The view from Massachusetts

Dukakis on housing: what we can expect

by Debbie Weiner

Michael Dukakis is not going to be the savior of affordable housing in America—but he'll be a hell of a lot better on housing issues than George Bush. That's the consensus of Massachusetts housing activists, who have known Dukakis for years, and have worked to push his administration to address Massachusetts's own brand of housing crisis.

If Michael Dukakis is elected, for the first time in a long time we will have a President who “has some real understanding of housing policy,” according to Lew Finfer of the Massachusetts Affordable Housing Alliance.

“He could bring some very good people to HUD,” concurs Mike Fogelberg of the Massachusetts Tenants Organization. “It would be a refreshing change.”

However, continues Fogelberg, “He's no Jesse Jackson. He wouldn't come to Washington with the commitment to fight for every penny.” Dukakis is by nature fiscally conservative, politically cautious, and very attuned to business interests. His housing programs tend to favor private sector incentives and administrative solutions, rather than regulatory measures and bold legislation.

But at least he has housing programs. Unlike most governors around the nation, “housing is reasonably high on his agenda,” says Finfer. As governor, Dukakis has made affordable housing a priority issue, and his administration has been responsible for creating or increasing funding for several state housing programs. Activists around the country look to Massachusetts as a model of state participation in housing—with shallow subsidies so they can make rents affordable to lower income residents.

Dukakis has also increased funding for the state's Chapter 707 subsidy program (a Section 8-type program which existed prior to his administration) and authorized three public housing bond issues.

SHARP provides a good example of the Dukakis method of creating affordable housing. The “shallow subsidy” is actually in the form of a low interest loan, generally $8,000 to $10,000 per unit. Projects are financially feasible only if SHARP is used in a small portion of the project—usually 25 percent of the units—and rents in the remainder of the project tend to rise quickly in order to meet the loan payment schedule. “The design is to ensure a mixed income project in the beginning,” notes one local housing activist. A recent change in the program requires that the lower income units remain affordable “in perpetuity.”

Housing advocates generally agree that Dukakis's programs are innovative. “He's bright, smart and creative,” says one advocate, and he attracts and hires bright, creative people to work for him.

However, these same advocates also agree that he does not do enough to address the state's housing crisis. Massachusetts has one of the tightest housing markets in the country, with gentrification forcing out low income renters in virtually every corner of the state. There simply is no affordable private sector housing. The depth of the problem causes Mike Fogelberg to conclude that, despite the state's housing (continued on page 12)
Eight arrested at homeless protest

Eight people who forced their way into a boarded-up building in north Austin last month to protest the plight of the homeless were charged with criminal trespass and criminal damage to property.

Around 150 protesters from various homeless advocacy groups met in LaFollette Park at 1333 N. Laramie for a rally, then marched, accompanied by police cars, to the two-story abandoned building at 5215 W. Potomac. The protest was part of a national day of demonstrations against homelessness and in support of the Affordable Housing Act, recently introduced into Congress (see sidebar).

The act would create 7.5 million units of housing, according to sponsors, and would signal a return to the federal commitment to housing. Homeless supporters point out that, as the Reagan administration has cut federal dollars to housing by 87 percent, the homeless population has risen to 3 million nationwide.

The federal government’s abandonment of housing by choosing to protest at an abandoned building that is in fact owned by the federal government.HUD foreclosed on the property almost two years ago, and it has been sitting vacant since then.

Protesters forced open the door and kicked open three boarded up windows. When the police removed them from the building in handcuffs, the crowd, chanting “we’ll be back,” cheered and applauded. The eight were taken to the Grand-Central police station, where they were booked, fingerprinted and held for several hours. (As this issue goes to press, the court date has not yet come up.) According to Fran Tobin of the Chicago Coalition for the Homeless, one of those arrested, the eight will probably plead not guilty, claiming that their right to housing supercedes HUD’s no trespassing right.

During the rally, Otis Thomas, president of the Gary/Chicago Homeless Union, told the crowd, “Many of you are only two paychecks away from being homeless yourself.” Thomas was one of those later arrested. William Nicholas, who also was arrested, was the moderator of the rally. Nicholas is currently homeless.

Linda Haley, resident of a federally-subsidized building owned by PRIDE, told the crowd, “I know what it’s like to be on the streets; I’ve been there. I know what it is to sleep in doorways.”

“Decent, affordable housing should be a right,” continued Haley. “Homeless people are not helpless people. Don’t look down on people, because one day you can be on the street.”

The group carried placards that read, “Build housing not bombs,” and “Put families in abandoned HUD buildings.”

The Affordable Housing Act

The Affordable Housing Act (HB 4990), sponsored by Rep. Barney Frank (D-MA), provides $75 billion over the next five years. The funds would be allocated to capital grants for purchase, rehab or construction of affordable housing, as well as continuing financial assistance to maintain the units created. Fifty percent of the funds would be set aside for new construction.

The units would be occupied by families whose incomes are 80 percent or less than area median, with priority funding for projects targeted for low income (50 percent or less than median) residents. Mixed income projects could qualify, but the capital grants would only be given for the low/moderate income portion.

Developers who have demonstrated the capacity to manage and maintain assisted projects, and who have agreed to provide for 20 percent of project costs with non-federal sources, would be eligible for the grants. There is language in the bill giving preference to nonprofit developers. The program would be funded from an alternative minimum tax, an excise tax on tobacco products, and a modified inheritance tax.

County offers rehab incentive

The County Board recently passed a new tax incentive for low and moderate income housing.

The new Class 9 incentive program offers to owners who rehab multifamily rental housing a tax incentive which reduces the assessment level from 33 percent to 16 percent of market value. This reduction will be in effect for eight years from the date the rehabilitation is completed.

