comparable in design to what you would see in more affluent areas like Lincoln Park. Many have historic potential and although they have suffered deferred maintenance for years, they could be restored.

Restoration is a pro-active response that builds on the tangible and human capital assets of a community. LCDC has been somewhat effective at restoring buildings slated for demolition. To date in 1996, LCDC has returned 13 units of single-family homes with a total value of over \$900,000 to the tax rolls, and has another 20 under construction. These are worth over \$1.2 million. They are all buildings that had been abandoned for at least three years and were tax delinquent.

During October 14-17, over 2,000 people from around the world came to Chicago for the National Trust for Historic Preservation's annual conference. Seasoned preservation activists rubbed shoulders with neophytes like myself who wanted to learn a bit about preserving community. I pitched some solutions to the demolition epidemic in my community to some of these, and to my surprise, they liked my suggestions. They are:

\* Strategically assess the feasibility of saving a building before "fast track" demolition is allowed to tear them down. This assessment should be done by community based groups as well as intermediaries such as LISC,

along with city building inspectors. Building inspectors should not do this assessment alone. Some of the worst buildings in the community have been restored affordably by LCDC for low-income residents to live in. Building inspectors would have had them torn down.

\* The city needs to increase its resources to save buildings in communities where the Chicago Rehab Network's Housing Misery Index indicates severe disinvestment. There are groups that can do decorative board up once buildings have been assessed as salvageable. This will create jobs that could lead to apprenticeship programs.

\* My most radical suggestion is to brick up abandoned buildings instead of boarding them up. I know that buildings become un-boarded by drug dealers who stash drugs while they sell them. I don't know of any drug dealers with tools to get through bricks. Kids will not be dragged into buildings. Wear and tear from weather could be reduced, and fires would not get set because access would be eliminated. This is a "win-win" situation for everyone. More skilled jobs would be created for residents. Buildings could be saved and later renovated by local contractors. Buildings would get added back to the tax rolls.

Community restoration happens because a diverse group of citizens and public/private partners come together with resources and a plan. The architecture of a community like North Lawndale is a part of the history of Chicago and should be preserved, not destroyed. In the mid 1960s, Dr. Martin Luther King came to Chicago to protest about the conditions that urban people had to live in. He lived for a summer in a building in North Lawndale. That building has been torn down. Most people in the city don't know about that piece of history.

# Project Based Section 8

*We thank Joy Aruguete of Bickerdike Redevelopment Corporation, Daniel Burke of Chicago Community Development Corporation, and Jim Grow of the National Housing Law Project for their contributions to this article.*

Project based Section 8 is up in the air. Nationally, over a million lower-income households depend on privately owned housing that is made affordable through project based Section 8 contracts that will expire within the next 10 years. The fate of those contracts, those units of affordable housing, and the families that live in them is a multi-billion dollar problem.

Project based Section 8 is awarded to privately owned housing developments, and provides rental subsidies for low-income families. The families pay only 30 percent of their adjusted income in rent and utilities. The developer can charge rents that are necessary to pay for project operations so long as the rents are comparable to other rents in the region. Sometimes these rents have exceeded the HUD published Fair Market Rents (FMR) for the particular region because some of these projects cost more to operate than housing targeted to other tenants, and because the Chicago FMR is based on a 6 county area. HUD makes up the difference between the low-income tenant contribution and what the developer requires with the project based Section 8 subsidy.

Tenant based Section 8 vouchers are awarded directly to the low-income tenant. The recipients can (in theory) apply the vouchers toward any existing apartment they choose. Project based Section 8 is awarded directly to the project: it can encourage the private sector to create affordable housing because it assures a developer that the project will bring in adequate operating capital once it is developed.

When the program was initiated in 1974, the subsidies were authorized in the form of 15-20 year contracts. This provided some

stability, but it was also expensive, because funding for the entire contract was authorized from a single year's budget. To reduce the bite out of any one year's HUD budget, contracts were gradually reduced to 5 year, and now to 1 year terms.

In the next few years, the expiration dates of these 20 year, 15 year, 5 year and 1 year contracts will converge. HUD will have to decide what it is going to do with the expiring contracts of over a million housing units over the next decade: renewing them would cost billions of dollars. HUD's entire budget is only about \$19 billion, and within a few years, it will easily be overwhelmed.

