



# The Third Side: A Mid-Course Report on Chicago's Transformation of Public Housing

Business and  
Professional People for  
the Public Interest





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The opinions expressed here are BPI's, and any error or omission is entirely its responsibility.

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# Executive Summary



Chicago's "Plan for Transformation" is by far the nation's largest effort to revitalize public housing. Expending billions in federal, local, and private sector funds over nearly a decade (yet likely to continue for many more years), the Plan undertakes not only to rebuild buildings but to "rebuild" public housing families' lives, thereby seeking to cure concentrated public housing poverty, long one of Chicago's most intractable and debilitating ailments.

The Plan attempts to achieve this radical change through several initiatives pursued simultaneously. On the physical side, (1) a dozen major obsolete public housing developments—the majority of them notorious high-rise complexes—are to be torn down and replaced with economically integrated residential communities planned to include about 7,500 public housing apartments, and (2) ten "traditional"—100 percent public housing—developments with an aggregate of over 5,000 units are to be rehabilitated to a standard of quality sufficient to attract a mix of incomes. Some 12,000 units of senior and scattered-site family housing are also to be physically rehabilitated.

On the "people" side, the Plan promises to relocate "compassionately" the thousands of families necessarily displaced by the extensive demolition. It also promises to assure the delivery of social services of sufficient quality to all Chicago Housing Authority residents (relocated or not) to help them attain self-sufficiency and prevent traditional developments from again becoming home to concentrations of extreme poverty.

## Assessment

Implementation of the Plan over its first decade presents a mixed picture. On the plus side, the Plan's guiding vision is bold and expansive: to demolish scores of obsolete buildings that have been disastrous for both their residents and their adjacent communities; to replace these failed complexes with economically integrated residential communities that include but are not dominated by public housing; to "rebuild" residents' lives with extensive social services to enable them at last to enter the economic mainstream; and to implement the Plan's vision as a true civic endeavor, not as a solo venture of a local housing authority, with the City of Chicago, CHA, and the City's business and philanthropic communities working together as partners.

Also on the plus side, notwithstanding the huge scope of the undertaking and the many challenges to its full realization, most of the mixed-income communities—replacing the now largely demolished public housing projects—have been well launched. Although much work remains to be done, public housing units in the new communities are not clustered in one section but are scattered among and are architecturally indistinguishable from market-rate and affordable rowhouses, townhomes, and elevator buildings—a radical departure from the generally isolated, often shoddily constructed, easily identifiable public housing they have replaced.

However, five specific challenges to the ultimate success of the mixed-income communities remain of concern: (1) the development of retail and service establishments and other needed facilities and services has been spotty; (2) the establishment of good local schools has not been satisfactory; (3) it is not clear that public housing residents of these communities are receiving adequate social services; (4) efforts to help develop a sense of "community" have lagged; and, (5) the current market downturn, virtually halting development of for-sale housing, has put at risk achievement of the originally planned income mix.

On the minus side, implementation of the "people" part of the Plan was badly flawed at the outset. In several respects relocation was handled poorly, with the result that several thousand families did

not receive the compassionate relocation assistance the Plan had promised. However, by mid-decade, having learned from its mistakes, the City and CHA had put in place a reasonably satisfactory set of relocation procedures.

Social services, too, were poorly conceived and poorly managed at the outset and—despite modifications over time—remained fundamentally unsatisfactory for some eight years. Although beginning in 2006, CHA received significant assistance from the business community to help residents meet the social service system’s important employment goals, data collection remained so weak that it was not possible for reviewers to make any evaluative statements about the quality of employment placements. In 2008, a new CHA management team at last replaced the poorly functioning social service system with a better one, which, however, is still too new to permit judgments about its effectiveness.

Finally, an exception to the exemplary vision of the Plan was the decision to rehabilitate ten traditional developments that would continue to be occupied exclusively by public housing families. Even if truly effective social services had been available (which was not the case), maintaining large enclaves of public housing poverty could only have “worked” if the City and CHA had focused with great intensity on security and management issues. In fact, insufficient attention to these matters, coupled with the social services failure, has resulted in the persistence at these developments of the very problems the Plan was designed to eliminate.

## Recommendations

With many Plan years still to unfold, much physical work still to be performed, numerous families still to be moved, and thousands of relocated families living in public or subsidized housing in Chicago and environs, it is possible for the City, CHA, and the business and philanthropic communities to use the approaching tenth anniversary of the signing of the Plan for Transformation as an occasion to learn from past experience and to put that learning into practice over the Plan’s remaining years. Desiring to be helpful in that regard, BPI offers three major recommendations.

The first is a group of five measures designed to maximize the chances that the mixed-income communities will survive and thrive. One of these is to give high priority to neighborhood development—retail and service establishments, programming for children and youth, quality day care, parks and recreation facilities, and the like. The second is increased joint planning with Chicago Public Schools to the end that the mixed-income communities will be served by high-quality, local public schools. The third is to assure that quality social services are delivered to residents over a sufficiently long period to permit the Plan’s “rebuilding lives” goal to be achieved. The fourth is to focus on issues of “community”—such as tensions between renters and owners and the quality of on-site management. The fifth is to devote creative attention to achieving the planned income-mix in the face of the market challenges presented by the economic downturn.

The second BPI recommendation is to adopt as a long-term goal the conversion of all traditional developments to mixed-income communities—a goal toward which CHA is already moving in two cases. Over time, such conversion might be accomplished through four steps: (1) developing supportive housing for an appropriate segment of the resident population; (2) offering vouchers coupled with state-of-the-art mobility counseling to all residents; (3) assuring high-quality, long-term social services to the resident population, including a reassessment of work requirement provisions in light of the reality that nationwide roughly half of participants in work and training programs fail to become steady workers; and (4) wherever possible introducing non-public housing residents to the previously one hundred percent public housing sites, perhaps beginning with tax-credit units.

The third recommendation includes developing and offering a state-of-the-art mobility counseling program to all families still to be relocated, and as a matter of elemental fairness offering the improved program to all families who were relocated without the opportunity to be benefited by it. It also includes the further development and improvement of FamilyWorks through careful monitoring of outcomes, a willingness to make modifications as indicated, and a commitment to continuing its services for families who need them for a suitably long term.

Looking forward, it is encouraging that new CHA management has considerably strengthened Plan implementation over the past eighteen months, particularly by upgrading social services and by changing the Plan's long-term goal for two traditional developments to mixed-income. BPI believes that should the new management team follow the three recommendations made in this report, the mixed picture the Plan now presents could be changed to a largely positive one with significantly improved outcomes for both CHA residents and the larger communities in which they live.

# Introduction



**Why This Report?** As this is being written in mid-2009, the tenth anniversary of the execution of the “Plan for Transformation” (sometimes called Chicago’s, sometimes the Chicago Housing Authority’s) is approaching. CHA’s view over the passing years has been one of satisfaction—declaring in 2005 that the Plan “continues to successfully move forward,” and as 2008 began looking forward to “another triumphant year.”<sup>1</sup>

Yet in July 2008 the *Chicago Tribune* was severely critical. Its front page described public housing in “limbo,” and one headline spoke of thousands of families displaced, hundreds of millions of dollars spent, and construction years behind schedule.

“What went wrong with Chicago’s grand experiment” was another of the headlines.<sup>2</sup>

It’s a familiar adage that there are two sides to every story. Claims of triumph and pronouncements of failure are two sides of the Plan for Transformation story. In this report, BPI seeks to present a third side—an impartial review that confers praise where merited and levels criticism where deserved.

Although the Plan for Transformation is one of the largest public works projects of our time (absorbing billions of dollars, likely to span many more years before it is finished, and attempting to cure one of Chicago’s most intractable and debilitating ailments—concentrated public housing poverty), the third side of this story has not been told. Most independent analyses have focused on specific aspects of the Plan; anyone who seeks a fair assessment of the entire project will come up empty-handed.

The Third Side hopes to fill this void—with one caveat. The Plan for Transformation is primarily a response to problems with large-scale, public housing “projects” for families. Our report is therefore focused on the large developments that lie at the heart of the Plan; it does not deal with the senior or small, scattered family buildings which are being physically rehabilitated and continue to be owned and governed by CHA as before.<sup>3</sup>

Why should BPI be the “reporter” to undertake this task? The answer is that we know a considerable amount about the Plan for Transformation because from its inception we have been playing a continuing role in it, sometimes supporting CHA, sometimes opposing it.<sup>4</sup> We also have no mayor to please and no newspapers to sell.

Here, then, is the way our third side report will be organized. This Introduction will briefly relate how public housing moved from its Depression-era beginning to a Congressional mandate some sixty years later to tear much of it down. Part One will describe how the Plan for Transformation became Chicago’s response to that tear-down directive. In Parts Two and Three, we will focus on what has gone reasonably well and what has not gone reasonably well in the Plan to date. Finally, Part Four will offer our recommendations for the Plan years yet to come.



**Some of the Worst Neighborhoods.** Why did wrecking balls level much of the public housing laboriously erected in Chicago neighborhoods over many decades? The tale dates back to the 1930s and the Great Depression, but it can be told briefly.

Both nationally and in Chicago, public housing was begun partly to create jobs and partly to provide “way stations” for working families temporarily down on their luck.

Then, after a hiatus during World War II, public housing construction mushroomed throughout the country. In the two decades of the 1950s and 1960s, over 18,000 public housing apartments were built in Chicago alone, mostly in high-rise towers clustered in “projects.” By the end of the 1960s, when the building frenzy ended, Chicago had over 40,000 public housing units with over 150,000 residents. Viewed as a city, they would have comprised the second largest in Illinois.<sup>5</sup> Unsurprisingly, the enormous construction program brought major changes to public housing—and major problems.<sup>6</sup>

Chicago’s black ghetto had burgeoned when African Americans from the South streamed northward to work in World War II factories. The segregation of the era crowded most of the newcomers into slum tenements inside the “Black Belt.” Because two major purposes of Chicago’s postwar public housing were to replace dilapidated tenements and to keep their residents from spilling into white neighborhoods, Chicago’s black ghetto became public housing’s location of choice, and its residents a new public housing clientele.<sup>7</sup>

No longer, therefore, were those entering public housing predominantly working families temporarily down on their luck. Unlike the early years, when families on welfare or with social problems or criminal records were not admitted, many of the newer residents were on the welfare rolls, and they were plagued with numerous social problems and criminal records.

Other factors soon generated further changes in postwar public housing. First, civil rights breakthroughs made it possible for middle-class African Americans to make gains in education and employment and to escape their residential confinement; the Black Belt was shorn of the stabilizing role models and economic activity middle classes had earlier provided. Second, a dramatic shift of low-skilled jobs to the suburbs, and later overseas, radically worsened job possibilities for those who remained behind.

Third, while imposing tenant-selection policies that effectively made public housing the housing of last resort, the federal government was stingy with repair and maintenance money; for their part many public housing authorities—Chicago’s included—were terrible managers.<sup>8</sup> Under these circumstances, projects, not well designed or well built in the first place, began to deteriorate badly.

Finally, in the 1980s crack cocaine arrived in inner-city neighborhoods, bringing with it a way for jobless black men to make desperately needed money. In addition to gang violence and the human devastation wrought by this highly addictive drug, the federal government’s “War on Drugs” targeted high-poverty, inner-city neighborhoods. That resulted in jailing unprecedented numbers of young black males, frequently for nonviolent crimes, separating them from families and, in many cases, from their children.<sup>9</sup>

In *The Truly Disadvantaged*, a pathbreaking, 1987 book, sociologist William Julius Wilson described the consequences of these developments. They included, Wilson wrote, the creation of overwhelmingly impoverished urban neighborhoods, not organized around lawful work, housing an urban “underclass” that was threatened with permanent severance from the American mainstream.<sup>10</sup> Large public housing developments, particularly high-rise towers, were prominent features of many of those neighborhoods. By the end of the 1980s they had come to be widely viewed as a badly flawed social experiment that had given rise to “some of the worst neighborhoods in the United States.”<sup>11</sup>



**What to Do About It?** In 1989 Congress established the National Commission on Severely Distressed Public Housing and charged it to come up with a remedial plan.

After several years of public hearings, in 1992 the Commission issued its report.

Among other things the report said that severely distressed public housing was “not simply a matter of deteriorating physical conditions,” but more importantly of a “severely distressed population in need of a multitude of services and immediate attention.” It recommended physical improvements, management changes, and social and community services to address resident needs.<sup>12</sup>

Though the Commission’s report was criticized for not being radical enough, it triggered a series of steps that in a few years dramatically shifted public housing policy. First, a program called HOPE VI (Housing Opportunities for People Everywhere) offered new money for “revitalizing” the worst of public housing, including in some cases by demolishing and starting over.<sup>13</sup> Then the United States Department of Housing and Urban Development issued a legal opinion that opened another new door: public housing could be combined with private housing, making it possible to fashion economically integrated or “mixed-income” residential developments that would include but not be dominated by public housing.<sup>14</sup> Finally, in 1996 Congress imposed a “viability test” on large public housing projects that were 10 percent or more vacant. The law required housing authorities to determine whether it would be cheaper to empty out the projects (by subsidizing residents’ rents in private housing) and tear them down than it would be to repair them—and if so to proceed with demolition.<sup>15</sup> Thousands of units in Chicago failed the viability test.

The result was that in the course of the 1990s, decades of public housing policies were drastically reshaped. Much of the nation’s “severely distressed” public housing was to be torn down. Wherever possible it was to be replaced by economically integrated communities. Displaced families who did not return to the replacement communities would be housed primarily in private housing with rent-subsidy vouchers. In short, the worst high-poverty enclaves of urban public housing were to be razed. Families were to be offered the opportunity to move into economically integrated replacement communities or, with vouchers, into rent-subsidized private housing. Thus was the stage set for Chicago’s Plan for Transformation.

# Part One

## Chicago's Plan: Rebuild Lives as Well as Buildings



**Origins.** The Plan for Transformation, Chicago’s response to these dramatic changes of the 1990s, amounted to a plan to revamp Chicago’s public housing in its entirety, not just to rebuild buildings but also to “rebuild” the lives of public housing families.<sup>16</sup> In a formal sense it all began in Chicago on February 5, 2000, when, before scribbling reporters and whirring cameras, Mayor Richard M. Daley, HUD Secretary Andrew Cuomo, and CHA Chief Executive Officer Phillip Jackson signed a long, complicated, carefully negotiated agreement.<sup>17</sup>

In an important sense, however, the Plan began well before the February 2000 signing ceremony. In the early 1990s, Congress had begun appropriating HOPE VI funds, and in the years before the February signing Chicago had been awarded almost \$150 million. All of CHA’s 1990s activities on several redevelopment projects—planning, HOPE VI awards, relocating families, demolition, and construction—were swept into and became part of the agreement signed in 2000. So when in this report we say “Plan for Transformation,” we mean all the public housing revitalizing activity that began in 1993, when CHA received its first \$50 million HOPE VI award to start redeveloping the Cabrini-Green complex.

The February 2000 agreement added ambitious scope to the work already begun. The intention now was to demolish and redevelop major CHA complexes—eventually a full dozen of them—over the course of the ensuing decade and to rehabilitate all other CHA properties. The agreement’s detailed provisions gave CHA assurance that regular annual funding from HUD would be available throughout the years of contemplated work. The projected federal funds (totaling some \$1.6 billion) were also to be used to attract additional local government and private sector resources. A “Resident Protection” section of the February agreement identified protective arrangements for residents forced to relocate, such as extensive counseling and related services, and included—for those qualifying—a right to return to redeveloped or rehabilitated public housing.

It was understood that CHA’s federal funding, including HOPE VI awards, separate demolition grants, and annual capital and operating funds, would not be sufficient to cover all projected costs of the Plan. One of CHA’s major challenges, therefore, was to use the federal funds and commitments as “leverage” to obtain required additional resources. Anticipated sources included low-income-housing tax credits from both the State of Illinois and the City of Chicago,<sup>18</sup> other City “streams” of funding (for example, for the construction of needed streets and sewers, and tax increment financing—that is, increased property tax revenue anticipated to result from Plan for Transformation improvements), commercial construction and permanent financing loans, and capital

invested by private developers selected to work on the Plan (in anticipation of profits to be generated from non-public housing portions of the new mixed-income developments).

The challenge CHA and the City faced in arranging for and integrating these various sources of funding into viable financing plans was nearly as great as the challenge of planning and carrying out the physical development itself. Most proposed redevelopments were so large, and were to be carried on over such long periods of time, that work and financing was scheduled to proceed in discrete “phases.”



### Chicago’s Plan for Transformation:

**A Multipart Plan.** The physical work of meeting the Plan’s goal to revamp public housing consisted of three major parts. First, many of CHA’s largest family developments—most of them high-rise complexes—were to be torn down and replaced with economically integrated, mixed-income communities that would ultimately include some 7,700 public housing apartments.

Second, the remaining large family developments that were not to be demolished (termed “traditional”), currently about 5,300 units in all, would be rehabilitated. Third, in addition to these roughly 13,000 units, some 12,000 senior and scattered site units would also be rehabilitated. Thus, overall a total of approximately 25,000 public housing units would be either newly constructed or rehabilitated.<sup>19</sup> CHA would also “get out of the business of managing real estate” by transferring its properties to “third-party, professional management organizations.”<sup>20</sup>

The 13,000 mixed-income and traditional family units to be in place at the end of the Plan are considerably fewer than the more than 26,000 family units (again not counting senior and scattered site units) that CHA had at the beginning of the Plan. This loss of over 13,000 public housing units, at a time when the country was widely acknowledged to be experiencing a serious shortage of affordable housing, was one of the obvious downsides of the Plan and generated much criticism from housing advocates and others. Even though many of the “lost” units were either vacant or in such disrepair as to be uninhabitable, CHA termed the loss “concerning”<sup>21</sup>—but said that the viability test and its own limited funds left it no alternative. CHA emphasized, however, that its planned new and rehabilitated units would house all lease-compliant families who were living in CHA housing on October 1, 1999.

The people part of the Plan consisted of the dual jobs of relocating thousands of CHA families and of providing all CHA residents with a variety of social services that would help rebuild their lives. This part of the Plan was aimed at assisting residents to achieve economic self-sufficiency and to “become fully integrated into the broader community.”<sup>22</sup> As the National Commission had said, severely distressed public housing included a “severely distressed population in need of a multitude of services and immediate attention.”

Fleshing out these goals on both the physical and human sides, the Plan promised that all new and rehabilitated units would be brought to “a standard of quality sufficient to attract a mix of incomes so that public housing does not again become home to extreme concentrations of poverty.” It also promised “compassionate” services for the thousands of families who would have to be relocated. “No building will be demolished until each lease-compliant family has been provided suitable relocation services.” Families would receive extensive pre- and post-move counseling, including assistance in accessing services from counselors who would maintain contact with relocating families and make service referrals for such needs as child care, education, job training, and more. Families relocating with housing vouchers would, in addition, receive “mobility counseling” designed to enable them to move (if they wished) to “opportunity neighborhoods” that were not racially segregated or high poverty.<sup>23</sup>

The Plan also outlined a new approach to social services under which CHA would reduce its direct role in service delivery and concentrate on facilitating residents’ access to existing community services. This would involve “development-based community workers—‘service connectors’—who will assist residents in identifying and accessing services that already exist or are provided in close collaboration with other public and private agencies.”<sup>24</sup>



**A Goal of Radical Change.** When the Plan for Transformation agreement was signed in February 2000, public housing in Chicago faced enormous challenges. Much of the housing stock was badly dilapidated, rehabilitation of many of the larger developments was not economically feasible, and overall capital needs far exceeded available federal funding.