To be eligible for the incentive applicants must apply to the Assessor’s Office before beginning the rehabilitation work on their buildings. Information and forms are available at the Assessor’s Office (Rm. 312) or by calling 443-7528.
Wieboldt breaks new ground with PRI program

by Debbie Weiner

The Wieboldt Foundation is well known for its responsiveness to community organizing and neighborhood development. But, says Executive Director Anne Hallett, at the foundation’s board meetings, “a constant conversation with us is ‘we’re so small, how can we make the best use of our resources?’”

Recently, Wieboldt embarked on a new venture designed to address this concern. Its board has committed to a five-year, $750,000 initiative in program related investments (PRIs).

A program related investment is an investment related to a foundation’s philanthropic goals. Loans for low income housing development or job creation ventures, for example, qualify as PRIs. According to the IRS, PRIs must have a charitable purpose, cannot have generation of income as a significant motivation, and cannot be used for lobbying.

When a PRI is made from a foundation’s portfolio, as Wieboldt is doing, it is a form of social investment that provides funding for community development above and beyond the foundation’s regular grant making activities.

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Revolution Loan Fund and Bethel New Life also received low interest loans. Wieboldt has committed to invest $150,000 to $250,000 each year over the next five years in PRIs. The maximum investment is $40,000, with a term of five years. Rate of return is negotiated individually, with interest rates expected to be below market. The foundation is open to “a mix of financial needs that are out there,” says Hallett. The PRIs made so far represent a “nice variety” of housing and economic development, she adds.

The PRI program began in March as a pilot program. Ten organizations were originally invited to participate. For the next round, Wieboldt plans to market the program to its grantees. If that doesn’t generate enough response, the foundation will consider a wider marketing effort.

The board originally kept the program small because of concern over administrative costs. Wieboldt has a small staff, and did not want its grantmaking functions to suffer. So far, says Hallett, the program has been “manageable...We’ve been encouraged that we’ve been able to do it and not be overwhelmed.”

Most foundations keep administrative costs low by making PRIs to intermediaries such as the Local Initiatives Support Corporation (LISC), rather than dealing with neighborhood groups directly. But Wieboldt sees itself filling a particular niche in the PRI field. “Our intent is to work directly with local groups,” Hallett says. “We have a lot of experience with neighborhood activities, so it isn’t like we’re venturing into a whole new world.” Wieboldt has contracted with Shorebank Advisory Services for financial consultation.

For a relatively small foundation to venture into the PRI arena is in itself unusual. PRIs have, for the most part, been the province of large foundations with substantial assets. The MacArthur Foundation is the local leader in PRIs, with $18 million invested over the past five years. Most of MacArthur’s PRIs

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“Alternative investment” report published

The Community Information Exchange recently published a report on Alternative Investing in Community Development, which analyzes the different ways that large institutions have safely and often profitably invested in low income urban and rural communities.

The report brings together information about the entire range of alternative investing in community development. It reports on foundations, churches, corporations, insurance companies, banks and pension funds. It describes various forms of alternative investment, from equity funds to linked deposits to direct loans. “The strategies are illustrated with many examples that can be used to demonstrate to new investors that their colleagues have laid a path that they can now feel safe to walk on,” says a CIE spokesperson. Also included is a section on the social investment industry.

Alternative Investing in Community Development is available for $20 prepaid from the Community Information Exchange, 1120 G St. NW, Washington, DC 20005; (202) 628-2981.
Housing court reform takes center stage

by Michael Sturmer

Back in the days when hearing about reform was as commonplace in Chicago as hearing about the Bears, there was ostensibly a lack of this function in housing court. While the rest of the city was airing its dirty laundry, the folks down at Daley Plaza were conducting "business as usual"—disorder ruled on the eleventh floor.

That’s why now in the seemingly post or semi-reform era in Chicago it’s a pleasant surprise to see reform in housing court moving full steam ahead. It is an issue with high priority today because people are fed up. Just when you thought that your landlord would never repair your building comes news that he may soon have his day in court—thanks to the Ad Hoc Coalition for Housing Court Reform.

The Ad Hoc Coalition for Housing Court Reform is a broad-based group of 39 city and community organizations led by the National Training and Information Center (NTIC) and the Metropolitan Tenants Organization (MTO). The group coalesced in late 1987 to catalyze the reform of this comatosed section of government. It officially formed on the Friday before Christmas at 8:30 in the morning. More than 80 people, representing more than 50 organizations, attended at this inopportune time. The moment had finally arrived to tackle a system suffering from years of inertia.

The most outstanding problem with housing court is that it is overcrowded: there are so many backlogged cases that the average length of time to settle a case is a year and a half. Judges and prosecutors are confronted with a court call of at least 50 cases a day, leaving them no time to concentrate on any single building. This is all the result of a poorly structured system that lacks the correct means to implement the law.

A typical case begins with a complaint by a tenant or neighbor. An inspector from the Dept. of Inspectional Services (DIS) is sent out to examine the building for code violations. If the violations discovered are not "dangerous and hazardous," the landlord or owner is asked to voluntarily appear before the Compliance Board of DIS.

Because there is no mechanism to compel attendance, failing to appear before the board has become status quo for most of the city’s landlords—about seventy percent. As a result, buildings deteriorate further as their cases sit with the Compliance Board for months before they are sent to court.

Once a building finally gets to housing court it’s faced with many roadblocks. The system is antiquated: it’s insufficiently staffed, supplies are inadequate, the offices are crowded, and the equipment is obsolete. City prosecutors report difficulty in getting such basic items as paper clips and computer paper.

Judges also present a stumbling block. They grant continuances too readily, allowing owners to stall on repairs. Each time a landlord is granted a continuance, an inspector must be sent out to the building to note the improvements. "This is a waste of time and money," points out MTO Director Tim Carpenter.

