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The Politics of Public Housing:

Chicago, 1989 – 2005

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The Politics of Public Housing: Chicago, 1989 – 2005

During Chicago Mayor Richard M. Daley's years in office, from 1989 to the present-day 2006, the face of the Chicago Housing Authority (CHA) was transformed immensely. Crimeridden public housing neighborhoods with dilapidated high-rise buildings that were built in the 1950s and 1960s have been and continue to be torn down in favor of mixed-income communities. Upon his election in 1989, Daley inherited a longstanding problem with the city's public housing stock. The high-rises constructed in the middle of the twentieth century were designed to house the largest number of public housing residents for the cheapest amount possible. This created an inhospitable environment for the CHA's residents who were subsequently isolated from the surrounding communities. Consequently, businesses left these low-income areas, taking any possible jobs for the residents with them. The lack of jobs resulted in the formation of gangs, which terrorized the public housing communities. Millions of dollars were subsequently spent on security costs, which unfortunately created budgetary problems for the housing authority that prevented the proper maintenance of its buildings.

Vince Lane, chairman of the CHA for only a year at the time of Daley's election, came up with a plan to correct all of these problems. He planned to downsize the CHA's buildings and to transform its holdings into mixed-income communities that housed upper, middle, and public housing residents alike. Left over public housing residents were to receive Section 8 housing vouchers (later renamed "Housing Choice" vouchers) to subsidize their rent in other communities around Chicago. Before his plans gained momentum, the fiscally troubled CHA that governed over crime-ridden, deteriorating lands was taken over by Secretary Henry Cisneros of the U.S. Department of Housing and Urban Development (HUD). Cisneros appointed Joseph

Shuldiner, his assistant secretary, to head the CHA. Executive Director Shuldiner praised Lane's vision, but not his administration of the CHA. During Shuldiner's four-year control of the CHA, before it was returned to city-control by a succeeding HUD secretary, he pressed on with the destruction of numerous high rises and began to establish the mixed-income communities that Lane had envisioned.

This transformation of the public housing community was much to the disappointment of the housing residents themselves. They believed that this transformation plan was nothing but a land grab triggered by rising property values in the neighborhoods that surrounded them.
Property values were on the rise because of an increase in the city's population.
In 2000, the CHA's "Plan for Transformation" strengthened residents' belief in a land grab. Promoted by CHA Executive Director Phillip Jackson and Mayor Daley, this plan called for a further reduction of the city's public housing stock from 38,000 units to 25,000 and the destruction of 51 high-rises. With the coming of the new millennium, Jackson and Daley were determined to speed up the destruction of the high-rises and the construction of mixed-income communities. Claims by CHA residents that the city of Chicago and the CHA implemented a land grab were supported by the lack of replacement or alternate housing for them.

Patricia A. Wright, who specializes in urban planning and policymaking, agrees with the residents' land grab theory. She claims that "Middle-class people, of all colors, who are moving back to the city, are the constituency that the mayor is trying to appease in the demolition of the

¹ Betsy Wangensteen, "Civic Group Criticizes Daley's Cabrini Plan," *Crain's Chicago Business*, 26 August 1996, News, p. 3 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

² Janet L. Smith, "The Chicago Housing Authority's Plan for Transformation," in *Where Are Poor People to Live? Transforming Public Housing Communities*, ed. Larry Bennett, Janet L. Smith, and Patricia A. Wright (Armonk, NY: M.E. Sharpe, 2006), 93.

³ Janet L. Smith, "The Chicago Housing Authority's Plan for Transformation," 94.

public housing developments."⁴ Wright, along with lawyer Richard M. Wheelock and Cabrini-Green resident Carole Steele explain that the high property values in communities that border CHA properties are responsible for the push to destroy the high rises.⁵ Lawyers William P. Wilen and Rajesh D. Nayak lend support to the idea of a land grab in their analysis of the reduced chances that public housing residents have to enter into the planned mixed-income housing communities. They claim that "the CHA has adopted an especially stringent, arbitrary, and in part impermissible set of tenant screening criteria, including minimum work requirements."⁶

Janet L. Smith, an associate professor in the Urban Planning and Policy Program at the University of Illinois at Chicago, criticizes the massive privatization at the CHA, claiming that public housing should remain public. She believes that it is too soon to tell, though, whether the mixed-income neighborhoods "can actually reduce poverty or will just move the poor out." Susan J. Popkin's *The Hidden War* shares this same concern. In agreement with Wilen and Nayak, Popkin and her coauthors also argue that the low income and backgrounds of many CHA residents may discredit them from the mixed-income communities or even from Section 8 housing vouchers. Professors Roberta M. Feldman and Susan Stall further question the adequacy of Section 8 housing vouchers for helping CHA residents to find apartments in good neighborhoods that are capable of uplifting them. They claim that discrimination and limited

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⁴ Patricia A. Wright, "Community Resistance to CHA Transformation," in *Where Are Poor People to Live?*, 159.

⁵ Patricia A. Wright, with Richard M. Wheelock, and Carol Steele, "The Case of Cabrini-Green," in *Where Are Poor People to Live?*, 169-70.

⁶ William P. Wilen and Rajesh D. Nayak, "Relocated Public Housing Residents Have Little Hope for Returning: Work Requirements for Mixed-Income Public Housing Developments," in *Where Are Poor People to Live?*, 216-17.

⁷ Janet L. Smith, "Mixed-Income Communities: Designing Out Poverty or Pushing Out the Poor?," in *Where Are Poor People to Live?*, 259.

