

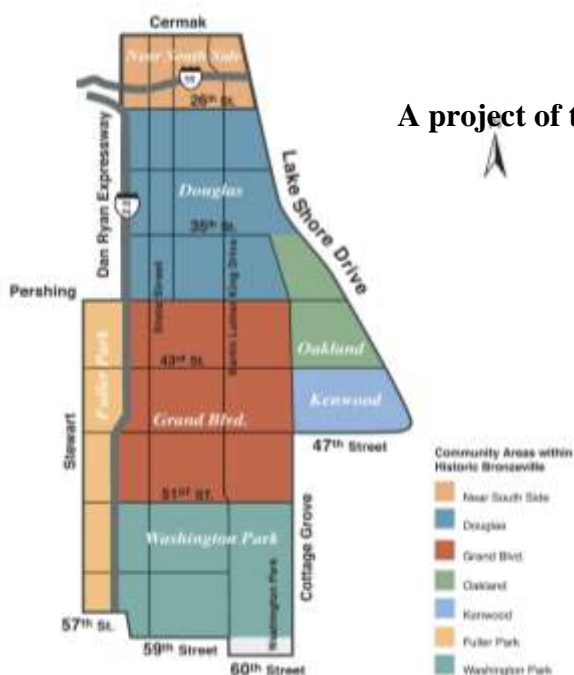


BRONZEVILLE: A COMMUNITY AT THE CROSSROADS

A WHITE PAPER ON THE FUTURE OF BRONZEVILLE
FOR MAYORAL CANDIDATES IN THE 2011 ELECTION

*“HOW CHICAGO’S NEW MAYOR CAN HELP BRONZEVILLE RESIDENTS
ACHIEVE AFFORDABILITY AND HOMEOWNERSHIP”*

Bronzeville



Presented to all candidates for Mayor of Chicago

by Housing Bronzeville,

A project of the Lugenia Burns Hope Center, a 501(c)(3) Organization

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I. BACKGROUND

Since the early years of the 20th century, Bronzeville has been Chicago's oldest and proudest African-American community. More than half a million African-Americans emigrated to Chicago during two great migrations, the first from 1910-1930, the second following the outbreak of World War II in 1941 until 1970. Arriving at the bus and train stations on the near South Side, residents were shunted to Bronzeville and tightly restricted by protective covenants for decades within the borders of what became known as the Great Metropolis. There residents forged an economically diverse and culturally rich community, sending jazz musicians and poets, heart surgeons and novelists, gospel singers and heavyweight boxing champions to the world's four corners. Rich and poor lived side-by-side in Bronzeville, along with a robust moderate middle-income population that comprised 33% of the total in 1950.

Beginning in the 1950s, however, Bronzeville became Chicago's favorite punching bag, whacked by mayoral administrations with grand plans conceived by downtown politicians and planners without community input or support.

In the 1950s, it was Mayor Richard J. Daley who decided to place the largest single public housing project in the world on Bronzeville's western border, concentrating 30,000 of Chicago's lower-income residents in the thirty-six sixteen-story towers of Robert Taylor Homes and Stateway Gardens. At the same time, he ensured the projects' isolation from the rest of Chicago by the construction of his "moat" to contain them—the Dan Ryan Expressway. As adequate funding for upkeep and repairs of the projects gradually disappeared, and as gangs placed their own stranglehold on the high-rise towers and surrounding communities, the State Street corridor became an avenue of concentrated despair and shattered dreams. Bronzeville's churches, settlement houses, and social service agencies reached out to assist those in need. But the projects' economic and social problems overwhelmed the community's resources. Banks, savings and loan associations, and insurance companies red-lined the area, denying credit to its residents. Manufacturers left, taking jobs to the suburbs or out of state. Crime spread. Vacant lots proliferated and were gobbled up by the City through demolition and tax-liens, then placed "on hold" for future development. Local population as a whole plummeted, from 303,501 in 1950 to 151,260 in 1980 to 85,119 in 2000—a 72% drop in 50 years. The population of moderate-income residents dropped by 89% during this same period. 2010 census figures will show further steep decline and further evidence of the results of the City's calculated policies of concentrated poverty and neglect.

In the 2000s, it was Mayor Richard M. Daley who stepped forward with his own grand plans for Bronzeville. First, Daley introduced his Chicago Housing Authority (CHA)'s Plan for Transformation: tear down all five of the main housing projects in Bronzeville, he proclaimed to widespread applause, and build mixed income communities in their place over an ensuing ten-year period. Second, Daley set out to transform Bronzeville's twenty-two public schools through a Renaissance 2010 plan—he closed most of them, and then reconfigured and reopened some of

them as charters or contract schools, all based on the decisions of his downtown experts.