So far, the costs have been too mind boggling to settle this issue comprehensively. Congress has responded with automatic, but short-term (1 year) renewals for most of the expiring contracts. (This year, about 200,000 of the estimated 235,000 expiring project-based contracts will be eligible for automatic renewal if the owners ask to renew their contracts. That will save these units until next year.)

Projects where HUD is paying rental subsidies that come to more than 120 percent of the area FMR are subject to a demonstration program - again, if the owners ask to renew their contracts. The demonstration programs propose to restructure the debt on the projects to bring their rents in line with market rents, and to protect their FHA insured mortgages from default (or to eliminate the FHA insurance altogether), and consequently protect HUD from what could amount to a multi-billion dollar bail-out.

Last year's demonstration program encouraged owners to transform their buildings to market rents and let HUD send the low-

income renters on their way with portable rent vouchers. The original plan was unpopular with nearly everybody: the developers feared they would lose FHA insurance on property the private insurance market could not reach; tenants did not want to be displaced and scattered, nor were they confident they would find places to use their rent vouchers. This year's demonstration program tries to maintain the project based subsidy through the portfolio restructuring.

Under the 1997 demonstration program, the project based subsidy is renewed as an annual contract. Owners who want to participate must agree to renew the contract (and maintain the affordable housing units) each year for up to 20 years -as long as HUD offers to renew it. Owners will receive lower Section 8 contract rents at renewal, either through the restructuring of their first mortgage, or through a reduction in their rent to the lowest level that is necessary to operate the project. At most this plan will address 50,000 units whose current rents are over 120 percent of FMR and whose mortgages are covered by FHA insurance. The Portfolio Re-Engineering Program only begins to address the larger problem though: the accelerating number of contracts expiring over the next few years and the ballooning billions it will cost to renew them.

To replace project-based subsidies with tenant based ones is not an adequate solution. Tenant based Section 8 vouchers are useful to meet some housing needs, but they are not an adequate substitute for project based assistance because they represent a much more tenuous form of housing. Rent vouchers are hard to use in tight housing markets like Chicago, where owners have a supply



of market rate tenants to rent their apartments. Often, rent vouchers, which have caps, are not adequate to meet market rents.

Further, many landlords will not accept rent vouchers, because of the bureaucratic hassles involved in the program, or because they do not want poor, or minority tenants in their buildings. In the past, large numbers of rent vouchers have been returned unused every year because tenants could not find landlords to take them or apartments that the vouchers were adequate to rent.

Tenant based rent vouchers are subject to renewal every year. Project based subsidies will be too, but rent vouchers are more easily phased out of the budget as eligible families either lose income eligibility or pass away. Current discussion leans toward discontinuing rent vouchers that are returned unused, as if people return them because they do not need them rather than because they cannot use them. On the other hand, project based assistance maintains an ongoing housing stock in our neighborhoods available for existing and future low-income tenants.

We should not underestimate other disadvantages to displacing the tenants in project based Section 8 developments. It will mean uprooting families from their communities. It could mean breaking their support networks and ties to extended family. It will also mean weakening their ability to come together as a tenant body and organize on their own behalf, to make their voice more audible in matters of community and government. When they are scattered throughout the city, individual tenants will find it far more difficult to organize to defend the renewal of their tenant based rent vouchers, for example.

There are not necessarily sound budgetary reasons for displacing these tenants. While the initial authorization for renewing the project based Section 8 contracts may

cost more up front than yearly rent vouchers, project based Section 8 does not really cost more in the end. For one thing, the yearly outlays are roughly the same. Further, there are hidden costs in the tenant based voucher program. For instance, any apartment that is rented with a Section 8 subsidy - be it project based or tenant based - must pass a HUD inspection first. In a project based Section 8 building, all apartments could be inspected and approved in a single session. Scattering tenants with rent vouchers will mean sending HUD inspectors on unit inspections to countless sites throughout the city, and dealing with a separate landlord for each unit.