⁸ Ibid., 260.

⁹ Susan J. Popkin, and others, eds., *The Hidden War: Crime and the Tragedy of Public Housing in Chicago* (New Brunswick, NJ: Rutgers University Press, 2000), 184-85.

acceptance of Section 8 housing vouchers by landlords limit the choices available to displaced public housing residents. ¹⁰ These concerns have made CHA residents very skeptical and worried about the transformation of the CHA from a provider of public housing to a facilitator for finding housing.

As this paper will show, to a degree, there was a land grab. The CHA entered into long-term leases with private developers to build and to manage the new buildings and it did not show much interest in the plight of the public housing residents who were pushed out of their homes. Section 8 vouchers were given to those displaced residents to subsidize their rents in new neighborhoods. Unfortunately, most of these residents ended up moving from one poor, black neighborhood in the city to another. According to a reporter for the Chicago Tribune, Mayor Daley's motives were to demolish the existing public housing communities and to create mixed-income housing communities in order to increase Chicago's tax base and to give his city a more upscale image for possible home buyers.

Reduced allocation of funds for the agency, deteriorating buildings, high crime rates, the required fulfillment of the *Gautreaux* Supreme Court scattered-housing mandate, and rising property values in the neighborhoods that surrounded CHA properties were all responsible for the necessary downsizing of the Chicago Housing Authority. Mayor Daley and the CHA claimed that downsizing the Chicago Housing Authority was the best way to improve the lives of some of the best public housing residents and for improving the image of the city as a whole. Individuals who the CHA arbitrarily judged to have a good moral character and a clean

¹⁰ Roberta M. Feldman and Susan Stall, *The Dignity of Resistance: Women Residents' Activism in Chicago Public Housing* (Cambridge: Cambridge University Press, 2004), 54.

¹¹ Kate N. Grossman, "CHA Launches 2nd Phase of Replacement Housing," *Chicago Sun-Times*, 19 August 2005, News, p. 21 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

¹² Gary Washburn, "Housing Advocates State Case," *Chicago Tribune*, 27 January 2005 [database on-line]; available from *Lexis-Nexis Academic*, accessed 23 May 2006; http://www.lexis-nexis.com/universe; Internet.

background were randomly selected from the public housing residents to live in the new mixed-income communities.¹³ While downsizing a public housing facility is not a soothing idea for the public housing residents who live there, insufficient funding of the CHA and the decrepit condition of the buildings left them no other choice but to try something new.

The story of Chicago's public housing problems began in the 1950s when Chicago along with many other cities in the U.S. built massive high-rises in segregated black neighborhoods as the perceived solution for housing the largest number of public housing residents for the cheapest amount possible. This "solution" had the profound effect of isolating these poor residents into a community with few jobs and even fewer amenities. This environment was the perfect breeding ground for gangs that often fought over drug turf. In the mêlée of these wars, many innocent residents lost their lives. In order to protect the residents from these battles and to thwart other crime, the CHA's security created its own police force to increase the number of police patrols in the crime-ridden public housing communities. While these CHA police officers may have provided some assistance to the community, they were no match for the powerful gangs, comprised of the CHA's own residents. Popkin explains that "without a strong twenty-four hour presence, the police and CHA staff trying to control the crime faced a nearly impossible task." While these security measures were essentially ineffective, they had an adverse and detrimental effect on the CHA's budget. Not only did the security spending drive

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¹³ Flynn McRoberts, "A New World—Down the Block," *Chicago Tribune*, 8 October 1998, News, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

¹⁴ Roberta M. Feldman and Susan Stall, *The Dignity of Resistance*, 43.

¹⁵ Ibid., 42-43.

¹⁶ Susan J. Popkin, and others, eds., *The Hidden War*, 6-7.

¹⁷ Judy A. England-Joseph, *Public Housing – Status of HUD's Takeover of the Chicago Housing Authority: Testimony Before the Subcommittee on Human Resources and Intergovernmental Relations, Committee on Government Reform and Oversight, U.S. House of Representatives:*, United States General Accounting Office (5 September 1995), 4.

¹⁸ Susan J. Popkin, and others, eds., *The Hidden War*, 177.

the CHA's account balance into the red, but it also took much needed money away from building repairs. 19

By 1966, Dorothy Gautreaux filed a housing discrimination lawsuit against the CHA for the dreadful conditions within these communities. These conditions included buildings with broken-down elevators and buildings where people would spit and urinate on stair rails. By 1976, after a lengthy court battle, the Supreme Court ruled in her favor and ordered the CHA to give out 7,100 Section 8 housing vouchers so that some of the CHA's residents could move into white neighborhoods. The high court also ordered new public housing to be scattered in predominantly white neighborhoods. But, the high cost of purchasing land in these white neighborhoods in the city of Chicago or in its outer suburbs delayed the implementation of the court order. Fearful that public housing communities would lower their property values, white homeowners in the suburbs and their elected representatives effectively lobbied against the implementation of the court's ruling. For nearly two decades, political and economic forces overshadowed the law.

In addition to the CHA's failure to comply with the *Gautreaux* ruling, the HUD criticized the CHA for its "top-heavy" bureaucratic structure and for its maintenance, finance, accounting, and management information systems.²² HUD also blamed the CHA for allowing its communities to deteriorate into such an inhospitable environment. These were among the key reasons why the United States Department of Housing and Urban Development (HUD) placed

¹⁹ Judy A. England-Joseph, Public Housing – Status of HUD's Takeover of the Chicago Housing Authority,

²⁰ Flynn McRoberts and Janita Poe, "The Mission: Incomplete – Residents Still Wait for Results," *Chicago Tribune*, 26 May 1996, News, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

²¹ Susan J. Popkin, and others, eds., *The Hidden War*, 14.