The "mom and pop" syndrome also aggravates the situation—there is too much sympathy for the landlords. "There has to be a basic understanding of the difference between a homeowner and a businessman...they look like a homeowner to the judges, but they’re really business people," says Gale Cincotta, executive director at NTIC.

The result is lenient treatment, not only with continuances, but with light fines. Obviously the fines and court orders are not persuasive because many buildings are being vacated and demolished. In the last 10 years, 72,000 units have been demolished by court (continued on page 10)
by Molly Bougearel

More than three years ago, Sandy Wallace, a Rogers Park resident, took her two children, Michael and Desmond, to the doctor. Both had been complaining about headaches and stomach pains.

When it was discovered their apartment had peeling paint, a lead screening test was ordered. The lead levels in the children's blood were elevated four times the federal safety standard. Desmond, now age five, has been in the hospital three times for chelation, a painful deleading treatment. "He is not growing or functioning the way he is supposed to," Sandy Wallace commented. "He has seizures now. I had to put him in a special school."

Three years later her frustration has only grown. The family has relocated three times since the lead poisoning was found. Lead based paint violations were found each time. She adds, "Nobody understands what the parents have to go through. Landlords get mad at you because they have lead violations in their building. The city moves too slow in clearing up these violations."

Today, many people think of lead poisoning from peeling paint as an issue that was dealt with and taken care of. However, peeling lead paint, the major cause of high lead levels in children, exists in 300,000 city housing units, estimates the Dept. of Health.

In addition, new concern about lead in air, water and soil is growing as our knowledge of lead poisoning increases. Housing, in fact, accounts for only 50 percent of the lead problem. Leaded gasoline, leaded drinking water pipes, high contents of lead in incinerator ash, and lead from abandoned factories are all sources of lead poisoning. These may add to exposure to lead paint for some children and may be the chief source of low levels in blood for others.

A recent medical study by the New England Journal of Medicine indicates that lead can cause significant damage to the central nervous system. It is now believed that low levels of lead may be the major factor in widespread learning and behavioral problems among urban children.

The LEAD Coalition

The Lead Elimination Action Drive (LEAD) was officially constituted in April 1987, by several community and health organizations who were separately addressing the issue of lead poisoning. For example, Bethel New Life in West Garfield Park became concerned by the high number of lead-poisoned children coming to its health center. A follow-up study concluded 19 percent of the children in the neighborhood had higher than acceptable levels of lead in their blood. Bethel and Greenpeace have joined together in a campaign to fight the Northwest Incinerator in Bethel's neighborhood. Nearby soil will be tested for contaminants including high lead.

On the far north side, the Rogers Park Tenants Committee (RPTC) found incompetence and excessive delays with the city's lead identification and abatement program. A study done by the health department with LEAD's assistance indicated a 519 day average between a lead poisoning complaint and lead abatement compliance.

In Englewood, the Association of Community Organizations for Reform Now (ACORN) began organizing around an abandoned battery factory at Aberdeen and 59th. The IEPA estimates a quarter million dollar price tag for clean up because of high contents of lead found in the soil surrounding the factory.

Some coalition member groups are developing lead screening and testing programs. On the southeast side, People for Community Recovery in Altgeld Gardens has worked up a screening proposal for all children under the age of six to be tested for lead, by the city or state health departments, in the communities of Altgeld Gardens, Colonial Village, Concordia Park, Eden Greens and Golden Gates. In addition, the soil and water where children spend time playing would be tested for high lead content.

The goal of LEAD is "to protect our children and environment against the harmful impact of lead poisoning in Chicago." One major objective is to increase public awareness of the problem. The coalition also plans to help interested neighborhood groups target and clean up lead buildings, particularly those dwellings with children present.

LEAD is working towards developing a partnership between community groups and the city to get more buildings inspected, more children screened, ensure proper follow-up medical care, and to help prevent any repoisonings by providing information and assistance to local community and neighborhood groups. For example, LEAD is now working in conjunction with Logan Square Neighborhood Association to gain screening for approximately 40 families in an identified lead contaminated building.

The LEAD Coalition is also involved

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Fair housing and community development: do they mix?

by William Peterman

Racial segregation is the norm in many neighborhoods where community development efforts are made, yet it is rarely dealt with. Likewise, many fair housing advocates are reluctant to address the problems of low income housing. Rarely do low income housing developers and fair housing advocates come together and when they do, it is often to disagree.

Several years ago, at a national low income housing conference in Washington, D.C., I participated in a meeting chaired by the late Paul Davidoff, well-known advocate, planner and civil rights champion. Housing activists from all over the country were in the room and we struggled for well over four hours (the session had been scheduled for only an hour and a half) trying to reach a consensus on HUD’s policy of providing mobility for the urban poor.

Some vehemently argued that “opening” the suburbs was needed to solve problems of low income minority families, while others countered that deconcentration and, by inference, “integration,” was a plot to weaken the political power of minorities and clear out cities so that gentrification could proceed. The former group argued that most low income housing should be built in the inner city.

I don’t remember the actual outcome of the meeting, but I do remember Davidoff’s frustration. He repeatedly chided us for our stubborn refusal to see the other side’s point of view and drove us relentlessly towards a compromise position. “After all,” he asserted, “we all have the same goals.”

In Chicago a few groups, like Voice of the People, try to promote integration as part of community development. But, for the most part, efforts to revitalize neighborhoods ignore their segregated state. The status quo is accepted. In fact, many revitalization efforts end up strengthening the patterns of racial and economic segregation.

