THE NETWORK BUILDER

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The Chicago Rehab Network Newsletter

Bigger role for nonprofits?

CHA unveils new scattered site plan

by Deborah Weiner

This past December, the Chicago Housing Authority unveiled a plan to turn over management of its scattered site properties to private managers, publicly admitting to a poor record in operating the scattered site program.

The announcement by CHA Chairman Vince Lane came almost exactly one year after Judge Marvin Aspen placed the development portion of the program in the hands of a receiver. The receiver, the Habitat Company, is rehabbing some 240 units inherited from CHA, as well as acquiring more property for the development of 1200 to 1500 units of scattered site housing within the next three years (see related article).

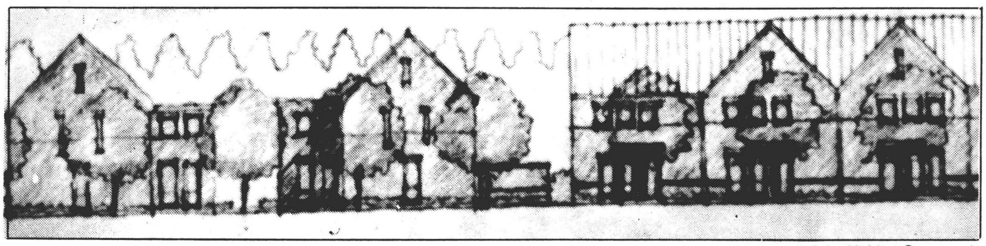
The expected growth of the scattered site program under Habitat, and the private management initiative undertaken by CHA, will mean sweeping changes for public housing — and an unprecedented opportunity for nonprofit housing development groups to get involved in the public housing arena.

Including the 240 now under development, CHA owns 1400 units of scattered site housing (which is defined as no higher than three stories, and no more than 120 units at one location). Under CHA's plan, the city will be divided into five management areas, and CHA will contract with at least one property manager for each of the five areas. All 1400 units are expected to be under private management by the end of this year.

Over the next several years, the number of CHA units managed privately will grow as more scattered site properties are developed by the receiver. By 1992, some 3000 units of public housing will be in the hands of private managers.

CHA's decision to contract out the management of scattered site properties was based in part on a successful demonstration project with the nonprofit Housing Resource Center (HRC), a subsidiary of Uptown Hull House (see Spotlight, page 10). HRC took over management of CHA scattered sites in several north side neighborhoods in 1982, and the group currently manages 192 CHA units.

"Private, community-based management makes a lot of sense for scattered site housing," says Sue Brady, executive director of HRC. "You cannot successfully manage scattered sites without



The new look for CHA scattered site housing (see page 13). (courtesy of the Habitat Company)

significant tenant involvement." Because the housing is spread out over a wide area, "the manager can't be at all these units on a daily basis."

Brady and Alexander Polikoff, attorney for CHA residents in the long-running Gautreaux lawsuit (see sidebar), pushed the private management concept with CHA officials over the last several months. Both participated in designing the Request for Proposals (RFP) which is to go out this month, as soon as HUD approves it.

Both nonprofit and for-profit managers will be invited to apply for the five management area contracts. However, CHA's positive experience with HRC was coupled with a less successful experience contracting with a for-profit management firm on the south side. While HRC's contract with CHA was renewed last year, the for-profit firm's contract was terminated. And wording contained in the RFP might give the advantage to nonprofits.

"One of the criteria built into the RFP is the ability of the respondent to obtain government or private funds to supplement the management fee," explains Polikoff. Nonprofits, who are able to get foundation grants, should be able to meet this qualification.

Another criterion, says Polikoff, is the "demonstration of neighborhood roots." The RFP requires written letters of support from four neighborhood institutions. Respondents must also have demonstrated ability in managing low income housing. "Nonprofits are definitely going to be in the works," concludes Polikoff.

Private, community-based manage-

(continued on page 12)

Two banks renew neighborhood lending pledges

Two of the three banks involved in the Neighborhood Lending Program recently announced their renewed, expanded commitment to invest in Chicago's low and moderate income neighborhoods.

The Harris Bank announced a $50 million commitment over the next five years, an increase over the five-year, $35 million pledge made in 1984 at the commencement of the program.

The Northern Trust announced a new five-year, $25 million program, an increase over its original $18 million commitment in 1984.

Both banks have almost fulfilled the original neighborhood lending agreements which they made with the Community Reinvestment Alliance that year. By the end of 1988, Harris had invested $32.5 million, while the Northern had invested $16.2 million. Both banks make loans for affordable housing, small business and mixed use real estate in Chicago's low and moderate income neighborhoods.

Bank representatives and community activists expressed satisfaction with the course of the Neighborhood Lending Program. "Northern's decision to renew its neighborhood lending commitment reflects our very positive experience in helping to meet the credit needs of our community," stated Weston Christopherson, chairman of the Northern.

Harris Chairman Ken West said his bank's experience with the more than 225 loan commitments made so far has been "excellent." He added, "It's been a genuine partnership with the community groups identifying these loan opportunities for us. Each of us has educated the other."

The Chicago Rehab Network and the Chicago Association of Neighborhood Development Organizations (CAN-DO) are the two city- wide nonprofit agencies which package loans for the program. The inclusion of community-based packagers was an integral part of the agreement, and will continue under the new commitments.

The banks were originally reluctant to reinvest in the neighborhoods, and only the threat of a Community Reinvestment Act challenge brought them to the table with community groups in 1984. Since then, however, the success of the banks' neighborhood lending portfolios has helped them to see the program in a positive light, and through the years they have become more comfortable working with community groups.

"The success of the lending program shows that lending in these neighborhoods is good for the neighborhoods *and* is good for business," said Gale Cincotta, director of the National Training and Information Center and one of the original leaders of the Community Reinvestment Alliance. "This kind of loan program does the solid work that needs to be done out there."

Meanwhile the First National Bank of Chicago, the third bank involved in the landmark 1984 agreements, has not yet announced its intentions but is expected to do so shortly.

A MESSAGE FROM THE PRESIDENT

Networking: a model of collaboration

by Juan Rivera

The Chicago Rehab Network uses various approaches to confront the shortage of decent and affordable housing in this city.

For example, it provides technical and loan packaging assistance. It helps neighborhood housing development organizations (NHDO) advocate for resources and policies to develop housing without displacing community residents. And by networking and information sharing, it also facilitates the collaboration among member organizations to produce more and better housing units with dwindling resources.

Collaboration is not new. Even private corporations use it to increase their capacity and become stronger. General Motors and Toyota assemble automobiles, Siemens and Phillips develop semiconductors, Canon and Japan's JVC manufacture videocassette recorders. These alliances have strengthened their competitive capacity. For them as well as for NHDOs, collaboration and information sharing become a cost-efficient route to grow and develop products.

Networking is an alternative that works. Collaboration enhances the capacity of organizations producing low income housing in the neighborhoods. The sharing of construction technology, financing techniques and other development tactics and strategies is crucial for the empowerment of poor people. By supporting each other the members become stronger and more effective. The total becomes larger than the sum of the individuals by themselves.

In an environment where housing is not a priority for government spending, it takes a great creativity to develop housing for low income residents. Construction is becoming very expensive and resources more scarce. Few NHDOs can provide affordable housing alone. Today more than ever collaboration and information/technology sharing provide ways for us to improve our production efficiency and production quality.

The Chicago Rehab Network helps build alliances and facilitates cooperation among its members. Throughout our history there are dozens of projects that demonstrate the commitment of the membership to help each other become stronger and better.

Among other things, we have developed computer networks, participated in forming community consortiums to confront housing abandonment and purchase land for future development, shared information on funding and financing sources and collectively advocated to develop the tax reactivation program and attain a larger share of CDBG funds for neighborhood development.

Competition should not exist among people working to solve Chicago's housing crisis. Collaboration has proven to be a better and more cost-effective model. It provides for real empowerment and for long-lasting organizational capacity — and it is more necessary than ever. Then let us do more of it to solve Chicago's housing problems.

Housing crisis deepens for aid recipients

by Doug Dobmeyer

If someone came up and asked you to spend 80 to 150 percent of your income for housing—I'm sure you would think they were crazy.

Not only are they asking you to do the impossible, but also something inconsistent with how the rest of America lives. But every day people are forced into this situation of an impossible reality.

In Illinois, there are 1.1 million people living on public assistance. Public aid provides a variety of supports for families and single people. Depending on their needs and income, recipients may be eligible for cash grants, food stamps, energy assistance and limited medical care. . . in fact, all of the supports are limited.