²² Judy A. England-Joseph, *Public Housing – Status of HUD's Takeover of the Chicago Housing Authority*, 3.

the CHA on its list as one of the nation's most poorly-run housing authorities in 1979.²³ By 1987, HUD threatened to takeover the poorly managed housing authority, but it never came to pass.²⁴ Two years later, HUD signed a new two-year funding agreement with the CHA that continued the status quo.²⁵ This new deal reflected HUD's confidence in the new CHA Chairman, Vince Lane, who took over the agency's leadership role in 1988. HUD believed that Lane could improve the workings of the CHA and also fulfill the requirements of the *Gautreaux* Supreme Court case.

Since resistance to scattered-site housing was too great from white neighborhoods in the city of Chicago and its suburbs, and because purchasing housing in these markets was cost-prohibitive, Lane came up with the idea of making a white neighborhood out of public housing.²⁶ Lane's plan was to create mixed-income housing communities that were evenly distributed between market-rate housing for upper class individuals, affordable housing for middle class individuals, with the remaining third for public housing residents.²⁷ He believed that with better role models, the lives of public housing residents would be changed for the better. He understood, though, that the middle class individuals he sought for his planned mixed-income communities must be convinced that these communities were "not going to be overrun with poor

²³ Ibid., 7.

²⁴ Chris Scott, "Happier HUD Approves Funding Boost for CHA," *Crain's Chicago Business*, 23 January 1989, Chicago Business Diary, p. 51 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

²⁵ Ibid

²⁶ Mark Hornung, "Why CHA High-Rises Can't Tumble," *Crain's Chicago Business*, 26 October 1992, News, p. 3 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

²⁷ John Handley, "The New Age for Bronzeville," *Chicago Tribune*, 1 December 2002, Real Estate, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

people...[in order to] stop the cycle of middle-class flight from neighborhoods to which poor people move."²⁸

Lane's vision began with the creation of the Lake Parc Place mixed-income community. This began as a modest plan to transform two abandoned high-rise buildings into a mixed-income community, where half of the tenants were CHA residents and the other half were working-class individuals.²⁹ Unfortunately, it took the death of a young boy in another CHA community in October 1992 before Mayor Daley and Chicago's citizens truly accepted his plans to continue restructuring the traditional public housing stock.

At this time, a 7-year-old boy, Dantrell Davis, was shot to death on his way to school, with his mother at his side, in the Cabrini-Green neighborhood.³⁰ As a result of the demands from federal housing officials over a year before this incident that the city submit proof that it was adequately policing the CHA communities, and also, because the public outcry over this incident was so great, Mayor Daley called for a sweep of this Near North Side neighborhood.³¹ Journalists Scott Fornek and Tom Seibel explain that "hundreds of police, city workers, and construction crews descended on the public housing complex – looking for weapons, running off illegal tenants, installing security lights, sealing windows and doors, even raiding grocery

²⁸ Flynn McRoberts and Laurie Goering, "CHA's Lane Set to Deal for Suburbs," *Chicago Tribune*, 20 April 1994, News, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

²⁹ Mark Hornung, "Vince Lane's Next Act – Mix Public Affordable Housing," *Crain's Chicago Business*, 1 July 1991, Real Estate, p. 9 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

³⁰ Basil Talbott and Neil Steinberg, "Mayor Promises 'Bold' CHA Plan," *Chicago Sun-Times*, 19 October 1992, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

³¹ Deborah Nelson, "Daley: HUD Knew of Efforts," *Chicago Sun-Times*, 27 October 1992, News, p. 19 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

stores."³² Believing that these sweeps impeded on the residents' fourth amendment constitutional rights, the American Civil Liberties Union (ACLU) asked for and received an injunction from a federal court to block further sweeps of CHA buildings.³³

In 1988, the CHA had agreed with the ACLU to ban these sweeps.³⁴ Four years later, this agreement was discarded when the public outcry over the young boy's shooting led Lane and Daley to once again sweep the CHA communities in order to quell the violence. They hoped that these sweeps would send a fighting message from the city to the gangs that terrorize these communities.³⁵ Daley maintained that the ACLU did not understand the severity of the crime that plagues these communities. He argued, "We've been in the courts for three years arguing about safety...the CHA and good tenants arguing for protection. This has been over-reviewed by the federal courts."³⁶

In order to appease the public that wanted a solution for the violence in Chicago's public housing communities, the CHA began to seriously consider tearing down some of the worst-maintained high-rises and replacing them with low-rises.³⁷ CHA residents had feared this idea for a long time because they were worried about losing their homes.³⁸ Lane explained, "As ironic as it is, the residents want to hold onto what they have because they're convinced they will be shafted."³⁹ Lane supported this restructuring of the CHA because it enabled him to fulfill his

³² Scott Fornek and Tom Seibel, "Cabrini Sweep Under Way," *Chicago Sun-Times*, 21 October 1992, News, p. 4 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

³³ Tom Seibel, "Daley Hits Search Limits," *Chicago Sun-Times*, 24 October 1992, News, p. 3 [database online]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Mark Hornung, "Why CHA High-Rises Can't Tumble," *Crain's Chicago Business*, 26 October 1992, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

³⁸ Ibid.