Mayor Daley's third and greatest transformation, however, took shape largely outside the public eye, in two parts. His administration began by quietly and cynically establishing Tax Increment Finance (TIF) districts throughout the Bronzeville community during the early 2000s before the projects came down; these TIF districts were then well-positioned to capture the dramatic tax increments that instantly mushroomed when the projects did come down. By 2008, \$19 million was being diverted into the Mayor's TIF kitty each year from thirteen Bronzeville districts, with few community benefits to show since the funds went largely unutilized, possessing an unspent balance of \$54 million at the end of 2008. What should have been the legally-required focal point for TIF moneys—"economic development" in "blighted areas"—was ignored, without attention to local problems and possibilities. Second, the City continued to hoard and jealously guard its growing inventory of city-owned vacant lots, which by 2008 numbered 1,896 such lots in Bronzeville. As the projects came down and as home prices leapt, the value of these vacant lots leapt as well. Experts estimated conservatively that the City could sell them for \$100,000 per lot, representing a mayoral "hidden gold mine" of \$189 million in potential revenues. With more than \$240 million thus sitting in its Bronzeville TIFs and city-owned lots, the City launched its bid for the 2016 Olympics, situating its two most important centerpieces in Bronzeville: the Olympic Village of 5,000 units in its northeast corner and the Olympic Stadium built to seat 75,000 spectators in Washington Park on its south perimeter. Bronzeville's TIFs and vacant lots could serve as the hidden economic engine to run the City's grandiose Olympics bid.

The bid failed in Copenhagen on October 2, 2009, in no small part owing to City officials' turning a deaf ear to the stated wishes of Bronzeville residents. Mirroring fifty years of intentional neglect, the City was prepared to leave residents to the whims of the frenzied development, overheated real estate markets, and skyrocketing housing prices associated with every Olympic Games—an unacceptable rejection of their wishes that residents resisted at every turn.

II. RESIDENTS FIGHT BACK

Housing Bronzeville began in 2004 under the auspices of the Lugenia Burns Hope Center, a 501(c)(3) organization founded ten years earlier by Dr. Sokoni Karanja and President Barack Obama. It is an initiative to produce, preserve, and increase affordable housing in the Bronzeville community, with a special focus on affordable homeownership for moderate-income Bronzeville residents.

At the time of Housing Bronzeville's creation by a broad spectrum of local community agencies, Bronzeville residents were indeed traumatized by the sudden displacement of 14,000 Chicago Housing Authority families caused by the demolition of the thirty-six towers of high-

rise public housing on the State Street corridor. Residents of all of Bronzeville were frustrated by their powerlessness in the face of such dramatic changes and experienced sticker-shock as new condos and homes sprang up throughout the neighborhood with such showcase prices as \$300,000, \$465,000, \$700,000, and even \$1 million.

Led by long-term residents who sought to define a vision of their own to shape the transformation of an “affordable” Bronzeville, Housing Bronzeville first placed an advisory referendum on the November 2004 ballot calling for the creation of a Bronzeville Housing Trust Fund through the development of a Bronzeville Special Service Area. 18,519 voters (better than 85% of all who voted) supported the establishment of the Trust Fund with their own tax dollars (Appendix A—2004 referendum question and results).

During the six years since that referendum, Housing Bronzeville has worked to institute this stated mandate of local voters through the following steps:

1. Housing Bronzeville convened an Affordability Committee to develop the parameters of an appropriate plan for affordable homeownership in Bronzeville, which it then presented to a Bronzeville Assembly for approval on April 22, 2006.

2. Housing Bronzeville pressured the City of Chicago’s Department of Planning to provide a complete list of city-owned vacant lots in the Bronzeville area (Appendix B—Chicago Tribune article of November 23, 2006). After eight months of such demands, the City grudgingly provided the list, then told residents that all such lots were available for purchase by any interested resident. Alderman Toni Preckwinkle soon corrected the City’s deceit and told the truth of the matter: “All city owned lots in the 4th Ward,” she wrote, “are on hold” (Preckwinkle to Housing Bronzeville, February 6, 2007).

3. Housing Bronzeville convened a Blue-Ribbon Committee in summer 2007 of local residents, lawyers, architects, and affordable housing experts to develop an ordinance incorporating the plan, with a special focus on establishing the Special Service Area that could serve as a Bronzeville Housing Trust Fund to assist moderate-income families with Bronzeville roots to own homes in Bronzeville. With the invaluable assistance of Landon, Bone, Baker Architects, it began to develop drawings and models of what Bronzeville Affordable Homes could look like in order to meet the price points for moderate-income homeownership established by local residents.