William Julius Wilson has pointed out that the civil rights movement has done little to improve the lives of the urban poor. Fair housing is certainly no exception. Advocates have had successes in integrating middle and upper income communities but almost none in integrating low income communities. Community development efforts, both in housing and economic development, seem to hold more promise, but without considering the segregation/integration issue, they may fall short.

Community development organizations try to recreate viable neighborhoods by providing decent housing and creating new and retaining old jobs. The record of groups like Bethel New Life Inc. are impressive, yet they pale by comparison with housing and jobs created by the private sector. Most private sector activity is, of course, far removed from our low income communities, in areas closed racially and economically to inner city residents.

There are a few fair housing groups in Chicago that are trying to make economically booming suburban areas available to the minority poor. The Leadership Council for Metropolitan Open Communities’ Section 8 Certificate Exchange Program has allowed more than 300 Chicago families to make suburban moves. MERC, in the northwest suburbs and HOPE Fair Housing, in DuPage County, are two other groups concerned about providing more suburban opportunities for minorities and low income families.

It would seem, as Paul Davidoff contended, that the goals of fair housing and community development are not incompatible and are even possibly complementary. But community developers need to be more concerned about integration and fair housers need to be (continued on page 11)
State legislature "deals with" housing

"It's like when you bring your car in for a tune-up and afterward you get this great big bill..."

Editor's note: Legislation creating an Illinois Affordable Housing Program, including a state housing trust fund derived from an increase in the real estate transfer tax, went down to defeat this legislative session despite broad-based support from community groups, local municipalities, business groups, and others around the state.

An intensive grassroots lobbying effort brought the legislation to the brink of success. But factors unrelated to the content of the legislation, or the issue of affordable housing itself for that matter, resulted in the loss of decisive votes at the very last minute. Home equity, computer software, waste water treatment and sales tax reform all entered into the equation. The final blow fell when downstate Democrats dropped their support in retaliation for losing an amendment which provided funding for open lands.

Although disappointed by the defeat, housing activists succeeded in getting the issue of housing placed on the legislative agenda for the first time in twenty years. Said a spokesperson for the Statewide Housing Action Coalition (SHAC), "Springfield insiders and various legislators assured us that affordable housing was an issue whose time had come and would be dealt with soon." One top aide to Governor Thompson said she was "amazed" at the support that had been built for SHAC's housing legislation, which had even overcome opposition from the powerful realtors' lobby. SHAC members expect to build on this momentum in upcoming sessions.

We asked our Springfield correspondent to describe the mayhem that took place. Slightly addled from a grueling three months in our state capitol (his glazed eyeballs and incoherent mumbling aroused some concern in our editorial offices), he filed the following report:

Many people are already saying this year's legislative session will go down in history as the "do-nothing" session. But some representatives and senators are arguing that the title is actually a misnomer as the legislators actually acted upon and passed a large number of bills.

One Chicago senator, who asked to remain anonymous, tried to explain: "Sure, there weren't many big ticket items passed, but many smaller bills—I like to call them 'fine tuning'—were passed. Things like allowing peanut sales at ballgames after the third inning on alternate Sundays in July during leap years. Now most people wouldn't see the significance of a piece of legislation like that, but I'm sure there must be a reason behind it somewhere or else nobody would have brought it up in the first place."

The senator continued to wax philosophical: "It's like when you bring your car in for a tune up and afterward you get this great big bill. Then you ask the mechanic what he did and he tells you 'lots of stuff—rattled the carburetor here, adjusting the timing there, filled the tires—you know, lots of stuff.' Well the average consumer might think he's been taken, but guys like us in the know, realize that the mechanic actually had to work very hard on fabricating that bill."

Much of the session seemed to be marred by a confusion on both floors between Republicans and Democrats over party affiliation. Apparently, a fine-tuning measure passed at the beginning of the session declaring which half of the floor would be addressed by the speaker as the "right half" of the chamber and which would be the "left half" (depending on which way you're facing, like when you sit in the bleachers) caused so much confusion between the two political parties, which sit on opposite sides of the floor (I mean in chairs), that by the end of session, Republicans were actually observed insisting

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When ACORN, the Association of Community Organizations for Reform Now, began organizing in Chicago in the summer of 1983 two of the first issues ACORN members wanted to work on were the lack of affordable housing for low and moderate income families and the abundance of abandoned buildings in their neighborhoods. Many members felt they should not be forced into substandard housing when so many abandoned buildings were sitting vacant that could be rehabbed into decent, affordable housing for them and their neighbors.

ACORN members first focused on getting the really bad abandoned buildings in their community torn down through actions on HUD and the city's Department of Inspectional Services. Next, members identified houses they believed could be rehabbed in their community. Research was done to identify the owners of the property and the state of the house. When an owner could not be found, an ACORN family was identified to become squatters in the property.

In May of 1985, many ACORN members and their families claimed houses on the south and west sides of Chicago to prepare them for occupancy. Over time more than fifteen families won homes with most of those gaining some kind of title to the property. It was a big step in the fight against housing abandonment.

ACORN members, however, felt this was not enough and spun off their own development corporation in early 1987 to carry out the rehab of abandoned houses. ACORN Housing Corporation (AHC) gained title to abandoned houses through donations of the properties and an experimental receivership program. In the receivership program an abandoned house was placed in receivership by the courts, and AHC then contracted with the receiver to repair the house. For having done the repairs, AHC received a receivership certificate which it could then foreclose on and gain title to the property.

The city agreed to fund this program on a small, experimental basis but ACORN members felt this was not enough attention to the problem of single family abandonment. They have begun to take action against Mayor Sawyer and his administration to demand that the city set aside money for low income families to become homeowners.

ACORN wants the city to set aside a pool of $2 million for single family housing this year. Out of this pool $1.5 million would be available to community groups to purchase and rehab abandoned single family buildings, and $500,000 would be available for home improvement loans for low and moderate income homeowners.