³⁹ Ibid.

vision of creating a new mixed-income community out of the Cabrini-Green neighborhood.⁴⁰ This transformation began with the demolition of four high-rises that were closed in the wake of Davis' shooting.⁴¹ Using the screen of demolishing vacant buildings and a pledge to retain public ownership over new low-rises that were to be created, Lane tried to alleviate concerns that this was a land grab.⁴²

In 1994, plans to continue building mixed-income neighborhoods hit a snag when the federal government cut funding for public housing nationwide. The \$17 million cut imposed on the CHA hurt its ability not only to rebuild Chicago's public housing neighborhoods but also to pay for the police patrols that manned their streets. Facing budget cuts, such as this, when the CHA was already spending over its budget, had a damaging effect on HUD's perception of the CHA. This shortage of funds served to enhance the image of the CHA as being fiscally irresponsible.

In addition to their budgetary problems, gang violence within the CHA communities furthered the image of inefficient management at the CHA. Keeping order was not an easy task because the federal courts banned the use of building sweeps as a measure to provide security to the neighborhood. Sweeps could only be performed in the wake of violence, not days or weeks after an incident had taken place. CHA Chairman Vince Lane responded to this requirement by declaring that CHA police would respond "within five minutes...to sweep a building from where

⁴⁰ Ibid.

⁴¹ Steven R. Strahler, "How a New Cabrini-Green Could Blossom," *Crain's Chicago Business*, 15 February 1993 – 21 February 1993, p. 3 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁴² Ibid.

⁴³ Basil Talbott and Lynn Sweet, "Cuts Squeeze City Housing, Transit," *Chicago Sun-Times*, 8 February 1994, News, p. 8 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

the gunfire occurred. We would go door-to-door."⁴⁴ Lane's desire for building searches was shared by President Bill Clinton and Attorney General Janet Reno.

Since Mayor Daley had expressed earlier in October 1992 that residents wanted the sweeps, Reno suggested in April 1994 that the CHA residents could sign a waiver that allowed their apartments to be searched. Harvey M. Grossman, the ACLU's legal director in Illinois accepted this idea, but would not accept a requirement that forced the residents to submit to searches. This proposal from Reno and its acceptance by Grossman was poorly thought out. The people who would agree to sign the consent forms are most likely the people who do not commit crimes. Individuals who commit crimes simply would not sign the forms. With the tremendous violence in the CHA communities, tearing them down was the only thing that the city of Chicago and the CHA could do to improve the image of the city as a whole and the lives of its public housing residents.

In April 1994, HUD Secretary Henry Cisneros praised Lane's priorities in developing mixed income housing. He said, "Vince Lane has a vision that would virtually change the landscape of Chicago...His vision would also empower distressed inner-city communities to lift themselves economically and rejoin the mainstream of American life." Lane's plan included the destruction of housing at Robert Taylor Homes, Cabrini-Green, ABLA, and Henry Horner

⁴⁴ Daniel J. Lehmann, "Judge Upholds Ban on Sweeps," *Chicago Sun-Times*, 31 March 1994, News, p. 6 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁴⁵ Michael Briggs and Basil Talbott, "City to Get Funds to Fight CHA Crime," *Chicago Sun-Times*, 15 April 1994, News, p. 6 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁴⁶ Ibid

⁴⁷ James L. Tyson, "Clinton Aims to Break Up Chicago's Huge Public Housing," *Christian Science Monitor*, 20 April 1994, The World, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

⁴⁸ Flynn McRoberts, "Lane's Clout Brings Hope to the CHA," *Chicago Tribune*, 24 April 1994, Chicagoland, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

Homes over a five to ten year period.⁴⁹ Before Lane's idea could be implemented, though, Secretary Cisneros of the U.S. Department of Housing and Urban Development (HUD) decided, with Mayor Daley's approval, to take over the long-troubled CHA a year later.⁵⁰

How could HUD Secretary Cisneros' belief in Lane have been so utterly shaken in one year's time that he decided to takeover the CHA? This leads to the question of whether Cisneros supported Lane in the first place or only his vision? Cisneros may have wanted the credit for rebuilding the CHA and that is why he took over the organization. Or perhaps HUD Assistant Secretary Joseph Shuldiner, who took over the administration of the CHA after the federal takeover, encouraged Cisneros to take it over in order to advance his own career? Then, there is the possibility that Daley, a political heavyweight in Democratic circles, encouraged the takeover in order to remove an adversary, the highly independent Lane, from his city. Three years after Lane's forced resignation by federal officials, he said "You can't work in a city where the powers that be are stacked against you." This comment helps to explain Mayor Daley's welcoming of a federal takeover of the Chicago Housing Authority.

With the poor state of the CHA's administration, its deteriorating buildings, and the support of Chicago Mayor Richard Daley, Secretary Henry Cisnersos of the U.S. Department of Housing and Urban Development decided that the time was right to takeover the Chicago Housing Authority, which had been on its list since 1979 as one of the worst-run housing

⁴⁹ Lynn Sweet, "Plan to Revamp CHA Submitted to Congress," *Chicago Sun-Times*, 26 April 1994, News, p. 16 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁵⁰ Fran Spielman, "Daley Welcomes Feds' CHA Takeover," *Chicago Sun-Times*, 30 May 1995, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁵¹ Mark Brown, "Lane Says He Owes Nothing," *Chicago Sun-Times*, 18 January 1998, Sunday News, p. 7 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

authorities in the country.⁵² Since HUD did not attempt to takeover the organization before 1995, it is very plausible that there was political manipulation involved. HUD claimed that the "top-heavy" bureaucracy of the CHA fostered a climate of inefficient management, which was demonstrated by the dilapidated buildings it oversaw and the fact that the housing authority could never balance its budget.⁵³ Despite the takeover, the federally-controlled CHA under Executive Director Joseph Shuldiner, the U.S.'s top public housing official, preserved Vince Lane's vision for mixed-income public housing. Continued support for Lane's plans adds credence to the federal takeover being a career-motivated move for Shuldiner. The mixed-income plan that Shuldiner inherited from his predecessor was controversial with the residents themselves.

