



BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST

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To: Interested Persons

Congress' mandatory building closure law compels Chicago to address the legacy of its failed, illegal high-rise public housing enclaves. Five months ago HUD and the City agreed to work as partners to develop a Chicago plan to comply with the law. Now the partnership appears to be threatened by personal animosities.

The Gautreaux plaintiffs, who have "lived" with the high-rise issue for over 30 years, are releasing the attached Statement to comment on the substance of CHA's "transformation plan" and to emphasize the absolute necessity for HUD and the City to stick with the partnership approach. Both are responsible for the illegal conduct of the past that fastened the high-rise millstone around the City's neck. Neither can now allow petty differences to divert them from their duty to develop together a Chicago plan that can be approved by HUD.

It is the hope of the Gautreaux plaintiffs that their Statement will help stimulate the discussion and action needed to move that process forward.

Sincerely,

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**STATEMENT OF GAUTREUX PLAINTIFFS
ON
CHA DRAFT TRANSFORMATION PLAN**

Background

Over 30 years ago, when Martin Luther King was marching for open housing in Chicago and being stoned for his efforts, Dorothy Gautreaux, a gallant Chicago public housing resident, began her battle against racial discrimination by CHA and HUD. In 1969 Gautreaux won in the courts, and since then her case has enabled some 10,000 public housing families — over 30,000 persons — to move out of segregation and concentrated poverty into private or public scattered apartments in nearly 40 Chicago community areas and over 100 suburbs.

But in the 1950s and '60s, before Dorothy Gautreaux brought and won her case, CHA and HUD built some 168 segregated high-rise buildings for families with children — nearly 20,000 apartments — in Chicago's black neighborhoods in violation of the United States Constitution. As the courts later said, the massive high-rise construction program was intended to keep blacks in ghettos and to prevent them from moving via subsidized housing to non-black neighborhoods. The result, as Mayor Daley recently put it, was a legacy of buildings with "dark, filthy stairwells plagued by rats, dangerous open elevator shafts, rampant drug dealing and gang violence...unfit for public housing residents, and...a detriment to their surrounding communities." Who does not remember *There Are No Children Here*, Alex Kotlowitz's tale of two young brothers in one such CHA development, where eleven-year old Pharaoh "sat on his bed one day and cried because he worried that he might never get out of the projects"?

Now time is coming to the aid of Dorothy Gautreaux. The illegal high-rises, 30 to 45 years old and never properly maintained, have reached the end of their structural lives. They must either be rebuilt or torn down. After a period

in the 1980s and early 1990s when society seemed determined to rebuild (I do not want to be known as the Secretary of Demolition, said Jack Kemp, HUD Secretary of those years), Congress has concluded that tearing-down is the right course. A federal law now compels housing authorities, over a maximum period of ten years, to close high-rises that do not pass a financial test that compares the cost of rebuilding to the cost of a rent subsidy voucher for the building's tenants. In response CHA has proposed its "transformation plan."

It is worth emphasizing that closing high-rises is not something CHA dreamed up, or has a choice to do or not; CHA's plan is a response to a mandatory federal law, not to mention the cries of its eleven-year-old Pharaohs.

But while CHA's closure plan may be compelled by both law and social policy, the specifics demand — and CHA has called for — public comment. To the needed public dialogue, the Gautreaux plaintiffs offer the following.

Compassionate Relocation Must Drive CHA's Plan and Its Time-Line.

The CHA plan is not just about bricks and mortar. It is also an unfolding story about the families who live in the buildings to be closed. Where are they to go, at a time when studies say that we do not have enough affordable dwellings for families already seeking them? The "white paper" of the Catholic Charities, prepared at the request of Cardinal Francis George, tells us that 245,000 low-income renters in the Chicago area compete for less than half that number of affordable housing units. Several studies indicate that the Chicago area's supply of Section 8 rent subsidy units in low poverty, unsegregated neighborhoods is exceedingly slim, and that some communities are therefore suffering "Section 8 ghettoization" — such a heavy concentration of Section 8 renters as to threaten a newer form of the very disasters the concentration of high-rises produced. It cannot be sound public policy to take down high-rises willy-nilly if the displaced families must move back into segregated, impoverished neighborhoods.

For eligible families there are essentially two routes to relocation within CHA — moving into private Section 8 dwellings or moving into other CHA buildings, either existing ones in acceptable condition or those to be rehabilitated or newly built. (Some families may not however be eligible for the Section 8 program, by reason, for example, of bad credit or criminal records, and others may be unsuccessful in finding a Section 8 unit.) After a long dialogue process under the leadership of the Metropolitan Planning Council, CHA and the Gautreaux plaintiffs have agreed on basic principles for a Section 8 relocation plan to be jointly developed. CHA is also working on a staged plan for relocating families into CHA buildings, including temporary

housing in "relocation buildings" when permanent relocation is not immediately feasible.

Developing these two plans is a substantial undertaking, but each must proceed apace so that in the future buildings will be closed only after suitable relocation arrangements have been made for each eligible family in the building.