The average yearly income of CHA households was less than \$10,000, fewer than 15 percent were employed, 88 percent were African American, and most of the major CHA developments were located in the old Black Belt—racially segregated areas with high concentrations of extremely poor, African American families. CHA frankly acknowledged that its developments included “some of the worst housing in America.”<sup>25</sup>

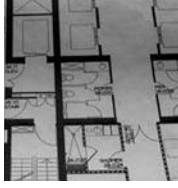
The implications of these statistics are captured by an early 1990s study of residents in three CHA developments. The researchers reported that crime and violence were “overwhelming” and that gang dominance was “nearly absolute.” Most working families had departed and had been replaced by younger, “more dysfunctional” households. Many children had been “permanently damaged” by lead paint, asthma from cockroach-infestation, and the stress of coping with constant violence and disorder. An observer termed the CHA projects “synonyms for lost lives.” The researchers called them a “humanitarian disaster” and concluded that problems in CHA housing were so profound that traditional revitalizing initiatives and counseling were unlikely to succeed.<sup>26</sup>

In the teeth of that bleak prognosis, the Plan for Transformation set itself nothing less than the goal of radical change. It would make it possible, said CHA’s Executive Director, to “reintegrate the housing of the CHA into the fabric of the city” and to “rebuild CHA and its surrounding neighborhoods, building by building, block by block, family by family.”<sup>27</sup> For the story of how CHA and the City have been carrying out that rebuilding and reintegration, BPI invites your attention to the remainder of this report. In Part Two we will review the Plan activities that we believe CHA and the City have, on balance, handled reasonably well, conceiving and embracing the large vision that infused the Plan and launching its mixed-income communities. In Part Three we will review the three activities that in our opinion have not been handled well: relocating displaced families, assisting all CHA residents with social services, and conceiving and implementing plans for the traditional family developments that were not to be demolished. Part Four offers our recommendations.

# Part Two

## On The Plus Side: An Expansive Vision, and Mixed-Income Development

We believe that the City and CHA did a good job, on balance, in embracing a bold vision for the Plan as a whole (with, however, one important exception), and in launching mixed-income communities.



**Make No Little Plans.** In the tradition of Daniel Burnham, Chicago planned on a grand scale. The City, CHA, and their partners would demolish scores of “obsolete” public housing buildings, would replace the torn-down buildings with economically integrated communities that would be a far cry from the enclaves of poverty they supplanted, and would undertake to rebuild the lives of thousands of families necessarily displaced by the demolition.

They would do all this on a scale far larger than in any other American city, addressing in some way every public housing unit in all of Chicago. And the task would be accomplished not by CHA acting solo, but in partnership with the City and its philanthropic and business communities. (The exception referred to—the plan to rehabilitate over 5,000 units in traditional family developments—is discussed in Part Three.)

**Mayoral Leadership** Technically, CHA is an independent municipal corporation, not part of City Hall. Through decades of CHA mismanagement, Chicago mayors had traditionally hidden behind this facade of independence to disclaim responsibility for CHA problems. In 1999, however, Mayor Richard M. Daley “took over” CHA (as he had earlier done with the public schools) and acknowledged that the Plan for Transformation would be a City of Chicago responsibility.

Under the Mayor’s leadership the City immediately became a key partner in carrying out the Plan. It organized and paid for millions of dollars of infrastructure improvements, such as constructing streets and sewers to help connect new mixed-income developments to the neighborhood street grid (a significant departure from the isolation of the old high-rise complexes). It utilized Tax Increment Finance (TIF) ordinances to help fund the Plan with property tax set-asides. It built libraries and police and fire stations in or near some of the new mixed-income communities. And it participated with CHA and others in the complex business of scoping out in detail what the new communities should look like.

**Civic Partners** The philanthropic and business communities also played an important partnership role. Under the leadership of then new CEO Jonathan Fanton, The John D. and Catherine T. MacArthur Foundation made the transformation of public housing a cornerstone of its funding priorities for Chicago. MacArthur awarded

important grants to CHA directly, for example, to help build a database program for Plan activities. It also focused substantial grants on several of CHA's proposed mixed-income communities.

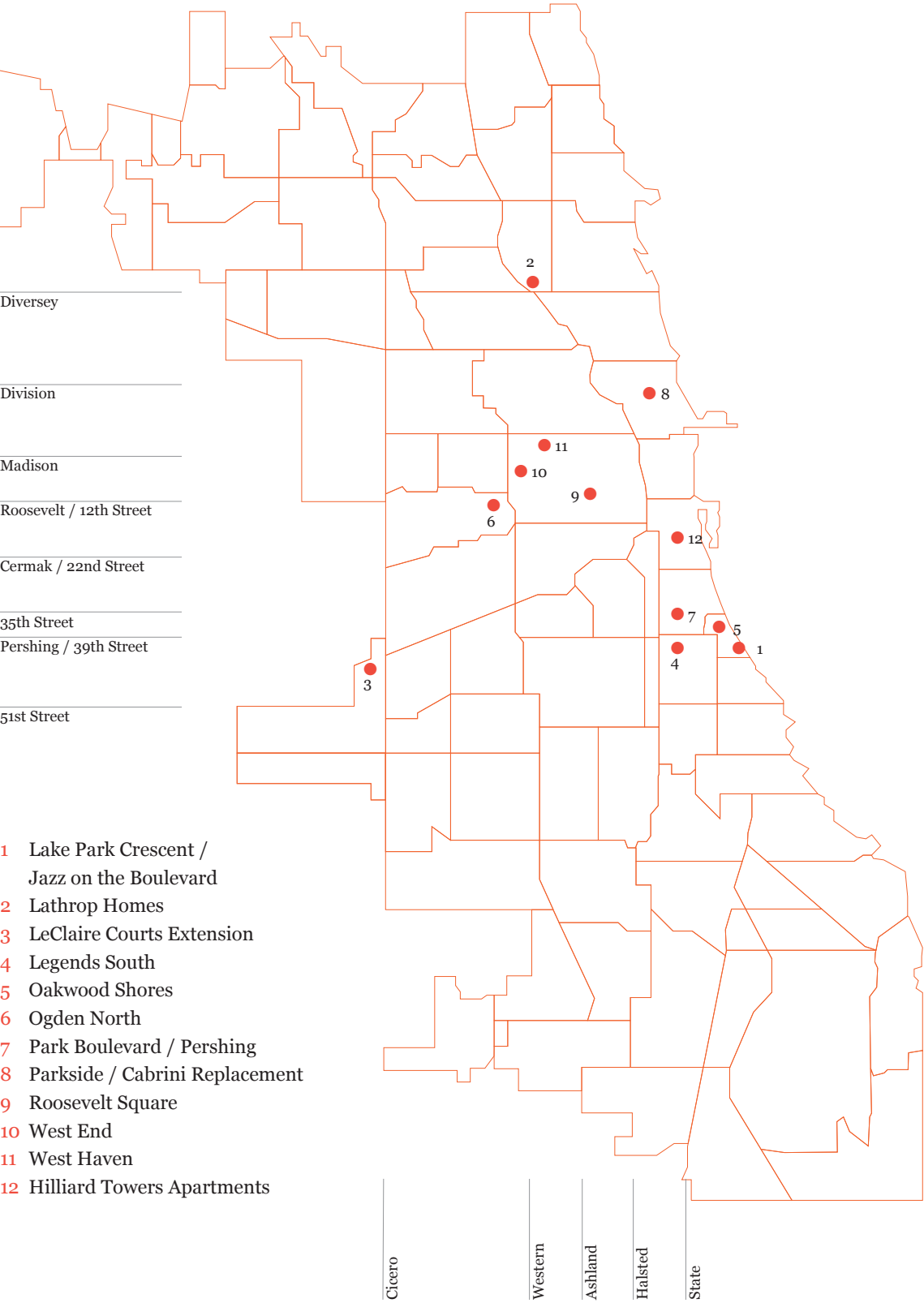
In addition to its own grant making, MacArthur was instrumental in developing other philanthropic and business community support for the Plan. In 2003, with seed money from MacArthur and The Chicago Community Trust, the Partnership for New Communities (PNC) was formed to support both economic development in the Plan's mixed-income communities and workforce skill-building activities for CHA residents. Funders eventually included banks, utility companies, and other foundations. Major PNC projects included "Opportunity Chicago," a program to help CHA residents acquire employment skills and to create job opportunities for them.<sup>28</sup>

**Mixed-Income Vision** The City/CHA vision of economically integrated residential communities to replace public housing's enclaves of poverty was not itself to be taken for granted. Though the idea of economically integrated residential communities had precursors, its application to public housing revitalization had to await the 1994 legal opinion of HUD's general counsel to open the door to so-called mixed-finance development. Most early HOPE VI projects amounted to little more than physical rehabilitation of existing public housing buildings. But in 1995, following issuance of its counsel's opinion, HUD offers of HOPE VI grants began to prioritize strategies that "blend[ed] public housing units into economically integrated communities."<sup>29</sup> More than any other city, Chicago embraced the "blending" approach and envisioned numerous communities where affluent and middle- and working-class families would be willing to live next door to, and sometimes in the same building with, public housing families. This vision put Chicago and the CHA at considerable remove from their policies of the past.

**Rebuilding Lives** As required by the February 2000 Plan for Transformation agreement, CHA negotiated a "Relocation Rights Contract" with resident representatives that included a "right to return" to a newly built or rehabilitated public housing unit for all lease-compliant families in residence on October 1, 1999. In some other cities, residents negotiated rights or priorities to return to some developments to the extent units were available, but no other housing authority guaranteed such a right citywide. It was true that the right to return to a mixed-income community depended on satisfying entry requirements that included such matters as drug tests and employment (or approved alternatives). But as part of its undertaking to rebuild the lives of its residents with extensive social services, CHA promised assistance sufficient to enable families to comply with these return requirements.<sup>30</sup>

In short, the Plan for Transformation has involved big thinking and has proceeded—as it should have—as a civic endeavor, not as a public housing activity managed solely by a housing agency. The proof will of course be in the pudding, the making of which will take some further years. But, as befits an enormous undertaking, the City, CHA, and the philanthropic and business communities of Chicago deserve plaudits for having envisioned a transformation of Chicago public housing that embodies Burnham's credo to make no little plans.

# Major Mixed-Income Developments





**Mixed-Income Developments.** The Plan for Transformation would eventually propose to convert a dozen of CHA's large family public housing projects, the great majority of them legally required to be demolished, into mixed-income communities. Like a loose necklace, these clusters of buildings lay in a semicircle around Chicago's central business area, ranging in size from 187 units to the 3,784 apartments of Robert Taylor Homes, the world's largest public housing project. In total, by the end of the Plan, some 7,700 units of public housing were planned for mixed-income communities.

**The Meaning of "Mixed-Income"** The multiple tasks of redeveloping each of these public housing complexes into a mixed-income community constituted an enormous undertaking; one might therefore assume that a firm consensus existed about the effectiveness of the mixed-income approach. That assumption, however, would not be correct.

"Mixed-income" has no uniform meaning. At one end of the spectrum it can refer to a "mix" of incomes among poor families, typically achieved by mixing public and tax credit dwellings. Incomes of tax-credit renters generally average considerably more than those of public housing families.<sup>31</sup> At the other end of the spectrum, "mixed-income" developments include unsubsidized, market-rate homes and condominiums costing well into six figures, purchased by affluent families willing to pay such amounts even though they understand that they will be living next door to (or sometimes in the same building with) public housing families. Chicago's mixed-income developments include examples of both types.

The scholarly literature also evidences uncertainty about exactly how mixed-income developments are supposed to enable their poorest residents to move toward self-sufficiency. Academicians identify no fewer than four theories: poor families may benefit because they (1) gain access to information and employment through interacting with their higher income neighbors; (2) enjoy increased safety and order as a result of "social control" exercised by those neighbors; (3) are positively influenced by the norms and lifestyles of the more affluent neighbors; or (4) are advantaged by goods and services affluent neighbors are able to command for their community.<sup>32</sup>

The effort to determine which of these four theories (or which combination) is "right" shouldn't, however, divert attention from a common-sense observation. Children who spend their formative years in environments rife with drugs and violence and beset with pervasive unemployment and poor schools are likely to be plagued with serious disadvantages throughout their lives. It does not require a stretch of the imagination to understand that life chances may be significantly improved for children who instead spend their formative years in better neighborhoods. At bottom, the promise of mixed-income communities may be said to be the promise of breaking a grim cycle of intergenerational public housing poverty.



**The Scope of the Task.** Regardless of uncertainty, and in accord with preferences expressed by HUD in allocating HOPE VI funding, the Chicago Plan reflected a firm commitment to replacing Chicago’s large family public housing developments with economically integrated communities. No two of these projects were alike.

Built in varied architectural styles from the mid-1930s to the late 1960s, they ranged across neighborhoods from the North Side to the South, from the West Side to the Lakefront, and from the affluence surrounding Cabrini-Green to the ubiquitous poverty around Robert Taylor Homes. But not long after the last brick was put in place they had all come to have similar problems, including deteriorating buildings, violent gangs, pervasive drugs, and tenants, many of whom faced multiple daunting barriers in their personal lives, who were mostly very poor, mostly unemployed, and mostly members of female-headed households.

Although no single one of the dozen major redevelopments exemplifies the range of challenges faced by the Plan’s mixed-income goal, the nature of the redevelopment task may be illustrated with the three contiguous South Side developments of Ida B. Wells Homes, Clarence Darrow Homes, and Madden Park Homes (all now demolished) from which the Plan is striving to create the new mixed-income community of Oakwood Shores. In its former Wells/Darrow/Madden configuration, Oakwood Shores stretched six blocks along a major South Side thoroughfare, overhanging the Kenwood-Oakland neighborhood with a solid phalanx of forbidding institutional buildings where more than 3,000 impoverished black families lived.

The Plan called for the entire complex to be replaced with 3,000 residential units, 850 of which would be public housing. Some 1,320 were planned as unsubsidized, market-rate homes and apartments, with 830 additional “affordable” units subsidized in part under the tax credit program. About a third of the market-rate and affordable units were to be ownership, not rental, dwellings. All of the new rental units would be owned and managed by a private company. CHA would retain ownership of the land subject to a 99-year lease, except that single-family homes would be sold to their respective purchasers.

The task of transforming Wells/Darrow/Madden into Oakwood Shores is lengthy and complicated. A “Working Group” was formed to oversee the entire process, a request for proposals from planning and development teams was drafted and issued, and one of the submitted proposals was eventually chosen. As part of a community planning process, the selected planning/development team prepared a master plan (which, in addition to the phased development of both rental and ownership housing, included a park, community building, and other amenities). On the basis of the adopted plan a HOPE VI grant application, including financing plans, was prepared and submitted to HUD and resulted in a \$35 million award.

The Working Group subsequently chose separate developers for the rental and ownership portions of “Phase One.” Once detailed plans were approved, relocation,

demolition, financing, and construction could finally proceed. In 2006, some seven years after formation of the Oakwood Shores Working Group, the rental portion of Phase One was completed, including 126 public housing, 104 affordable housing, and 95 market-rate units. Sixty of 120 planned ownership units, as well as a sizeable public park, were also completed by 2006. Planning for the rental portion of Phase Two (another 413 units) then began.

Because each of the other mixed-income developments is unique (in size, location, neighborhood factors, etc.), each is required to replicate virtually all of these Oakwood Shores steps, which themselves are greatly abbreviated in the telling. A cookie-cutter approach is out of the question; there is no quantity discount. In Appendix A we provide a thumbnail sketch and basic statistics for each of the twelve mixed-income developments, two on the North Side, four on the West Side, three on the South Side State Street “Corridor,” and three others (including Oakwood Shores) elsewhere on the South Side. In the following subsection we discuss how well or poorly this huge amount of mixed-income development work is proceeding.

**Assessment** Unique as they are, it is possible to offer some general observations about the mixed-income developments. On the positive side is the great accomplishment of taking down the failed high-rises and finally bringing to an end the “humanitarian disaster,” as it has been called, that had been implanted for over a generation on Chicago’s cityscape. On the positive side, too, is the reasonably inclusive means chosen for planning the development of each mixed-income site—the formation of Working Groups that included representatives not only of CHA, the City, and the Habitat Company (as court-appointed *Gautreaux* Receiver), but also resident leaders, lawyers for the *Gautreaux* plaintiffs, in some instances representatives of community organizations and institutions, and occasionally even the local alderman. These Working Groups, which review plans, help select developers, and serve as forums for discussing issues that arise during the course of development, not only perform useful service but also add legitimacy to the Plan for Transformation that a closed, top-down process run by CHA and the City could not have provided.<sup>33</sup>

Though much work still lies ahead, at this writing about a third of planned construction of mixed-income public housing units has been completed. Appendix A supplies the numbers as of April 2009, but numbers alone do not convey the promising futures the mixed-income developments may hold for their residents. A case in point is Cabrini-Green, the complex that has long stood as a national symbol of public housing failure. While only a portion of Cabrini mixed-income housing is finished, a considerable number of new residential subdevelopments, both on the former site of Cabrini itself and in adjacent blocks, include public housing in what for all the world look like—and are in fact—upscale new communities. One street on Cabrini’s east side now boasts 80 new townhomes, each of which cost purchasers well into six figures; 16 have been set aside for rental by public housing families and are now occupied by former Cabrini-Green residents. Across Cabrini to the west, a development of 261 units includes 79 public housing units, along with subsidized affordable and unsubsidized units. These two developments, mixing public and non-public housing, have now survived for a number of years, and others have been completed or are under development on and around the large Cabrini site.

Noteworthy amenities have also been developed near Cabrini, including a park, a

new public library, a new fire station, a supermarket, and other retail establishments. The Plan for Transformation is thus making good use of Cabrini's advantageous location and is replacing one of the humanitarian disasters with a thriving, inclusive community in which public housing families are living among the non-poor in an environment as favorable as any offered by middle-class, even affluent, urban neighborhoods.

At other locations, less happily situated than Cabrini, significant progress has also been made, and the City has implemented some innovative planning ideas, for example, fast-tracking permits for buildings with green design features. Although none of the other developments boasts the affluence of the Cabrini area, all are in neighborhoods that give some reason for hope that, when completed, their mixed-income developments will, over time, become thriving communities.

Notably, the public housing units in the mixed-income developments are not clustered in one section but are scattered among market-rate and affordable units in row houses, townhomes, and multistory elevator buildings. They are architecturally indistinguishable from tax-credit and even market-rate homes and apartments, and, at the insistence of CHA and the City, have been built to like standards of quality. Of them it may truly be said that they represent a radical departure from the generally isolated, often shoddily constructed, easily identifiable public housing buildings they have replaced.