CHA residents looked at the plans for demolishing the city's public housing stock with fierce skepticism. To them, this sounded like a "land grab" that was intended to give their land to rich people, in a community where prices were on the rise. Cora Moore, a forty-year resident of the Cabrini-Green public housing community and the community's tenant leader said, "This ain't nothing but a rich man's scheme. Whatever happened to low-income housing for low-income people?" Journalist Tom Andreoli is sympathetic to this pessimism. She explains that "the property around Cabrini-Greene and other CHA projects finally is finding a market – just as city and federal officials contemplate a massive redevelopment of Chicago's public housing into mixed-income communities." Buying property around Cabrini-Green was so attractive that

⁵² Judy A. England-Joseph, *Public Housing – Status of HUD's Takeover of the Chicago Housing Authority*, 2.

⁵³ Ibid., 3.

⁵⁴ Michael Grunwald, "Public Housing's New Era Razing High-Rises Raises Issues for Nation's Poorest," *Boston Globe*, 9 September 1997, National/Foreign, p. A1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

⁵⁵ Tom Andreoli, "Who'll Command Cabrini's Green," *Crain's Chicago Business*, 25 April 1994 – 1 May 1994, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

even the smallest property on the most run-down street surrounding the dilapidated neighborhood was selling for \$300,000.⁵⁶ These prices benefited the city, as well, by increasing tax revenues.

Within the first year of the federal takeover, Executive Director Joseph Shuldiner made several changes at the CHA. He required all employees of the organization to work 40 hours a week, instead of 35, and he established and worked within the budget that was set-up for the organization.⁵⁷ Shuldiner also attempted to cut his budget by reducing the number of private security officers and relying more on CHA officers and tenant patrols.⁵⁸ Rather than overseeing its own buildings, the overwhelmed agency also began to develop plans to hire professional managers to administer their land.⁵⁹ Shuldiner also attempted to improve the efficiency at the organization by creating an 800 number for residents to report building problems. Unfortunately, this service was not very well thought out since the majority of CHA's residents did not have phones.⁶⁰ In addition to Congressional budget cuts for the organization, poor planning by CHA workers continued to plague the agency. When the CHA tried to create jobs for its residents in order to instill a work ethic into them, those who showed-up at a meeting ready for work were told that that "the paperwork wasn't ready."⁶¹ Journalists Flynn McRoberts and Janita Poe contend that these programs demonstrate that "Shuldiner has had plenty of vision,

⁶¹ Ibid.

⁵⁶ Betsy Wangensteen, "CHA Wants More Land for Cabrini," *Crain's Chicago Business*, 18 March 1996, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁵⁷ Betsy Wangensteen, "The Bureaucrat – How Joe Shuldiner Hopes to Save CHA," *Crain's Chicago Business*, 15 April 1996, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁵⁸ Flynn McRoberts and Janita Poe, "The Mission: Incomplete – Residents Still Wait for Results," *Chicago Tribune*, 26 May 1996, News, p. 1.

⁵⁹ Betsy Wangensteen, "The Bureaucrat – How Joe Shuldiner Hopes to Save CHA," *Crain's Chicago Business*, 15 April 1996, News, p. 1.

⁶⁰ Flynn McRoberts and Janita Poe, "The Mission: Incomplete – Residents Still Wait for Results," *Chicago Tribune*, 26 May 1996, News, p. 1.

but he remains frustrated by a system that stubbornly resists improvement."⁶² An inefficient workforce was also one of the major problems that former CHA Chairman Vince Lane faced in trying to turn the organization around. Seemingly, the federal government could do no better.

As for the federal administration's central goal of tearing down the high-rises, the 1996 Democratic National Convention in Chicago helped to speed things along.⁶³ In order to improve the city's image and to show progress, the CHA destroyed nine high-rises at Henry Horner Homes and replaced them with low-rises.⁶⁴ Plans to tear down high-rises were only the start of the redevelopment plans. At Cabrini-Green, the setting of the 1970s sitcom Good Times, the entire community was slated for redevelopment. This included the creation of social functions, like libraries, shopping centers, and a police department to patrol the revamped community's streets.⁶⁵ Coinciding with these redevelopment plans, were the fears that public housing residents had of losing their homes. New rules established by Congress in 1995 for public housing aided the construction of these new communities. No longer was the CHA required to replace public housing units on a one-for-one basis as Lane had to contend with. The CHA was now allowed to tear down buildings it deemed unfit and cost prohibitive to maintain. 66 Residents not accepted or waiting to enter into the mixed-income establishments were given Section 8 housing vouchers to move into other communities, usually ending-up in poor neighborhoods, around the city.⁶⁷ The CHA's ability to tear down high-rises became easier than ever.

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⁶² Ibid.

⁶³ Greg Hinz, " '96 Convention Countdown," *Crain's Chicago Business*, 19 August 1996, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁶⁴ Ibid.

