

CHICAGO REHAB NETWORK



NEWSLETTER

vol 1, no 1

october, 1977

****EDITORIAL****

Welcome to the first of what we hope will be monthly editions of the CHICAGO REHAB NETWORK NEWSLETTER. We have gone into print with the further hope of stimulating dialogue, sharing expertise, and opening up resources for our membership and other individuals and groups concerned with the redevelopment of Chicago's neighborhoods for and by its low income residents.

The CHICAGO REHAB NETWORK is composed of an array of housing development corporations who have been struggling for years to initiate and carry out rehabilitation and management programs in buildings for which many people had given up hope. NETWORK members work with 60, 80, 100 year old structures conventionally appraised at limited life and market values. But with new construction costs rapidly rising above the means of even most middle-income families, our neighborhoods' redevelopment must rely on the rehabilitation of their existing housing stock, which must be and, as we have found through seat-of-the-pants financing and as-is rehab, can be done.

CHICAGO REHAB NETWORK



NEWSLETTER

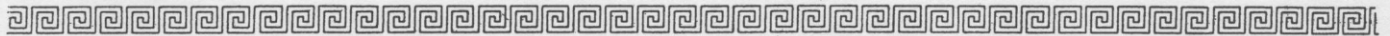
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We need to have better access to resources to do our jobs: Chicago 21 planners have all the legal assistance, financing and management planning, ready access to seed money and loans to float their projects through red tape to completion. And they are "a'buildin'" for suburban, upper middle class families. The city's poor in its older housing units can barely make a go of it, especially if they live on public aid or daily pay.

We hope that the recently funded rehab resource center may fulfill some of our technical needs. But there are many other topics we hope to talk about in these pages from month to month.

That middle class, white family of four in Highland Park (or some other comfortable suburb) may be attracted back to the "river" city because of problems inherent in the system of remote satellites sucking off a central core. Like our solar system, the central core may well burn itself up.

We need to be given the opportunity, again with our limited resources, to limit the energy waste with which we live/ A comprehensive program of subsidies and grants to weatherize and develop alternative energy sources for our buildings is essential.

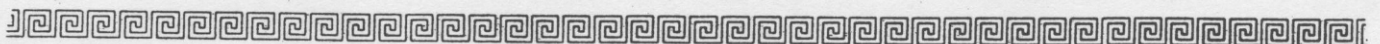
Lured by the hope of an easier life and jobs in the city, our communities' poor have provided cheap labor (when they could even find a life-sustaining job) to the Abbouds, the Swearingtons, the Crowns, the Chaddicks and the rest of the Chicago ruling class. We have been pushed around by the real estate developers and government officials. Now we want to stay put and rebuild our worn and devastated neighborhoods ourselves.



We will be talking about the above concerns and hopefully much more in the months to come. As the REHAB NETWORK is open to ne members, so too is this NEWSLETTER in need of your suggestions, letters, ideas, articles, photos, cartoons, and, eventually, subscriptions. By joining together and exchanging opinions information, criticism, and dreams, we can help each other learn, grow, do our jobs better and work toward the goal of revitalizing and preserving our neighborhoods.



CHICAGO REHAB NETWORK
NEWSLETTER COMMITTEE:
Roberta Rothstein,
Bickerdike Redevelopment Corp.
Bob Schmidt,
Chicago Housing and Education
Corp.
Thom Clark,
Voice of the People



who we are and how we came to be

The CHICAGO REHAB NETWORK is organized to insure the continuous supply of decent housing for low and moderate income families in Chicago's neighborhoods.

The NETWORK's membership is composed of community-based, not-for-profit housing organizations who are actively engaged in building rehabilitation and management.

The NETWORK assists its membership by:

- 1) Serving as a forum through which member organizations may exchange ideas and share expertise;
- 2) Providing technical assistance needed in the rehab process;
- 3) Articulating housing concerns;
- 4) Offering informed input into government housing programs.

(from STATEMENT OF PURPOSE, January 18, 1977)

One year ago, members of Bickerdike Redevelopment Corporation, Eighteenth Street Development Corporation, Logan Square Economic Redevelopment Corporation, and Voice of the People, Inc., spearheaded an effort to bring together neighborhood rehab groups from around the city of Chicago. One immediate result was a directory of 13 such groups, published in October, 1976.

Since that time, the NETWORK has found itself studying the ins and outs of the Illinois Housing Development Authority, the need and methods to devise a rehab code, and the way groups in other cities, particularly New York, have come together for similar purposes. We have discussed the development of an approved contractor's listing, a materials co-op, and how to raise money for member groups.