People receive, in cash, only 46.2 percent of what the state has established as a standard of need—and that standard itself is absurdly low (see chart). In relation to a more realistic federal poverty level, single persons receive 32 percent of what they need in cash, and a family of three gets 42 percent.

The pressures on public aid recipients have grown since 1985. Grants have not increased since then, but costs have continued to rise, with housing leading the way—putting the half a million children on public aid in harm's way of homelessness, along with 200,000 mothers, 80,000 single adults and other recipients.

The cost of living in the Chicago metropolitan area has gone up 15.6 percent since 1985, meaning that the percentage of need being met through cash grant has dropped steadily since then. In fact, the buying power of the public aid dollar is half of what it was in 1974. It is not uncommon for a mother of two (the size of the average public aid family in Illinois) to pay 75 percent or more of her aid check for rent.

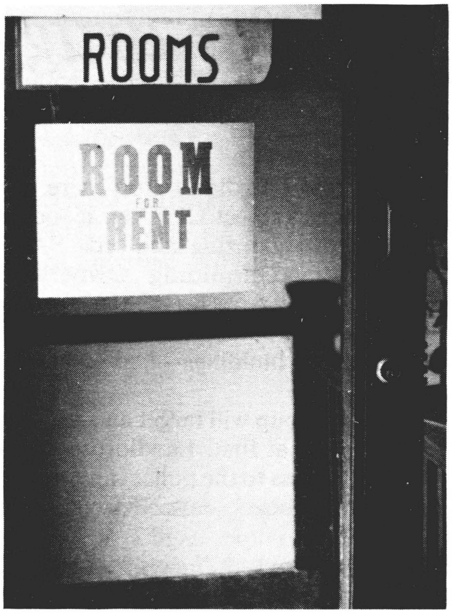


Photo by Debbie Weiner

Sympathy for public aid recipients, not to mention the commitment of resources to alleviate a terrible situation for families, has reached new lows. Often persons receiving aid are viewed as deserving the poverty they are immersed in.

In Illinois, being a peculiar political state, recipients have suffered the short end of the stick for many reasons. They have not demonstrated the political clout to make politicians accountable to their needs. Also, downstate and suburban legislators are often hostile to Chicago interests, and public aid is seen as a black, Chicago issue. In reality, though, almost half of public aid recipients live in the suburbs or downstate; 55 percent are black, 35 percent are white and 10 percent are Hispanic.

When the Democratic legislature passed cost-of-living increases from 1985 to 1987, Governor Thompson vetoed them. Then, Thompson proposed minor increases along with his tax increase proposals—which failed. All attempts over the last four years have provided lots of lip service, but nothing to alleviate the suffering of ten percent of Illinois's citizens.

Efforts to create housing trust funds at the state and city levels have stalled. Both these initiatives would be local contributions to the development of low income housing, and a step toward replacing the 87 percent loss in federal housing funds Illinois sustained during the Reagan administration.

Three important steps could be taken to change this situation. The Public Welfare Coalition is calling for an 18 percent increase in the cash grant, to bring the amount back to the 1985 percentage of state standard of need (still only 54 percent). This increase would provide an additional $62 per month for the mother of two children, and $28 per month for single persons, the bulk of those homeless in the city.

Passage of both Chicago and state housing trust fund legislation would further ease the housing burden on poor families.

The Work, Welfare and Families Group has suggested a special needs housing allowance for recipients living in private sector, unsubsidized housing and who are spending more than 75 percent of their incomes for rent. The allowance would make up the difference between the fair market value of available housing, and 75 percent of the recipient's income.

For example, a mother of two who receives a cash grant of $342 per month, and lives in an apartment where the rent is $320 per month, would receive an extra allowance of $63, so that the percentage of her aid check going toward rent is "only" 75 percent, or $257. A single man receiving $154 per month on general assistance would get a housing allowance of $110, so he could pay for a $225 per month SRO room or efficiency apartment, and still have 25 percent of his GA grant—$39—left over.

President Bush has adopted a phrase to illustrate his position on government: "read my lips." This phrase should be of little interest in Illinois. There has been lots of lip reading, but no action. The phrase that should guide the government in Illinois is, "read our actions."

Doug Dobmeyer is executive director of the Public Welfare Coalition. For more information call 829-5568.

PUBLIC AID GRANTS AND OTHER BENEFITS IN ILLINOIS—COMPARED TO THE STATE STANDARD OF NEED AND THE FEDERAL POVERTY LEVEL

Family Size	1989 Cash Grant**	Maximum Food Stamps	Total Benefits	1989 State Standard of Need	1989 Federal Poverty Level
1	$154	$ 90	$244	$333	$480
3	$342	$236	$578	$740	$807

Some public aid recipients may qualify for energy assistance that would average $18 per month for a family of 3 and $10 per month for a single person.

*Grants listed here are the highest payment levels, given out in 14 counties. Cash payments are lower in the other 87 Illinois counties.

Groups link crime, housing issues

Communities unite for drug-free buildings

by Dan Baron

"What's the point in having an apartment or house you can afford if you and your neighbors are not safe?" asks Jaci Feldman. "The drug issue is very closely connected to the housing issue."

Feldman is coordinator of Project CLEAN (Communities Linked for Education and Action against Narcotics), a growing coalition of community groups from around the city combating crime and drugs in city neighborhoods. Project CLEAN is sponsored by the National Training and Information Center (NTIC).

Project CLEAN formed last summer when Feldman, an organizer and community leader at Logan Square Neighborhood Association (LSNA), moved to NTIC and saw the need for different groups to coordinate their work on crime and drugs.

"Dealers move on after they are kicked out of one neighborhood," she points out. "One of the keys to this group is that we don't stop when neighborhood groups win their local victories on these issues. We keep going—bringing neighborhood groups together to work for lasting city-wide change."

Many of the groups who are part of Project CLEAN got involved in anti-crime organizing through their work on housing issues. And their approach to the crime problem has been a "housing" approach.

In Austin, a building at 146 N. Parkside—known as the "murder building"—was ravaged by drug dealers and gangs last year. One resident found a bag of barbiturates in the back of the building, and property managers couldn't get in and out without being harassed. Eventually all the legitimate tenants left, and the building became occupied by squatters involved in drug dealing. The South Austin Coalition Community Council (SACCC) organized business and community leaders on the issue, working closely with two local block clubs.

The result: the court ordered that a neighboring owner assume receivership of the building. The owner of 146 N. Parkside, who had acquired the building through the tax reactivation program, is still trying to get a city loan to fix up the property. Meanwhile, the building has been boarded up.

But SACCC didn't stop there. With help from Project CLEAN, it took the next step: organizing landlords. SACCC has formed Building Owners and Managers in Austin (BOMA), a group dedicated to solving common problems in Austin buildings—like crime and drugs.

"This group will target an area or two to clean up at first. Landlords will have greater access to the police, and won't be working alone," says Peter Gunn of SACCC.

"In many cases," says Jaci Feldman, "the landlords are afraid. They don't know how to deal with the problem, and are ready to work with tenants and police to clean their buildings up."

On the other hand, she continues, the biggest drug buildings are often owned by slumlords—who let drug dealers use vacant apartments and harass tenants. Many of these slumlords are already in housing court for a wide range of violations. "But housing court in Chicago doesn't deal with so-called 'social issues' like crime and drugs."

Often a landlord will just ignore a tenant's complaints about drug dealers. That's what is happening in Uptown, where the Uptown Tenants Union, a program of the Organization of the Northeast (ONE), worked with a man who tried to protest drug dealings in his building on North Winthrop.

The tenant was being harassed by dealers—and the landlord, Travis Realty Company, is now trying to evict the tenant. Travis claims the tenant has failed to pay a late fee on his rent. "But the real reason is that they just don't want to bother, they don't want any trouble," says Linda Wright of ONE. "This episode points out that landlord-tenant laws must be understood by people in the community."

Further north, the Rogers Park Tenants Committee (RPTC) has organized on a variety of tenant issues, and the problem of drugs keeps coming up. "We talked with people about housing conditions—problems with security, repairs, rent—and found out that drugs in this neighborhood is one of the biggest problems that people are concerned about," says Silvia Nebel, an RPTC leader.