⁶⁵ Michael Grunwald, "Public Housing's New Era Razing High-Rises Raises Issues for Nation's Poorest," *Boston Globe*, 9 September 1997, National/Foreign, p. A1.

⁶⁶ Curtis Lawrence, "Mayor Another New Start for CHA," *Chicago Sun-Times*, 28 June 1999, News, p. 5 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet..

⁶⁷ Susan J. Popkin, and others, eds., *The Hidden War*, 20.

The downsizing of public housing into smaller, people-friendly communities was not acceptable to CHA residents. Executive Director Joseph Shuldiner explained this downsizing, "I'd like to do it for more people. But blame that on Congress. I don't have the money." Residents wanted their high-rise buildings to be rebuilt in the same locations, but that would only repeat the problems that were created in the 1950s. Journalist Michael Grunwald explains that instead of repeating these problems, city leaders "foresee communities in which subsidized and unsubsidized tenants live side by side, indistinguishable except on rent day." Creating mixed-income communities was part of a larger plan to improve the image of the city of Chicago. As Urban Planner Patricia A. Wright mentions, this plan, may have given priority to the middle class who were beginning to return to the city of Chicago.

While the viability of mixed-income communities is not time tested, housing conditions for some of the CHA's residents stand to improve at least in the short run. As for the rent in these fully furnished condos, public housing residents were required to pay no more than 30 percent of their incomes. By October 1998, Journalist Flynn McRoberts explains, "more than a dozen Cabrini residents, half of whom are unemployed and paying as little as \$3 a month in rent, have moved above and below people who plunked down as much as \$185,000 to buy condos." This example of small set asides for public housing residents in the private mixed-income communities was one of the main complaints from the rest of the public housing community. They complain that the Section 8 vouchers given to the majority of displaced residents simply

⁶⁸ Michael Grunwald, "Public Housing's New Era Razing High-Rises Raises Issues for Nation's Poorest," *Boston Globe*, 9 September 1997, National/Foreign, p. A1.

⁶⁹ Ibio

⁷⁰ Flynn McRoberts, "A New World—Down the Block," *Chicago Tribune*, 8 October 1998, News, p. 1.

⁷¹ Ibid.

relocate them from one slum to another without improving their lives.⁷² Consequently, they believe that the transformation of public housing into mixed-income communities is a sham.

The CHA is only focused on improving the lives of those chosen for mixed-income housing. Most of the first individuals chosen to live in redeveloped Cabrini-Green neighborhoods, such as Mohawk North, were single mothers. As part of the moving-in process, they were counseled on how to behave properly in a regular neighborhood. They were informed of fines that would be levied against them for breaking the rules of the new community, such as playing loud music or walking on the grass. While these new mixed-income communities aimed to establish a peaceful community, surrounding high-rises where daily shootings still continued, prevented a fast transformation.

In the summer of 1998, the CHA's movement toward mixed-income housing helped to get the agency removed from HUD's troubled list for the first time since the list was created in 1979.⁷⁶ However, 1999 saw the introduction of a new grading system for HUD that included the condition of the buildings as part of determining a housing authority's troubled status. Consequently, the CHA went right back on HUD's troubled list.⁷⁷ This did not stop HUD Secretary Andrew Cuomo, who succeeded Cisneros, from returning the CHA to local control at

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⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Fran Spielman, "Budget Chief May Lead CHA," *Chicago Sun-Times*, 18 April 1999, Sunday News, p. 4 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁷⁷ Mark Brown, "Lane Says He Owes Nothing," *Chicago Sun-Times*, 18 January 1998, Sunday News, p. 7.

the end of May 1999.⁷⁸ During the multi-month transition period that followed the "official" takeover, Mayor Daley worked with HUD to exempt the CHA from many of its regulations.⁷⁹

As part of the takeover, Daley signed a 'memorandum of understanding' with the HUD that frees the CHA from many of HUD's standard regulations. Among the provisions, this memorandum includes an exemption from HUD's provision for a mandatory increase of an individual's rent after he gets a raise. Daley wanted to cap the rents of public housing residents so that individuals would not move out of the neighborhood just as their lives started to turn around. In previous days, this rule led to an exodus of individuals and families from CHA communities that strengthened the image of poverty in Chicago's public housing. With the return of the CHA to local control, Mayor Daley appointed a top school official and former Chicago public housing resident, Phillip Jackson, to head the CHA. A return to local control did not stop the CHA from continuing the demolition of high-rises and replacing them with mixed-income communities.

Not only did CHA Executive Director Phillip Jackson move forward with plans to demolish Chicago's high-rises but he also worked to decrease the housing authority's expenses. This included Jackson taking a token pay cut from \$166,000 to \$150,000.⁸² As a question to ponder, it should be considered whether this pay cut was worked out in advance before his salary was determined? If that were the case, he could have been given a higher salary with the

⁷⁸ Gary Washburn and Melita Marie Garza, "City Regains Control of CHA But Lacks Rehab Plan," *Chicago Tribune*, 28 May 1999, News, p. 1 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

⁷⁹ Ibid.

⁸⁰ Fran Spielman, "Daley Names His Team to Reform Troubled CHA," *Chicago Sun-Times*, 28 May 1999, News, p. 16 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁸¹ Gary Washburn and Melita Marie Garza, "City Regains Control of CHA But Lacks Rehab Plan," *Chicago Tribune*, 28 May 1999, News, p. 1.