The campaign began on March 9 when 75 ACORN members met at May-
or Sawyer's office to demand their program. After being given many promises by the Mayor's staff, ACORN members left the Mayor's office with a commitment for a follow up meeting with the Mayor. After weeks of waiting for the commitment to come through, 100 ACORN members gave the Mayor a house warming at his new house at 78th and Michigan on April 23 to show their displeasure at the fact that he got his house but he had done nothing to help them get theirs.

When ACORN members still got no response they decided to set up a picket line at the Mayor's big spring fundraiser at McCormick Place. The day before the fundraiser the Mayor's staff called and asked for a meeting. Only the threat of an interruption at his campaign fundraiser would bring him to the table. In early May, six members of a negotiating committee met with the Mayor to discuss their concerns. The Mayor agreed there was a problem and also agreed to do a tour of an ACORN neighborhood to see the problem first hand. The tour was set for June 11.

As the date approached it became painfully clear that the Mayor and his staff had no intention of making the tour. Since follow up negotiations failed to take place, ACORN members are planning a new round of actions to force the Mayor to deal with the problem of single family abandonment. Only through a concentrated effort by the city can the problem of single family abandonment be solved. So far, Mayor Sawyer has failed to show that he has the resolve to deal with this major problem facing low and moderate income families.

Chris Brown is director of the ACORN Housing Corporation.
Coalition plans to reform housing court

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Community groups have long been active in housing court. Tenants and neighbors often appear to testify. But judges have a misperception about the role of community based organizations, according to the coalition. They view them as a hindrance instead of using them for useful input. "They should be seen as resources and allies in the fight against housing deterioration, and not as rabble rousers and trouble makers," says Tim Carpenter.

Top priority for the Ad Hoc Coalition is passage of the Code Enforcement Bureau Ordinance which is currently before the City Council Buildings Committee. Under the ordinance, the Compliance Board of the DIS would be replaced with a Code Enforcement Hearing Bureau.

The new system would function as follows: less serious code compliance cases would go to the Code Enforcement Bureau. The Bureau would be required to hear each case within 30 to 40 days after a violation has been cited by a DIS inspector. If the owner fails to appear before the Bureau, s/he would be found in default and subjected to a fine. A 25-day continuance could be granted if the owner offers evidence that the building is being brought into compliance, and any fines could be vacated within 60 days if the owner can show that the violations have been corrected. If a fine is unpaid, it becomes a lien on the property.

Cases would be heard by administrative hearing officers. These officers would be well versed in rehab financing programs available from the Dept. of Housing and other sources. Landlords would be given an opportunity to show good faith by taking advantage of these programs. As in the current system, the most serious cases would go directly to housing court. Under this system the more serious cases would get greater attention and the court would be relieved of overcrowding, says the coalition.

A second priority for the coalition is the Building Registration Ordinance which is also in committee. Under this ordinance, any building with more than five units would have to register with the city. This would facilitate the court process with updated records and information. Currently there is no system for retrieving information on slumlords in a timely manner when a case is initiated.

Only six months into its effort, the Ad Hoc Coalition for Housing Court Reform has gained some ground. Getting the two ordinances introduced into committee was a big step. It may be a while, though, before they reach the floor. Sharon Gist-Gilliam, the Mayor’s Chief of Staff, said that a fiscal study would have to be done prior to any hearings on the Code Enforcement Bureau Ordinance. DIS may not be too keen on the restructuring either: "the department sees it as criticism and not constructive," says Gale Cincotta. "But it could save them money in the long run and provide a better tax base for the city."

The biggest victory for the coalition, so far, has been the re-hiring of 21 DIS staff people, including 19 inspectors. Twenty-six inspectors had been laid off on January 1, but thanks to unyielding pressure from the coalition, most of them were re-hired. Another victory was the full commitment from Judge O'Connell, Presiding Judge of the First Municipal District, that housing court judges would no longer be temporarily transferred to other duty and would only be absent for illness, emergencies, judicial conferences, and vacations.

Also it was recently announced that the court would now allow community groups to be appointed temporary receivers for the purpose of boarding and securing buildings. This action can be taken to secure buildings that are abandoned before they deteriorate to a level where demolition is the only alternative.

No one is really sure how long it will take to fully reform housing court, but as Gale Cincotta put it: "We’re not going to stop until it runs the way it’s supposed to." And whether the advent of a new mayor in Chicago will disrupt the coalition’s progress: "the housing problems will still be there." Looks like reform is back in vogue.
Fair housing vs. community development

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much more concerned about the problems of the poor.

Can community development groups in low income neighborhoods effectively deal with neighborhood integration without compromising their development goals? At the recent 19th annual conference of National Neighbors, an organization committed to making integration work, I learned of a small, struggling community development corporation that is intentionally promoting integration in a low income, mostly segregated neighborhood in Philadelphia. The Frankford United Neighbors CDC, whose main activity is neighborhood integration, has set its boundaries so that both black and white sections of the neighborhood are included.

Since board seats are defined by geography, a racially and economically mixed board of directors is guaranteed. Creation of a racially mixed board is quite an accomplishment, since it makes Frankford United Neighbors the only integrated organization in this part of Philadelphia in anyone's memory. Common problems and aspirations of residents are shared and it is hoped that over time the act of renovating housing will result in a greater degree of housing integration.

Fair housing groups may have recently acquired some new tools for addressing integration and low income households. A recent Federal Appeals Court ruling held that Huntington, New York, "perpetuated segregation" through zoning laws that restricted apartments to a limited area and by refusal to rezone property to allow subsidized housing in a white neighborhood. In addition, Congress seems to have finally put some teeth in the original Fair Housing Act of 1968, although it is too soon to determine how the changes in the law will work.