Part and parcel of this goal of integrating public and non-public housing homes and apartments is the goal of successfully integrating public and non-public housing families. To this end, screening or entry criteria, applicable to all renters, have been put in place at each of the mixed-income developments. In 2004 CHA adopted a "Minimum Tenant Selection Plan" (MTSP) to provide consistency across developments in this respect. Key components of the MTSP include a minimum monthly rent (\$25), credit and criminal history checks, and a 30-hour-per-week work requirement for all adult household members.<sup>34</sup> (Some developments also require drug tests of adult renters.)

Among other things, the entry criteria are intended to help move resident public housing families toward self-sufficiency, and thereby strengthen the fabric of the new mixed-income communities. To assist returning public housing families to satisfy the criteria, CHA has required that its mixed-income developers provide "move-in" social services to public housing families before they reenter and continue the services through at least the first year of residency, although in practice services have continued longer.

The collective thrust of these initiatives is to enable public housing families to live in non-poor neighborhoods without being stigmatized by isolation and inferior accommodations, and to assist them enter the mainstream economy—in effect to replace humanitarian disasters with well-working, inclusive new communities. While in our opinion these "positives" dominate the mixed-income development effort, there are some negative aspects to be noted.

**Challenges Remain** Though it is plainly a work in progress, five aspects of mixed-income redevelopment give reason for concern and call for prompt attention. First, adjacent commercial development—grocery stores and other retail and service establishments—is generally acknowledged to be an essential element of a healthy community, as are recreation facilities and programming, quality day care, and the like. Except at Cabrini and ABLA, this "neighborhood development" record at mixed-income communities has been spotty. For example, nearly a decade and a half following the start of the transformation of Henry Horner Homes into the West Haven development, there is still

no decent grocery and, except for a Walgreens, scarcely any other retail store in the area.

Second, there is widespread agreement that good schools are essential if a mixed-income community is to be truly successful over the long run. While some mixed-income developments boast new schools, in many of the new schools enrollment is through a citywide lottery that can limit attendance of substantial numbers of students from the immediate community. And many schools in Plan for Transformation communities are among the poorest in the city, making the communities less attractive to higher-income families and limiting the extent to which the Plan can transform the lives of the school-age children who may be its greatest potential beneficiaries. Few would assert that there has been sufficient joint planning and coordination between CHA and the Chicago Public Schools.

Third, although developer-provided, “move-in” social services were intended to help residents meet mixed-income communities’ admission criteria, many families plainly need services long after move-in, particularly given the recent economic downturn. Because mixed-income developments will be successful only if their residents are successful, assuring that quality services are provided as long as necessary is a matter that requires a long-term commitment from CHA, the City, and developers. Yet at present there is no guarantee of services beyond the first year of residence. Moreover, since each development selects its own service provider, the quality and comprehensiveness of service provision even during the initial year of residence may vary from development to development. This is an important matter as to which CHA has monitoring responsibility, but it is not clear that CHA is diligently fulfilling that responsibility.

Fourth, one of the great challenges facing each new mixed-income development is the achievement of “community”—tension-free, if not benign, neighborhood circumstances that permit residents to attend to their personal lives free of anxiety caused by their surroundings. Though it is still too early in the life of most of CHA’s mixed-income communities for judgments on this score, there have been some reports of frictions between public and non-public housing residents and between renters and owners. Except for legally required condominium associations, the creation of community organizations that could help address such issues—block clubs, neighborhood associations, and the like—has been slow to nonexistent. Problems of this sort may be exacerbated by the lack of neighborhood development already noted. Once again, careful CHA monitoring of the quality of management and its attention to these matters is called for.

Finally, the pace of mixed-income redevelopment has been slow, sharply contrasting with CHA’s early estimates of rapid progress.<sup>35</sup> Over fifteen years have now elapsed since the 1993 HOPE VI award for Cabrini, nearly ten since the signing of the Plan for Transformation agreement. Yet, only about a third of planned public housing units in mixed-income communities have been built, and nearly 40 percent of those were completed before the Plan was signed in 2000.<sup>36</sup> Work on three mixed-income developments, Lathrop, LeClaire, and Ogden, has barely begun, with the consequence that hundreds of CHA families have lived for years under precisely the terrible conditions the Plan was designed to remedy. In a discouraging replay of a historical pattern of unfulfilled promises, CHA gave residents reason to expect speedy redevelopment, then dashed their expectations, and subjected them instead to years of uncertainty and, in many cases, to multiple, disorientating moves.

The development pace has been slow even though the 1990s included a long

economic boom period that in real estate continued through the first half of the current decade. (The housing “bubble” did not begin to burst until almost the middle of the current decade, followed then by the broader economic calamity that descended upon the country in the summer of 2008.) CHA and the City were thus favored with many “golden” years within which to design and execute the Plan for Transformation, good times that of course could not have been counted on to last forever.

It must be noted, however, that CHA and the City are not responsible for all the slippage from their optimistic initial timetable. We have already referred to the great complexity of the financing process, which consumes time voraciously. Tenant-initiated litigation at Cabrini delayed commencement of work there. Construction itself is notoriously fraught with delay. And the availability of financing for affordable units, particularly low-income-housing tax credits, is a material constraint. Even so, although the criticism may smack of twenty-twenty hindsight, it is legitimate to question whether CHA and the City took full advantage of favorable economic weather while they had it. Certainly they are to be faulted for misleading residents as to the expected pace of redevelopment.

The consequences of the slow pace of development include possible prejudice to the achievement of the planned income mix itself. Illustrative is Legends South, the new name for the mixed-income community that is to replace Robert Taylor Homes. Of Legends South’s planned multiple phases, both on the original Taylor site and in the adjacent low-income community, three are completed or well along—one on-site and two off-site, the latter scattered among existing private dwellings. All three are entirely rental; at this stage of development, therefore, Legends South consists of 227 off-site and 181 on-site units, all of which are low- and moderate-income rental housing.

Concerns over the failure to produce any ownership housing thus far are of course heightened by current market conditions. CHA and the developer are anxious to move ahead with additional phases, but in the current market they cannot assure that ownership housing will be included. While it is important that CHA continue to produce the promised replacement housing for thousands of demolished Taylor units, serious consideration must be given to the risk that more low-income rental housing may prejudice the goal of achieving the planned Legends South income mix.

Legends South is not the only mixed-income redevelopment facing the prospect of going forward without its planned mix of incomes, for the present at least. Rockwell Gardens, now called West End, faces a like prospect, not to mention developments not yet underway. And although Oakwood Shores, Roosevelt Square, Lake Park Crescent, and Park Boulevard do have the planned mix of incomes in their early, completed phases, the substantial remaining portions of these developments (more than half of total planned residential units) face the same market uncertainty.

In an attempt to cope, some developers are exploring ways to develop ownership housing that could be easier to market in the current economic climate. At Taylor, for example, the developer changed planned unit types and redesigned its “product” for a slightly lower market, while the City agreed to ease design requirements. Of course, changes of this sort, intended to increase the likelihood that ownership housing can soon be added to existing rental units, may also risk strengthening the impression of a low- rather than a mixed-income community. The Plan for Transformation may ultimately pay a heavy price for not having unfurled more sail when it had the wind at its back.

# Part Three

## On The Minus Side: Relocation, Social Services, and Traditional Public Housing Developments

Unlike our conclusion that CHA and the City have, on balance, done a good job in planning boldly and in launching mixed-income communities, BPI believes that three other parts of the Plan have not been well handled: (1) physically relocating the thousands of public housing families uprooted by the Plan; (2) providing social services to all CHA residents to help them, at last, enter the economic mainstream; and (3) conceiving and implementing plans for the large, traditional public housing developments that were not to be demolished.



**Relocation.** A problematic aspect of relocation has been its timing in relation to demolition. CHA had two options respecting the pace of demolition.

It could have demolished a few buildings at a time on a phased schedule, thus limiting the number of families to be relocated in any one brief period.

This also would have made it possible for many families to relocate temporarily on site instead of having to decamp to other places. (Under the compulsion of a tenant lawsuit, this was in fact the procedure employed as Henry Horner Homes was transformed into West Haven Park.<sup>37</sup>) The second option, leveling much or all of the site at the outset to give the chosen developer cleared land, necessitated the relocation of all residents to different sites within a relatively brief period.

There may well have been good reasons for choosing the second option—for example, not “wasting” funds to maintain buildings soon to be demolished—as CHA did almost everywhere. But that choice obligated CHA to prepare itself for the heavy burden of relocating many hundreds of families to different locations within brief periods. (At the outset, CHA estimated that over the Plan’s first five years some 6,000 families would be relocated with vouchers, or about 1,200 families per year.<sup>38</sup>)

Characteristics of the families to be relocated should, of course, have been relevant to CHA’s relocation planning. In the early 1990s researchers had interviewed residents of Horner, Rockwell Gardens, and Harold Ickes Homes. They found that gangs had created a social order and an economy that enmeshed most residents. In addition, adults had to cope with substance abuse, domestic violence, debilitating health problems, and the like. Many children had been injured by broken elevators, unprotected radiators, and gang wars. The researchers’ arresting summary was that for adults the problems of living in this “inherently destructive” culture were “overwhelming,” while children suffered the psychological trauma that comes from “living in guerrilla war zones like Cambodia or Mozambique.”<sup>39</sup>

Thus, the families to be relocated were likely to include, as CHA must be presumed

to have known, a great many seriously troubled persons.<sup>40</sup> CHA should also have known that the families to be relocated included significant numbers of large families, particularly those relocating from developments such as Robert Taylor, where many apartments had four or more bedrooms, and that relocating these large families required additional effort to find suitable replacement housing in a rental market with few such units. Having thus chosen to relocate, off site and in a brief time, large numbers of families likely to present an especially difficult relocation challenge, CHA might have been expected to prepare a thoughtfully conceived, adequately funded plan to discharge its oft-repeated promise to relocate families “compassionately.”

In October 2000, CHA entered into a contract with residents that spelled out its relocation obligations. These included: explaining the relocation process to residents; informing them of their options and recording the chosen option in a “housing choice survey” procedure; providing timely notices at each step of the relocation process; offering several kinds of counseling and other assistance; arranging for the move itself; and, of course, supplying (in the case of public housing) or assisting in the selection of (in the case of private housing) the dwelling to be moved into. Under the relocation contract, lease-compliant families, who, on October 1, 1999, were living in buildings to be demolished, were to be given two primary choices: to move into public housing not slated for demolition, or to move with housing vouchers into privately owned dwellings. (For families who wished to exercise their right to return to a mixed-income or rehabilitated public housing development, these initial moves could be temporary until their permanent units were ready for occupancy.) “No building will be demolished,” CHA had said, “until each lease-compliant family has been provided suitable relocation services. . . .”<sup>41</sup>

Relocation had actually begun (as part of CHA’s redevelopment activities in the 1990s) before execution of the relocation contract. In fact, prior to October 1, 1999, the triggering date under the contract, some 1,300 families had already been relocated with vouchers, many in connection with the demolition of Robert Taylor Homes begun earlier that year. These families and another thousand or so relocated after October 1, 1999, but before the signing of the relocation contract, did not, of course, receive the benefit of the contractually prescribed procedures.

Pre-contract relocation procedures were not ideal. According to the Metropolitan Planning Council (MPC), a nonprofit organization that worked closely with CHA on various aspects of the Plan for Transformation, families were given insufficient notice of when to move, and contractors hired to assist them were given insufficient time to serve assigned families. Rules were “constantly changed,” and CHA tracking systems were so inadequate that “fundamental” relocation information was not available. “CHA did not,” said an MPC report, “have the mechanisms in place to monitor and intervene.”<sup>42</sup>

In the spring of 2001, CHA halted relocation altogether until a better plan was instituted. The better plan (as CHA described it in the fall of 2001) was to place a “Relocation Project Manager” at each building to coordinate all persons and organizations responsible for the various aspects of relocation. CHA was confident that this would put residents “in a better position to make an informed choice about their future housing options.”<sup>43</sup>

Pursuant to an agreement with resident representatives, CHA hired an independent monitor of relocation activities. The first person to hold this position was Thomas P. Sullivan, a widely respected former United States Attorney, who began his work in July 2002.

Sullivan discharged his initial task—to observe and report about relocation during calendar year 2002—with five written reports, totaling more than 100 pages, issued from July 2002 through January 2003.

According to Sullivan, CHA’s “better plan” did not work well. Families were (still) not given sufficient advance notice, so moves were rushed and inadequately prepared. Insufficient numbers of relocation counselors were hired, so the explanations of both relocation procedures and the assistance to be provided were abbreviated or inadequate. Satisfactory public and private units for families to move into were not timely provided. Some details from the Sullivan reports:

- CHA’s insistence on emptying buildings by a preselected date, coupled with when it chose to give move notices, resulted in a “lack of sufficient time to accomplish the moves in an orderly, satisfactory and compassionate fashion.”
- “The lack of adequate numbers of relocation counselors makes it difficult for the relatively few current counselors . . . to take a reasonable amount of time with each family, and attempt to present housing options best tailored to each family’s individual circumstances.”
- Many families choosing temporary public housing were assigned to units in “filthy, run-down buildings, with unreliable elevators.”
- Many families choosing private dwellings faced such hurdles and delays that they were “unable to locate and move to an acceptable rental unit by the building-empty date.”

These excerpts fail to convey the severity of Sullivan’s comments. “[B]y and large, the emphasis was on quantity of moves, not the quality or appropriateness of the new location or unit.” “The moving conditions in many buildings were often chaotic, difficult or impossible.” For families choosing vouchers, to whom the benefits of moving to lower poverty, less segregated areas were supposed to be explained, the “foreshortened schedule” made this a “practical impossibility—a “dead letter.” After more than three years of relocation, CHA’s promise at the outset to demolish no building until each lease-compliant family has been provided suitable relocation services seemed to have been honored in the breach.<sup>44</sup>

The next year Sullivan again examined relocation, finding this time that CHA had considerably improved the process. In a second 100-page report Sullivan concluded that relocation worked “substantially better” in 2003 than it had the previous year. Examples of the improvements: the pace of the relocation process was more reasonable; early in the “relocation year” helpful personal meetings were held with most of the families to be moved; better information was assembled and provided to relocating residents; CHA-organized training was provided to relocation personnel; and “make-ready” relocation units in other public housing developments were prepared earlier and the work was of better quality (although two relocation sites were still plagued with gangs and drug dealing, filthy common areas, and nonworking elevators).

Sullivan’s report did express a reservation about relocation of families using vouchers.

Most such moves, he said, were handled by the same two firms he had criticized the year before for showing families apartments only in segregated areas of the city where the firms had established contacts with certain landlords known to be willing to rent to voucher holders. “The continued complete reliance on these two firms,” Sullivan wrote, may have contributed to unhappy results with respect to the quality of units (many were substandard) and their location (the “vast majority” were in “segregated, high poverty areas”). Sullivan observed that while it may be difficult to persuade CHA families to consider moving to higher opportunity areas, the firms in question—in violation of their contracts—had made no real efforts to do the persuading, and CHA had not monitored or enforced the firms’ contractual obligations.<sup>45</sup>

Perceived inadequacies in how CHA was relocating families with vouchers led eventually to litigation. Three advocacy organizations (including BPI) sued CHA in 2003, contending that CHA’s relocation procedures had the effect of shunting families to high-poverty, racially homogeneous neighborhoods, and that this violated the federal fair housing law. In 2005 the lawsuit was settled with CHA agreeing to provide an “enhanced” mobility counseling program.<sup>46</sup> The settlement agreement, coupled with continuing CHA post-Sullivan modifications, led to a considerably improved relocation process. In fact, according to a knowledgeable observer, by the middle of the decade CHA’s relocation procedures were “pretty good.”<sup>47</sup>

Sullivan’s monitoring focused on the “move-out” relocation process, but problems were also encountered in the “move-in” process. Poor CHA data made it difficult for service providers and property managers to contact residents (when units became available for them) who had earlier indicated a desire to move into mixed-income communities, difficulties that were compounded by a very complicated “Housing Offer Process” (required by the relocation rights contract) and by a high rate of non-responsiveness by residents asked to make decisions about their housing choices. The consequences included long hours spent attempting to contact residents at incorrect addresses and multiple offers of units to unresponsive residents, leading to the irony of newly completed public housing units remaining unoccupied for many weeks, even months. Under CHA’s new management team these problems have been greatly reduced.



**Social Services.** CHA undertook not only to relocate families compassionately but also to enable all residents (including those not relocated) to obtain the social services needed to surmount the multiple obstacles to self-sufficiency that many of them faced.

The purpose, as CHA said, was to help residents obtain the skills, education, employment, and income they needed to “become fully integrated into the broader community.”<sup>48</sup> Knowing, as it did, that the characteristics of a significant proportion of its residents made it likely that intensive social services would be required to fulfill that undertaking, it might have been anticipated that CHA would at the outset prepare a thoughtful, adequately-funded social services plan.

As with relocation, however, CHA embarked upon the social services part of the Plan for Transformation without adequate preparation. The main delivery vehicle was to be a program called “Service Connector,” the design for which was completed in 2000 in consultation with the Chicago Department of Human Services (CDHS) and then “piloted” in a handful of Chicago neighborhoods. The pilot-tested program was launched during 2001 and was in full operation by the end of that year. Administered by CDHS under a contract with CHA (with participation by CHA staff and using subcontractors employed by CDHS), the program was to: (1) assess families’ needs for services; (2) develop “corrective action plans” for participating families; and (3) link families to needed services in accordance with completed assessments. Four subcontractors were initially hired to perform these tasks under CDHS/CHA supervision.

A threshold question of funding adequacy was raised by the Metropolitan Planning Council. CHA had budgeted \$5.9 million for 101 CDHS staff positions for one year, yielding a projected ratio of 139 households for each staff position. MPC noted that this ratio was about “three times higher than tenant-service ratios at sites which have successfully integrated housing and services.” Moreover, staff included a number of CHA residents who were trained as “resident service advocates” but lacked any professional credentials.<sup>49</sup>

Sullivan’s findings about the operation of the Service Connector during 2002 include the following:

- The “underlying [Service Connector] concept . . . was flawed” in two respects. First, the continuous contact with residents needed to develop trust relationships “was not possible in light of the large number of families and the few case managers . . .” Second, the program was voluntary, yet families who most needed help were least likely to request it. “The Service Connector personnel had virtually no time to pursue those . . . who most needed their help.”
- “The amount allocated for salaries . . . was so low that it was difficult to find qualified professional personnel.”
- Though residents often failed to contact outside agencies to which they had been referred or to pursue agency recommendations, mere referrals counted toward performance evaluations of Service Connector contractors.
- Employment was a primary emphasis, but many residents required intensive supportive services in order to retain jobs or even become employable; many placed in jobs were unable to hold them for more than a few weeks.
- Service Connector personnel were supposed to maintain contact with and continue to offer help to families who had moved with vouchers, but in fact had “very little contact” with such families after they relocated.