⁸² Melita Marie Garza, "CHA Tries to Whwart Horner's Slide," *Chicago Tribune*, 22 September 1999, Metro Chicago, p. 3 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

understanding that it would be cut for publicity purposes in order to justify the firing of 1,754 CHA employees over a five-year period to decrease expenses. The jobs of these individuals held were to be "privatized" by the managers of the mixed-income communities. This would leave the CHA with around 700 employees. Jackson also set in motion plans that would eventually eliminate the Chicago Housing Authority's police force. Instead, the mixed-income communities would be patrolled by the Chicago Police Department as the new housing is incorporated into the city. These budgetary cutbacks were only part of the changes for the new CHA.

In September 1999, the CHA unveiled its 'Plan for Transformation,' which called for the destruction of the city's remaining 51 public housing high-rises. According to Journalist Curtis Lawrence, "The CHA plan, which if successful would rewrite the history of the troubled agency, also involves the renovation or rebuilding of 24,000 units and massive privatization." This ten year plan, increased the concerns of public housing residents, who feared being left out in the cold. An April 1999 study by Lake Forest College Professor Paul Fisher had already attested that "as many as 10,000 families could be moved from 'vertical to horizontal ghettos' because of a lack of affordable housing and flaws in the federal Section 8 program." The plan to demolish the remaining high-rises, therefore, stood to take away the homes of even more families without adequate homes for them to move into. According to Journalist Greg Hinz, "New CHA housing – most of it part of mixed-income developments – will be run by private mangers and owned by varying combinations of CHA and private groups. Another 14,000 vacant units will be

⁸³ Fran Spielman, "Daley Vow: Build New Homes, Lives," *Chicago Sun-Times*, 2 October 1999, News, p. 8 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁸⁴ Curtis Lawrence, "\$1.5 Billion CHA Overhaul Gets Approval from HUD," *Chicago Sun-Times*, 5 February 2000, News, p. 1 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

demolished but not replaced."⁸⁵ With HUD's approval of CHA's 'Plan for Transformation' in February 2000, the fate of Chicago's remaining public housing residents was sealed.

Having depleted the CHA's workforce and set plans in motion for the complete transformation of the housing authority, Jackson's status as a transitional executive director came to an end in May 2000. At that time, Daley named Alderman Terry Peterson to replace Jackson as head of the CHA. As a former public housing resident, Journalist Fran Spielman claims that "Jackson turned out to be the perfect foil during the CHA's year of transition. He moved to disband the agency's police force, closed high-rises during the winter and fought with federal officials over the transformation plan. When the heavy lifting was done, Jackson dutifully stepped aside to make way for Peterson." 86

While the CHA aimed to improve the lives of its residents in the mixed-income communities, there were times that its residents refused to adopt society's social and behavior standards. For example, one individual named "Latasha" was moved into a mixed-income community, where she routinely disturbed her neighbors and would not meet with her case manager, while remaining unemployed. Carolyn Ward, the case manager at Mohawk North, said that "improving her quality of life is a joke to her... She's satisfied where she's at – and that's nowhere." This example represents only a fragment of the public housing residents who were moved into mixed-income communities. Behaviors, such as Latasha's, would not be tolerated in the new communities. CHA head Terry Peterson declared, "We're not giving up on anyone. But

⁸⁵ Greg Hinz, "Despite Big Setbacks, CHA's Turnaround Plan Moves Ahead," *Crain's Chicago Business*, 15 May 2000, p. 4 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁸⁶ Fran Spielman, "Former CHA Head Jackson to Lead Boys & Girls Clubs," *Chicago Sun-Times*, 22 February 2001, News, p. 18 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁸⁷ Curtis Lawrence and Kate N. Grossman, "CHA Must Change Minds Before Changing Lives," *Chicago Sun-Times*, 26 March 2001, News, p. 8 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

if a resident can't cut it, it's no longer the CHA's problem. If you're caught buying drugs or toting a gun, you're out. The CHA will only house residents who play by the rules and pay rent. No one else."88 But, Peterson claimed that the residents would be given time to integrate themselves with the new communities' rules and that they would be provided with job training. 89

While the public housing residents who moved into mixed-income generally abided by the new rules, many families refused to consider moving into the new communities because of their rules. Many families feel that some of the rules that the managers of the mixed-income communities have set-up for public housing residents, including submitting to drug tests, take away from their independence. Consequently, these residents are not interested in joining the mixed-income housing, as opposed to the other way around. 90 This leaves the residents whose homes have been demolished with no other choice but to accept Section 8 vouchers. Unfortunately, the track record for the issuance of these housing vouchers has not been very good. According to Sudhir Venkatesh, a Columbia University sociologist, out of "a group of 1,500 who began leaving the Robert Taylor Homes in 1998, about one out of 10 are homeless. 91 Without adequate counseling to help these individuals, they were literally left out in the cold with no skills to enable them to get a job. 92 The CHA made propagandist claims that it would try to get these residents job training. Believing these promises from an organization that did not care in the first place where the individuals it drove from their homes ended-up, was simply impossible.

In a piece of irony about the city's crusade to tear down its high-rises, it approved the creation of high-rises for use as condos by a private developer. Kingsbury Park, a condo

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Ibid.

development slated for completion in 2006, will be a mixed-income development. Since this was a private development, not associated with the CHA, it was not required to have set-asides for public housing residents. However, since the developer wanted tax-increment financing for their development, the city required that they set-aside some of their land for public housing residents. Ordinarily, only builders that constructed on Chicago's public land had to make room for public housing residents. This double standard of allowing the creation of new private high-rises, while tearing down those in the public housing community, leads to the question of whether scattered-site high-rises for public housing residents could have been built around the city, instead of concentrating them in one location? Although, for political and economic reasons, scattering public housing had always been unpopular with homeowners regardless of where they lived.