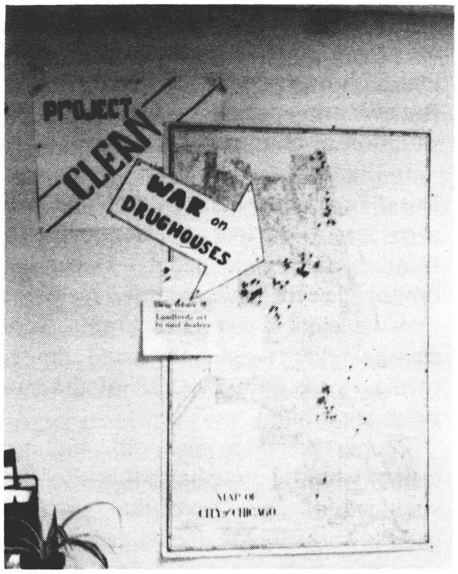


Photo by David Rose

RPTC is working closely with the police in Rogers Park to address these problems. Project CLEAN was formed around the same time RPTC started organizing on crime and drugs. "Project CLEAN becomes the link between groups," says Nebel. "The efforts are coordinated, and we're building strength in our community—and around the city."

With cooperation from the police, Project CLEAN has mounted a city-wide approach to landlords of targeted buildings. Once there has been at least two drug arrests in a building, the police department sends the landlord a letter asking him/her to "abate" the problem. A copy is given to Project CLEAN, which sends out its own letter, expressing its concern and advising the landlord to work with the local community group. The landlord is then approached by the local group. It is not unusual for one landlord to own problem buildings in several neighborhoods, allowing for a coordinated effort.

In December Project CLEAN invited the 57 landlords who had recently received such letters to a city-wide meeting. The 14 who showed up came, says Feldman, "because they wanted help. They didn't know what to do" to solve the problems in their buildings, and were willing to cooperate. The meeting led to ongoing relationships between local groups and landlords. Because of this success, Project CLEAN plans to hold similar meetings in the future.

For non-cooperative landlords Project CLEAN has other strategies in mind. It is trying to get some buildings placed in criminal housing court, where landlords could face jail sentences. Criminal housing court is reserved for "dangerous and hazardous" building conditions, and Feldman believes that a case can easily be made that crime-ridden buildings are dangerous and hazardous to tenants.

Another role for Project CLEAN "is to link community groups with law enforcement officials," says Feldman. Last fall, Project CLEAN formed a task force on crime and drug issues that includes representatives of the police, State's Attorney, U.S. District Attorney and Circuit Court judges. State's Attorney Richard Daley promised to provide the task force with information regarding the outcome of all drug cases.

Legislation is also a major focus. Project CLEAN will push three key city ordinances in the coming months:

A "drug house" ordinance, aimed at

(continued on page 16)

GRASSROOTS

The view from Logan Square

by Deborah McCoy

When I first got involved in LSNA, I started working on education and youth issues. So many things boil down to education—it's so important, it affects everything else. But working on education led me into crime and safety issues, because if the kids can't get to school then they can't learn.

I chair the Crime and Safety Committee of LSNA. We do a lot locally. We're not afraid to go to City Hall, we're not afraid to go to Supt. Martin—wherever we need to go. I just think we can get a lot farther working with other groups on these issues.

Our committee started working with our local police commander to get more police assigned to the district. We accomplished that. We developed a very good relationship with our commander.

Then we started working with other groups in Logan Square. We invited Supt. Martin out. He told us, "we're making the arrests, but they're throwing the cases out of court." We knew he had a point. And we felt we had a good relationship with the police, so we turned our attention to the courts.

But this was hard to do locally, because so many of our people work during the day—it was hard to get people to go down to court. Project CLEAN helped us deal with the court system.

We got involved with housing when Project CLEAN brought this new law to our attention—a state law that holds that landlords can be held accountable for drug dealing in their buildings. Because we also have a very active Housing Committee, it was a natural step for us to deal with housing in relation to crime and drugs. There is a lot of overlap. If the Housing Committee is working to get a slumlord's building into receivership, this is another tool that can be used.

The city-wide landlord meeting was really wonderful. It opened my eyes—we heard these landlords saying "where do I go for information?" It never occurred to us to organize landlords before.

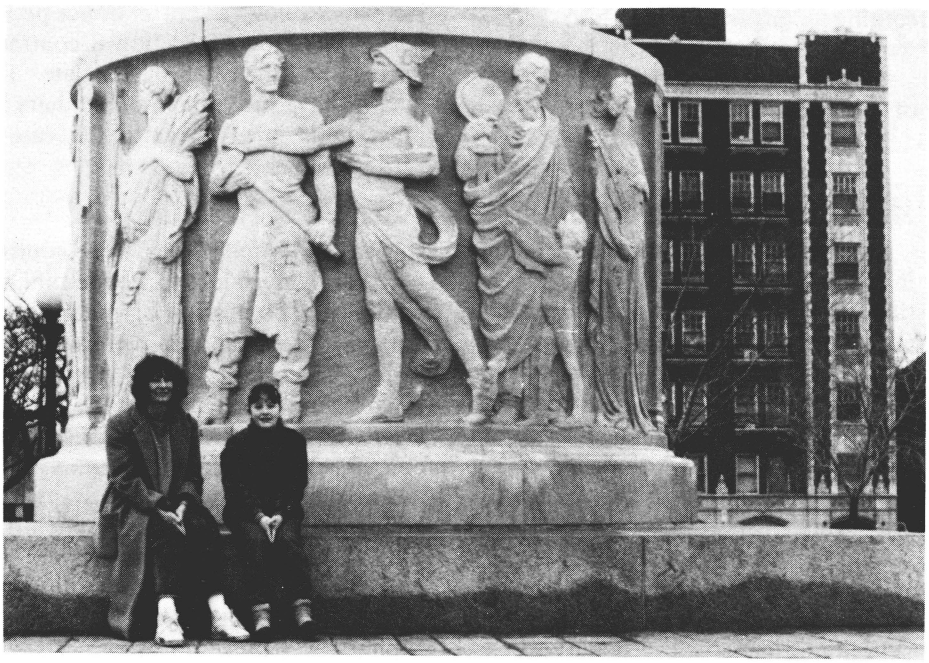
The landlords are interested, but a lot of them are afraid to confront drug dealers. It's going to take a lot of work, but they're enthusiastic. They didn't even consider that their community organization could be a resource for *them* as well as their tenants. It was a revelation—they could work with the community to solve their problems.

The key thing with Project CLEAN is that it gives us access to public officials that we might not have ourselves. And it gives us an opportunity to brainstorm with other groups. Also, we're able to work more quickly—we can divide up responsibilities for work on different issues. I think we're making progress.

I moved to the city from the suburbs seven years ago, mostly for economic reasons. I came to Logan Square because my job was located here. Living in the city was very frightening to me at first. I was afraid of my neighbors, I was afraid of everybody.

I got involved with LSNA through my church. An organizer came out and made a presentation, and I signed up. She called me three meetings in a row before I finally came—and I've been involved ever since.

Deborah McCoy is vice president of LSNA, as well as chairperson of the Crime and Safety Committee.



Deborah McCoy and daughter Katie are working toward a safer Logan Square.

Tenants win prepayment case

Chicago judge sets low income housing precedent

Photo by Debbie Weiner

The fight to save privately-owned subsidized housing continues, with a number of recent local developments.

- In a precedent-setting decision that has national implications, a U.S. District Court judge in Chicago upheld the 1987 Emergency Housing Preservation Act when he prevented the owners of an Uptown building from pre-paying their HUD-subsidized mortgage.
- The owners of a Lakeview building canceled their Section 8 contract, and have been taken to court by the tenants for failing to provide proper notice under the 1987 Act.
- Two owners of suburban housing developments also moved to terminate of their Section 8 contracts. One contract ended in the fall; the other was continued with additional incentives from HUD.
- Owners of three other Chicago buildings filed notices with HUD of intent to prepay.

In what the Chicago Tribune called "a victory for poor families nationwide," Judge James B. Moran ruled that the owners of 833 W. Buena had illegally attempted to prepay their HUD- subsidized mortgage. In his decision, he made a strong statement upholding the constitutionality of the 1987 Act, which regulates conditions under which an owner can prepay a HUD mortgage or terminate a Section 8 contract.

The Act requires that owners file notice of intent to prepay at least one year prior to the prepayment date. The owners in this case, 833 W. Buena Joint Venture, attempted to circumvent the new law by prepaying their mortgage after the bill was passed, but before it was signed by President Reagan — despite a clause making the Act retroactive. HUD accepted the prepayment, siding with the owners in ignoring the retroactivity of the law. The owners quickly raised rents up to 30 percent, and the tenants just as quickly sued.