Sullivan’s overall conclusion was that in 2002 the Service Connector program was “grossly underfunded,” “grossly understaffed,” and that it did not “even come close to accomplishing” its announced objectives.<sup>50</sup>

CHA responded to Sullivan's reports by making some changes in its Service Connector program, including an increase in annual funding from \$5.9 to \$7.1 million. However, Sullivan's report for the next year (2003) expressed continuing reservations. Many families had "no contact with Service Connector representatives before or after their relocation," the ratio of Service Connector personnel to residents remained very high," and overall the Service Connector program was "poorly managed, disorganized and inefficient." Although the program was "markedly better" than in 2002, Sullivan said it was appropriate to repeat the substance of the recommendations he had made the previous year.<sup>51</sup>

Again, CHA responded. Funding for the Service Connector rose to \$17.1 million for a 15-month period in 2003-04, and to \$20.5 million in 2005. The additional funds enabled caseload reductions and improved service to voucher holders, including the establishment of "satellite" offices in five areas of Chicago that had large numbers of voucher-holding residents.<sup>52</sup>

Beginning in 2006, CHA received major help with respect to the important Service Connector goal of employment from the Partnership for New Communities (PNC). In that year, in collaboration with CHA, the Mayor's Office of Workforce Development (MOWD), and others, PNC launched a five-year, multi-million dollar effort called "Opportunity Chicago" that was specifically designed to help public housing residents find and retain employment. The goal over five years was to place 5,000 residents in jobs. In 2008 PNC released a review it had commissioned by Abt Associates, a research organization based in Cambridge, Massachusetts, and the Center for Urban Economic Development of the University of Illinois at Chicago. The review, covering Opportunity Chicago's first 18 months, made it clear that serious problems, at least as regards the employment goal, persisted.

- "[A]ll indications are that limits in Service Connector capacity and role, contractual disincentives and a lack of outcomes orientation hinder Service Connectors' effectiveness as workforce development intermediaries. . . ."
- A lack of connection between Service Connectors and MOWD programs constitute a "significant barrier to stable employment for CHA residents."
- "Most of the CHA placements. . . ." are temporary part-time positions," many in CHA's own Summer Enrichment and Food Service Programs.

Moreover, Service Connector data was extremely weak—there were "high levels" of missing and inconsistent data. In fact, most data on residents were "unusable for evaluation purposes," and it was not possible for the reviewers to make any evaluative statements at all about the quality of employment placements.<sup>53</sup> From a second report by the same two organizations (dated January 2009 and based on resident data through calendar year 2007) it was apparent—some four years after Sullivan had expressed continuing reservations about the Service Connector—that serious data problems persisted: "As was the case with 2006 data, 2007 resident-level data continue to exhibit data quality issues that create significant challenges for the evaluation," with the result that the reviewers were "unable to make evaluative statements about the quality of employment placements. . . ." <sup>54</sup>

In fall 2007, a new management team at CHA decided to end the Service Connector and to replace it with an entirely different program called “FamilyWorks.” The new program began formally in April 2008 with the Chicago Department of Human Services as program administrator under a contract with CHA, but start-up issues delayed full implementation for several months. Six FamilyWorks service provider agencies (all previous Service Connector contractors) were hired, one for each of six “regions” into which the City was geographically divided for this purpose. In the fall of 2008, CHA terminated its contract with CDHS and assumed direct control of FamilyWorks administration.

Though referrals to specialized social services agencies continue, FamilyWorks providers are required to have a clinical caseworker on staff and to make “direct” employment services available (including a transitional jobs program with subsidized employment). Case managers are being trained to evaluate the employability of individuals and to set employment goals accordingly. Other programs—such as financial literacy and after-school children’s programs—are provided as well. The new CHA management team meets regularly with FamilyWorks providers to discuss “outcome measures,” such as employment placements, enrollment in various programs, and others. Funding too has grown and is currently at the rate of almost \$30 million annually, enabling—among other things—substantially lower caseloads than under the Service Connector. Currently (mid-May 2009) FamilyWorks serves approximately 10,000-11,000 families, of whom some 3,000-4,000 are on temporary vouchers.<sup>55</sup>

It is too early to express any views about how well FamilyWorks is working—as of this writing the new program has been fully up and running in some regions for less than a year. On paper, FamilyWorks appears to address many of the Service Connector’s failings. However, the January 2009 Opportunity Chicago report from Abt Associates and the University of Illinois indicates that Service Connector data problems had not yet been completely resolved and expresses concern about lack of standardization of clinical staff assessments among FamilyWorks agencies and “communication breakdowns” between FamilyWorks and Opportunity Chicago agencies. It adds that program components of FamilyWorks are “targeted for ongoing development and improvement.”<sup>56</sup>

It is not too early, however, to point to a series of failings with respect to CHA’s pre-FamilyWorks performance of its social services undertaking. First, as with its “compassionate relocation” promise, CHA embarked without a sound social services plan in place; it subjected thousands of families to the trauma of moving without being prepared to assure them realistic access to the services needed to ameliorate that trauma and to improve their lives. Second, the plan it then prepared and began to implement was flawed in concept and grossly underfunded. Third, the flawed system, though modified beginning in 2003 and supported with increased funding, was allowed to run for nearly five more years before CHA finally replaced it with a new one.

Perhaps the kindest observation to be made is that, over time and too late to make much difference in the initial experiences of thousands of families, CHA and the City attempted to learn from and correct many of their social services mistakes, finally replacing the Service Connector with a program that appears to have more promise. It must also be said, however, that the learning and correction were belated and incomplete. With respect to the key goal of employment, the failure even to collect basic data, years after initiation of the Service Connector, seems impossible to justify.



“Traditional” public housing is a group of ten developments, not required by federal law and HUD rules to be demolished, that CHA has chosen to rehabilitate but otherwise keep “as is.” Under the Plan, these developments will continue to be owned by CHA and will continue to be occupied entirely by public housing families, not turned over to private developers for the creation of mixed-income communities.<sup>57</sup>

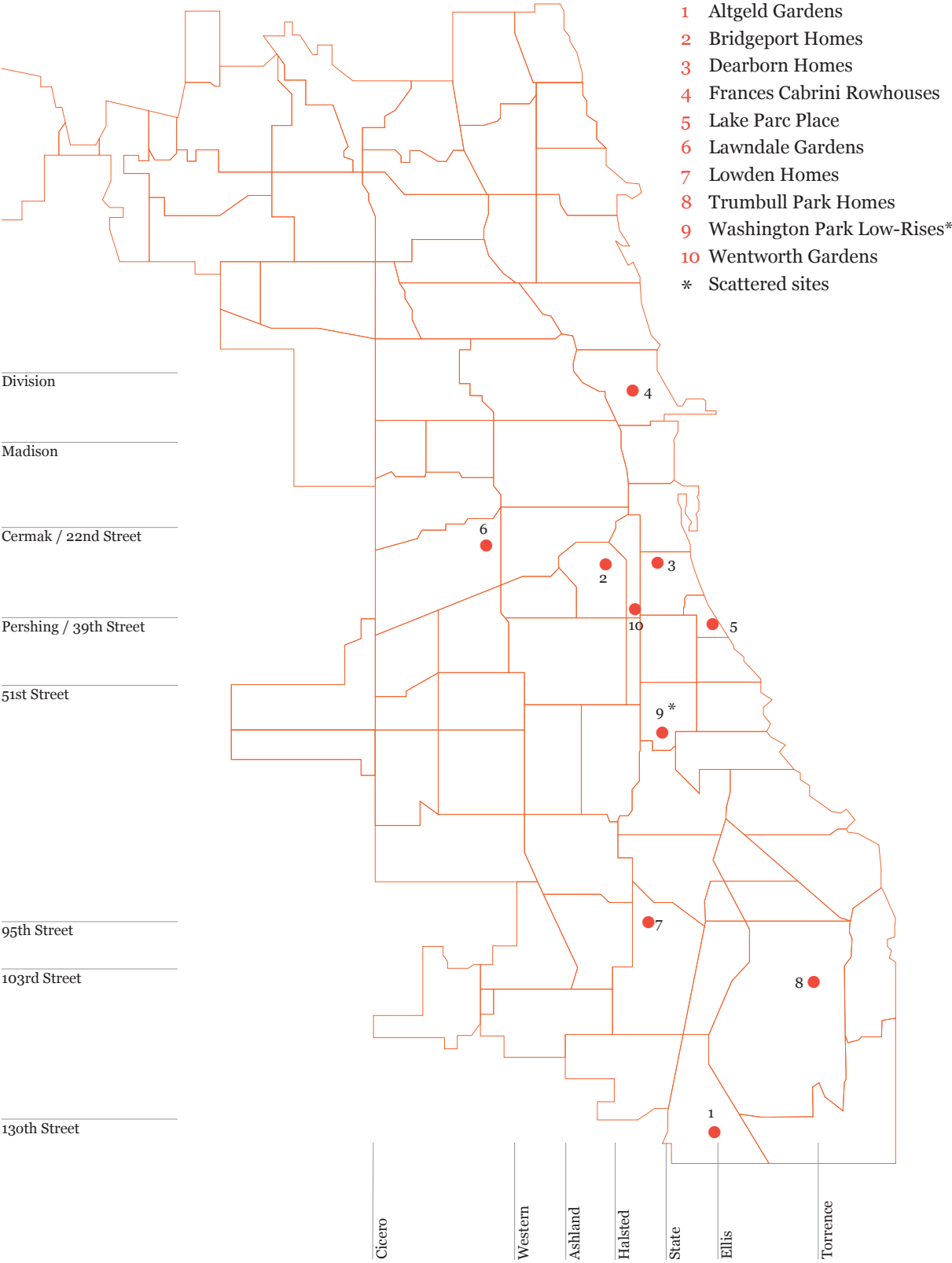
Like the mixed-income developments, traditional developments are in different neighborhoods and include different building types and sizes. With the exception of the scattered (albeit clustered) buildings of the Washington Park Low Rises development, however, they all share a single characteristic—they are enclaves of predominantly very poor, predominantly African-American families, many of whom have lived in public housing for a long time. Collectively, they are to house over 5,000 families. They are listed and briefly described in Appendix B.

CHA’s decision to rehabilitate these properties rather than to redevelop them as mixed-income communities runs counter to one of the Plan’s infusing themes—economic integration. Although not as big as the largest high-rise complexes, three of the traditional developments will, when completed, concentrate in a single location large numbers of low-income families: 1,998 at Altgeld Gardens, 660 at Dearborn Homes, and 586 at Frances Cabrini Rowhouses. Several others, at a somewhat lesser scale, do the same, such as Trumbull Park Homes with 434 units, and Wentworth Gardens with 343. Choosing between rehabilitation and redevelopment obviously requires consideration of a number of factors, but, as we discuss below, the decision to rehabilitate may have an important bearing on CHA’s ability to “transform” these developments and to rebuild the lives of their residents.

CHA’s original goals for the traditional developments were the same as its goals for mixed-income communities. Like the latter developments, traditional properties would be brought to a “standard of quality sufficient to attract a mix of incomes so that public housing does not again become home to extreme concentrations of poverty.” CHA would “support families in [efforts to achieve economic self-sufficiency] by facilitating connections to supportive services,” and “[c]ontribute to the improvement of the neighborhoods and communities where public housing is located.”<sup>58</sup>

In 2008, CHA reaffirmed these goals. Work requirements for residents of traditional developments, coupled with “extensive support services,” were announced; these were intended to “ensure a better quality of life for tenants and the surrounding communities alike.” CHA added, “The success of the Plan for Transformation is measured not only in CHA’s mixed-income developments, but across the entire housing stock—including renovated traditional public housing developments. The same standards of quality housing, meaningful services and community reintegration apply to help ensure that past problems and deterioration do not reoccur.”<sup>59</sup>

# Traditional (Rehabilitation) Developments



As shown in Appendix B, physical rehabilitation of the traditional developments is about half finished. At five of the developments all work is done, and rehabilitation is underway at the remainder. The work varies from development to development, but generally involves both building and site renovation. Among other things, buildings have received new roofs, facades, doors, and windows; new or improved heating, air conditioning, and electrical systems; and updated kitchens and bathrooms. Site work has included new sidewalks, play areas, outdoor lighting, and landscaping. Though rehabilitation has not camouflaged the look of institutionalized public housing, physical improvement is palpable.

Progress beyond bricks and mortar, however, is less clear. We begin our discussion with some observations about the largest of the traditional public housing developments, Altgeld Gardens. Built on Chicago's far Southeast Side for black World War II factory workers, near steel mills (now closed), landfills, and a sewage treatment plant, Altgeld originally consisted of 1,500 units in 162 groups of row houses. Five hundred more units (Philip Murray Homes) were added in 1954. Because the site was distant from both established residential sections of the City and (except for limited bus service) public transit, provision was made for community facilities, including a City Board of Health station, a public library, public schools, a nursery school, and a privately developed shopping center of stores and offices.<sup>60</sup>

As with many other CHA developments, however, the halcyon days were long gone before the start of the Plan. Serious physical deterioration, leading to scores of vacant, boarded units, drug traffic, and crime (including violent crime), came to characterize Altgeld. When the decision was made to rehabilitate, "immediate essential capital improvements" were necessary before rehabilitation could commence.<sup>61</sup>

Rehabilitation of Altgeld is now about 40 percent finished. Yet, nearly ten years into the Plan, crime is not infrequent and drug dealing not uncommon. The development remains economically depressed (average annual household income as of June 30, 2008, was \$9,947), and residents continue to feel isolated. Families in rehabilitated units live adjacent to block upon block of ugly, boarded-up buildings. Vacant units have attracted squatters and there has been some vandalism, even of rehabilitated units. A resident council meeting, discussing drug traffickers' use of children's play areas, referred to one of them as the "Devil's Playground."<sup>62</sup> The empty shopping-center building has a forbidding look. Like a bad joke, it squats directly across the street from a Child Development Center, and one of the local schools looks out upon a block of boarded row houses, also directly across the street.

CHA has had difficulty attracting relocating families to Altgeld. In a newspaper interview, a woman on CHA's waiting list described her visit to Altgeld the night after attending an open house there. Finding drug dealers operating in the open and prostitutes on the streets, she was understandably concerned about moving in.<sup>63</sup> CHA's latest plan spreads remaining Altgeld rehabilitation over five more years. That will be almost a decade and a half after the Plan for Transformation announced that CHA's traditional developments would not again become home to extreme concentrations of poverty.

Altgeld is atypical because it is so large and because so much rehabilitation remains to be done. But other traditional developments have some of Altgeld's problems. Drug markets appear to be thriving at Lake Parc Place—a local resident and community leader

reports that it is sometimes not possible to drive down the street that fronts the development because of stopped traffic.<sup>64</sup> As at Altgeld, residents of many of the other traditional developments complain about drugs, gangs, crime, and a paucity of youth programming. Options for neighborhood schools, particularly high schools, are frequently poor.<sup>65</sup>

This array of problems does not appear to plague, at least to the same degree, two of the smaller traditional developments: Lawndale Gardens and Bridgeport Homes (125 and 111 units, respectively). However, residents at Lowden Homes, which at 127 units is about the size of Lawndale and Bridgeport, report that security cameras have been vandalized and not repaired, drug dealing is common, and children are not able to use the adjacent playground in the summer because of the amount of criminal activity that takes place there.<sup>66</sup>

These concerns about many of the traditional developments lead to some sobering observations. First, as with its early relocation and social service failures, CHA failed to plan for the obvious. It knew from its own experience that conditions at a number of the developments were poor. Yet at the outset of the Plan, notwithstanding its intention to provide meaningful services to assure that past problems did not recur, CHA had no satisfactory plans beyond physical rehabilitation to begin to change existing conditions. The Service Connector was, as we have seen, a most unhappy story. There were no effective plans for enhanced security measures, programming for children and youth, developing recreational facilities, stimulating economic development, or providing quality school options. Some of these issues are, of course, not within CHA's direct control. Still, CHA should have worked on them with the City, its key partner and cosigner of the Plan for Transformation, which does have relevant power and leverage.

Second, notwithstanding partial, or even complete, physical rehabilitation, today—almost a decade after the signing of the Plan for Transformation—conditions at many of the traditional developments remain poor. The “past problems” CHA said would “not reoccur” simply never became past. Driving through Altgeld Gardens is a depressing experience. But even at Trumbull Park Homes, Wentworth Gardens, and Lowden Homes, smaller traditional developments where rehabilitation is complete, the impression of a public housing “project” is unmistakable. Life circumstances appear to have changed little if at all at the rehabilitated Washington Park Low-Rises adjacent to the Legends South redevelopment, where neighbors complain of the regular gathering of large crowds in evening hours (and through the nights), drug dealing (including stopping cars to make sales), and the necessity of frequent calls to the police. Lake Parc Place, like the high-rises of old, appears to be a festering neighborhood sore.<sup>67</sup>

To some extent, disappointing progress can be attributed to the difficulty and complexity of the challenges CHA faces in attempting to transform traditional developments. But, perhaps because mixed-income development occupied center stage, it may be attributable to an absence of focused attention. In fact, CHA's use of traditional developments as temporary relocation “resources” as it downed the high-rises actually worsened conditions both for long-time residents and for those moving in. At Dearborn, for example, the relocation of residents from both Taylor Homes and Stateway Gardens resulted in multiple gangs competing for territory within the development.

The good news may be that CHA is perhaps at last beginning to focus its attention

on the traditional developments. CHA is a major funder of a demonstration launched in March 2007—the Chicago Family Case Management Demonstration—under which families in Dearborn Homes (and some families relocated out of Wells) are provided an enhanced array of supportive services that includes intensive family case management, mental health services, a transitional jobs program, a literacy program, and a financial literacy and matched savings program. With caseloads of about 30 families per caseworker, the ratios are significantly lower than caseloads in FamilyWorks. The impact and cost effectiveness of the demonstration are being evaluated by the Urban Institute, which also coordinates and manages the study; the Institute expects to announce findings in early 2010. Already, however, the Demonstration’s service provider, Heartland Alliance, has reported that resident engagement—the essential first step if services are to be effective—is roughly double the level of engagement in the “standard” FamilyWorks program it also administers.<sup>68</sup>

In January 2009 an authority-wide work requirement became effective. Unlike the mixed-income requirement of 30 hours per week, it requires adult residents either to be employed or engaged in an approved combination of work, school, training, or volunteer service for 15 hours per week—20 per week in two years. To move into public housing, adults on the CHA waiting list must be working, not training or in school. Given the downturn in the economy, the enhanced services of the Family Case Management Demonstration may be even more crucial if these work requirements are to improve CHA demographics rather than increase eviction rates.

CHA may also be ready to address security issues seriously in at least one of the traditional developments. A new security plan for Dearborn Homes (not yet implemented) includes a fence around the entire property, entry limited to one guarded gate, and an access-card requirement for entry to individual buildings.<sup>69</sup> In addition, CHA has recently moved to increase youth programming for children of its residents. Whereas it had previously subsidized resident youth participation in Chicago Park District (CPD) summer programs, in 2008 CHA began subsidizing CHA youth participation in CPD programming year round.<sup>70</sup> (This, however, does not necessarily increase the amount of youth programming available to children and youth near their homes.)