Despite not having enough places to disperse the public housing residents who were kicked out of the high-rises, the CHA wanted to move as fast as possible with its redevelopment plans. To boot, the CHA did not have enough money to complete its transformation plans. CHA Director Terry Peterson believed that setting this transformation plan in motion was essential in order to show the U.S. Department of Housing and Urban Development that it deserves more money to finish the job.⁹⁴ This job includes building "new communities where the poor, working class and middle income will live side-by-side. In the place of isolated neighborhoods, the agency promises new parks, stores and services." This shows that the CHA and the city of

⁹³ Steve Daniels, "Wards Site's Affordable Housing Deal," *Crain's Chicago Business*, 3 September 2001, p. 1 [database on-line]; available from *LEXIS-NEXIS Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁹⁴ Kate N. Grossman, "CHA 'Fesses Up: It Lacks Funds for Building Plan," *Chicago Sun-Times*, 31 December 2001, News Special Edition, p. 6 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.
⁹⁵ Ibid.

Chicago planned not only to improve the lives of some of its residents but also to improve the image of the city as a whole.

Over the next several years, the CHA continued to make progress with its transformation plans. Fears from residents, such as from Ida B. Wells resident Janice Stanton, continued to be disregarded. She worried, "I will have no home under the CHA's plan. I don't have an income, and I can't pay rent. These vouchers the CHA wants to give you require you to pay rent, and I just can't afford anything." The CHA further continued to cut its expenses by gradually replacing CHA police forces with Chicago police officers. 97

CHA head Terry Peterson maintained, "For the past 40 years, 'gallery style' high-rises have been nothing but warehouses for the poor. We want to replace them with real neighborhoods, where you can't tell the difference between the affordable, public and market-rate housing." To integrate public housing residents into regular communities makes sense, but the CHA's plan is not without its faults. People who do not qualify for mixed-income housing or people who do not want to move into mixed-income housing are often left with no choice but to take Section 8 housing vouchers, when they can get them, to move to other poor neighborhoods around the city of Chicago. 99

With the destruction of the majority of the high-rises by 2005, the city of Chicago undoubtedly garnered a more upscale image. Middle and upper class individuals largely

⁹⁶ Ray Quintanilla, "CHA OKs \$52 million Plan for New Units," *Chicago Tribune*, 21 August 2002, Metro, p. 4 [database on-line]; available from *NewsBank NewsFile Collection*, accessed 24 May 2006; http://infoweb.newsbank.com; Internet.

⁹⁷ Ibid.

⁹⁸ Patricia Richardson, "Home Improvement: New Blueprint," *Crain's Chicago Business*, 7 October 2002, p. 11 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

⁹⁹ Ibid.

¹⁰⁰ Kate N. Grossman, "CHA Launches 2nd Phase of Replacement Housing," *Chicago Sun-Times*, 19 August 2005, News, p. 21 [database on-line]; available from *Lexis-Nexis Academic*, accessed 7 June 2006; http://www.lexis-nexis.com/universe; Internet.

benefited from the land that had previously belonged to public housing residents. While the dilapidated condition of the high-rises made it necessary to tear them down, Mayor Daley's push for mixed-income communities stemmed from his desire to increase the city's property taxes. Middle class individuals obviously pay more property taxes than public housing residents; therefore public housing residents were relegated to second class status in Chicago's quest for improvement and "progress." Whether the mixed-income communities will actually help to uplift the minority of public housing residents that were supposed to benefit from this arrangement remains to be seen.

The transformation of the Chicago Housing Authority began with CHA Chairman Vince Lane's idea to tear down the blighted high-rises and create mixed-income housing. He claimed that mixed-income communities would uplift public housing residents by giving them role models to follow. As Chairman, Lane did not see his vision come to fruition because he resigned on the day that Secretary Cisneros of the HUD took over the CHA in 1995. Under the control of the U.S. Department of Housing and Urban Development, the CHA pressed forward with Lane's vision of mixed-income communities. High-rises were torn down, despite the question of where the displaced public housing residents who were not accepted, or did not want to go into, or were waiting to go into mixed-income housing communities would go. With the return of the CHA to the city of Chicago in 1999, the speed that the high-rises were torn down accelerated. Residents who did not enter into the new-mixed income communities were given Section 8 housing vouchers, but these vouchers, often left the displaced public housing residents in other poor neighborhoods.

Mayor Daley supported the creation of these mixed-income communities because they attracted middle-class residents to his city and that helped to improve the city's image. The

added property tax-revenues that these individuals were assessed also added to the decision to remove the majority of public housing residents from their homes. Tearing down the blighted high-rises was necessary because they were an inhospitable environment to live in. While there was a land grab by the city of Chicago of public housing land in order to attract the middle class back to the city, the long history of mismanagement, the high crime rates in the public housing communities, the sight of dilapidated buildings, and funding cuts for the CHA made it necessary to try a new experiment to help at least some of Chicago's public housing residents. It remains to be seen whether the reduced numbers of public housing residents, who are living in the mixed-income communities, will be uplifted by these new living arrangements. The 'Plan for Transformation' is scheduled for completion in 2009, so it may be too early to tell whether it will be successful. Regardless of this plan's ultimate impact, the CHA and Mayor Daley had to *do something* in order to improve the lives of Chicago's public housing residents, even if they could only help a small percentage of them.