In court, Joint Venture and HUD claimed the new law is unconstitutional because it denies the owners' property rights and violates the original contract between the owners and HUD. And even if the law itself is upheld, they continued, it shouldn't apply in this case because the retroactivity clause is illegal. Judge Moran dismissed all these claims.

"We hold that the Emergency Preservation Act does not unconstitutionally deprive Joint Venture of a property right," he stated. "Joint Venture continues to own 833 W. Buena, and will continue, under the Act, to receive reasonable rental returns."

Moran upheld the "enduring right" of Congress to "exercise its sovereign authority over the federal housing programs," and explained that laws governing contracts do not necessarily apply to the federal government. HUD's argument against retroactivity was "without merit," he said.

Housing advocates hailed the court's decision. "The importance of the decision is that it's the first case where there's been a ruling on the constitutionality" of the Act, says Bill Wilen of the Legal Assistance Foundation. It should send a signal to other owners that "the law should be enforced," he adds.

Apparently, however, not all owners of subsidized housing have gotten the message. Owners of 533 W. Barry, Miller Midwest Realty, chose to cancel their Section 8 contract in October, giving their Section 8 tenants only three months' notice, instead of one year as required by the new law. However, Miller is taking advantage of a loophole in the Act which allows a shorter notice period for cancellation of Section 8 contracts during the first year of the law. The tenants have sued, and a preliminary injunction is in effect until the case is

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"We hold that the Emergency Preservation Act does not unconstitutionally deprive Joint Venture of a property right. Joint Venture continues to own 833 W. Buena, and will continue, under the Act, to receive reasonable rental returns." —Judge Moran

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And around the country...

Owners of a HUD-subsidized building in North Carolina have started a class action suit aimed at reversing the Emergency Low Income Housing Preservation Act. The owners contend they are harmed financially by being unable to prepay their HUD mortgages. The suit challenges the constitutionality of the Act, claiming that it violates their property rights.

The Boston City Council unanimously approved an ordinance to discourage owners from prepaying federally subsidized mortgages.

The new law will put formerly subsidized units under local rent control, and bar conversion to condominiums without the permission of a majority of tenants. The ordinance will take effect when the current federal prepayment moratorium expires in 1990. It was viewed as a major victory by the Massachusetts Tenants Organization.

Two California housing activists were recently appointed to the initial board of the California Housing Partnership. The Partnership was formed by the state legislature to put together a pool of capital for acquisition of projects with expiring use restrictions.

decided. In the meantime, all rent increases and evictions are on hold.

533 W. Barry made headlines two years ago when it became one of the first buildings in the country to prepay its HUD mortgage, and rents increased more than 200 percent. At the time, Miller spokesperson Gloria Telander defended the action, saying that because 20 percent of the 160 units were under a Section 8 contract, the poorest residents would be able to stay.

But now, at the first available opportunity since the prepayment, Miller is terminating its Section 8 contract so it can bring its Section 8 units up to market rent ($585 for a one- bedroom apartment, $788 for a two-bedroom). The tenants would receive housing vouchers from HUD, but on average, their rents would double.

Most of the Section 8 tenants are more than 90 years old, says Ann Rich of the Lakeview Tenants Organization, and could not afford the increase. She believes the precedent set in the Buena case could help the Barry tenants win their suit.

The Barry case could signal a disturbing trend. This year alone, owners of 75 buildings in Chicago have the option of canceling their Section 8 contracts (options come up at five year intervals).

With Section 8, the tenant pays 30 percent of his/her income for rent, while HUD pays the rest. HUD sets upper limits on what it will pay, based on its analysis of fair market rent for the neighborhood. An owner would be tempted to withdraw from the program if actual market rent levels in the neighborhood exceed HUD's estimate — which is what happened at 533 W. Barry, and also at two suburban housing developments.

Owners of Hamilton Courts Apartments in Elk Grove Village terminated their Section 8 contract in October. Tenants in the 42 affected units received vouchers, but still sustained rent increases of up to 100 percent. Many have since moved out.

The owners of Chateau Village in DuPage County, however, successfully negotiated with HUD, and will stay in the Section 8 program. The owners claimed the rental income they received from HUD did not approach fair market rent for the area, but they would keep their 132 Section 8 units if HUD would increase its share of the rent. A settlement was reached, and the owners renewed their contract for another five years.

In the past few months, owners of 3639 N. Pine Grove, 4640 N. Sheridan (Miller Midwest, again), and 4827 N. Sheridan all gave notice to HUD of their intent to prepay their mortgages. All appear to be complying with the law requiring one-year notice. To fully comply with the Act, they must also present a plan of action to HUD showing their relocation plans, and proving that replacement housing at similar rents can be found in the neighborhood.

Tenants in all three buildings are organizing a response. The tenants have the right, under the Act, to comment on the plan of action and request that HUD refuse to accept the prepayment if they feel the plan of action is inadequate. Susan Gahm of the Uptown Tenants Union believes that at least one of the owners, given the proper incentives, would decide to forego prepayment and remain in the program.

Jack Kemp: a new day dawns at HUD

The winds of change are blowing at HUD, with the appointment of high-profile Jack Kemp to replace no-profile Sam Pierce as Secretary.

The reaction from housing activists around the country seems to be summed up by Marshall Kaplan, a Carter-era HUD official, who commented, "Boy, it'll be a breath of fresh air. Even if he's wrong, I'd rather have an activist than a caretaker."

After eight years of slumber under Pierce — during which federal housing expenditures shrunk 75 percent — HUD is expected to reawaken under Kemp, a strong-minded, ambitious politician. That's the good news. The bad news is that Kemp is also a hero of the far right, an ideological conservative who has been known to vote against social programs during his career in Congress.

A member of Congress from Buffalo from 1970-1988, Kemp has a long-standing interest in urban issues. He was the key Congressional advocate of so-called "Urban Enterprise Zones," which were touted by the Reagan administration in its early years but failed to win congressional support.

Kemp was also the chief author in 1986 of a provision to give public housing tenants the right to purchase their housing units at a steep discount, with financial assistance from public housing authorities. A modified version became law last year, when President Reagan signed the Housing and Community Development Act of 1987.

Kemp's voting record in Congress is mixed: in 1987 he voted against the original McKinney Homeless Assistance Act, and in 1988 he voted against the Schumer amendment to shift $400 million of the HUD appropriation from NASA programs into domestic spending. On the other hand, he voted for the Gray amendment to reduce rents paid by elderly tenants in assisted housing from 30 percent of income to 25 percent.

Kemp wrote Bush shortly after the election urging the new Administration to launch an "antipoverty agenda for economic empowerment" for America's poor and minorities. He has talked of mounting "a progressive conservative war on poverty." But aside from enterprise zones and tenant management of public housing, he is short on the specifics of how to wage such a battle.

The press conference announcing Kemp's nomination offered a glimpse of the new Administration's housing priorities. President Bush stated, "You don't show your determination to solve a problem by simply increasing federal spending. There are other ways to skin a cat." Kemp said he would promote conservative approaches that encourage public-private partnerships and foster community initiatives. While both those statements indicate that an increase in the HUD budget is not contemplated, Kemp also added, "I want it known that you cannot balance the budget off the backs of the poor or the housing budget."

Reaction to Kemp's appointment on Capitol Hill was generally positive. New York Democrat Charles Schumer, a prominent member of the House housing subcommittee, said, "I think an activist conservative will do more to help inner cities and poor people than a do-nothing moderate. We have had eight years of neglect."

Housing activists and urban leaders have had a similar response. "Kemp ought to bring excitement to the Secretary's job," said Alan Beals, director of the National League of Cities. "He'll have ideas, and we'll disagree with some of them. But the fact he's bringing ideas to the table can only be positive. That's a big plus for housing and cities."

Barry Zigas, president of the National Low Income Housing Coalition, stated, "We are guardedly optimistic. Mr. Kemp has shown an interest in trying to come up with initiatives that will help alleviate the obstacles facing low income people and low income communities. A HUD leadership committed to activism on behalf of low income people will be a welcome change."

Zigas added, however, that "the acid test for the Bush administration will not be who is appointed HUD Secretary, but whether the President is prepared to face up to the need for major new resources for low income housing and community development programs. This remains to be seen."

(Parts of this article were excerpted from *Low Income Housing Round Up).*

City housing amendment narrowly defeated

Chicago community groups, who coalesced late last year in a campaign to increase the city's 1989 housing budget, saw their budget amendment go down to defeat in City Council by a narrow 21-18 vote in December.