Where CHA goes from here will be critical. Some of the issues are: whether CHA utilizes lessons from the Family Case Management Demonstration and develops a truly effective package of services and, with sufficient well-qualified personnel, extends the package to all family members of all traditional developments; whether it develops and implements effective, comprehensive security strategies for all traditional developments; whether with the Chicago Park District it can arrange to increase youth programming close to where traditional development residents live; whether it and CPS jointly address school quality issues in and around these developments with increased urgency; and whether it closely monitors the performance of its contract managers, including—in addition to traditional management responsibilities—management’s attention to these issues of social services, security, youth activities, and schools. Absent substantial progress in these areas, it is likely that the traditional developments will remain the public housing of Chicago’s past.

Even beyond such progress, however, a question can be raised as to whether CHA and the City should have attempted to climb this particular mountain. Near the beginning

of this report we said that, on balance, the City and CHA did a good job in embracing a bold vision for the Plan as a whole, with one important exception. The “vision” for Altgeld and the other large traditional developments is the exception. A well-regarded history of Chicago public housing observes that constructing Altgeld was “questionable” because it reinforced the precedent of government segregation of Chicago’s black population, “in this case in an isolated location far from the established residential sections of the city.”<sup>71</sup> The imperatives of World War II and then customary residential segregation help explain the “questionable” decision to build Altgeld in the first place. It is less easy to understand why, in the new century, the Plan for Transformation would choose to rehabilitate such a place.<sup>72</sup>

The extensive literature on concentrated poverty strongly suggests that maintaining large enclaves of family public housing in an urban setting is a questionable enterprise. One analysis puts it this way: “Leaving distressed public housing projects standing means that local housing agencies (and HUD) are paying huge sums to operate and maintain obsolete structures, that families with children are living in dangerous and destructive environments, and that the surrounding neighborhoods are blighted and property values depressed. All these outcomes cost taxpayers money at the same time that they destroy lives and communities.”<sup>73</sup>

In testimony before a Congressional committee Renee Glover, head of the Atlanta Housing Authority, made the same point more forcefully:

“Warehousing the poor has made a legacy out of poverty, trapping great-grand mothers, grandmothers, mothers, children and children with children in a cycle where the only conceivable aspiration is to one day get a public housing apartment of your own. . . . Tax dollars should not perpetuate a housing condition that condemns, stereotypes, stigmatizes, and, for all practical purposes, damns the people it is supposed to help. And that’s what we are doing if we maintain the status quo.”<sup>74</sup>

It is true that the City/CHA vision involved providing a quality and quantity of social services that would rebuild the lives of the intergenerational residents of whom Glover speaks and that would end their “damning.” As we have seen, the City and CHA have so far failed in this undertaking. But the larger question raised by Glover is whether rebuilding lives within warehouses of poverty is possible.

Though CHA and the City may lack the resources (especially in the current economic climate and after having embarked on rehabilitation) to convert the traditional developments to mixed-income communities, perhaps that is precisely what the avowed long-term goal should be, acknowledgment of which would undoubtedly shape interim activities. Part Four of our report offers some thoughts in this regard.

# Part Four

## Bright Future, Or...?



**Chicago's Plan for Transformation** presents a mixed picture. On the one hand the City and CHA deserve praise for their far-sighted vision to eliminate many of the failed enclaves of poverty that had incubated so many failed lives and for their progress in replacing them with economically integrated communities that include but are not dominated by public housing.

On the other hand they deserve criticism for their failure to responsibly plan for and carry out compassionately the relocation of thousands of families, for their failure to provide effectively the social services they had promised to rebuild lives, and for their questionable decision (and flawed implementation of that) to maintain large enclaves of traditional, 100 percent public housing families.

The purpose of this Part Four, however, is not to summarize what we have already said. It is to suggest how the City, CHA, and other policymakers may glean lessons from these experiences that can be put to good use over the remaining years of Chicago's Plan, and perhaps in similar transformation projects elsewhere in the country. We have grouped these possibilities, as we see them, into three major areas: (1) maximizing the chances that the new mixed-income developments will thrive; (2) rethinking plans for traditional family developments; and (3) improving relocation and social services, and offering these improved services to those who should have received them but did not.

## 1. Mixed-Income Communities

Mixed-income communities are the “crown jewels” of the Plan for Transformation, but they are at risk of being tarnished for several reasons. One is that neighborhood development has not been given sufficient priority. Mixed-income communities will not thrive over the long term without nearby retail establishments, programming for children and youth, quality day care, parks and recreation facilities, and the like. Too many of the Plan's mixed-income communities come up short on these essentials.

Although neighborhood development is not CHA's primary responsibility, it is the City's. As a key partner in the Plan for Transformation, the City should use its leverage (over business and philanthropy, parks and parks programming, etc.) as well as its own programs and resources to prioritize neighborhood development in and for the Plan's mixed-income communities. Perhaps the City's responsibility, in this respect, for all of the Plan's mixed-income communities should be coordinated by one suitably empowered overseer, a kind of mixed-income neighborhood development “czar.”

It is true that this recommendation implicates political challenges, for non-Plan neighborhoods are entitled to their “fair share” of City resources and energy. But the Plan for Transformation is a once-in-a-lifetime opportunity for the City at large. The Plan's needs should command a special priority while that window of opportunity remains open. The entire City will reap benefits if mixed-income communities thrive;

the entire City will suffer if they fail.<sup>75</sup>

A second reason to be concerned about the future of the mixed-income communities is the quality of the local schools. Having assumed responsibility for both public schools and public housing, Mayor Daley is plainly in a position to mandate that Chicago Public Schools and CHA engage in the increased coordination, intensified joint planning, and allocation of resources that are needed if the new mixed-income communities are to be served by the high-quality local public schools that are essential to their vitality and, perhaps, to their viability.

Third, attention must be paid to social services for residents of mixed-income communities. Through its contracts with the developers/managers of these communities and careful monitoring of how they are providing social services to their public housing residents (and based on the teaching of the Family Case Management Demonstration), a long-term, supportive commitment from CHA is clearly required. (The Atlanta Housing Authority provides five years of social services for families displaced from its HOPE VI-funded, mixed-income developments.)

Fourth, issues of “community” also require attention, particularly in the wake of the market downturn. Careful CHA monitoring of management’s handling of such matters as tensions between renters and owners, as well as tracking the quality of on-site management generally, is of great importance.

Finally, because the market downturn has put at risk the ability to achieve a broad income mix in the substantial amount of redevelopment still to come, prompt and creative attention needs to be paid to this major concern by both the City and CHA. The redesign of “product” at Taylor should be a starting, not an ending, point for discussions at the highest levels and for bringing to bear the City’s range of powers. Smaller units, more vigorous marketing, and buyer incentives are some of the steps to be considered. The difficulty of the challenge presented by the market downturn needs to be matched by creativity and resources from the City, CHA, and the business and philanthropic sectors, lest the great promise of thriving mixed-income communities itself be placed at risk.

It is worth repeating for emphasis that what is really at stake is the sustainability of the mixed-income developments. Their physical, social, and financial health should be systematically monitored by the City and CHA, and creative attention devoted to the five challenges we have identified. Absent this, the great promise of these communities may never be realized.

## 2. Traditional Developments

In traditional developments such as Altgeld Gardens, Trumbull Park Homes, and others, large numbers of impoverished, frequently troubled public housing families are living in enclaves of public housing poverty. We are concerned that physical rehabilitation and a strong FamilyWorks program will not suffice to accomplish the Plan for Transformation’s stated goal of attracting to the traditional developments a mix of incomes that will avoid extreme concentrations of poverty.

The choice CHA and the City made almost ten years ago to rehabilitate the traditional developments is one that, under circumstances comparable in many respects to those in Chicago, the Atlanta Housing Authority rejected. “[W]e rejected the idea of creating a new and improved version of traditional public housing—a product of what we viewed as

a failed strategy,” the Atlanta Authority said. Concluding that the “only lasting solution was to permanently close those warehouses of crushing poverty,” Atlanta chose instead to move residents “into improved environments and better housing in a thoughtful, careful manner,” and then begin “the longer-term process of integrating them into the economic and social mainstream.”<sup>76</sup>

Well embarked upon that longer-term process, and having now closed every one of its “warehouses,” Atlanta has committed to a minimum of twenty-seven months of such “integrating” services for families relocated from traditional developments, and at least five years for families relocated from HOPE VI-funded developments. In addition to extensive relocation services from its own relocation staff, Atlanta’s contracted social services agency provides services through a staff of 50 field counselors, backed up by 20 office-based data-entry people. Field counselors (each must have a college degree to be hired) attempt to establish relationships with each family member; not infrequently they meet adults at work and children at family court or school.<sup>77</sup>

Water has already flowed over Chicago’s dam, and it is too late to make Atlanta’s decision to “close those warehouses.” But it is not too late to develop and implement plans for Altgeld, Trumbull, and the others that could convert warehouses into communities and accelerate the process of integrating their residents into the economic mainstream.

How? The answer, we suggest, involves at least four steps. The object of the first two is to diminish the size of the public housing population living in—and thereby deconcentrate the poverty of—the traditional developments. The object of the third and fourth is to improve life circumstances for those who remain by strengthening their supports and by introducing a non-public housing population among them.

Step number one would be to develop supportive housing for the portion of the resident population of traditional developments that, realistically speaking, requires more supportive social services than can be provided through programs such as CHA’s FamilyWorks. Supportive housing is generally defined as a combination of subsidized housing and comprehensive social services to help people live more stable, productive lives than would be possible without the combination. It has been viewed as benefiting persons facing serious, persistent issues such as mental illness, substance abuse, and HIV/AIDS, or those suffering from the effects of serious trauma.<sup>78</sup> Recently, CHA participated with four other City agencies in “Chicago’s Supportive Housing Initiative” to get some supportive housing “slots” for CHA residents.

Our first recommended step thus has two parts: (1) a focused effort to identify those residents of traditional developments for whom supportive housing would be appropriate; and (2) a development initiative to house as many of these residents as possible in supportive housing facilities. (Because CHA can supply financing help to supportive housing developers through so-called “project-based” housing vouchers, it has the leverage to assure that a portion of the developed housing is earmarked for its residents.) The result would be that some of the most severely troubled residents would leave traditional developments and—to the benefit of themselves and the developments—move to supportive housing facilities.

Step number two would be to offer state-of-the-art mobility counseling to all traditional development residents. What do we mean by “state-of-the-art” mobility counseling? Although CHA offers mobility counseling to relocating families, we believe that the CHA

program does not take full advantage of what practitioners elsewhere have developed. For example, in addition to housing search assistance; help with security deposits, credit issues, and family budgeting; and referrals to specialized agencies for adult education and job training, youth recreation programs, health benefit assistance, and the like—all of which are by now familiar elements of many such programs—a Baltimore mobility program operates regionally and offers driver education, an automobile acquisition program, and two years of intensive post-move counseling for adults on both employment and education options for children. The program is experiencing considerable success—some 1,400 families have moved from neighborhoods of 33 percent to 7.5 percent average poverty, from neighborhoods that were 81 percent African American to those that are 69 percent white, and from neighborhoods with median incomes of barely \$24,000 to those with median incomes of well over \$48,000.<sup>79</sup>

In short, CHA should create a regional mobility program that includes the best features of such programs operating elsewhere in the country and should offer such an enriched program to the residents of the traditional developments. Practitioners uniformly report that mobility works better when families are volunteers rather than undergoing the trauma of forced displacement, in part because they are then better able to understand that mobility is not merely a choice between one location and another, but between one way of life and another. Based on the experiences of other programs, it is possible that substantial numbers of families would volunteer to accept an offer from this kind of mobility program and relocate to “neighborhoods of opportunity,” thereby further reducing the poverty populations of the traditional developments.

The third step would be to provide a strong social services program to those who remain. Perhaps FamilyWorks, undoubtedly a considerable improvement over the Service Connector, will prove to be adequate—with low enough ratios of clients to case managers to enable service personnel to spend sufficient time with each family member to properly assess needs, to select jointly with the family an individualized course of action, and to follow through for a long enough period of time to assure that the planned course of action is implemented. This is what the Family Case Management Demonstration is attempting to do, and, without waiting for its formal evaluation, the new CHA management team appears to be incorporating some of its features into FamilyWorks. Time will tell whether the new FamilyWorks program is intensive enough—especially whether it employs enough qualified personnel to enable a low enough ratio of clients to case managers, and whether it secures funding commitments sufficient to maintain services over a long enough period of time for each participating family.

One way to take the fourth step, which is introducing non-public housing families into traditional developments, would be to adopt the approach used at Hilliard Towers, where two large public housing buildings have been redeveloped by a private developer into a mix of tax-credit and public housing units. Since a number of the traditional developments consist of separate clusters of row houses, this fourth step in the strategy might begin with portions rather than the entirety of a development. Instead of constituting an obstacle to a change of direction, the physical rehabilitation already done could make it easier than it would otherwise have been to interest private developers in employing the “Hilliard model” in portions of rehabilitated traditional developments. At Altgeld, where hundreds of units remain to be rehabilitated, the

better part of wisdom might be to redevelop the remaining units along Hilliard lines.

At the Frances Cabrini Rowhouses, on the other hand, the favorable location suggests the possibility of moving directly to full mixed-income.<sup>80</sup> Similarly, a commitment to convert Dearborn Homes to mixed-income would make good sense. In challenging geographic and economic circumstances, the remainder of the State Street Corridor is planned to become a series of mixed-income communities. Leaving a rehabilitated Dearborn as an enclave of low-income public housing within that mixed-income corridor would constitute an additional, hardly needed challenge to its sustainability.

These steps will of course take time and money. Meanwhile, thousands of CHA families in traditional developments are living in unsatisfactory circumstances as regards crime and security. Although, as we have said, indications are that CHA is beginning to focus attention on this matter, it is now nearly ten years after the Plan for Transformation promised that traditional developments would be brought to a “standard of quality sufficient to attract a mix of incomes.” Focused *effective* attention cannot come too soon. Until traditional developments are transformed into something other than poverty enclaves, threats to personal security will remain the front-burner issue in the lives of most of their residents.

### 3. Relocation and Social Services

The number of families still to be relocated is not negligible. Even though CHA’s basic relocation services may now be “pretty good,” we believe that in one respect more needs to be done: CHA’s mobility counseling can and should be improved to state-of-the-art status, and CHA’s relocation services should include an effective introduction for residents to the mobility prospects a state-of-the-art program makes realistically possible. Moreover, as a matter of elemental fairness, an offer of such state-of-the-art help should also be made to the families who were forcibly relocated without it.

Apart from the social services recommendations we have made for residents of mixed-income and traditional developments, we believe that CHA should assure the further development and improvement of FamilyWorks in the following ways:

**Monitoring** FamilyWorks is still new and is being administered by six different agencies. To insure maximum effectiveness, CHA should carefully monitor program delivery, rigorously evaluate outcomes on a regular basis, modify program elements as indicated, and make its findings publicly available. (We believe that CHA’s new management team is likeminded with respect to this recommendation.)

**Long-Term Commitment** Experience has shown that if the Plan’s rebuilding lives goal is to be achieved, for some families supportive services must be provided over a long period. Tailoring to meet the varying needs of specific families is of course appropriate, but an arbitrary time limit applicable to all families in a particular category (for example, a transitional period of only a few months for families relocating permanently with vouchers) is inappropriate.

**Remedial Support** Since thousands of relocated families were not given the social services assistance they should have received over the first eight years of the Plan, they should receive that assistance now—a FamilyWorks program containing the essential elements we have described (including an offer of state-of-the-art mobility counseling). We emphasize that, in light of the social service failure that preceded FamilyWorks, as a

matter of fairness CHA should make an offer of FamilyWorks and state-of-the-art mobility counseling even to families who have relocated “permanently” (whether with vouchers or into public housing).<sup>81</sup>

**Funding** Additional funding for long-term social services support will of course be necessary. CHA should take the needed steps to secure it—from its own budget, the City, property managers, developers, the business and philanthropic communities, and federal programs.

**Alternatives to Work** A final observation as to social services relates to CHA’s work requirements. Long ago the National Commission on Severely Distressed Public Housing described residents as a severely distressed population in need of immediate assistance. Consistent with that finding, the Plan for Transformation proposed to rebuild lives through social services designed to assist residents to “achieve economic self-sufficiency . . . and participate fully in their communities.”<sup>82</sup> Striving for this goal with an emphasis on employment, the City and CHA have spent many millions of dollars in the Plan’s first decade on the Service Connector and FamilyWorks and on developing and implementing work requirements not only for families moving into mixed-income developments but for all public housing residents.

Yet one may question whether work requirements in their present form are realistic for the entire adult, able-bodied CHA population. *The Hidden War* raises obvious questions about the ability of a substantial portion of that population to get and keep jobs and achieve meaningful self-sufficiency. Toby Herr, head of Project Match and a well-respected researcher and practitioner in these matters, suggests that half the participants in jobs programs of whatever sort never achieve steady employment. Herr has examined results from a wide range of programs designed to help the long-term unemployed become steady workers—nationwide and over a 20-year period. The results show, she concludes, that year-round work is an unrealistic expectation for at least half the people served by these programs.

Herr does not argue that the programs are not effective for some people, or that society should give up on those for whom employment programs are ineffective or “give them a pass.” She does contend that for those in the low/no employment group, it is time to consider alternatives to work.<sup>83</sup>

What alternatives? Herr’s proposals for the 50 percent who can’t “make it” as steady workers include activities to benefit children, such as obtaining formal development screening for children age 0 to 3, adhering to any recommended treatment plan, entering children of all ages into better schools (magnets, charters, etc.), and enrolling children in extracurricular activities. Such activities, Herr argues, are beneficial to children in their own right, apart from the benefits to adults of agreeing to, performing, and verifying the performance of specified tasks on a regular schedule.<sup>84</sup>

In light of society’s growing understanding of the crucial importance of early childhood development, Herr’s analysis is most interesting. BPI suggests that it merits CHA’s attention.

# Conclusion



Except for the retention of ten traditional public housing projects, the basic goals of Chicago's Plan for Transformation are exemplary: take down the failed developments, replace them with economically integrated communities that include but are not dominated by public housing, relocate families compassionately to communities of opportunity, and provide all CHA families with realistic access to the assistance that will enable them to approach and enter the economic mainstream. Though implementation has been flawed, a new CHA management team seems determined to learn the lessons of the Plan's first ten years and, in the considerable Plan time still remaining, achieve those goals. BPI hopes that CHA and the City will find this report useful, and that the report will be helpful as well to those engaged elsewhere in the important and challenging tasks of revitalizing the nation's distressed public housing and in significantly improving the life circumstances of residents.