In the Chicago area there have been

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LEAD organizes for lead abatement

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in an on-going process of working with the Mayor's Task Force on Lead Poisoning. The Task Force, formed in November of 1986, is expected to release its findings in a report late this summer. Last month LEAD met with Alderman Streeter (then chairman of the Health Committee) and other key aldermen to discuss the draft of the Task Force Report's executive summary and the approximate costs of the proposed recommendations. LEAD will continue to monitor and educate aldermen and other city decision makers to insure implementation of the Lead Poisoning Task Force Report, and other measures recommended by LEAD.

LEAD's Proposals

Improved inspections are a must. Currently, buildings are inspected for lead paint only after a child has been poisoned. The Dept. of Inspectional Services could play a key role by automatically checking for peeling paint during regular building inspections. If found, a sample should be brought back to the Health Department. Additionally, all dwelling units in a building should be inspected for lead and not just the unit where the poisoning occurs, which is how it is currently done.

All children between the age of nine months and six years should be screened. There is the added concern that children who live in high risk areas are not screened. Priority must be placed on these children.

Lead abatement efforts must be upgraded. Deleading tax incentives for owners should be considered. More city funds for lead abatement should be allocated for those cases where an owner fails to delead.

Stricter legislative action is needed, including a heavy tax on the sale of leaded gasoline. Additionally, fines for lead violations should be aggressively enforced, and city receiverships should be used when owners fail to delead.

Family support services are necessary, including safe, temporary housing units during abatement and public education to both high risk families and the general public.


Also the Logan Square Neighborhood Association, Metropolitan Tenants Organization, People for Community Recovery in Altgeld Gardens, Rogers Park Tenants Committee, South

Austin Coalition Community Council, South Shore Unemployment Union and the Woodlawn Maternal and Child Health Center.

For more information, please contact LEAD at 2125 W. North Avenue, Chicago, 60647, 278-4800; or Ralph Scott at Rogers Park Tenants Committee, 1545 W. Morse Avenue, Chicago, 60626, 973-7888.

Molly Bougearel is coordinator for LEAD.
Dukakis housing record

(continued from page 1)

Fogelberg's remarks. "To their credit, they've taken a lot of initiative," this activist says. But Dukakis's emphasis on consensus means that his stance on housing "is not an advocacy stance... it tries to accommodate the private sector to a very significant degree."

A recent case in point was when Dukakis forces managed to get an amendment inserted into the new national legislation on prepayment. In deference to private developer interests, their amendment allowed for a "state option" that could actually lessen the obligation of owners to keep rents affordable. (Surprisingly, however, back in 1983 Dukakis signed a bill regulating condominium conversions, and, when he was in the legislature, helped draft rent control legislation.)

The current state policy on prepayment calls for owners to make a "voluntary pledge" to negotiate with the state when considering prepayment. The policy is weak because there is no way to compel an owner to participate—but on the other hand, Massachusetts is one of only a handful of states that has any prepayment policy at all, or even recognizes the problem.

What can we expect from a Dukakis presidency, based on his state record? Everyone interviewed for this article pointed out that Dukakis's commitment to housing, and his funding of housing programs, were most in evidence when the state enjoyed a budget surplus. However, this past year the state was faced with a deficit. Rather than increase revenues, Dukakis made substantial cuts in programs, including housing.

It should be observed that Dukakis was already running for President when this occurred—perhaps an inopportune time to raise taxes. But his reaction was nevertheless consistent with his genuine fiscal conservatism. Faced with a huge federal deficit, "he's going to be very cautious about funding," says one housing expert.

Says Lew Finfer, "I think he would see dealing with the deficit as a major issue... but there will be some limited new initiatives" regarding housing. "We're not going to get back to the (funding levels) of the pre-Reagan years, no matter who is President," he remarks.

He notes, however, that one of the "few specific" campaign pledges Dukakis made was to increase the housing budget by $3 billion. Dukakis clearly believes that the federal government must be actively involved in housing.

Finfer expects a Dukakis national housing policy will stress public/private partnerships and increased state involvement (both along the lines suggested in the Rouse report), at least a modest increase in federal funding, and some positive leadership and direction on the issue. Bush, in contrast, when asked about the federal government's role in housing, responds simply that housing should be the responsibility of the states, and that a healthy economy will lead to an improvement in the nation's housing. There is also the possibility, commented another housing advocate, that Jackson allies might be able to push for effective affordable housing policies, from both within and outside a new Dukakis Administration.

Everyone interviewed agreed that, at the very least, Dukakis would bring some creative people into his administration to work on housing. And that a Dukakis administration would be far more open to new ideas and to community group interests than a Bush administration patterned after the Reagan years. Housing advocates in Massachusetts have a decent relationship with state government—they are listened to, and sometimes brought into the process, although there are certainly instances when public pressure and direct action are called for.

"HUD would be a lot more accessible," says Fogelberg. "It would be a lot more open to cooperative kinds of arrangements with agencies and activists around the country." We would be able to sit down and negotiate, instead of being locked out, but "whether we leave the table satisfied is not guaranteed."

Fair housing

(continued from previous page)

some efforts to bring community development and fair housing together. As mentioned before, Voice of the People strives to integrate its buildings. The Greater Southwest Development Corporation has concentrated its efforts primarily in areas of racial transition. The South Suburban Housing Center has arranged for the renovation and sale of homes as a way of keeping a neighborhood integrated. And the Oak Park Exchange Congress, a coalition of integrated communities, stresses the relationship between racial diversity and economic development.