The Ad Hoc Housing Coalition had proposed a $15.8 million package of housing programs which would take a comprehensive approach to dealing with Chicago's housing crisis (see *Network Builder*, issue #18).

The group pointed out that the city spends less than one percent of its capital budget on housing, and that the percentage of Community Development Block Grant funds devoted to housing is far less than the national average. The coalition identified several revenue sources for the budget increase, including a one cent increase in the cigarette tax.

Despite the defeat, the coalition's organizing efforts persuaded Acting Mayor Sawyer to add $6 million to the city housing budget. Also, says Roger Kerson of the National Training and Information Center, "we did establish an effective presence in City Hall and in the media, which lays the groundwork for future efforts." In addition, says Kerson, the campaign "established a framework for cooperation between various housing groups" across the city. More than 60 groups participated.

The close vote and a lively debate on the Council floor have given activists reason to believe that continued pressure could yield better results in the coming year. All these factors have led the group to decide to continue to work together, as the Chicago Affordable Housing Coalition.

The coalition will work primarily on getting the city to increase its funding of housing programs, but might take up other housing policy issues. An active linked development committee has already formed. The coalition will get involved in the campaign to pass the Chicago Low Income Housing Trust Fund ordinance, and has approached Dept. of Housing Commissioner Bess Donaldson to discuss how the new $6 million will be spent. It will continue to build support in the City Council for housing program expenditures.

For more information on the Chicago Affordable Housing Coalition, contact Roger Kerson at NTIC, 243-3035.

SPOTLIGHT

Housing Resource Center...

by Janice Byron

Public housing can work—and work well.

The Housing Resource Center in Uptown provides a model of how to successfully operate scattered site public housing. HRC manages 192 apartments owned by CHA, and its community-based management style is the key to its success.

HRC was never envisioned as a nonprofit business. Developed in the mid-70s by Uptown Center Hull House, a neighborhood center steeped in the community organizing philosophy, HRC was designed to help responsible local landlords and tenants find their common interests and support their efforts to maintain Uptown's affordable housing stock.

What the program designers didn't anticipate, however, was the real estate boom of the late '70s that turned Uptown into a hot market. It became increasingly clear that landlord/tenant common ground was shrinking and that speculators were snatching up Uptown's affordable housing. HRC programs could not compete with the wave of gentrification washing up from Lakeview and Lincoln Park. The responsible, stable landlords and decent, affordable housing HRC hoped to preserve were disappearing.

Meanwhile, CHA's mishandling of its scattered site program was giving fuel to the opponents of scattered site housing in Uptown. HRC saw the need to save this important affordable housing resource, while also making it safe, decent, well-managed housing that would be a community asset. It convinced CHA to start a demonstration project in private, community-based management.

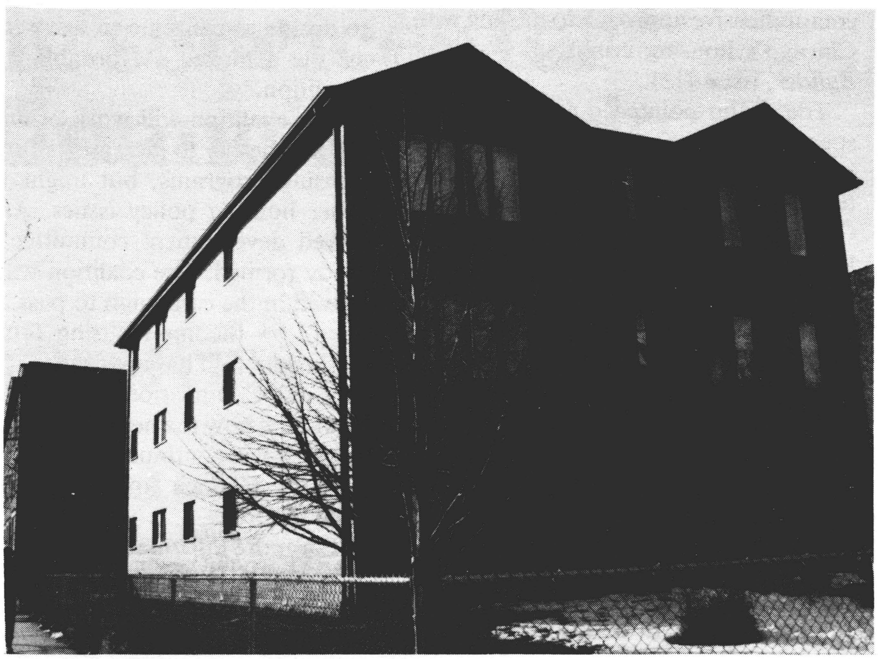
HRC's experience in helping landlords had given its staff a great deal of expertise in the property management field. Through countless interviews with both sides of the equation, the critical elements of a well-managed building and a good tenant were discovered. The timing was perfect to make the jump to nonprofit business. HRC's first units came on line in 1983.

In the transformation, HRC did not forget its community organizing roots. HRC now works with its own tenants toward the common goal of maintaining decent, affordable housing.

HRC currently has a staff of ten. Its management area includes Rogers Park, West Ridge, Lincoln Square, Edgewater, Uptown, North Center and Lakeview. In eight locations, more than one building is located on a common site, but 25 buildings stand alone with the nearest scattered site neighbor anywhere from one block to several miles away.

With 42 buildings covering seven community areas, HRC, like so many of its old landlord members, cannot be an on-site manager. Having learned that tenant cooperation is critical to a building's well-being when an on-site manager is impossible, HRC made tenant involvement a cornerstone of its management plan from the first draft.

HRC has gone beyond the minimum CHA requirement that all scattered site tenants keep their hallways clean. Residents are required to attend building meetings to set up "house rules" and elect a building representative who is authorized to issue citations to disruptive neighbors. Beyond that, tenants are able to participate in self-help projects, funded by CDBG dollars, that involve such



. . . a scattered site success

improvements as apartment and hallway painting, gardening and landscaping, putting up fences and weatherizing apartments.

Tenant participation has often resulted in hiring tenants for staff positions. Tenants have been hired for maintenance positions, clerical jobs and, most recently, as community organizers.

The organizers' responsibilities include working with members of the Tenant Advisory Council (TAC). TAC consists of a representative from each building, plus community area vice presidents from each of HRC's seven community areas. TAC gives tenants direct input into management decisions through its committees—Tenant Selection, which interviews applicants for vacancies as part of the screening process; Grievance, which can recommend termination or probation for tenants who have broken lease provisions; and Management, which negotiates changes in HRC policies and decides on the allocation of CDBG funds. TAC also sponsors special events, such as fundraisers or recreational activities for families and youth.

Despite the number of opportunities for tenant involvement, one of HRC's greatest challenges remains breaking through the barriers of tenant apathy and dependence. HRC's tenant body is growing ever more diverse and is certainly more integrated than any other form of CHA family housing. In 1988, 50 percent of the units were occupied by black families, 30 percent by Hispanics and 15 percent by whites—and immigrants from Russia, Afghanistan, the Middle East and southeast Asia have recently been included in the tenant mix. Nearly 75 percent of the families are headed by single parents, and two-thirds of the household heads are unemployed.

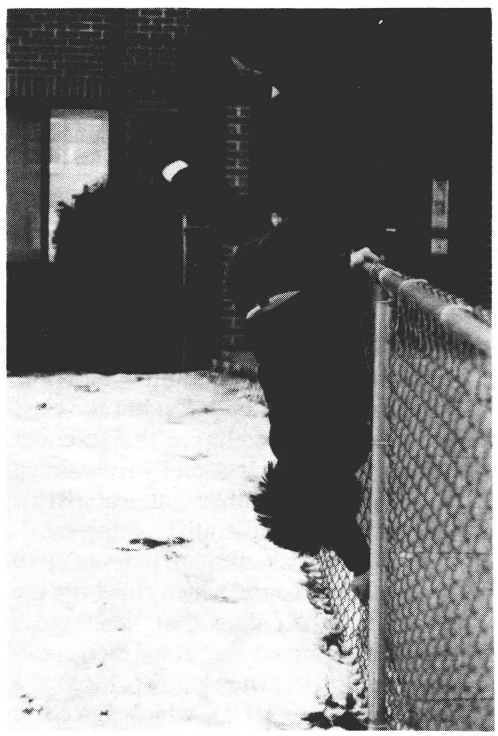
While maintaining a sensitivity to its tenants' needs, HRC has also faced the challenge of becoming an efficient, cost-effective business and an expert in CHA procedures. Within two months of its start-up date, and with little direction from CHA, HRC staff had identified replacement parts for the numerous brands of equipment, found contractors to handle large jobs and set up complex bookkeeping and work order systems. At the same time, staff learned the intricacies of HUD-required annual review procedures and established relationships with various CHA departments.

