

CHA Plan for Transformation Year 11...

Still we ask: What about the people?

The Chicago Housing Authority's Year 11 Plan (MTW FY2010), as with previous years, tells us little about what is happening to the plan's presumed beneficiaries—current and former public housing residents. In looking at the plan, we find images of nice buildings along with lots of numbers: units to be demolished, rehabbed or built, and the dollar amount needed to do it. Yet there is very little information about what is really happening to the people. Who has moved out and where have they gone? Who has moved back in? Who is benefiting from this plan and at what cost?

Who has moved out and where have they gone?

Despite new information management systems and an independent monitor that is supposed to be watching the relocation process, we find no hard data – or even anecdotal evidence – on what has happened to people who have moved out, either permanently or temporarily waiting to return to a new CHA unit.

Yet data do exist. While a few years old, a study in 2005 by Dr. Paul Fisher showed over 90 percent of families who left public housing were re-segregated into high-poverty, high-crime neighborhoods. The same pattern appears as late as 2007.¹ This is a direct contradiction of the stated goals of the CHA's Plan and the 2005 settlement agreement reached in *Wallace v. The Chicago Housing Authority*, which claimed the CHA failed to assist them in relocating to racially integrated communities in the private market.

How much progress has *really* been made to help families move back?

We see that by the end of 2010 the CHA plans to have 18,703 units completed. While getting closer to the 25,000 units to be completed now by 2015 instead of by the end of 2009 as originally planned, this number can be misleading. Consider these data:

- A significant number (9,811) are rehabilitated senior housing units. This is great since seniors – people 62 and older – need good quality affordable housing. However, most of these units – and about half of what will be done by the end of 2010 were rehabbed units and not new construction, and were done within the first five years of the plan.
- The same is true for the 2,543 rehabbed scattered site housing units. The CHA claimed that it had achieved this goal with 100% renovated in FY2006. So why is CHA planning to spend another \$20 million in stimulus money on these properties?
- While the plan is to complete 3,041 family units in new mixed-income communities by the end of 2010, there remain nearly 3,700 *more* units to build in just five years if the plan is to be completed by 2015. Considering that it will take nearly 10 years to build less than that – and during a time that until recently had been favorable for development – how realistic is this? And, what about the families that moved out nearly 10 years ago thinking that it would be 5-7 years at most before they would move back to a new unit (see timeline in the FY2005 plan)?
- Of the new family units in mixed income developments to be completed, most were done so because public housing residents fought in court the CHA *before* the Plan for Transformation and not necessarily *because of the plan itself*. Consider this: of the estimated 2,900 completed to date, about one-third was built because of a consent degree settled *before* the Plan for Transformation started.²
- Of the new family units built or that will be, most are 2-bedrooms or less, which means many families with more than 2 children will not be able to get a new replacement unit.

¹ Forthcoming, Analysis of 2000-2007 Housing Choice Voucher usage in Chicago. UIC Voorhees Center.

² No current total of completed units is provided in the FY2010 plan. This is estimate based on what is planned for 2010 (117) subtracted from what the end total will be if all units are developed (3,041).

Who is benefiting from this plan?

While technically the CHA's plan does not have to tell us what has happened to people, it seems important to include at least some information on how public housing residents are doing. After all, the plan has claimed in the past to be "assisting residents in taking steps towards economic self-sufficiency" (FY2006). So, as a plan "grounded in the principle that it must promote a model of self-sufficiency" it seems fair to ask *after 9 years*: how have people's lives been changed by this process? How are kids doing in school? How many parents have "connected" to employment via the service connector program? What kind of jobs are they getting and how much are they earning? What is being done to help people get into better paying jobs? How many families have been able to attain affordable child care so they can work?

Instead of providing data, however, the CHA gives us a list of research briefs and articles that have been published in academic journals. Noticeably missing is any summary of what these scholars have found, which CHA claims it will use to "reflect on the first 10 years of the plan and to collaboratively revisit and design goals for the remaining years under the plan" (p.51).