4. Housing Bronzeville organized a Vacant Lot Tag Day on July 24, 2007, during which residents placed signs on every one of the City’s 1,896 city-owned vacant lots in order to apprise residents for the first time of the City’s ownership of them. At 6:00 AM the following morning, the City redirected garbage trucks from across Chicago to remove the signs as it sought to continue to ensure the secrecy of its “hidden gold mine” (Appendix C—“City Tries to Muzzle Housing Bronzeville’s Voice,” Housing Bronzeville News, volume 1, issue 3).

5. Housing Bronzeville presented its Housing Trust Fund ordinance to Bronzeville’s four local aldermen in a Bronzeville Assembly attended by 250 residents on April 22, 2008, as well as in three subsequent working group sessions, seeking their support to implement it in the

Chicago City Council. Committed to the Mayor's grandiose TIF and future Olympics plans for Bronzeville, the aldermen stood shoulder to shoulder against residents' wishes, touting the Mayor's line and silently acquiescing to his vision.

6. Housing Bronzeville moved to formalize an agreement with the Daley

Administration after the City received word on June 4, 2008 of its selection by the International Olympic Committee (IOC) as a finalist for the 2016 Games. The agreement committed the City to develop affordable homes on 26% of its city-owned vacant lots in Bronzeville in return for local residents' support for the Olympics.

7. Housing Bronzeville placed a second referendum on the November 4, 2008 ballot, in which 20,728 voters (better than 88% of all who voted) now called on the City to designate 26% or approximately 500 of these city-owned lots for development as affordable homes (Appendix D—2008 referendum question and results).

8. Housing Bronzeville met with the International Olympic Committee (IOC)

Evaluation Committee on April 7, 2009 (one of two groups in all of Chicago to receive such an invitation from the IOC) to seek IOC support for the implementation of local residents' vision of decent, safe, and affordable homes (Appendix E—"IOC Members Urged to Get the Real Story!" Housing Bronzeville News, volume 3, issue 1). Housing Bronzeville had previously met with Chicago 2016's Senior Adviser Joseph Ahern on December 22, 2008 and First Deputy Commissioner of the Department of Community Development Ellen Sahli on March 5, 2009. But despite such repeated overtures, the City continued to resist Bronzeville residents' wishes, leading Housing Bronzeville to contact IOC members throughout the world to argue its case.

9. Housing Bronzeville communicated with every IOC member and then publicly announced its position on September 17, 2009 (see www.standupforbronzeville.org for this statement). Two weeks later, in keeping with Bronzeville residents' wishes and consideration of other factors, IOC members rejected the City's Olympics bid.

10. Housing Bronzeville met with Third Ward Alderman Pat Dowell on October 23, 2009, and received her commitment and active assistance to work "towards fulfilling Housing Bronzeville's goal of providing affordable home ownership opportunities to residents of the community" (Dowell to Housing Bronzeville, November 19, 2009). Since then, the group has reached out to twenty developers, interviewed ten of them, and selected one to build a first phase of Bronzeville Affordable Homes on seventy city-owned vacant lots in the Bronzeville community that would be provided to the approved developer for \$1 each, once he met the City's pre-development benchmarks for construction planning and financing.

III. BRONZEVILLE'S CURRENT HOUSING CRISIS

Bronzeville incorporates all or parts of seven Chicago community areas: Near South Side, Douglas, Grand Boulevard, Washington Park, Fuller Park, Oakland, and Kenwood. The

economic downturn of the late 2000s hit Bronzeville hard, with its full extent revealed most clearly in an August 2010 conversation by Housing Bronzeville with a Department of Community Development official. “The only current development taking place in Bronzeville is that undertaken as part of Chicago’s \$1.6 billion Plan for Transformation in the CHA’s former projects’ footprints,” the official said, with reference to Bronzeville five newly-constructed CHA replacement communities: Lake Park Crescent, Jazz on the Boulevard, Legends South, Oakwood Shores, and Park Boulevard. “But even these communities are struggling to attract homeowners to them,” he added, “with sales of new units at a standstill.”

And while these CHA-replacement communities struggle to attract buyers, the rest of Bronzeville is a scene of economic “carnage,” he continued, with “tons of condos sitting vacant, many of which are now seeking renters.” The City’s cynical effort to manipulate housing prices in the boom period of mid-2000s has thus boomeranged, leaving homes in foreclosure and many current homeowners “underwater.”

Other observers have noted the same Bronzeville economic reversal. Rachel Cromidas of the New York Times captured well the shift in Bronzeville fortunes and its cycle “of boom and bust” in her article of September 3, 2010, titled “Bronzeville, a Neighborhood Whose Promise Has Been Stalled” (Appendix F).