After five years HRC's management expertise can be shown by such indications as an average work order completion rate of less than one week, 23 evictions completed to rid buildings of destructive and rent delinquent tenants, and a 50 percent drop in the number of rent delinquencies at the end of each month.

CHA and HRC are now on the verge of taking the prototype of community-based scattered site management citywide through other private managers. The expansion of the private, community-based management model is a welcome confirmation that HRC has made a successful transformation from housing program to property manager. And more important, it will also signal the beginning of another, more important change—the way public housing is perceived in Chicago.

Janice Byron is tenant services coordinator for HRC.

Photos by Debbie Weiner



CHA sets new scattered site direction

(continued from page 1)

ment will dampen neighborhood opposition to scattered site housing, CHA officials believe. At a press conference announcing the new policy, Vince Lane stated that "a neighborhood-based management approach" will help erase the image that resulted from CHA's poor management of its scattered sites in the past.

"The CHA has had a lousy management record," Lane acknowledged. "People perceive (that) these sites bring down property values. We can relieve that by letting them know we are going to hire stellar management firms to operate these sites on a day-to-day basis."

For community-based development groups, scattered site property management offers great possibilities but also has potential drawbacks. "We are interested," says Cecil Lawrence of The Neighborhood Institute (TNI). "It would provide an opportunity for us to serve a wider range of people."

Under the Gautreaux formula, 50 percent of the units go to neighborhood people, 25 percent to persons on the CHA waiting list and 25 percent to persons transferring from other CHA properties, ensuring that the community group could serve its own constituency as well as low income people from around the city.

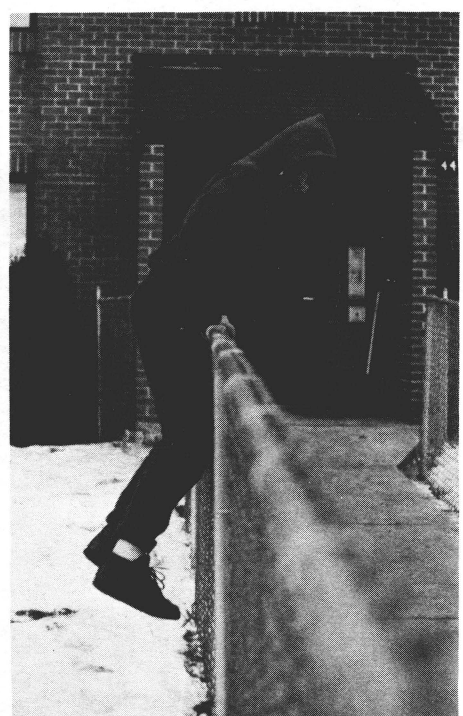
However, there is a question "whether the organizations can handle the number of units involved," Lawrence says. Groups must have a strong management component already in place. And it could be difficult, especially at first, to do the amount of tenant empowerment work that community groups are accustomed to. "We might need to build capacity" to work with the large numbers of tenants involved, he adds.

One capacity-building tool would be included as part of the process: money. The private managers would receive management fees from CHA that could be used to hire additional management and organizing staff. "It is a good way to generate income for the organization," Lawrence observes.

Aside from the capacity question, dealing with CHA could be an obstacle. "How much would we be required to follow CHA's internal policies?" Lawrence wonders.

Sue Brady acknowledges that getting involved with the massive CHA bureaucracy can lead to headaches. "They have after five years learned how to deal with me," she says dryly. Because CHA has ownership of the properties, "when push comes to shove CHA has the final authority."

Mary Nelson of Bethel New Life asserts that problems with CHA can be overcome if guidelines are established up front. "We need to be very clear in terms of a management agreement," she says. "If they give you the management but don't give you the tools then it's going to be very, very difficult." The private managers will need adequate dollars for



HRC scattered site housing

Gautreaux in a nutshell

The private management initiative is yet another byproduct of the Gautreaux lawsuit, which in 1969 changed the course of public housing policy in Chicago.

Plaintiffs, led by public housing resident Dorothy Gautreaux, charged the city with deliberate racial segregation in its policy of concentrating public housing in large high rise buildings in minority neighborhoods. U.S. District Court Judge Richard Austin agreed, and ruled that the city should remedy the situation by spreading public housing throughout Chicago. Thus, the scattered site concept was born.

But through the years CHA mismanagement, lack of cooperation by city officials and neighborhood opposition to public housing led the plaintiffs back into court several times to force the city and HUD, a co-defendant, to comply with the court's intention. Gautreaux herself died in the mid-70s, but the class action went on (and on), with Alexander Polikoff, of Business and Professional People for the Public Interest (BPI), continuing as the plaintiffs' attorney.

In 1976 the case went all the way up to the Supreme Court, which ruled for the plaintiffs in deciding that the remedy should encompass the entire metropolitan area. In 1981 the plaintiffs reached a settlement with HUD, which agreed to fund 7100 units of scattered site housing through two means: regional use of Section 8 programs and the development of CHA scattered sites. HUD set aside $68 million for the effort (since increased to $90-100 million). Judge J.P. Crowley sanctioned the settlement in his consent decree.

The Section 8 remedy has been operated successfully for many years by the Leadership Council for Metropolitan Open Communities. Residents have been placed throughout the region. But CHA proved to be a harder nut to crack.

The case went back to court several times. Finally, under yet another judge, Marvin Aspen, the development of scattered sites was taken out of CHA's hands and given to the Habitat Company. Habitat, as receiver, was to develop properties CHA had acquired for the program but had failed to develop; and create the additional units necessary to comply with the 1981 consent decree.

While the private management initiative grows out of the Gautreaux saga, it is a voluntary move on the part of CHA, not a court-ordered imperative. Under Vince Lane CHA finally appears to be serious about straightening out its scattered site problems. Says Polikoff, "He's trying to do the right thing. . . I'm optimistic about the future" of the scattered site program.

maintenance and supplies, and control over management decisions such as tenant screening.

At this point, says Nelson, "I'm willing to give them the benefit of a doubt." Bethel is very interested in the program. "It fits in with our whole holistic approach," she states.

To Brady, the benefits of managing scattered site housing far outweigh the disadvantages. "It's a wonderful way to work with tenants," she says. Because the buildings are far apart, yet individually small, tenant involvement is crucial, yet manageable --it's less daunting to get involved in taking care of your three-flat than accepting responsibility for a multi-unit building.

Public housing residents are in favor of expanding neighborhood-based management, says Diane Williams, HRC organizer and resident. Williams is president of CHA Residents Taking Action (CHARTA), a city-wide group working to empower tenants and improve living conditions in public housing.

CHARTA strongly supports resident management efforts, and the neighborhood-based approach is a part of that movement, Williams says. "Who better to really come up with solutions (for

(continued on next page)

Habitat completes first year as CHA receiver

And what, you may ask, happened to the receivership?

Last year, amid much publicity, the development of scattered sites was turned over to Dan Levin of the Habitat Company, developer of Presidential Towers. A federal judge mandated the receivership, citing CHA's inability to develop scattered sites as required by the court (see sidebar). Since then, not much has been reported in the press of Habitat's role in CHA housing.

But Habitat has not been idle. It was given responsibility for 84 buildings and 40 vacant land parcels that CHA had acquired through the years. CHA had allowed these buildings to deteriorate, instead of rehabbing them and incorporating them into the scattered site program. Habitat was also charged with developing the additional housing required by the Gautreaux 1981 consent decree.

Habitat has moved on both fronts. It started with a survey of the inventory received from CHA. "We had to start from scratch," says Phil Hickman, director of Habitat's scattered site program. "We had no records, no keys, no information—just a list of addresses."

It decided to sell off or demolish half the buildings and all the vacant lots. Many of the buildings were either too dilapidated or prohibitively expensive to fix up, says Hickman. Other buildings were located in minority neighborhoods which, according to the Gautreaux formula, CHA was supposed to avoid. (Two of the buildings were sold to tenants.) The lots were too small to build on economically, Hickman says.

Apparently, says Alexander Polikoff, CHA had acquired these buildings quickly, to show the court it was doing something, but without regard to their suitability for the program. "I think the receiver is making responsible decisions about what to sell off," he says. Revenues generated from the sales will go back into scattered site development.