More importantly to note is that the included citations reflect a selection of research rather than the complete spectrum. Missing is research that has asked – and answered – many of the questions here (e.g., Paul Fisher on where relocatees are living). Also missing is research that concluded early on that the plan should be slowed down to address early concerns that it was too aggressive and incapable of meeting its targets in 10 years – which it obviously has not. This includes a research report by the Urban Institute, which in 2002 identified "critical issues" about the transformation process, including: adequacy of resources; pace of relocation; pace of redevelopment; ensuring residents make informed choices; clustering and availability of voucher units; inadequate resident representation; residents' ability to transition to the private market and effect on illegal tenants; lack of accurate information regarding residents' status; and coordinating multiple agencies (see *CHA Relocation Counseling Report, 2002*).

Similar concerns were raised in 2004 by Sudhar Venkatesh, who along with colleagues from Columbia University concluded that:

The pacing of relocation moved too quickly for CHA families to weigh different housing options. 60% of the families moved either three weeks before the school year began, or immediately afterwards. They had little time to form an adequate understanding of available housing in different Chicago neighborhoods. Faced with little time to settle into new communities and prepare children for schools, families ended up choosing the first available housing unit, which was often in a poor, segregated community. One resident of the Robert Taylor Homes said, "It's hard, when you are trying to find a new place, you don't have a car, things are far away, and you have to get the kids in school right away. We could've done it better if we had more time, but everyone just said we had to get out of the building right away." (*Chicago Public Housing Transformation: A Research Report, February 2004*)³

What is the real cost of this plan and does CHA really have the funds to complete the 9,000 units by 2015?

The CHA Plan is a huge undertaking involving several billion dollars of public and private money. The CHA has a responsibility to provide data on how it is managing that money. The plan provides overview of the distribution of resources by source that it will use, which raises several questions:

- How much of this funding is coming from sources that normally would be used by non-profit community groups to develop affordable housing in Chicago? This includes the Low-Income Housing Tax Credit program allocations in Chicago and even the state, which normally would have gone for development of new *additional* affordable housing – not just replacement units .

³ Both the 2002 and 2004 reports were funded by the MacArthur Foundation, which also funded much of the research cited in the FY2010 plan.

- What if CHA had not gotten stimulus money? This year's plan includes about \$101 million in new Federal stimulus funds – which should raise the question for many: *if that money had not come in, what would the CHA have done?* As it is, these are only going to help build about 900 new units of public housing.

Finally, in reviewing the CHA's FY2010 plan, we ask the US Department of Housing and Urban Development:

(1) How is HUD going to make sure all eligible residents who indicated that they want to return will actually be able to return to new replacement housing?

The CHA claims that it has tried to find the nearly 3,300 families that still have not declared their preference for returning, and that when the Right to Return contract expires October 2009, these families no longer have any right to return to claim. But if the plan, which was to be completed in 2009 is not to be completed in 2015, wouldn't it make sense that this "right" also be extended?

(2) How can HUD let buildings be demolished without replacement housing units planned?

In the FY2009 Annual MTW plan, the CHA claims that: "During FY2009, the CHA plans to conduct working group meetings for LeClaire Courts Extension. The City of Chicago Departments of Planning and Development, Housing, and Transportation will participate in creating the redevelopment plan in FY2009" (p.38).

Yet no plan has been completed. Instead, the current FY2010 plan now claims "CHA will convene the LeClaire Courts relocation committee in Fall FY2009 to begin the redevelopment process and plan for the formal launch of the LeClaire Courts Working Group in the first quarter of FY2010." In between the publication and approval of these two documents, the CHA announced it was closing the development and began evicting tenants—which is part of the relocation process—before convening the relocation committee or developing a plan for the site.

(3) Why does HUD allow CHA to raise minimum rents to \$75 and then take tenant utility allowance to pay it for those who otherwise do not have sufficient income to pay?

While this strategy assures the tenant has rent paid, what happens when they cannot pay utilities and the utility assistance programs are out of money? If MTW's goal is to "reduce costs and achieve greater cost effectiveness in federal expenditures," then this is success. If the goal is to keep poor people warm, safe and dry in public housing, then this "successful" strategy is likely to also fail if people are at risk.

(4) How can HUD allow CHA to continue enforcing the work requirement?

The economic downturn not only has slowed development at CHA sites, it has seriously limited employment opportunities for everyone. African Americans are feeling it even more than white counterparts with higher rates of unemployment, not to mention historically lower wages and incomes. Given the now double digit (11.3% in July 2009), should CHA be allowed to penalize people if they cannot comply due to circumstances that are out of their control and equally affecting higher income people not in public housing?

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