# Appendices

## Profiles of Major Mixed-Income Developments\*

	End of Plan	Number of Completed Units (as of 7/20/09)		
	Total CHA Family Units	CHA (%)	Affordable	Market Rate
<i>Family Housing Redevelopment—Mixed-Income</i>				
1. Lake Park Crescent/Jazz on the Boulevard (Lakefront Properties)	441	229 (52%)	129	215
2. Lathrop Homes	400	0 (0%)	0	0
3. LeClaire Courts Extension	300	0 (0%)	0	0
4. Legends South (Robert Taylor Homes)	851	245 (29%)	259	127
5. Oakwood Shores (Madden/Wells/Darrow)	900	207(23%)	183	194
6. Ogden North (Lawndale Complex)	100	0 (0%)	0	0
7. Park Boulevard/Pershing (Stateway Gardens)	439	74 (17%)	80	78
8. Parkside/Cabrini Replacement (Cabrini- Green)**	1,200	389 (32%)	155	1,457
9. Roosevelt Square (ABLA Homes)	1,467	574 (39%)	185	161
10. West End (Rockwell Gardens)	264	77 (29%)	53	112
11. West Haven (Henry Horner Homes)	824	744 (90%)	80	184
<i>Family Housing Rehabilitation—Mixed-Income</i>				
12. Hilliard Towers Apartments***	117	117 (100%)	185	0
<b>Totals</b>	<b>7,303</b>	<b>2,656 (36%)</b>	<b>1,309</b>	<b>2,528</b>

\* Does not include the scattered developments of Washington Park Homes or Fountainview (192 and 14 public housing units, respectively).

\*\* Does not include Frances Cabrini Rowhouses, scheduled for rehabilitation.

\*\*\* Does not include senior units (188 of 305 public housing units; 164 of 349 affordable units).

Sources: Chicago Housing Authority, *FY2009 Annual Plan*; CHA, *FY2008 Annual Report*; The Habitat Company LLC, CHA Scattered Site and Replacement Housing Programs, Quarterly Report, Second Quarter, 2009—July 20, 2009.

Sources for the profiles of the individual developments that follow include: CHA, *FY2009 Annual Plan*; CHA, *FY2008 Annual Report*; The Habitat Company LLC, CHA Scattered Site and Replacement Housing Programs, Quarterly Report, Second Quarter, 2009 – July 20, 2009; Devereux Bowly, Jr., *The Poorhouse: Subsidized Housing in Chicago, 1895-1976* (Carbondale and Edwardsville, Ill.: Southern Illinois University Press, 1978).

Photographs of developments included in Appendix A were provided by the Chicago Housing Authority.

# Lake Park Crescent/Jazz on the Boulevard (Lakefront Properties Replacement)



Pre-Redevelopment: Lakefront Properties



Post-Redevelopment: Lake Park Crescent

## Development Profile

Pre-Redevelopment:	604 units in four high-rise buildings, vacant since 1986 and demolished in 1995.
Current Redevelopment Plan:	1,007 total units (including Lake Park Crescent, Jazz on the Boulevard and scattered sites): 441 CHA units (44%), 163 affordable (16%), 403 market-rate (40%)
Percentage CHA units completed:	52%

## History

- The four demolished buildings being replaced included the Lake Michigan Homes and 4040 Oakenwald, all built in 1962-63 and located in Chicago’s Mid-South area near Lake Michigan.
- Jazz on the Boulevard was completed in 2007. Phase 1 of Lake Park Crescent was completed in 2008.

## Community Features

- Significant residential development is taking place in the Kenwood-Oakland neighborhood near Jazz. New retail development is being promoted to the west.
- The new Mandrake Park is just north of the development, between Jazz and the new Oakwood Shores development.

- The neighborhood is just west of Lake Shore Drive and Lake Michigan, convenient to downtown by car.

## Special Factors

- Jazz is a 100 percent condo development, with rental units purchased by an entity created by the developer for both affordable housing and leasing to CHA residents.
- Development of Lake Park Crescent, begun before the Plan for Transformation was signed, has been slow. Two developers are separately responsible for developing the site.
- Lake Park Crescent is adjacent to CHA’s troubled Lake Parc Place.



*Pre-Redevelopment: Lathrop Homes*

### Development Profile

Pre-Redevelopment:	925 CHA units
Current Redevelopment Plan:	To Be Determined

### History

- Julia Lathrop Homes, built in 1937 on Chicago's Northwest Side, includes two-, three-, and four-story buildings.
- Lathrop, currently scheduled for redevelopment, is in the planning stage. Some rehabilitation is also being considered.
- Lathrop's recent history as a racially integrated, well-occupied development with a high percentage of working adults is unusual among CHA developments.

### Community Features

- Lathrop is in a highly gentrified North Side community with good access to shopping.
- The development is located on a landscaped, campus-like setting along the Chicago River.

- Buses serve the site, but other transit is lacking.
- Nearby retail, commercial, and industrial development provides employment potential.

### Special Factors

- Lathrop has been found eligible for the National Register of Historic Places. Historic preservation of some or all of the development is a consideration in the redevelopment planning process.
- Lathrop redevelopment planning is considering "green design" elements, including the possibility of seeking LEED for Neighborhood Development certification, a first for CHA.

# LeClaire Courts Extension



Pre-Redevelopment: LeClaire Courts Extention

Development Profile	
Pre-Redevelopment:	300 CHA units
Current Redevelopment Plan:	To Be Determined

### History

- LeClaire Courts Extension, built in 1954 on Chicago’s Southwest Side, consists of two-story row houses. The adjacent City-State development, LeClaire Courts, is slated to close in September 2009.
- LeClaire Courts Extension is currently scheduled for redevelopment and is in the planning stage.

### Community Features

- LeClaire Courts Extension is located in a mixed commercial and residential area near Midway Airport.

- The Stevenson Expressway lies directly to the north, providing auto access to downtown, and buses run nearby.
- Nearby retail, commercial, and industrial development provide some employment potential.

### Special Factors

- LeClaire is on Cicero Avenue, a high-traffic truck route, as well as the main automobile route to Midway Airport.
- The City of Chicago has been considering a planning effort for the Cicero Corridor for some time, and LeClaire redevelopment may be included.

# Legends South (Formerly Robert Taylor Homes)



Pre-Redevelopment: Robert Taylor Homes



Post-Redevelopment: Legends South

## Development Profile

Pre-Redevelopment:	3,784 CHA units
Current Redevelopment Plan:	2,550 total units: 851 CHA units (33%), 831 affordable (33%), 868 market-rate (34%)
Percentage CHA units completed:	29%

## History

- Robert Taylor Homes, built in 1962, consisted of 4,415 units in 28 high-rise buildings on Chicago's South Side "State Street corridor," south of 39th Street. It was the largest public housing development in the world.
- The first Legends South units, built off-site in the area just east of the north end of the Taylor development, were completed in 2005.

## Community Features

- The neighborhood is not far from downtown but lacks much public transit.
- The area has seen only modest increased private real-estate investment, particularly north of 43rd Street.

- Economic development remains very limited, but a large commercial development, including a full-service grocery store, is planned just north of the Legends South site.
- Streetscape improvements on State Street are scheduled.

## Special Factors

- Approximately 600 of the planned units are to be off-site in the surrounding neighborhood, and two of the three phases completed to date have been off-site.
- Fifty-seven homeownership units were initially planned for the first on-site phase, and 40 more off-site, but to date none have been built due to lack of sales.

# Oakwood Shores (Formerly Madden/Wells/Darrow)



Pre-Redevelopment: Ida B. Wells Homes



Post-Redevelopment: Oakwood Shores

## Development Profile

Pre-Redevelopment:	2,891 CHA units
Current Redevelopment Plan:	3,000 total units: 900 CHA units (30%), 780 affordable (26%), 1,320 market-rate (44%)
Percentage CHA units completed:	23%

## History

- Originally four developments in Chicago’s mid-South Side area near Lake Michigan: Ida B. Wells Homes (1,662 low-rise and row house apartments built in 1941); Ida B. Wells Extension (ten 7-story buildings built in 1955); Clarence Darrow Homes (four 14-story buildings built in 1961); and Madden Park Homes (three 9-story buildings and seven low-rises built in 1970).
- The first new Oakwood Shores units were developed in 2004.

## Community Features

- Significant residential development is taking place south and west of Oakwood Shores. New retail development is being promoted to the west.
- Donoghue School, a University of Chicago charter school with a neighborhood attendance boundary, is an important community asset.
- Two parks: Mandrake Park (new), directly south of Oakwood Shores, and Ellis Park, to the north, are scheduled to house a new Arts and Recreation Center.

- The neighborhood is just west of Lake Shore Drive and Lake Michigan, convenient by car to downtown.
- Two other CHA redevelopment sites, Lake Park Crescent and Jazz on the Boulevard, are just south of Oakwood Shores.
- Oakwood Shores development plans include, in addition to family housing, a community center, a medical clinic, an early-childhood education center, senior housing, and small-scale retail.

## Special Factors

- The lead developer for the rental housing is a nationwide, mission-driven, nonprofit developer of affordable housing.
- The community and surrounding neighborhood have strong leadership committed to the mixed-income vision and active in the development process. CHA residents have long been preparing for the transition now taking place.
- Ida B. Wells public housing was once considered high-quality, working-class housing, and many in the community feel strongly about its history.

# Ogden North (Lawndale Complex/Ogden Courts)



*Pre-Redevelopment: Ogden Courts*

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## Development Profile

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Pre-Redevelopment:	187 CHA units
Current Redevelopment Plan:	300 total units: 100 CHA (one-third), 100 affordable (one-third), and 100 market-rate (one-third)

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## History

- Lawndale Complex, built in 1970 on Chicago's West Side, comprised one mid-rise and five low-rise buildings, all now demolished. The adjacent City-State development, Ogden Courts, was also demolished.
- Ogden North is currently scheduled for redevelopment and is in the planning stage.

## Community Features

- Mt. Sinai Hospital is located across the street and has plans to expand on the adjacent site, including an ambulatory-care facility.

- Douglas Park, a major Chicago park, is nearby.
- The area is well-served by buses, and transit is nearby.

## Special Factors

- The redevelopment plan is part of a negotiated arrangement, including a land swap, that will facilitate the expansion of Mt. Sinai Hospital.
- The redevelopment will proceed in several phases on separate land parcels in the area, including some mixed-income infill housing, and one parcel overlooking Douglas Park.
- The pairing of the CHA redevelopment and the hospital expansion is intended to provide significant employment opportunities.

# Park Boulevard/Pershing (Formerly Stateway Gardens)



Pre-Redevelopment: Stateway Gardens



Post-Redevelopment: Park Boulevard

## Development Profile

Pre-Redevelopment:	1,644 CHA
Current Redevelopment Plan:	1,316 total units: 439 CHA units (33%), 421 affordable (32%), 456 market-rate (35%)
Percentage CHA units completed:	17%

## History

- Built in 1958 on Chicago’s South Side “State Street Corridor,” Stateway Gardens consisted of eight high-rise buildings from 35th to 39th Streets.
- The first Stateway replacement building, The Pershing, an off-site rental building with affordable and public housing units, was completed in 2005. The first on-site units were completed in 2007.

## Community Features

- Park Boulevard is adjacent to the Illinois Institute of Technology (IIT), and U.S. Cellular Field (home of the Chicago White Sox) is three blocks to the west.
- There is easy access to transit lines, and a commuter rail stop at the site is planned.
- A Chicago public charter school opened a new campus one block east of Park Boulevard in fall 2008.

- The neighborhood benefits from its proximity to the South Loop, IIT, and U.S. Cellular Field. A new retail strip with Starbucks, Jimmy John’s, FedEx Kinko’s, and a bank has recently opened at the ground level of the Park Boulevard condo building at the corner of 35th and State.

## Special Factors

- Unlike most Transformation Plan communities, the first on-site phase of Park Boulevard is a for-sale-only project; the public housing units (one-third of the total) are dispersed in condos throughout. With the collapse of the real estate market, production of subsequent phases has stalled. Phase 2 (on-site) will have a rental component.
- The Pershing and Phase 1 on-site were built without HOPE VI funding. Phase 2 has received a HOPE VI grant.

# Parkside/Cabrini Replacement (Formerly Cabrini-Green)



*Pre-Redevelopment: Cabrini-Green*



*Post-Redevelopment: Parkside of Old Town*

## Development Profile

Pre-Redevelopment:	2,625 CHA units
Current Redevelopment Plan:	1,200 CHA; affordable and market-rate unit totals to be determined
Percentage CHA units completed:	32%

The Frances Cabrini Rowhouses (586 units) are scheduled for rehabilitation and are not included in the above pre-redevelopment or planned unit numbers. Presently, redevelopment plans exist for one of three remaining parts of the former Cabrini-Green: Frances Cabrini Extension North. No redevelopment plans have yet been prepared for the William Green Homes or Frances Cabrini Extension South.

## History

- Originally built in four phases on Chicago's Near North Side; Frances Cabrini Homes (Rowhouses) (1942), Cabrini Extension North and Extension South (1958), and the William Green Homes (1962). The Extensions were mid- and high-rise buildings, the Green Homes all high-rises.
- The subject of two resident lawsuits, Cabrini redevelopment largely proceeded until recently as private, off-site development in the surrounding neighborhood.
- Cabrini is the only CHA redevelopment site underway with high-rise buildings still standing.

- The first on-site units of Cabrini replacement were completed in 2005.

## Community Features

- The site is in close proximity to the Loop and public transportation.
- The neighborhood has substantial new retail, including a large supermarket and flourishing nearby shopping areas.
- A newly renovated park is located adjacent to the Parkside development.
- Significant high-end residential development has taken place in the surrounding neighborhood.

## Special Factors

- One of the earliest redevelopment sites, beginning years before the Plan for Transformation, litigation has significantly slowed demolition and construction.
- The surrounding neighborhood is highly gentrified, with a great deal of luxury residential development. Much of it contains some public housing.
- Sale and leasing of on-site replacement housing has in some cases been negatively impacted by remaining Cabrini high-rises.

# Roosevelt Square (Formerly ABLA Homes)



Pre-Redevelopment: Jane Addams Homes



Post-Redevelopment: Roosevelt Square

## Development Profile

Pre-Redevelopment:	3,235 CHA units
Current Redevelopment Plan:	3,155 total units: 1,467 CHA (46%), 720 affordable (23%), 968 market-rate (31%)
Percentage CHA units completed:	39%

## History

- ABLA is an acronym for four CHA developments built on this Near West Side site: Jane Addams Homes (built in 1938 with 32 low-rise buildings); Robert Brooks Homes (1943, 834 rowhouse units); Loomis Courts (1951, 2 mid-rise buildings); and Grace Abbott Homes (1955, 7 high-rises and 33 low-rises). The Brooks Homes Extension, built in 1961, added three more high-rises.
- 329 Brooks Homes units were rehabilitated in 1999; all are public housing. Loomis, a City-State property, was rehabilitated in 2005.
- The first Roosevelt Square units were completed in 2005.

## Community Features

- The site is close to downtown, the University of Illinois at Chicago, and the Illinois Medical District.

- The surrounding community is gentrified, with significant new market-rate housing and retail development.
- Fosco Park, with a new Chicago Park District fieldhouse and an indoor swimming pool, borders the development.
- A new fire station borders the property, and a new police station is planned for the site.

## Special Factors

- Both a traditional public housing development (Brooks Homes) and a CHA Project-Based Section 8 development (Loomis Courts) are included in the Roosevelt Square development.
- The redevelopment plan includes 383 off-site units for which there is currently no plan and no funding.

# West End (Formerly Rockwell Gardens)



*Pre-Redevelopment: Rockwell Gardens*



*Post-Redevelopment: West End*

## Development Profile

Pre-Redevelopment:	1,136 CHA units
Current Redevelopment Plan:	851 total units: 264 CHA (31%), 263 affordable (31%), 324 market-rate (38%)
Percentage CHA units completed:	29%

## History

- Built on the Near West Side in 1961, Rockwell Gardens comprised eight high-rise buildings.
- The first on-site West End units were completed in 2006.

- Some retail has been developed on the eastern boundary of the site; efforts are underway to attract more.
- A concerted effort to develop a grocery store nearby has not met with success.

## Community Features

- Close to downtown, with good auto, bus, and transit access, West End is directly south of an industrial corridor and north of the Illinois Medical District. Both areas provide access to employment.
- A Chicago Park District gymnastics and tumbling center on Western Avenue is in the early planning stage.
- A two-acre public park is planned for the west side of the new development (in 2010).

## Special Factors

- West End is bordered on one side by the Eisenhower Expressway and on another by a train viaduct, contributing to a sense of isolation at the site.
- Maplewood Courts, a City-State public housing development at the southwest corner of the site, has been demolished. A developer has been selected to build a new mixed-income rental development in this location.
- A public school (a citywide high school) was closed and reopened as a military academy. Another military academy, also a citywide high school, now shares the building.

# West Haven

## (Formerly Henry Horner Homes)



Pre-Redevelopment: Henry Horner Homes



Post-Redevelopment: West Haven

### Development Profile

Pre-Redevelopment:	1,743 CHA units
Current Redevelopment Plan:	1,310 total units: 824 CHA (63%), 134 affordable (10%), 352 market-rate (27%)
Percentage CHA units completed:	90%

### History

- Built on Chicago’s Near West Side in two stages, the Henry Horner Homes (1957) and the Horner Homes Extension (1961) contained a mix of high-rise and mid-rise buildings.
- The first phase of West Haven development (1996-2000) included new low-rise development, scattered sites, and rehabilitation of three Annex buildings, all 100 percent public housing.
- The first units in the second phase (mixed-income condos, flats, and town-homes) were completed in 2003.

### Community Features

- The neighborhood is slowly redeveloping, with assistance from the Near West Community Development Corporation and LISC’s New Communities Program.
- The United Center is immediately south of the development and a new Walgreens is to the west.

- A small amount of new retail development has taken place to the west of the development, and there is considerable development to the east.
- CTA lines are nearby, and buses run throughout.

### Special Factors

- West Haven redevelopment began in the mid-1990s as a result of a resident lawsuit. The first phase is 100 percent public housing, split between very-low-income families and those earning between 50 percent and 80 percent of Area Median Income. The lawsuit was settled in anticipation of the 1996 Democratic Convention, which was held at the United Center.
- The second phase of redevelopment is occurring in the manner of other Transformation Plan sites, with a private developer and mixed-income rental and for-sale housing.

# Hilliard Towers Apartments (Family Mixed-Income Rehabilitation)



*Pre-Rehabilitation: Raymond Hilliard Center*



*Post-Rehabilitation: Hilliard Towers Apartments*

## Development Profile

Pre-Redevelopment:	346 CHA family units*
Current Redevelopment Plan:	302 total family units: 117 CHA (39%), 185 affordable (61%)
Percentage CHA units completed:	100%
*Does not include senior units.	

## History

- Originally called Raymond Hilliard Center and designed by Bertrand Goldberg, the development was built in 1966 on the Near South Side, at the north end of State Street's public housing corridor. It contained two high-rises for families and two for seniors.
- Rehabilitation of Hilliard Towers Apartments was completed in 2007. It now contains public housing and affordable units.

## Community Features

- Hilliard is close to downtown and adjacent to Chicago's Chinatown community, with nearby shopping and good access to public transportation.

- A charter school and the National Teachers' Academy (a CPS elementary school), border the development.
- Harold Ickes Homes, a troubled public housing development currently undergoing demolition, is directly south of Hilliard.