Rehab is proceeding on the remaining 43 buildings. The first, a west side property, was completed in October. Five more are expected to be completed by the end of March, and the rest by the end of the summer, Hickman says, for a total of 245 units.

But where Habitat really expects to get rolling is in the creation of new units, 1200 to 1500 over the next two to three years, and at least 3000 total before the receivership ends. Instead of focusing on acquisition and rehab of existing properties it will concentrate on two kinds of new construction: townhouses and small clusters which combine family with elderly housing.

New townhouses, Hickman claims, will be easier to manage than existing walk-up buildings, and more suitable for families. Habitat's townhouses, six to 20 units per site, will have private entrances and private yards. A cluster will have 50 family units within a one-mile radius of a 50-unit senior development. Each cluster will have full-time on site management and on site community space. Seven percent of the new family units will be accessible to the disabled.

Habitat has been quietly purchasing sites around the city for its new housing. So far it has acquired ten sites in nine different wards. The sites are in "general" or "revitalizing" neighborhoods, which the consent decree stipulates must receive priority for scattered sites. "General" areas are predominantly non-minority neighborhoods, and "revitalizing" areas are neighborhoods "having substantial minority occupancy and undergoing substantial physical development," according to the decree.

Habitat has been quietly purchasing sites around the city for its new housing. So far it has acquired ten sites in nine different wards.

Habitat representatives have met privately with aldermen in the wards where sites have been acquired. "Private management becomes a key part of that," says Hickman. The expectation that the new properties will be privately managed will forestall aldermanic and neighborhood opposition, Hickman believes. "Private management is an integral part of our development."

All of Habitat's decisions must be approved by HUD, and by the court as well. HUD's bureaucratic hoops must be jumped through before it releases any money. This has slowed the process, but, Hickman says, "I have no problems respecting the fact that HUD controls the purse strings." Habitat receives money upfront from HUD for its development activities, and also receives a receiver's fee of three percent of construction costs.

Scattered site changes in store

(continued from previous page)

public housing) than the residents?" Williams asks. She's optimistic about expanding the HRC model, but cautions that tenant empowerment efforts take time and resources. "I think it would work. It's a big job building unity" among tenants, but once people get involved, "it gives them a sense of self-pride."

Community-based groups must become involved in public housing, Brady says. "It's the only permanent, low income housing we have," she points out. And while taking over management does not appear to create new housing, which is a goal of many nonprofits, in the long run it will affect the development part of the equation.

"The court remedy calls for thousands more Gautreaux units," Brady notes. "If we have a mechanism already in place for effective development and management," these units will be created more quickly, with positive community involvement instead of opposition, and provide better housing than CHA could provide by itself.

Right now, Brady, Vince Lane, Polikoff and Habitat representatives are trying to get $9.5 million in rehab dollars from HUD to fix up the existing scattered site housing stock before proceeding with private management. Habitat would rehab the buildings and possibly manage them temporarily until private managers have been selected. HUD has agreed in principle, but some sticking points have yet to be worked out. Once an agreement has been reached on the rehab dollars and HUD has approved the RFP, the process will begin.

Brady and Polikoff both praise Lane for the role he has played. "There's nothing in the Gautreaux case that requires CHA to do this," says Polikoff. "Vince Lane should be given special credit." Brady adds, "He has encouraged us and supported us, and seems enthusiastic about expanding private management throughout the city."

Of course, this being Chicago, anything could happen on the road to nonprofit management of CHA housing. A new city administration could trip things up, politically-connected real estate companies could grab the contracts — you name it. But the potential exists for the development of a highly successful model for public housing.

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THE PLUMB LINE

JUST THE FACTS: We got a hot tip that SACCC's **Peter Gunn** was getting married to a rabbi. That sounded fishy to us, because, well, he doesn't *look* Jewish. So we ran right out to uncover the truth, and through diligent investigative reporting, we can reveal the facts: he got married to a priest, **Tenee Priest** to be exact. Congratulations, Peter! Let's hope your new wife will be able to exert her influence and keep you from tripping waitresses (and we promise *never* to pick on you ever again)...

Meanwhile, the West Side's **PRIDE** has moved to new, spacious offices at 342 S. Laramie, the phone remains the same...

ACCIDENTAL TOURISTS: Developer par excellence **Mitch Milner** and his wife **Marth Meyer** dashed off to Spain and France. We hear they enjoyed the wine...Celebrity-hunter **Susan Nussbaum** of Access Living traveled all the way to Cuba so she could have a two-hour tete-a-tete with Fidel (actually there were many tetes there—a small contingent of folks got to meet with him for two hours, and discussed religion, capitalism, socialism and disability rights). But, Susan, did you get his autograph?...

NAP TIME: **Ken Govas** of the Leadership Council has become father of baby Robert...and ACORN's **Myra Glassman** and husband **Chris Brown** are now parents of little Kevin Mitchell, who's proving very useful around the office. Congrats to all!

THE REPLACEMENTS: **Les Brown** has replaced **Trish Blackburn** as head of the Coalition for the Homeless (no word on whether the Band of Renown will follow, but let's hope Les—on piano —and the rest of the coalition's blues band will appear again soon!)...

Maria Choca, formerly of the Dept. of Planning, is now vice president at Woodstock, while **Josh Hoyt** has hopped back over to UNO. Also, **Pat Woods** has been promoted to office manager at Woodstock...**Molly Bougearel** takes over from **Danny Kadden** at JCUA, funny, she doesn't *look*—wait a minute, we made that comment once already today...

EXIT, STAGE LEFT: **Joe Bute** says good-by to ONE after many years as exec direc...**Tom Carlson**, ditto, at CWED—good luck to you both, and also to **Kim Zalent**, who took over from Tom as acting director (a thankless task, as we well know)...**Judy Meima** is leaving Voice of the People, we hear for somewhere exotic, like Australia?... And rumor also has it **Tim Carpenter** is applying for a job as city building inspector (before or after moving into the 11th ward, Tim?)...

ENTER, STAGE FURTHER LEFT: **Barb Grau**, formerly with us, is now with Cook County LAF in Evanston...**Elisa Barbour**, formerly of the Howard Area Community Center and then CISPES, is the new program assistant at SHAC...

AT THE BUZZER: Those amazin' architects **Basil Tiritilli** and **Paul Kapczuk** were among the fans who saw Uptown Hull House's **Ed Jacob** and Lakefront SRO's **Sam Guardino**, "Short but Slow" teammates, pull out an exciting 2-point basketball victory ...sorry, Ed, your baby's too old to make it into TPL (although we hear she's very cute, and her name's Katherine...)

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Drugs and housing

(continued from page 5)

slumlords, would declare all buildings that are being used for sale and distribution of drugs as "nuisance property." The City of Chicago would have the power to put the property into receivership and levy a stiff fine against the landlord. Los Angeles, Denver and Portland, Oregon, have passed such ordinances.

An ordinance on "drug free school zones" would increase penalties for gang recruitment and the possession, sale, or use of weapons or drugs within 1000 feet of any school property.

A third ordinance would create a city cabinet-level department whose sole task would be to combat drugs in Chicago.

The drug house ordinance would hold landlords responsible if drugs are being trafficked in their buildings. Currently, the Illinois Controlled Substance Act does hold landlords responsible, but it is not adequately enforced in the city of Chicago. "What we want is a city-wide law that will require a letter going out to the landlord within 30 days, telling him about the problem and requiring action," says Feldman.

Project CLEAN kicked off its legislative campaign with a mayoral forum in January. More than 200 people at the gathering saw candidates Evans, Bloom and Sawyer express their support for what Project CLEAN is doing.

Ironically, Project CLEAN is also going to fight against what often happens after a drug-infested neighborhood is cleaned up: gentrification. Suddenly, a neighborhood becomes more desirable— and the same people who fought to clean up their local drug house can't afford their own house, or apartment.

"We're trying to establish a law where seized drug properties can go to nonprofits," says Feldman. "That way a neighborhood that rids itself of drug houses will have control over what kind of housing replaces those drug houses."

In April, members of Project CLEAN will join a larger coalition of community groups at the National People's Action 18th Annual Conference in Washington, DC. Groups from all over the country will hold workshops on their issues and meet with key policymakers in the government.

"By coming to the national conference, people see that they are not alone on their issue, that things can be done about it," says Feldman. "Our work at Project CLEAN is the same way. A problem might begin on a block where a group of people in a neighborhood live next to a drug house. They may think it's more than they can handle. But by working with a coalition of people and groups all facing the same problem, they've got more power to change things."