In Chicago, issues often are made to appear much more difficult than they are in reality. Some see no interrelation, instead contrast, between community development and integration. This brief article suggests the issues are not so clearly drawn. It may be possible in a single effort to reach both the goals of the Housing Act of 1949, a decent home for every American family, and the Fair Housing Act of 1968, an integrated American society. But this can be done only if the effort is deliberate and considers community development and integration as interrelated issues, both important to the welfare of the metropolitan area.

William Peterman is director of the Voorhees Center for Neighborhood Improvement, at the University of Illinois at Chicago.
A typical session in Springfield...

(on a tax increase while Democrats steadfastly refused to budge.
At one point the issue almost came to fisticuffs as Governor Thompson removed his jacket on the House floor while looking for Speaker Madigan, who refused to come out and fight, saying he "wouldn't stoop to the governor's level," which was confusing to most of the legislators, as the governor is a good half a foot taller than the speaker by any estimation.
The legislators did take some substantive housing action during the session however: auto insurance was made mandatory since many people who could no longer afford housing would soon be living in their cars. Also, money was sent to municipalities for sewers and waste treatment, in case anybody can afford to build a house in the distant future to attach to the sewer lines, which will be sticking up out of the ground not attached to anything for awhile. The White Sox got $30 million for a new stadium so the homeless would have another place to stay during the summer.
The legislature was especially impressive on the White Sox issue, working past midnight to pass the legislation. The legislators displayed their frugality on this one by working only half days during the last couple weeks of the session so that when they worked past midnight on the last Friday and all day on Saturday (in front of TV cameras), nobody would have to be paid overtime.

Prepayment bill passes

The state legislature did pass one piece of housing legislation this past session, due to the efforts of various community groups.
A bill was passed requiring owners of HUD-assisted buildings to give notice of plans to terminate their HUD contracts. The law covers prepayment buildings as well as Section 8 buildings. It was sponsored by Sen. William Marovitz.
The prepayment clause requires owners to notify tenants, local governments and IHDA twelve months in advance that their prepayment date is approaching. Nine months in advance, the owners must provide notice of their intent to prepay (or not to prepay) to all of the above parties.

In another stunning display of fiscal wizardry, the legislature in its final hour re-opened Paul Powell's shoe box to find money for education. Only a couple hundred million dollars were found, though. In final action, the legislature renewed its firm commitment to all Illinois persons with AIDS getting married in Wisconsin.

************THE PLUMB LINE************

PEOPLE AND (WORK) PLACES
...mike loftin is back, and UNO's got him...erica pascal replaced jack kaplan, and then had a baby (boy)...
kathy tholin is saying goodbye to cnt, and hello to the woodstock institute
...tom lenz is leaving voice of the people for uncharted waters...felecia bute stopped organizing ONE to organize more than one at cabrini green...PRIDE is proud of new assistant property manager betty coffey
...and so is the Housing Resource Center of sandy ortiz, the not-so-new assistant property manager there...
BABES IN THE WOODS:
madeline talbott begot daughter ryan...ann shapiro begot joshua leonard...susan kaplan begot david paul...

HERE AT THE NETWORK:
gerald prestwood lends his healthy lifestyle as our new finance specialist...anne and debbie are having ridiculous conversations about incest among cats (after working hours of course)...bobbie appeared on tv, live from atlanta, while barb was being an ozark mountain daredevil...joyce made the move from west side to south side, but hasn't invited us all over yet...david is trying to make us all behave (or at least appear neat)...

SOME PEOPLE LEAD GLAMOROUS LIVES: bessie dow-sarakoki jets to Africa whenever she can get away... gloria cooper-davis leads a second life as costume designer and wife of a soon-to-be famous movie star...josh hoyt is somehow related to the kennedys (doesn't he sort of look like a kennedy, only shorter?)...

BUT THE REST OF US: get to appear on channel 32 at 6 a.m. (bob vondrasek and larry pusateri)...get to ask their friends and acquaintances to buy tickets to fundraisers (annrea lewis)...get to attend marathon sessions on how to structure a funding proposal to save hud-assisted housing that will fit the criteria of macarthur's public policy initiative (ann rich, sarah johnson, louis delgado, madeline talbott)...get to fill out dob quarterly reports (too many of us)...

IN DESPERATE TROUBLE: mike rohrbeck, for failing to write his article...eugene sawyer, for any number of reasons...
have been made to intermediaries such as LISC and South Shore Bank.

To MacArthur, PRIs are an "alternative philanthropic approach," rather than a form of social investment. The foundation makes PRIs out of its grant pool, believing that there are situations where loans are more appropriate than grants. "In essence, a PRI should fill an economic gap, the gap between what is possible in the normal economy without philanthropic intervention and what can be achieved only through a direct grant," says MacArthur's Paul Lingenfelter. He adds that PRIs often leverage private dollars.

Lingenfelter points out that by making PRIs out of the grant pool a foundation will actually increase its asset base over time, because it will get back money that normally would have been given away, plus interest. The money earned can then be used to make more grants or PRIs.

On the other hand, he says, when PRIs are made out of a foundation's portfolio, the foundation will eventually lose part of its asset base because there will be a lower rate of return on its PRIs—not to mention the risk of default, which may be greater than under a conservative investment strategy. These factors will eventually result in decreasing the amount of money available for grant distribution, he believes.

But the Wieboldt board is committed to using its portfolio. At a recent Midwest Bridges Forum, Wieboldt Foundation Vice President John Dar- row explained that this decision, too, was part of the special niche that Wieboldt intends to fill. The board was aware that other foundations were basically conservative in their PRI approach, investing money from their grant distribution rather than risking their portfolios. "The board members were unwilling to reduce the grantmaking. It was not that hard a decision," he said. Adds Hallett, "the intent was always to take it out of our portfolio—for it to be a risk venture." The board originally committed five percent of its portfolio to PRIs.