## Special Factors

- Hilliard Towers is on the National Register of Historic Places, and is a controlled-access, gated community.
- The development includes two senior buildings, with a substantial Chinese population.

## Appendix B

### Profiles of Traditional (Rehabilitation) Developments\*

	Number of Units to Remain at End of Plan	Number of Completed Units through 2008 (%)
Altgeld Gardens	1998	829 (41%)
Dearborn Homes	660	202 (31%)
Frances Cabrini Rowhouses	586	0 (0%)
Trumbull Park Homes	434	434 (100%)
Wentworth Gardens	343	343 (100%)
Washington Park Low-Rises	330	217 (66%)
Lake Parc Place	300	300 (100%)
Lowden Homes	127	127 (100%)
Lawndale Gardens	125	62 (50%)
Bridgeport Homes	111	111 (100%)
<b>Total</b>	<b>5,014</b>	<b>2,625 (52%)</b>

\*Not including Harold Ickes Homes (312 units), originally planned to be rehabilitated but now classified as “To be rehabilitated or redeveloped.”

Sources: Chicago Housing Authority, *FY2009 Annual Plan*; CHA, *FY2008 Annual Report*.

Each of the traditional developments is wholly occupied by public housing families. All, with the exception of Washington Park Low-Rises, which is built on numerous scattered sites, consist of adjacent buildings at a single location. All have been or are planned to be physically rehabilitated and to continue under CHA’s sole ownership. A brief profile of each of the traditional developments follows. Source: *The Poorhouse*; CHA, *FY 2009 Annual Plan*; CHA, *FY 2008 Annual Report*.

### Altgeld Gardens

Altgeld's initial 1,500 units (in groups of two-story row houses) were built during World War II to house black factory workers. Another 500 units (Philip Murray Homes) were added in 1954. The site is 157 acres on the far South Side of Chicago, close to an industrial area and far from other residential development.

The passing years brought deterioration but did not much change Altgeld's isolation and racial homogeneity. The Plan for Transformation calls for rehabilitation of all 1,998 Altgeld units, including new heating and air-conditioning systems, new mechanical and electrical systems, and new doors and windows. Some 829 units were rehabilitated by the end of 2008; remaining work is to be spread over six more years.

### Dearborn Homes

The first of CHA's elevator developments, Dearborn Homes was completed in 1950 on some 16 acres in the South Side "State Street corridor." Its 800 units were grouped into 16 buildings, 6 and 9 stories tall, on only 10 percent of the site; the remainder was green space and children's play areas.

Over the years Dearborn suffered the deterioration typical of family high-rise developments. In the Plan's latest version, 660 Dearborn units are to be rehabilitated (202 of which were completed by the end of 2008), with the rest of the work to be phased over four more years.

### Frances Cabrini Rowhouses

The Frances Cabrini Rowhouses were built in 1941-42 on the site of an infamous slum on the Near North Side. The Rowhouses' 586 units consisted of 55 two- and three-story buildings, with the latter situated on the perimeter. A history of Chicago public housing says the "rows and rows of houses are very regimental in appearance, giving the impression of army barracks."

The years of deterioration led to vacancies and board-ups. The first stage of the rehabilitation called for by the Plan is now nearing completion.

### Trumbull Park Homes

Trumbull Park Homes is three miles north and a mile and a half east of Altgeld Gardens and is adjacent to a modest residential area on its north and east sides. Completed in 1938, and originally occupied exclusively by whites, Trumbull gave rise to the most serious racial strife in Chicago since the 1919 race riot when, beginning in 1953, some black families were admitted to the development. Its 434 units, in two-story rowhouses and four-story apartment buildings on 21 acres, are now occupied predominantly by African Americans.

Following the familiar downward cycle of deterioration, rehabilitation of Trumbull was completed in 2007. Today it is physically sound, but very large and unmistakably "public housing" in appearance.

### Wentworth Gardens

Like Altgeld, Wentworth Gardens, also in an industrial area, was intended for black factory workers. Because World War II ended in the year construction began, Wentworth was converted to public housing. The site was a four-square-block area on the South Side, adjacent to the original White Sox Park (demolished as part of site preparation), soon to be bordered by the multi-lane Dan Ryan Expressway. There were 422 units in 37 buildings, mostly two-story rowhouses with a cluster of three-story apartment buildings in the center. Rehabilitation of a deteriorated Wentworth was completed in 2007, reduced, however, from the original 422 units to 343.

### Washington Park Low-Rises

Built in 1962 and 1963 on numerous sites scattered throughout the Near South Side, Washington Park Low-Rises originally consisted of 378 units in 60 groups of two-story rowhouses. The rehabilitation plans call for reducing the number of units to 330. Two-thirds were finished by the end of 2008; the remaining 113 units are to be completed in 2009 and 2010.

### Lake Parc Place

Lake Parc Place was originally Victor A. Olander Homes and Olander Homes Extension, two 15-story, Y-shaped concrete towers with brick veneer built in 1953 and 1956, respectively, on the South Side just west of Lake Shore Drive and adjacent to railroad tracks. (Upper-story residents had lake views.) In 1962 and 1963, CHA built four more high-rises of the Taylor Homes' design a few hundred feet farther south. Each of the six buildings contained some 150 apartments.

The "Lakefront Properties," as the development was then known, soon went the way of the other CHA high-rises, and by the mid-1980s were so deteriorated that CHA vacated all six, promising to rehabilitate them. The four newer high-rises were eventually demolished, but in 1989-91 the Olander Homes, renamed Lake Parc Place, were not only rehabilitated but marketed as a kind of mixed-income housing, with half of the apartments to be rented to families at the upper-end of public housing income eligibility. Lake Parc Place also includes such amenities as ground-floor restrooms, 24-hour security, ceiling fans, wood cabinets, and stainless-steel kitchen sinks.

The experiment fell considerably short of success, and just ten years later a decision was made to rehabilitate again. The new rehabilitation was completed in 2004, but Lake Parc Place has once again become a troubled development, viewed by neighbors as a place of drugs and crime.

### Lowden Homes

Governor Frank O. Lowden Homes was another development of two-story row houses, 128 units in 18 clusters, built in the 1950s on a 10-acre tract on the Far South Side, a dozen miles south of the Loop and just east of State Street. After the usual deterioration, rehabilitation (127 units) was completed in 2006. Although in a residential neighborhood, Lowden is bordered on the north by a private residential development that is viewed by neighbors and police as a source of drugs and crime, and by a thoroughfare on the south characterized by vacant stores and empty lots.

### Lawndale Gardens

Lawndale Gardens, CHA's first experiment with small-scale public housing, was built in 1942 on six and a half acres on the lower West Side. Its 125 units are in four lines of two-story row houses. Rehabilitation is now about half done, with completion scheduled for 2009.

### Bridgeport Homes

Opened in 1943, Bridgeport Homes' 141 original units were all in two-story row houses grouped in 18 buildings. Unlike most other CHA developments, it was located within an established residential neighborhood on the Near South Side. This, and its small size, made it, according to a history of Chicago public housing, the only CHA housing of its era "not immediately identifiable... as public housing." Rehabilitation of Bridgeport (reduced to 111 units) was completed in 2008.

# Notes

Information for *The Third Side* comes from three sources: BPI interviews of numerous persons involved in or affected by the Plan for Transformation; direct observation of and to some extent participation in Plan activities by BPI staff; and books, journals, academic papers, reports of private and governmental agencies, newspapers, magazines, and online publications.

- 1 Terry Peterson, Chief Executive Officer, Chicago Housing Authority, letter accompanying *FY2004 Annual Report*, March 1, 2005 ; Adrienne G. Minley, Chief of Staff, Chicago Housing Authority, letter accompanying *FY2008 Annual Plan*, January 3, 2008.
- 2 Jason Grotto, Laurie Cohen and Sara Olkon, “Public Housing Limbo,” *Chicago Tribune*, July 6, 2008, 1.
- 3 The CHA owns some 2,500 scattered site units, located throughout the City of Chicago. All are privately managed. According to CHA’s annual reports all have been rehabilitated under the Plan for Transformation. CHA also owns some 9,500 senior units in about 50 locations throughout the City. These are also privately managed and are being rehabilitated by CHA. According to CHA’s most recent plan and report, 8,984 (95 percent) have been completed, with the rest to be delivered by 2012. Chicago Housing Authority, *FY2009 Annual Plan*, October 23, 2008, 74; Chicago Housing Authority, *FY2008 Annual Report*, April 2, 2009, 3. Some BPI interviews suggest that, as a result of the social services failure described in Part Three of this report (and apart from physical rehabilitation of their units), life for residents of senior and scattered site buildings has not changed much under the Plan for Transformation.
- 4 BPI lawyers represent the plaintiffs in *Gautreaux v. CHA*, an ongoing lawsuit initiated many years ago on behalf of public housing families who charged CHA with racial discrimination in selecting locations for public housing and in leasing practices. As a result of orders issued in the *Gautreaux* case, CHA must obtain court approval to develop new public housing in predominantly black neighborhoods. Most sites for CHA’s new mixed-income developments are in such neighborhoods; BPI therefore plays a role in negotiations leading up to the entry of such orders. BPI staff members also serve on Plan for Transformation “Working Groups” that play an oversight role at each mixed-income development. In 1987, The Habitat Company, a private real estate development and management firm, was appointed by the *Gautreaux* judge as Receiver for the development of new public housing and invested with CHA’s powers in that regard. Although in developing new public housing, including in Plan for Transformation mixed-income communities, technically Habitat alone is the “developer,” CHA and Habitat work cooperatively together. Habitat has accordingly played a major role in the development of mixed-income communities under the Plan.
- 5 CHA’s 154,705 residents in 1970 exceeded those of Rockford, the second largest city in Illinois, by some 7,000 persons. Chicago Housing Authority, *Annual Statistical Report*, December 31, 1970, table 5; Campbell Gibson, “Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990” (Working Paper No. 27, Population Division, U.S. Bureau of the Census, 1998), table 20.
- 6 There is a vast literature on the origins and history of public housing, both nationally and in Chicago. One of the most recent and comprehensive of the books, covering both topics in depth and citing a goodly portion of the literature, is D. Bradford Hunt, *Blueprint for Disaster: The Unraveling of Chicago Public Housing* (Chicago: The University of Chicago Press, 2009).
- 7 The Chicago site selection story is rendered in Martin Meyerson and Edward C. Banfield, *Politics, Planning, and the Public Interest: The Case of Public Housing in Chicago* (Glencoe, Ill.: The Free Press, 1969).
- 8 Poor management of CHA was so pervasive for so long that in 1995 the U.S. Department of Housing and Urban Development took over control of the agency and retained it for four years. For the story of the takeover and the role of poor management in CHA over the years, see Susan J. Popkin, Victoria E. Gwiasda, Lynn M. Olson, Dennis P. Rosenbaum and Larry Buron, *The Hidden War: Crime and the Tragedy of Public Housing in Chicago* (New Brunswick, N.J.: Rutgers University Press, 2000), 179-81 (hereafter cited as *The Hidden War*).

- 9 There is also a vast literature on the deterioration of much public housing. One of the most recent, again with ample citations to the literature, is Margery Austin Turner, Susan J. Popkin, and Lynette Rawlings, *Public Housing and the Legacy of Segregation* (Washington, D.C.: The Urban Institute Press, 2009) (hereafter cited as *Legacy*).
- 10 William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago and London: The University of Chicago Press, 1987).
- 11 Rebecca M. Blank, Foreword to *The Hidden War*, ix.
- 12 National Commission on Severely Distressed Public Housing, *The Final Report of the National Commission on Severely Distressed Public Housing: A Report to the Congress and the Secretary of Housing and Urban Development* (Washington, D.C.: GPO, 1992), 9-31, 46.
- 13 Bruce Katz, “The Origins of HOPE VI,” in *From Despair to HOPE: HOPE VI and the New Promise of Public Housing in America’s Cities*, eds. Henry G. Cisneros and Lora Engdahl (Washington, D.C.: Brookings Institution Press, 2009), 20-25 (hereafter cited as *Despair to HOPE*). Demolishing and starting over was crucially facilitated by Congress’ 1995 repeal of the “one-for-one” replacement law that required every demolished public housing unit to be replaced with a new one. *Rescissions Act of 1995*, Public Law 104-19, 104th Cong., 1st sess. (July 22, 1995), 235-36; Mindy Turbov, “Public Housing Redevelopment as a Tool for Revitalizing Neighborhoods: How and Why Did It Happen and What Have We Learned?” *Northwestern Journal of Law and Social Policy* 1, no. 1 (Summer 2006): 184. (hereafter cited as Turbov). This temporary repeal was made permanent in 1998. *Veterans Affairs and HUD Appropriations Act*, Public Law 105-276, 105th Cong., 2nd sess. (October 21, 1998), 2570-73.
- 14 Memorandum from Nelson A. Diaz, General Counsel, to Joseph Shuldiner, Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development, April 8, 1994. The memorandum is reprinted in Megan Glasheen and Julie Mc Govern, “Mixed-Finance Development: Privatizing Public Housing through Public/Private Partnerships,” in *Privatizing Governmental Functions*, edited by Deborah Ballati (New York: Law Journal Seminars Press, April 2001), pp. 9-57–9-63.
- 15 *Omnibus Consolidated Rescissions and Appropriations Act of 1996*, Public Law 104-134, 104th Cong., 2d sess. (April 26, 1996), 1321-279-281. This version of the viability test was repealed in 1998 and replaced with another, codified at *U.S. Code* 42 (2006), § 1437z-5. *Veterans Affairs and HUD Appropriations Act*, Public Law 105-276, 105th Cong., 2d sess. (October 21, 1998), 2588-92.
- 16 “We are working to rebuild lives,” said the CHA Board Chairman, a goal frequently reiterated by both Mayor Daley and other CHA officers. Chicago Housing Authority, “CHA Reaches Mid-Point in Plan for Transformation,” press release, December 28, 2004; Jason Grotto et al., “Public Housing Limbo,” *Chicago Tribune*, July 6, 2008, 22; Terry Peterson, Chief Executive Officer, Chicago Housing Authority, testimony before the Subcommittee on Federalism and the Census, House Committee on Government Reform, *Public Housing Management: Do the Public Housing Authorities Have the Flexibility They Need to Meet the Changing Demands of the 21st Century?*, 109th Cong., 2d sess., 2006, available at <http://www.gpo.gov/fdsys/pkg/CHRG-109hhrg10932546/html/CHRG-109hhrg10932546.htm>.

- 17 John Carpenter, “\$1.5 Billion Public Housing Deal is Signed,” *Chicago Sun-Times*, February 6, 2000, 8; Moving to Work Demonstration Agreement, signed by Phillip Jackson, Chief Executive Officer, Chicago Housing Authority, and by Harold Lucas, Assistant Secretary, U.S. Department of Housing and Urban Development, February 6, 2000 (witnessed by Mayor Richard M. Daley, City of Chicago, and Andrew Cuomo, U.S. Department of Housing and Urban Development).
- 18 The Low Income Housing Tax Credit Program was created by Congress in 1986 to increase private sector investment in rental housing for low- and moderate-income households. Each state and the City of Chicago (alone among U.S. cities) receives a tax credit allotment, based on population, that it can allocate toward funding new construction, acquisition, or rehabilitation of housing that meets federal and state guidelines. Under the federal law, a developer is eligible to receive tax credits if at least 20 percent of residential units in the development have low enough rents to make them “affordable” and are occupied by households whose income is no more than 50 percent of the area median gross income, adjusted for household size. Alternatively, at least 40 percent of residential units must be affordable to and occupied by households whose income is no more than 60 percent of the area median gross income, similarly adjusted. The developer sells the credits to private investors to raise capital for the project. In this manner, private investors can participate in affordable housing development and receive credit against their federal tax liabilities in return. See U.S. Department of Housing and Urban Development, LIHTC Basics, <http://www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc/basics/>.
- 19 Chicago Housing Authority, *Plan for Transformation*, January 6, 2000, 12-15 (hereafter cited as *Initial Plan*). CHA’s exact 2009 projection for mixed-income and traditional public housing units (the numbers change slightly from year to year as plans are modified to adjust to changing circumstances), excluding however the senior and scattered site rehabilitation that is not discussed in this report, is shown in the following chart.

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Plan for Transformation—CHA 2009 Projection\*

	Total 10/1/99 Units	Total Planned Units (2009)
Mixed-Income Family Housing	0	7,697 (New Construction—including units in development before the Plan)
Traditional Family Housing	26,356	5,326** (Rehabilitation)
<b>Total</b>	<b>26,356</b>	<b>13,023</b>

\*Excludes rehabilitation of some 12,000 senior and scattered site units.

\*\*Includes 312 units at Harold Ickes Homes, which in the *FY2009 Annual Plan* has moved from the “Family Housing Rehabilitation” category to “To be Rehabilitated or Redeveloped.”

Source: Chicago Housing Authority, *FY2009 Annual Plan*, October 23, 2008, 74.

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- 20 *Initial Plan*, 1. The story of when and how CHA first began to use private managers is told in Alexander Polikoff, *Waiting for Gautreaux: A Story of Segregation, Housing, and the Black Ghetto* (Evanston, Ill.: Northwestern University Press, 2006), 208-09 (hereafter cited as *Waiting for Gautreaux*). CHA is currently engaged in placing management of all its public housing units under five private companies, each of whom will manage some 1,200 to 5,500 units. Adrian G. Uribarri, “CHA to Consider Paring Property Managers,” *Chi-Town Daily News*, July 15, 2009, [http://www.chitowndailynews.org/Chicago\\_news/CHA\\_to\\_consider\\_paring\\_list\\_of\\_property\\_managers,30029](http://www.chitowndailynews.org/Chicago_news/CHA_to_consider_paring_list_of_property_managers,30029); Chicago Housing Authority, Annual Meeting of the Board of Commissioners, Item B2, Recommendation to Award Contracts for Private Property Management Services at CHA Developments and for CHA Owned Units in Mixed-Income Communities, July 21, 2009 (approved by the Board of Commissioners on July 21, 2009).