Members of Project CLEAN include Little Village NHS, LSNA, ONE, RPTC and SACCC.

Dan Baron is a writer and editor for NTIC.

Politics of poverty: round three

Dear Editor:

Why must you always practice the politics of confrontation, especially when this policy seriously hampers the opportunities of poor people to build a better future for themselves and their children?

I refer to your article, "Facts on Hold: the Politics of the Trib," in your last issue of the *Network Builder*.

After informing us that the "politics of poverty," Ald. Kathy Osterman, Randy Langer, John Podmajersky and the Russians really do exist, you have very little specific to say.

We are all aware that a housing crisis exists and that it must be addressed effectively. Some of us are also aware that a concentration of low income housing such as Ald. Helen Shiller's "low income zones" is no different from project housing or what was once in the South referred to as "the Quarters."

Some of us know that poverty feeds on itself, and that a healthy community provides economic, educational and business opportunities to all, and that this includes a fair distribution of low income housing.

To concentrate this last simply asks to establish *de facto* segregation.

You mention the concentration of power in the hands of a small "circle" of wealthy people. You do not mention the vested interest of a small "circle" of politicians who would like to keep their voting blocs intact in order to be reelected.

To update your information, I refer you to an article, "We Did It — ALL of Us," by Carl Rowan and David Mazie, published in the November, 1988, issue of the *Reader's Digest*. I refer you also to the brochure published by the Eisenhower Foundation. Both illustrate that affordable, decent, low income housing can and does co-exist with progress.

For the record, I am not a member of your "circle of wealth." I am disabled, hold a Section 8 housing certificate, and am on a fixed income.

Also for the record, I have attended meetings which people — paid or not — have attended for no other purpose than to bring up abandoned vehicles that had been towed away more than a month ago.

I have seen these same people allow their children (while they watched) to tear up grass planted by the city (not the "circle of wealth"), to throw trash in the yard, to strew toys with wheels around the sidewalk (endangering passersby), and to bring their dogs to defecate and urinate on that same grass.

These people belong to organizations supporting yours.

Community development should also include people development.

To further assist you, in addition to the rich and the poor, there is also the middle class. To set this large group of people up as a "circle of wealth" is indeed cultivating divisions that need not exist.

Are you Russians? That's whom you say Ald. Osterman must be referring to in your quote concerning paid organizers and divisiveness.

You do much worthwhile work, but this editorial tirade is unworthy.

I suggest your energies and opinions could be more gainfully employed in supporting the organizations and efforts mentioned in the material I have referred you to.

As a disabled person who has suffered much from gentrification, I, for one, would appreciate it.

May I suggest the following New Year's resolution for ALL of us? I suggest that we in Chicago do it too — ALL of us.

Sincerely,
Camille Harper

KOCO dedicates townhomes

Photo by Robert Johnson

KOCO celebrated the completion of Woodlake Village Townhomes in a special ceremony last month honoring late Mayor Harold Washington. Washington presided over the groundbreaking for the 70-unit development just two hours before his death.

The *Network Builder* is published bimonthly. Inquiries should be addressed to: The Chicago Rehab Network, 53 W. Jackson, Suite 520, Chicago, IL 60604; (312) 663-3936.

Network President: Juan Rivera

Network Director: David Hunt

Newsletter Editor: Deborah Weiner

Members: ACORN Housing Corp., American Indian Economic Development Association, Basic Economic Neighborhood Development, Bethel New Life, Bickerdike Redevelopment Corp., Chicago Roseland Coalition for Community Control, Circle Christian Development Corp., Covenant Development Corp., Eighteenth St. Development Corp., Heart of Uptown Coalition, Howard Area Housing Services Center, Kenwood/Oakland Community Organization, Lakefront SRO Corp., Latin United Community Housing Association, Near North Development Corp., Northwest Austin Council, Peoples Housing, Inc., People's Reinvestment and Development Effort, South Shore Housing Center/The Neighborhood Institute, Voice of the People, Woodlawn East Community and Neighbors

Associate Members: Access Living, Center for Neighborhood Technology, Center for New Horizons, Inc., Community Renewal Society, Housing Resource Center, Jewish Council on Urban Affairs, Metropolitan Housing and Development Center

Two new housing reports

"The Low Income Housing Crisis and Homelessness: the Impact of Federal Policies 1981-1988" is an in-depth analysis prepared by Barry Zigas on federal housing policy during the Reagan Administration. To obtain a copy, contact the National Low Income Housing Coalition, 1012 Fourteenth St. NW, Washington, DC 20005, (202) 662-1530.

The Illinois State Support Center recently published "Gleanings: A Report on Implementation of the McKinney Act in Chicago, 1987-1988."

The report charges that "the overall effect of McKinney programs in Chicago has been extremely limited." It documents where and how McKinney monies have been spent, and provides recommendations for how this potentially valuable resource could be used better.

For more information contact the Illinois State Support Center, 343 S. Dearborn, #700, Chicago, IL 60604, (312) 341-1070.

Build homes, not bombs

The Jobs With Peace Campaign has called for a national week of actions around April 15 to demand that the federal government Build Homes, Not Bombs.

The goal of the campaign is to increase federal spending for affordable housing by reducing the military budget. The group says 52 cents out of every tax dollar goes toward military spending, with only two cents apiece going toward education, the environment and housing.

For more information contact the Jobs With Peace Campaign, 76 Summer St., Boston, MA 02110, (617) 338-5783.

Trainings for trainers

Training for Trainers (T4T) has scheduled two training workshops: April 2-6 in New York City, and June 25-29 in Chicago.

These sessions will train housing professionals in training low income tenants in self-management.

The training method taught is the innovative Small Group Activity Method, a participatory technique that is highly effective in giving tenants and co-op members the skills and confidence they need to actively manage their housing projects. As part of the session, participants will actually create a curriculum and run a three-hour training session for local co-op members.

The registration fee is $700, and includes room and board. For more information contact Anne Conley, 1006 E. 54th St., Chicago, IL 60615, (312) 363-1688; or Susan Wefald, UHAB, 40 Prince St., New York, NY 10012, (212) 226-4119.

Woodstock releases insurance study

The Woodstock Institute has released a new report entitled "A Community Guide to the Insurance Industry."

The report is an overview of the size, scope, structure and history of the insurance industry, how it is regulated and how it invests its money. According to the report, insurance companies hold more than $1.3 trillion in assets — almost as much as commercial banks.

"Most consumers are mystified by insurance," says David Flax-Hatch, the report's author. "It's difficult enough to understand an insurance policy or to compare coverages, much less to track insurance redlining or discover whether one's premiums are being invested in local mortgages or leveraged buyouts." The report is intended as a resource for community and consumer groups.

Copies can be obtained for $15 from the Woodstock Institute, 53 W. Jackson, Chicago, IL 60604, (312) 427-8070.

Housing group seeks director

The National Housing Institute is looking for an executive director to organize a national affordable housing campaign. NHI is an educational and research organization dedicated to tenants' rights and affordable housing preservation and creation. NHI also publishes *Shelterforce*, a national housing magazine.

Please send your resume to Woody Widrow, NHI, 439 Main St., Orange, NJ 07060.

Training for developers, too

The Development Training Institute is currently accepting applications for the National Internship in Community Economic Development Class of 1990, scheduled to begin this July.

The 12-month program provides an opportunity for active practitioners in community-based development organizations to obtain comprehensive, practical training while they continue with work in their communities. Applicants should be professionally employed as director or development manager in an organization that already is planning and implementing community economic development projects.

For a brochure, contact Verna Jones, DTI, 4806 Seton Dr., Baltimore, MD 21215, (301) 764-0780.

WE'RE APPEALING!

Thanks, thanks, thanks to those of you who responded to our Annual Appeal.

And to the rest of you, we know you meant to respond, but it just slipped your mind, so . . . we're reminding you now! We'd be extremely happy to accept your donation to help support the *Network Builder.* Please send your check to: *The Network Builder,* Chicago Rehab Network, 53 W. Jackson, Chicago, IL 60604. (Suggested donation: $25, but pay what you wish.) We don't have paid subscriptions, so we need your voluntary support!

IN THIS ISSUE

CRN SPONSORS WORKSHOP

"New Resources for Financing Low Income Housing", a workshop aimed at nonprofit housing developers, will be held on Monday, April 10, at 2:30 p.m. at the Chicago Bar Association, 29 S. LaSalle. It is sponsored by the Chicago Rehab Network and the Chicago Lawyers' Committee for Civil Rights. Call Roberta Warshaw at 663-3936 for more information.

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