This is not to argue that Project based Section 8 is in all ways superior to tenant based Section 8. HUD's purpose is to find ways to meet the housing needs that the housing market would not meet on its own. This task requires a balanced strategy composed of many pieces if it is to meet the full range of the nation's housing needs. Project based Section 8 is an important tool for maintaining this balance because it can be used to further long term stability. Chicago has 7,700 units supported by project based Section 8 contracts that will expire by the year 2000. The long term stability of our affordable housing stock is already under threat. Our city's lower income tenants cannot afford to lose any more of their housing.

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*Shuldiner, continued from page 8*

intention to then host a meeting with a number of housing providers to express our interests to and listen to their ideas on how best to form these partnerships. In fact, we already have received proposals from some groups looking to redevelop properties we own.

I can foresee partnerships in which the CHA helps finance the housing efforts of community based providers. The units will be owned and operated either by the community

group or in a partnership with the CHA, but the residents will come from CHA's waiting list, screened by the local management team, with some preference for community members. This approach can enhance employment opportunities for the community in both construction and management, and an increase of low-income housing. This approach gives the PHA a local face, a root in the community that should minimize opposition and enable those residents from outside the community to be better accepted when they move in.

The PHA can focus on the supply side, using its development money, its project based Section 8, its bonding capacity with or without tax credits, or other funds, in joint venture with a CDC to build new or rehabilitate units in the community.

Depending on their capabilities, the joint venture could do the construction itself or contract it out. The same would be true of the management. Either of the joint venture partners alone, or together, or in partnership with a private real property manager, could manage the site. Even more desirable, the CDC could manage with the PHA or a private company with the understanding that the CDCs are being trained to assume full management responsibilities after a time certain. These ideas can be thought out more fully through the meetings which I mentioned earlier.

For the Chicago Housing Authority, the primary issue is how to ensure that the best possible service is provided. This means both increasing the number of units that are integrated into the rest of the community and maintaining them. It is not important who actually provides the service.

Again, this view of the PHA as facilitator, coordinator, guarantor of low-income housing opportunities lends itself to the idea of partnerships with community groups. I hope that the community groups will see these partnerships as in their interest as well, and will talk to us.

*Coleman, continued from page 1*

services and infrastructure repair and poor enforcement of the building codes turned good housing stock into slums. Renewal meant these would need to be cleared. They would be replaced by building overly dense public housing developments. These policies converged to act as singular causes of community destruction, and to create enclaves of endemic poverty.

Black ghettos and Bronzevilles had been, however disadvantaged, complete and self supporting communities. The other effect of the plans to move outward and renew was to destroy these communities.

Meanwhile, the deteriorating neighborhoods were written off as a place for the white middle class to work, but not to live. The perception was furthered by the very city employees who helped make and facilitate the plans. By ignoring the city rule that all city workers should live in the Chicago, the city gave credibility to this perception.

From the sixties to the early eighties, these "plans" were in effect. But there were changes brewing — changes in federal policy coincided with a change in the administration of the City of Chicago bringing in Harold Washington, Chicago's first African-American mayor. Community activists were forming groups to call attention to and interrupt the abandonment, blight and disinvestment occurring in Chicago's neighborhoods. The Community Reinvestment Act (CRA) was one of these changes. Born of national conscience cleansing, CRA forced private lending institutions to reconsider inner city investments and higher risk thresholds.

Just about this time, homelessness had become a national disgrace - calling for new plans and policies. Affordable housing became the new mantra. Redeveloping neighborhoods, the "public policy,"

and the low-income housing tax credit were to be the salvation that would uplift the poor, restore the housing stock and create a tax shelter for investors.

Then, after the production of thousands of units of affordable housing in Chicago, the national government and both political parties became more comfortable, believing that the commitment to the poor and to racial parity had been met, and in some cases exceeded. The spigot was turned off. The "plans" changed and the planners became more concerned with the middle class.

The City of Chicago jumped on this national bandwagon. The city wanted to recoup its middle-class. The middle class would be encouraged to move back to the city with gentrified neighborhoods and "defensible space." Land on which public housing developments were located became prime redevelopment areas to be had by welcoming public/private partnerships, and obtaining community approval from quasi-government panels and citizens groups. Chicago began to reprogram their federal subsidy money to fit the homeownership strategy. New Homes for Chicago - the city's program for extending homeownership — was expanded.