- 21 *Initial Plan*, 1, 12.
- 22 Chicago Housing Authority, *FY2000 Annual Report*, 2001, 18.
- 23 *Initial Plan*, 1-2, 23-24.
- 24 *Initial Plan*, 33.
- 25 *Initial Plan*, 1.
- 26 *The Hidden War*, ix (foreword by Rebecca Blank) and 1-9.
- 27 Phillip Jackson, Chief Executive Officer, Chicago Housing Authority, letter to 'Friend[s] of Quality Public Housing,' January 25, 2000 (on file at BPI).
- 28 University of Illinois at Chicago, Center for Urban Economic Development, and Abt Associates Inc., *Opportunity Chicago Evaluation: Interim Report #1*, March 2008 (report prepared under contract to The Partnership for New Communities) (hereafter cited as *Interim Report #1*).
- 29 Turbov, 184-85 (quoting U.S. Department of Housing and Urban Development, Further Information for Development of Proposals for FY 1995 HOPE VI Implementation Grants (1995), 6-7).
- 30 U.S. Department of Housing and Urban Development and Chicago Housing Authority, Memorandum of Approval and Resident Protection Agreement, February 6, 2000, 9; CHA Leaseholder Housing Choice and Relocation Rights Contract, Chicago Housing Authority, § 4, 6 (hereafter cited as *Relocation Rights Contract*). Chicago's right to return has not so far led to the return of as many families to the mixed-income communities as had been anticipated. Some residents, having moved into private housing with vouchers, have chosen to stay in the private market. Others, who may have desired to return, could not meet entry requirements at mixed-income developments.
- 31 Alexander Polikoff, "HOPE VI and the Deconcentration of Poverty," in *Despair to HOPE*, 70-71 and Figure 5-4.
- 32 Joseph, Mark L., Robert J. Chaskin and Henry S. Webber, "The Theoretical Basis for Addressing Poverty Through Mixed-Income Development," *Urban Affairs Review*, 42 (2007): 373. For a general discussion of the mixed-income "vision" in the context of public housing transformation, see *Legacy*, xii. As put there, the vision assumes that "after well-designed and well-constructed housing at a range of affordability levels has been built, moderate- and middle-income residents will move in and stay, city government will deliver quality public services (including police protection), the local public school will improve, and private-sector businesses will return to the community. Further, this vision assumes that residents at a mix of income levels will get along with one another, adhere to shared behavioral norms so the community remains safe, and even offer each other access to their social and employment networks."

- 33 Working Groups vary in composition and effectiveness. Some take leadership on a variety of issues, while others are passive and do little more than receive reports. Working Group membership has remained largely unchanged since the beginning, and today's typically have no members who live in the development. CHA would do well to revisit their composition.
- 34 Chicago Housing Authority, "CHA Board Approves Minimum Tenant Selection Plan," press release, September 21, 2004; Chicago Housing Authority, Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities, 2-5, available at <http://www.thecha.org/filebin/pdf/mapDocs/TenantSel.pdf>. While supporting work requirements, BPI believes that CHA's specifics have overshot the mark. In a 2004 letter to Mayor Daley, accompanied by a detailed memorandum, BPI argued that 30 hours was too long, that one year to reach that goal was too short, and that CHA's definition of work-related activity was too narrow, and proposed alternatives. E. Hoy McConnell, II, letter to Mayor Richard M. Daley, August 9, 2004 (on file at BPI). Private managers of mixed-income communities have discretion in enforcing work requirements. In practice, they are not likely to evict a tenant who has lost a job as a result of the economic downturn but is making a good faith effort to get another. BPI is also mindful that CHA's current work requirements allow for important exemptions and likely avoid administrative burdens more flexible requirements might entail.
- 35 *Initial Plan*, 1, 12. The Initial Plan was based on a 10-year timeframe, although CHA said it intended to "accelerate" improvements over five to seven years. *Initial Plan*, 1.
- 36 Chicago Housing Authority, *FY2002 Annual Plan*, October 16, 2001, 13. See Appendix A for public housing units in mixed-income communities completed to date.
- 37 William P. Wilen, "The Horner Model: Successfully Redeveloping Public Housing," *Northwestern Journal of Law and Social Policy* 1, no. 1 (Summer 2006): 69.
- 38 *Initial Plan*, 1.
- 39 *The Hidden War*, 1-9, 22-23, 27.
- 40 "[M]ust be presumed" is probably too skittish. CHA was evidently quite aware of the 1990s study, for the researchers thanked the "many" CHA staff members who provided information and assistance. *The Hidden War*, xi-xii. In January 2003, CHA's independent relocation monitor reported to it that "[a] great many of the families housed in the CHA, including a large percentage of those now undergoing relocation, are dysfunctional, and problem-ridden in the extreme." Thomas P. Sullivan, Independent Monitor, *Independent Monitor's Report #5*, January 8, 2003, 48 (hereafter the Sullivan reports will be cited as *Sullivan Report[s]*).
- 41 *Initial Plan*, 24. The relocation contract basically defined "lease compliant" as being current on rent and utility obligations and having a "good housekeeping" record and no lease violations. *Relocation Rights Contract*, § 4.
- 42 Metropolitan Planning Council, *Public Housing in the Public Interest, Examining the Chicago Housing Authority's Relocation Efforts*, February 2002, 2, 10 (hereafter cited as *MPC Fact Sheet #3*). A study of 190 families who had selected vouchers when their buildings were slated for closing in September 1999 found that a year later almost half (45 percent) said they had not been assigned to a counseling agency. Susan J. Popkin and Mary K. Cunningham, *CHA Relocation Counseling Assessment* (Washington, D.C.: The Urban Institute Press, July 2002), 24.

- 43 *MPC Fact Sheet #3*, 8, 11 (quoting Megan Harte, Chicago Housing Authority Managing Director of Resident Services).
- 44 *Sullivan Report #2*, August 5, 2002, 2; *Sullivan Report #4*, October 9, 2002, 1, 3, 5-7, 9. CHA prepared written “Responses” to the Sullivan Reports that explained CHA’s relocation procedures and agreed with some and disagreed with others of Sullivan’s recommendations. In one of the Responses CHA concluded that it was addressing the relocation process in a “humane and intelligent fashion.” Chicago Housing Authority, *CHA Response to Sullivan Report #3*, October 2002, 4. A survey of families being relocated in 2002 by the National Opinion Research Center at the University of Chicago (NORC) reported high rates of resident contact with service connectors and a high proportion of affirmative answers to a question as to whether the Service Connector had been “helpful.” National Opinion Research Center, *2002 Resident Relocation Survey Methodology and Results* (Chicago: National Opinion Research Center, 2003). Sullivan said he believed that the apparent discrepancy between the NORC results and his own observations was due to the form of the NORC survey questions, and that had terms such as “service connector” and “helpful” been defined for respondents, the response would have been different. *Sullivan Report #6*, June 9, 2003, 7-13. It is, of course, unsurprising that some families would express satisfaction with procedures—whatever they were—that enabled them to escape the environments described in *The Hidden War*.
- 45 *Sullivan Report for Phase III-2003* (final Sullivan report), February 20, 2004, 9-11, 23-25, 29-32, 36-38, 46-50; *Sullivan Report #5*, January 8, 2003, 22-23, 30-39. Although families with vouchers generally moved to lower-poverty neighborhoods than those from which they came, this statistic could hardly have been otherwise since many families came from the “worst”—and highest poverty—neighborhoods. Mobility “results” may of course be affected by the fact that relocating families, who desire to return to the mixed-income community to be developed on the site from which they are relocating, are frequently reluctant to move too far away.
- 46 *Wallace v. Chicago Hous. Auth.*, No. 03 C 491 (N.D.Ill. May 31, 2005) (order approving settlement agreement).
- 47 BPI interviews. Persisting data problems preclude definitive judgments. Sullivan’s successor expressed continuing frustration over the inadequacies of CHA’s relocation data. Rita Fry, Independent Monitor, *Independent Monitor’s Report for Year 8*, June 1, 2007, 31-32. According to CHA, some 5,823 families had been relocated between October 1, 1999, and December 31, 2006. Of these, 2,472 had moved into other public housing developments, and 3,351 into private dwellings with vouchers. CHA no longer provides data on the types of housing into which residents locate. Its Plan Reports through December 31, 2008, do indicate however that an additional 568 families were relocated through that date. Chicago Housing Authority, FY2000-FY2009 Annual Plans.
- 48 Chicago Housing Authority, *FY2000 Annual Report*, 2001, 18. In one of his reports Sullivan addressed the question of CHA’s responsibility in this regard with comments that deserve to be quoted at length.
- “Some of those whom we interviewed have expressed the view that the residents are themselves responsible for their conditions, and that unless and until they take charge of their lives, and achieve the necessary ambition, energy, motivation and resolve to help themselves, they are doomed (and perhaps they deserve) to remain in their current debilitated status. . .

“Others we have spoken with acknowledge the inability of many residents to cope and compete, but point out that most of them came to this sad state of affairs as a result of years of poor planning and execution by government agencies, especially past generations of City officials and CHA management. They say that governmental agencies and employees, having in large part caused the problems, have a responsibility to render extraordinary assistance to enable this group of citizens to integrate into current society . . .

“Underlying the CHA’s relocation of families under the Plan for Transformation are many complex social issues, which are beyond the reach of my contractual duties, and also are outside my area of expertise. I do not believe it profitable for me to opine on the question of what to do with the most deeply troubled of the relocating tenants. Rather, I will cite and rely on the relevant statutes, regulations and contracts, which fix the rights and responsibilities of the parties. Their provisions state that the CHA will bring to bear resources needed to assist residents in becoming lease compliant, and help them obtain the counseling and assistance they need to avoid eviction, obtain the skills, education, employment and income they require to leave public housing and enter the mainstream of society. These are the announced goals of the current CHA administration.”

The Report then refers to specific provisions of the Plan for Transformation agreement among the City, CHA, and HUD; the relocation rights contract between CHA and residents; and CHA annual reports on the Plan for 2001, 2002, and 2003. *Sullivan Report #5*, January 8, 2003, 12-13.

Sullivan also says an “illustration of the problems facing many relocating families” may be found in an Urban Institute report of a survey of 190 CHA residents awaiting relocation with housing choice vouchers and quotes the following from the survey report: “The respondents in our sample are very poor, lack education and skills and have many challenges to overcome. All are African-American, most are female, 42 percent are under 35 years old and 14 percent are over 60 years old. Over half (59 percent) report having 3 or more children in the household. Most are long-term public housing residents, having lived in CHA housing for more than 10 years. The majority (84 percent) report having household incomes below \$10,000, and about two-thirds (63 percent) say they do not have a high school diploma. Only about a third (32 percent) report being employed . . . Very few have access to a car, an indicator of potential mobility—just 13 percent of CHA relocatees in our sample have a drivers license and only 22 percent say they have access to a car that runs.” Sullivan adds that, “To its credit, the current CHA management has frankly acknowledged the very serious problems facing many of the City’s public housing residents.” *Sullivan Report #5*, January 8, 2003, 12-14, and notes 6-8 (citing Susan J. Popkin and Mary Cunningham, *CHA Relocation Counseling Assessment—Interim Report* (Chicago: The Urban Institute Press, July 5, 2001), 10-11).

49 Metropolitan Planning Council, *Public Housing in the Public Interest, Examining the Chicago Housing Authority’s Proposed Service Connector Model*, June 2001, MPC Fact Sheet #2, 4.

50 *Sullivan Report #5*, January 8, 2003, 47-50, 54.

51 *Sullivan Report for Phase III-2003*, February 20, 2004, 61-62.

52 Roberto Requejo, Metropolitan Planning Council, “New Service Connector Program Serves 11,000 Public Housing Households,” March 4, 2004, <http://www.metroplanning.org/articleDetail.asp?objectID=2026>; Robert Requejo, Metropolitan Planning Council, “CHA Boosts Funding for Service Connector Program up to \$20.5 Million in 2005,” November 30, 2004, <http://www.metroplanning.org/ourwork/articleDetail.asp?pageID=3&objectID=2484&categoryID=2>.

53 *Interim Report #1*, 21-22, 26-27, 45, n. 34.

- 54 S. Rhae Parkes, Kimary Lee, Lisa Magged and Emily Holt, *Opportunity Chicago, Interim Update*, January 2009, 1, 27 (hereafter cited as *Interim Update*).
- 55 BPI Interviews.
- 56 *Interim Update*, 20-21.
- 57 An eleventh development, Harold Ickes Homes on the State Street “Corridor,” was previously earmarked as a traditional (“Rehabilitation”) property but has recently been reclassified as “To Be Determined,” perhaps signaling that CHA is now considering mixed-income redevelopment at this site. Chicago Housing Authority, FY2004-FY2009 Annual Plans. Either because they did not have the requisite number of vacancies or had fewer than 300 total units, the viability test did not apply to most traditional developments. In addition, Washington Park Low-Rises were exempted because they were not on contiguous sites, Brooks Homes because it was part of an ongoing modernization (ABLA), and Dearborn Homes and Cabrini Rowhouses because they were viewed as only temporarily distressed. *Initial Plan*, Viability Comparison; Amendment No. 1 to CHA’s Moving to Work Agreement, January 18, 2001, 3.
- 58 *Initial Plan*, 2, 11-12.
- 59 Chicago Housing Authority, *Plan for Transformation Status Report, Traditional Public Housing*, February 2008.
- 60 Devereux Bowly, Jr., *The Poorhouse: Subsidized Housing in Chicago, 1895-1976* (Carbondale and Edwardsville, Ill.: Southern Illinois University Press, 1978), 42-45, 85 (hereafter cited as *The Poorhouse*).
- 61 Chicago Housing Authority, *FY2002 Annual Plan*, October 2001, 93.
- 62 BPI Interviews.
- 63 Jason Grotto, Laurie Cohen and Sara Olkon, “Public Housing’s Island,” *Chicago Tribune*, October 10, 2008. CHA has been filling rehabilitated Altgeld units primarily with families from its lengthy general wait list. Unlike relocating families, wait-list families must show “good cause” for turning down a proffered unit. Families lacking “good cause” are dropped to the bottom of the list. Chicago Housing Authority, *FY2007 ACOP Procedures*, as amended January 14, 2009, Good Cause Refusal of Unit Offers Procedure.
- 64 BPI Interviews.
- 65 BPI Interviews. Conditions at Ickes, until recently scheduled for rehabilitation, have been poor enough to attract media attention. Sara Olkon, “Living in Limbo Inside Ickes Homes,” *Chicago Tribune*, October 14, 2007; Casey Sanchez, “Dumping Grounds,” *Chicago Reporter*, September 2006.
- 66 BPI Interviews.
- 67 BPI Interviews.
- 68 Susan J. Popkin, Brett Theodos, Caterina Gouvis Roman and Elizabeth Guernsey, *The Chicago Family Case Management Demonstration: Developing a New Model for Serving “Hard to House” Public Housing Families* (Washington, D.C.: The Urban Institute Press, June 2008), 13.

70 Chicago Housing Authority, Minutes of the Regular Meeting of the Commissioners of the Chicago Housing Authority, November 18, 2008.

71 *The Poorhouse*, 45.

72 In addition, Altgeld has historically been surrounded by steel mills, factories, landfills, and a sewage treatment plant. In a 1990s survey, residents reported higher than average rates of troubled pregnancies, asthma, and chronic pulmonary disease. Hazel Johnson, “Surviving Chicago’s Toxic Doughnut,” <http://www.ejrc.cau.edu/voicesfromthegrassroots.htm#hazel%20johnson> (last visited August 4, 2009). Several of the nearby mills and factories have closed, but some remain open. In September 2008 a *ChicagoTribune* article reported that almost two dozen of the Chicago region’s top polluters are located within eight miles of Altgeld. Michael Hawthorne and Darnell Little, “Chicago’s Toxic Air,” *Chicago Tribune*, September 28, 2008.

73 *Legacy*, 259-60.

74 Renee Lewis Glover, Chief Executive Officer, Atlanta Housing Authority, testimony before the Subcommittee for Housing and Community Opportunity, House Committee on Financial Services, *Strengthening and Rejuvenating Our Nation’s Communities and Hope VI Program*, 108th Cong., 1st sess., 2003, 62, 64, available at <http://financialservices.house.gov/archive/hearings.asp?formmode=detail&hearing=209.html>.

75 There is evidence that adjacent neighborhoods can be substantially benefited by HOPE VI redevelopment, but that success in this respect is not guaranteed—it takes “careful planning, sustained leadership, and effective implementation.” Margery Austin Turner, “HOPE VI, Neighborhood Recovery and the Health of Cities,” in *Despair to HOPE*, 169. And see discussion generally, 169-189.

76 Renee Lewis Glover, “The Atlanta Blueprint: Transforming Public Housing Citywide,” in *Despair to HOPE*, 149, 147. A frequent criticism of HOPE VI developments, including the Plan for Transformation, is that their achievements are paid for with the pain and suffering of original residents, many of whom are involuntarily uprooted but few of whom are able to return to the mixed-income communities that replace their demolished homes. See, for example, Sheila Crowley, “HOPE VI: What Went Wrong,” in *Despair to HOPE*, 229-47. The critics have their facts right, but do not paint the full picture, which would include depicting the intergenerational poverty of which Glover speaks so tellingly, and asking whether mixed-income communities would last if all original residents returned. The issue is not what percentage of original residents return to replacement mixed-income communities, but whether life prospects for original residents—and those of their children and grandchildren—are improved as a consequence of their enforced relocation.

77 BPI Interviews.

78 The Task Force on Housing and Services for Families, *Supportive and Service-Enriched Housing for Families*, July 2003, 4-7.

- 79 Baltimore Mobility Program (managed by Quadel, Inc. pursuant to remedial orders in *Thompson v. U.S. Dept. of Hous. and Dev.*, No.MJG-95-309 (D.Md.)), “Prioritizing Civil Rights in Federal Housing Policy” (presentation to conference, at Urban Institute, Washington, D.C., June 9-10, 2009) (on file at BPI). The Baltimore program operates regionally, as must any “state-of-the-art” mobility program. Particularly because it operates in the metropolitan area in which regional administration of a housing voucher program was pioneered (see *Waiting for Gautreaux*, 219-78), CHA should be mounting a serious effort to expand beyond Chicago’s borders the options it reoffers to the thousands of families it has—with grievously inadequate procedures—involuntarily displaced. For discussions of regionalization, see See Bruce J. Katz and Margery Austin Turner, “Who Should Run the Housing Voucher Program? A Reform Proposal,” *Housing Policy Debate* 12 (2001): 239-259, and Ophelia B. Basgal and Joseph Villarreal, “Comment on Bruce J. Katz and Margery Austin Turner’s ‘Who Should Run the Housing Voucher Program? A Reform Proposal’: Why Public Housing Authorities Remain the Best Solution for Running the Housing Voucher Program,” *Housing Policy Debate* 12 (2001): 263-279.
- 80 That CHA is open to rethinking some aspects of Plan objectives is already evident from its decision to reclassify Harold Ickes Homes. The Plan’s tenth anniversary provides an appropriate occasion for taking stock, learning from experience, and—where indicated—changing directions.
- 81 Families still to be relocated may be the hardest to house and the least likely candidates for mobility. Experience indicates, however, that a “second mover” program may be of interest to many families who have lived with vouchers for a time.
- 82 Chicago Housing Authority, *FY2003 Annual Plan*, 2002, 33.
- 83 Toby Herr and Suzanne L. Wagner, “A New Social Policy for Those Among the Long-Term Unemployed Who Do Not Become Steady Workers: Community Engagement and ‘Do for Your Kids’ Along with Employment” (working draft, Project Match, Chicago, Illinois, 2009), 1 (hereafter cited as *A New Social Policy*).
- 84 *A New Social Policy*, 1, 7-15.

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People for the Public Interest (BPI)

Founded in 1969, BPI is a public interest law and policy center that seeks out and addresses some of the Chicago region's most significant social justice challenges. Currently BPI works to increase and preserve affordable housing, transform public housing, and improve Chicago's public schools. BPI's staff of lawyers and policy specialists uses legal and policy research, advocacy, organizing, litigation, and collaboration with nonprofit, community, business, and governmental organizations to accomplish its mission.

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