"Suitable" includes adequate lead time to enable compassionate relocation arrangements to be made for each eligible family undergoing the trauma of a forced move. This has not been CHA's practice to date. In some instances "emergency" closures have resulted in families having as little as 30 days notice to move. Whatever may have been the reason for such closures in the past (and apart from truly unforeseeable emergencies that may arise in the future), CHA must now — having had ample time since the enactment of the federal building closure mandate — schedule future building closures so that the "30 day notice syndrome" is not repeated. Compassionate relocation in fact must be carried out before any more buildings are closed, and CHA's plan must so state.

Other Matters

There is much to praise about the CHA plan. First is its commitment to economically integrated communities, to communities that include public housing but are not public housing communities. With the expiration of public housing development funding for the old scattered-site program, the creation of privately developed communities that include public housing is a sound formula for as much replacement housing as can be provided in this forward-looking manner. The mixed-income, mixed finance model is working well in public housing redevelopments in other cities, has already been employed on a small scale in Chicago, and holds great promise for supplying some of the replacement housing CHA will need while at the same time producing strong and viable communities for Chicago.

Second is the plan's commitment to a firm connection to needed services for residents — skills development and job training and access, child and health care, and the other services that middle-income citizens take for granted. That CHA residents continue to experience high unemployment and deep poverty in the midst of an economic boom is testimony to the fact that such services are desperately needed.

Third, the Gautreaux plaintiffs support the increased use of professional management. On the whole the experience of private management of scattered site units has been a good one, although CHA has constrained its

private managers with insufficient budget and authority. We applaud the plan's intention to provide private managers with more of both.

Yet the CHA plan is disquieting in its generality, including its request to HUD for the special powers which are needed but which require precise articulation. Through numerous leadership changes over the years, CHA has been significantly dysfunctional; the achievements of the Gautreaux case came about in spite of, not because of, CHA, and the federal court finally had to take the drastic step of appointing a receiver to do the scattered site development job CHA could not or would not do itself. We may hope for better this time, but history counsels the spelling out of specific proposed arrangements; statements of good intent are not enough.

We must also acknowledge, however, as Mayor Daley says, that a public housing plan cannot by itself be the answer to the housing needs of all lower-income citizens. Other initiatives, governmental and private, are clearly needed, including particularly a region-wide affordable housing strategy. Cardinal George's recent statement on affordable housing, the business community's Metropolis 2020 Report, and the increased resources the City's own budget is devoting to affordable housing, are three hopeful signs that the housing needs of citizens priced out of our booming housing market may at long last be given priority attention. But "attention" is not the same as an implementable regional strategy. The Cardinal's statement emphasizes that the lack of sufficient affordable housing for the poor is a problem that lies at the root of family disintegration and a host of related social ills. We cannot wait any longer to develop and build support for the needed regional strategy; that effort must commence immediately.

To those who understandably lament the fact that the CHA plan involves a reduction in the total public housing stock at a time when we need more, not fewer, affordable housing units, the Mayor points out that CHA's funding from Washington will not support more than the 25,000 units proposed — "our best, given the resources we reasonably believe could be available," says the Mayor. (CHA will be challenged to provide even that number of units in mixed-income communities; unless it obtains Gautreaux "revitalizing orders" to assure a mixed-income approach, CHA cannot legally build new low-rise concentrations on the sites of former high-rises.)

Moreover, the 25,000 figure, if achieved, will enable CHA to make good on the Mayor's promise to provide a new or rehabilitated public housing unit for every lease-compliant resident who wants to stay — although since some residents will be offered and will accept Section 8, the 25,000 unit figure will in fact eventually provide opportunities as well for families on the public housing waiting list.

But the 25,000 figure will not be achieved without substantial cooperation from HUD, which must recognize that Chicago faces a challenge that by orders of magnitude is unlike that of any other city. In no other city is there a Taylor Homes and a Stateway Gardens and a Cabrini-Green and a Henry Horner and many more, all in an air-tight rental market in which the too-small supply of private sector affordable units appears to be diminishing still further. HUD must work supportively with the City and CHA to craft the agency waivers that will be necessary if Chicago is to have the flexibility to meet both the challenge and the once-in-a-lifetime opportunity of the uniquely difficult Chicago situation.

What Next?

On May 27, 1999, the Mayor and HUD's top public housing official signed a "Memorandum of Understanding" to carry on a planning process for a "Performance Compact" that would include an "action plan" and spell out the needed powers and resources. The MOU specifically states that this "partnership approach" to the planning process is intended to "ensure that the proposal for the Performance Compact is able to be approved by HUD when it is submitted." The goal is to develop "a fundamentally new approach to public housing in Chicago." HUD in turn agrees "to work with the City and CHA to make the planning process a success," a notable, encouraging departure from HUD's usual role of critiquing housing authority proposals.

Recent events indicate that the partnership approach may be breaking down. That cannot be allowed to happen. For the good of the entire Chicago region, the once-in-a-lifetime opportunity to deal creatively and compassionately with the heartbreaking — and illegal — legacy that HUD and CHA bequeathed to the City cannot be allowed to slip away. The public interest obligates HUD and the City to rise above differences, continue the promised "partner approach," and develop an approvable plan. In the spirit of Dorothy Gautreaux, the Gautreaux plaintiffs are eager to work with HUD, the City and CHA to that end.