The dark side of the plan has meant a retrenchment that first occurred at the national level. Public housing policy changed. Tenant ownership and management, massive public housing rehab projects and model mobility programs, designed to improve access and opportunity, were exchanged for plans to demolish public housing units, to strike down the one for one replacement rule for the creation and preservation of low-income housing, to limit and even reduce the award of Section 8 certificates and vouchers, and to reduce HOME and CDBG funds previously used for affordable housing. When homeownership became the center of the total housing strategic priority, it supplanted rental

multifamily housing that the poor have depended on.

The dark side of renewal today is that it will happen by destruction again. We are about to see these renewal plans take effect.

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*Jackson, continued from page 3*

enterprise as well as a regulated obligation. In the mean time, government has taken responsibility for buffering the harsh effects of capitalism by negotiating between the private sector and the public good, which protects the foundation for democratic participation. Funding the creation of adequate, safe, affordable housing is a way that government has been visibly successful at securing a public good and people's participation. That success has been forgotten in the debate about reinventing government and balancing budgets.

Our elected officials need to be reminded that housing can be an effective public good, but that it requires sustained investment. We need to challenge at every opportunity the claims that the for-profit sector is more effective at housing. It is not simply a matter of market interest, it is a matter of attention to stakeholders, as well as the costs associated with democratic government.

Given the changing interests and environment, undermining the credibility of non-profits is disingenuous. Culturally, an economic focus has pre-empted our social considerations and priorities. Placing a primacy on the social would refocus much of the conversation and debate about affordable housing. This is no small undertaking, but then the past achievements of community based development groups is promising ground to stand on. Ultimately, we need to take a stand to meet our social and development needs.

## The Issue in Numbers

### Chicago's Affordable Housing Gap

Low-income Chicago renters who pay 30 % or more of their income toward housing: 4 of 5\*

Low income Chicago renters who pay more than 50 % of their income toward housing: 2 of 3\*

Affordable housing gap for the 6 county, Chicago metropolitan region in 1990: 117,200 units\*\*

Ratio of low income renters to low cost units: 1.8\*\*

Unmet demand for rental units for low income families in Chicago: 80,200\*

### DOH's Efforts to Bridge It

Affordable housing units Chicago's Department of Housing helped finance in 1994 and 1995: 5,205\*\*\*

### DOB's Work During the Same Years

Housing units Chicago's Department of Buildings demolished in 1994 and 1995: 7,491\*\*\*\*

Housing units demolished in 1996: specific #s unavailable, but "a little ahead of schedule"

### Public Housing in Chicago Now

Total authorized CHA residents: 86,000\*

Total CHA units: 39,791\*

Approximate number of Section 8 rental certificates and vouchers currently available through CHA: 16,000\*

### Public Housing in Chicago in the Future

CHA units to be demolished in recent HUD plan: 17,000\*\*\*\*\*

People on the waiting list for certificates and vouchers: 48,000\*

Percentage of public housing residents who derive their income from public assistance: 90\*

### Other Budget Challenges

Units in Chicago with Section 8 subsidies that will expire by the year 2000: 7,700\*

HUD subsidized units in Chicago that are eligible for prepayments by the year 2002: 8,000\*

\* Metropolitan Planning Council, *Changing the Paradigm: a Call for New Approaches to Public Housing in the Chicago Metro Region*

\*\* Center on Budget and Policy Priorities, *In Short Supply: the Growing Affordable Housing Gap*

\*\*\* Department of Housing, *Quarterly Reports*

\*\*\*\* Department of Inspection Services, *Year-to-Date Recap*

\*\*\*\*\* *Chicago Tribune*, October 9, 1996



## We build relationships that build communities.

LaSalle National Bank is committed to providing funds that improve and strengthen Chicago neighborhoods. Our Community Development Department offers loans to neighborhood residents, developers and community groups so they can acquire and rehabilitate real estate in areas where help is most needed. Construction loans and permanent financing are available for multi-family, single family, and commercial and mixed-use properties. By providing financial resources like these, we build relationships that enhance communities like yours. Please call LaSalle's Community Development Department at (312) 904-2843 if we can provide assistance.

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