In the spring of 1977, we formed a joint venture with the Chicago Architectural Assistance Center to create REHAB: the Housing Resource Center, funded through Chicago's Department of Human Services. The NETWORK will assume full control of REHAB in October, 1977. Rehab is designed to provide technical services to not-for-profit housing organizations and certain individuals.

The CHICAGO REHAB NETWORK was incorporated in June, 1977 and currently has about a dozen members. The NETWORK has begun a fund-raising effort to hire its own skeletal staff to co-ordinate its ongoing activities, and has begun to plan programs and activities for the coming months.

focus on HDC's :

THE EIGHTEENTH STREET DEVELOPMENT CORPORATION

by Henry Polz

Each Newsletter, we will feature an article on one of our member organizations. The first article, on the 18th Street Development Corporation in the Pilsen community, also contains a thought-provoking discussion of the viability of housing development corporations as tools for community development. This is an issue we will continue to explore in future articles. As well, we will offer these pages as a forum for critique of the major issues facing community organizations involved in housing rehab, while focusing on a specific organization and community.

A word needs to be said about the author of this article. Henry Polz, a resident of Pilsen, was a German carpenter who was shot in 1877 during a railroad strike at the Battle of the viaduct on Halsted and 16th Street. We are told this manuscript was found among his personal effects. Of course we do not believe he could have had such tremendous foresight and clairvoyance, however we have chosen to print the article with his byline. We hope that Henry Polz's spirit will live on in the deeds of the 18th Street Development Corporation.

Introduction

Can Housing Development Corporations (HDCs) offer a just alternative to the gross inequities bred by the "urban development" process that now exists in our cities? Throughout the last decade, HDCs have been organized by struggling communities to fill the vacuum left by the neglect and/or unscrupulous practices of realtors, saving institutions, industries, and governmental institutions. In general, however, they have fared badly in the public eye. Community organizations, for example, condemn them as a "false promise" that misdirects the energies of embattled residents into complicated and compromising planning and organizational processes.

On the other hand, many public officials and urban theorists argue for a triage approach to urban redevelopment and against the doomed "gilded ghetto" tactics of HDCs. Moreover, major foundations find community housing development activities to be too small and ineffective to adequately leverage their funds and to satisfy the "numbers

game" mentality of their conservative boards. Yet, these shoestring organizations and their promise of decent housing continue to defy their critics--they persist; their projects stand alone in an urban landscape populated by empty lots and burned out buildings. By looking more closely at one HDC now operating in Chicago, the Eighteenth Street Development Corporation of Pilsen, the problems and accomplishments of HDCs in general can be clarified.

The Pilsen Community

Pilsen is a predominantly Mexican/Chicano community located between 16th Street on the north, the Chicago River on the south and east, and Ashland or Western Avenue on the West, depending upon your community allegiances. Pilsen is a community that is under seige. Built after the Chicago Fire to provide housing for working class ethnics who comprise the labor force for the South Branch industrial area, Pilsen, today, is confronted

Eighteenth Street Development Corporation
(E.S.D.C.)



The E.S.D.C. grew out of the Pilsen Rehab Project of Pilsen Neighbors Community Council. Formed over three years ago in conjunction with neighborhood youth, the initial goal of the Project was to rehabilitate an abandoned and deteriorated three story building at 1445 West 17th Street. After two years of benefits, donations, small grants and a lot of frustrating work, the building was completed. Bringing this building back to life coincided with the completion of the Pilsen Neighborhood Plan, developed by Pilsen Neighbors to be an alternative to the Chicago 21 Plan. These two activities merged last fall in the formation of an independent "development vehicle", the Eighteenth Street Development Corporation.

by the stark reality of Redevelopment. In the eyes of developers, the inner city land values of Chicago no longer conform to their historical usage as worker housing; rather, their highest use is intimately linked to the growth sectors of Chicago's economic base: service, administration and institutional. Witness the systematic destruction of the Near West Side and its ineluctable course toward a middle and upper income community that serves the Medical Center and Circle Campus. Indeed, Pilsen is an untapped reservoir of potentially explosive land values, a resource to which entrepreneurs and city planners are not blind.

After a rather prolonged and painful introduction to the business of housing rehabilitation and construction training, the E.S.D.C. has quickened and broadened its scope of activities in the last year. To date, two buildings have been completed: 1445 W. 17th Street (four units); 1637 S. Miller Street (one unit); one building is near completion; 1823 W. 17th Street Front (two units). Two buildings are in the process of rehabilitation: 1823 W. 17th Street Rear (two units) and 1900 S. Carpenter Street (four units). Over twenty Pilsen residents have obtained quality low income housing from this work, and numerous homeowners on project blocks have been stimulated to improve their own properties.