IV. SPECIFICS OF HOUSING BRONZEVILLE’S PLAN

Housing Bronzeville seeks to restore Bronzeville’s moderate or middle-income population to the 26% total that it represented fifty years ago in 1960. Such a goal would more than double the current total and restore the community’s “historic diversity of incomes” that helped account for the once-proud social, economic, and cultural synergy that defined Bronzeville’s heritage. Housing Bronzeville defines moderate-income using the Chicago Median Income of approximately \$50,000, not the Area Median Income of \$75,400. The group is committed to a variety of strategies to ensure the fulfillment of this goal: use of City zoning powers; establishment of a Bronzeville Housing Trust Fund; support for this Trust Fund from additional Bronzeville stakeholders such as the University of Chicago, Illinois Institute of Technology, and the Metropolitan Pier and Exposition Authority; and assistance for current moderate-income homeowners in Bronzeville who need assistance to remain in and maintain their homes, either through property tax relief, homeowners’ subsidies, or a combination of the two.

The almost 2,000 city-owned vacant lots in Bronzeville bring in no property taxes and serve as a steady drain on the City’s budget, not to mention as glaring evidence to every Bronzeville resident every day in every sector of the community of decades of City neglect. With this in mind, Housing Bronzeville has focused first on building affordable homes on 26%

of these city-owned lots. Through lists obtained from the City of Chicago, it has identified seven potential zones for such development, spread throughout the community (Appendix G).

With the help of Alderman Dowell and designs provided by Landon, Bone, Baker Architects, it has identified a target area for the first phase of seventy such Bronzeville Affordable Homes, a series of price points for the homes (ranging from \$150,000 to \$212,000 for various types and styles of single family homes), and a developer prepared to build them at the specified price points. The new model homes present eight features that differentiate them from those built through other City of Chicago affordable home ownership programs.

1. Housing Bronzeville’s new model for affordable homes can build whole communities, uniquely possible and needed in Bronzeville because of the large expanses of city-owned vacant land.

2. Housing Bronzeville’s new model for affordable homes takes advantages of economies of scale—more homes mean shared and lower costs, both hard and soft.

3. Housing Bronzeville’s new model for affordable homes saves the City up to \$40,000 in subsidies per home offered to the prospective homeowner (or \$2.8 million for the proposed first phase of 70 homes, \$20 million for the proposed full project of 500 homes).

4. Housing Bronzeville’s new model for affordable homes builds homes that are smaller and 25% better insulated than homes in the City’s New Home for Chicago program—it thus dramatically reduces monthly costs for new homeowners, reversing the trend of predatory costs on new homeowners that has contributed to the current foreclosure and fiscal crisis in Chicago and the nation.

5. Housing Bronzeville’s new model for affordable homes builds homes that are green and sustainable, making use of the most modern energy technology, thus complementing and highlighting the City’s long-term vision and housing goals.

6. Housing Bronzeville’s new model for affordable homes remains affordable in the future. It removes the temptation to speculate and “flip” affordable homes by letting the market determine housing appreciation and letting the homeowner fully benefit from that appreciation.

7. Housing Bronzeville’s new model for affordable homes provides new spaces for the development of commercial businesses to serve the needs of its new homeowners.

8. Housing Bronzeville’s new model for affordable homes provides starter homes in one of Chicago’s most historically significant and accessible communities, within walking distance of trains to downtown and other job locations. As such, it allows new homeowners the opportunity to build equity and increase their financial options for the future, including, if they choose, to expand their Bronzeville Affordable Home.

V. WHAT THE NEW MAYOR CAN DO

Housing Bronzeville seeks a public, written commitment from each candidate who seeks to become Mayor of Chicago stating his or her support in each of the following areas:

1. To make 500 city-owned vacant lots available at \$1 each for the development of Bronzeville Affordable Homes, in five or more phases of up to 100 lots each during the next four years. This will represent approximately 26% of the City's current stockpile of city-owned vacant lots in Bronzeville and respond to residents' stated wishes on the November 4, 2008 referendum. In each phase, the homes will be constructed as integrated communities of largely contiguous buildings made possible in Bronzeville due to its vast inventory of city-owned vacant land. Economies of scale and significant cost savings are projected. Housing Bronzeville will assist the City in engaging developers to complete distinct clusters of development at the specified price points within each phase.

2. To provide up to \$30,000 in funding per Bronzeville Affordable Home to ensure that the city-owned lots are "developer-ready" for home construction purposes.

3. To initiate and maintain a policy of complete transparency regarding the status of all city-owned lots in Bronzeville for all interested persons in the Bronzeville community.

4. To preserve Bronzeville as a heritage community, including both protection and preservation of architectural, cultural, and historical landmarks and first priority for affordable homeownership to those with demonstrated roots in Bronzeville.

5. To meet with Housing Bronzeville on a regular quarterly basis to discuss the City's progress in advancing and meeting the goals of Bronzeville Affordable Homes.