For Wieboldt, the benefit of expanding its resources for program activities in the present outweighs the possibility of a reduction in funds further down the road. "It would be good to measure what a lower rate of return will mean to our portfolio," acknowledges Hallett. "I still suspect that over a long period of time the differences in earnings will be modest." In the meantime, Wieboldt has increased its contribution to community development. As for the risk of default, many participants at the Forum noted the excellent track record of community development efforts over the past several years.

While Wieboldt did not intentionally embark on PRIs as part of an overall social investment strategy, Hallett sees the program as a move in that direction. Several years ago, Wieboldt divested in corporations doing business in South Africa. "We haven't yet made a full commitment" to social investment, she explains, but "we have been taking individual steps...that may be unified into a broader strategy of social investment."

Senior housing directory published

The Metropolitan Chicago Coalition on Aging recently published a Directory of Older Adult Housing.

The directory is a comprehensive listing of more than 300 public and private housing options available to older adults in the metropolitan area.

Job announcements

Voice of the People in Uptown, a nonprofit housing development and management corporation, is seeking an Executive Director. The position requires experience in housing development, fundraising, property management and policy development. Send resume to: Search Committee, Voice of the People, 4927 N. Kenmore, Chicago, IL 60640. (Equal Opportunity Employer)

The Center for Neighborhood Technology is looking for a Deputy Executive Director. CNT is a nonprofit public interest engineering/policy research/coalition building/advocacy organization that puts environmental and economic issues in a community context. Position involves program coordination, short term fundraising, board development, management. Ten years experience in agency management preferred. Attractive salary, benefits; nation's first non-toxic office; democratically managed organization. Send resume to Scott Bernstein, CNT, 2125 W. North Ave., Chicago, IL 60647.

Writing course offered

A writing course aimed at community leaders and community organizations will be offered this fall at West Side and South Side locations.

The course starts the first week in September, and runs for 16 weeks, with one three-hour class per week. It is being taught by Hank DeZutter, freelance writer and consultant to community organizations. It is designed to address the special needs of community groups: writing for newsletters, writing press releases, and other essential subjects will be addressed. Assignments will relate to actual writing tasks that participants are doing for their organizations.

The class will be taught at Malcolm X College on Wednesday afternoons, and at a South Side location (to be named) on Tuesday mornings. Cost is $98; participants will earn three credit hours. (There is a reduced cost for aid recipients.) For more information, call 477-7866, or 738-5831.
Colorado HFA buys distressed properties

The Colorado Housing Finance Authority (CHFA) recently bought a troubled apartment project, the first in its new program to buy and turn around financially distressed properties for low income rental housing at a cost much lower than new development.

The rationale is that the agency, because of the depressed Colorado economy, can purchase troubled projects—including those foreclosed on by lenders—at a significant discount. The agency will then renovate the properties for no more than $20,000 per unit, and eventually transfer ownership to local housing authorities or nonprofit organizations.

The initiative is intended to provide rental housing that is 100 percent occupied by tenants at 50 percent or less of area median. Tenants with higher incomes already living in projects when CHFA buys them may remain, but will be replaced with income-eligible tenants once they move.

The agency’s objective is to use project cash flow to cover the debt service, with no additional subsidies. The program will ultimately be funded from tax exempt “essential function” bonds, which are free from many of the restrictions imposed on tax exempt private activity for housing.

An agency spokesperson noted that the program has attracted “quite a lot of interest” from lenders with foreclosed properties as well as other owners anxious to sell. She added the initiative has been a learning experience for agency board members and staff since CHFA is now in the unfamiliar role of property manager.

The CHFA also recently issued $7.29 million in tax exempt 501(c)3 bonds to finance a variety of special needs housing facilities to serve elderly persons, the physically and mentally disabled, and battered women and their children.

Section 501(c)3 bonds must be used to finance projects owned by nonprofit organizations. Like essential function bonds, they are exempt from many of the restrictions placed on private activity bonds. The bond issue will fund permanent loans with terms of 36 to 40 years, at interest rates from 8.3 to 8.9 percent.

(From the Housing and Development Reporter.)

Massachusetts fund created

The state of Massachusetts is now offering long term, deferred interest loans for limited equity cooperatives and other “alternative” housing developed by nonprofits, financing up to 25 percent of project costs.

Under the new Housing Innovations Fund (HIF), $30 million will be available for second mortgages, acquisition loans and co-op share loans. The share loan program will receive a $1 million set-aside to seed a revolving loan fund.

The HIF is funded from 1987 general obligation bond proceeds. Coalitions such as the Massachusetts Affordable Housing Alliance (see page 1) proposed and lobbied for the program.

Aside from co-ops, other housing eligible for the program includes SROs, emergency shelters and special needs housing. The first application period netted $8.4 million in applications, for 11 co-ops, eight SROs, 14 special needs projects and three shelters.

(From the Mutual Housing Network News)

Hispanic housing crisis

The Hispanic Housing Crisis, a report recently released by the National Council of La Raza, paints a distressing picture of housing for Hispanics in the United States. The report concludes that Hispanics are less than half as likely to be homeowners, more than twice as likely to live in substandard housing, and four times as likely to live in overcrowded housing as average Americans.

Copies of the report are available for $7.50 from National Council of La Raza, 20 F St. NW, Washington, DC 20001; (202) 628-4058.

Report released on state housing programs


Key themes that emerge are the increasing role being played in state housing delivery by nonprofit developers, and the growing importance of housing special needs populations.

Copies are available for $16.50, prepaid, from COSCAA, 444 N. Capitol St., Suite 251, Washington, DC 20001; (202) 393-6435.
THANK YOU!

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Your support for the Chicago Rehab Network, and for neighborhood development, is greatly appreciated!

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