This redevelopment spectre is revealed through such flagrant actions as the Chicago 21 Plan, Dearborn Park, River City, the Urban Renewal Area planned for east Pilsen, and the "innocuous" land grabbing of the University of Illinois (Chicago Circle). More than these obvious threats, though, Pilsen residents suffer daily from the concerted and well practiced policy of "benign neglect" perpetrated by the City of Chicago. This strategy manifests itself in poor quality services, harassment by building inspectors, a docile housing court system and by the lack of public investment committed to the area. Redlining by major savings institutions & fire insurance companies has served to reinforce this strategy. The result of this "urban removal" process is that Pilsen has over forty abandoned buildings, high absentee ownership, a growing abundance of vacant land and minimal housing rehabilitation.

Housing Rehab--and That's Not All

Housing rehabilitation is only one component of the E.S.D.C. Over fifty neighborhood youth have obtained construction skills through this program. With the careful selection of trainees, two days of shop training a week and job counseling, the E.S.D.C. recently has placed four trainees in the Carpenters Apprentice Program and one trainee in the Electricians Apprentice Program. Many E.S.D.C. workers are now taking on side jobs in the neighborhood and providing the necessary skills so that more housing rehabilitation can occur. With this background, the future of E.S.D.C.'s training component is bright. It must be remembered that individuals who obtain quality employment and skills are then able to buy their own homes and fix them up.



The Foundation Connection

Several new projects are now on the drawing boards: 1) rehabilitation of a thirteen unit abandoned building; 2) development of a Mini-Zone; and 3) the formation of a housing organizing and outreach component. All three of these activities will be concentrated in a small four or five block area of Pilsen, with the hope that a neighborhood preservation model can be developed for the Pilsen community.

Long term planning is now underway for economic development, historic preservation and neighborhood technology projects. These projects hopefully will be implemented in the next three years.

Philosophy and Structure

The E.S.D.C. focuses its efforts not only on such visible outcomes as rehabilitated buildings and job placements, but upon developing an alternative economic institution that is democratically managed and community controlled. This objective is implemented in several ways: 1) board involvement and participation (staff, workers, tenants, homebuyers and community residents have the right to become board members according to the E.S.D.C. bylaws); 2) a decentralized management structure, made up of co-directors; and 3) the attempt to develop self-managed work sites. On the whole, the above objective has not been attained as of yet. However, the E.S.D.C. realizes that its effectiveness in the long run is dependent upon the quantity and quality of participation and support that it has.

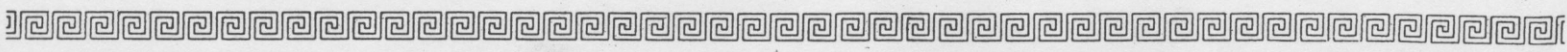
The 1977 budget for the E.S.D.C. is close to \$200,000. This budget includes: thirteen construction trainees, three office staff, a construction manager and a shop trainer. Non-personnel budget items include: materials, acquisition costs, subcontractors fees and operating expenses. The balance of the necessary funding is derived from governmental sources such as: C.E.F.A., Community Development Funds, and, until recently, from Title X of the Public Works Act.

In the last six months, the E.S.D.C. has been trying to break into the foundation circuit; to date, little success has been achieved. The combination of sporadic governmental funding and the lack of foundation support has resulted in staff not being paid and a slowdown of both work in progress and program development. With this high a budget, the E.S.D.C. must develop a more stable funding base if it is to survive.

The experience of three years of operation has revealed a number of problem areas for the E.S.D.C., difficulties that obstruct the formation of a viable and representative community organization. The issues of funding and organizational development noted above are the most important; however, there are a number of other problems that should be highlighted.

Rehabilitating a building in Pilsen is no easy task, particularly if it is for low and moderate income tenants. The first and foremost problem for E.S.D.C. in this regard is obtaining quality technical assistance that is sensitive to the market constraints of the area, and savvy to the numerous ways that materials can be re-used and existing floorplans maintained. The E.S.D.C. has wasted too much time producing gut rehab jobs--that is a sure route to bankruptcy; and it does not create a model that is useful to other owners doing rehab.

Too often, community developers become either job brokers or exploiters of training programs. CETA has been used as scab labor in many situations; individuals who participate in these programs obtain few skills and are left off where they began. The other typical scenario is that the program becomes viewed as an easy hustle, a simple way to cop some bread. The E.S.D.C. has experienced both of these pitfalls, and must keep alert to the inherent dangers of being both an employer and a social action organization.



'But What are You Doing?'

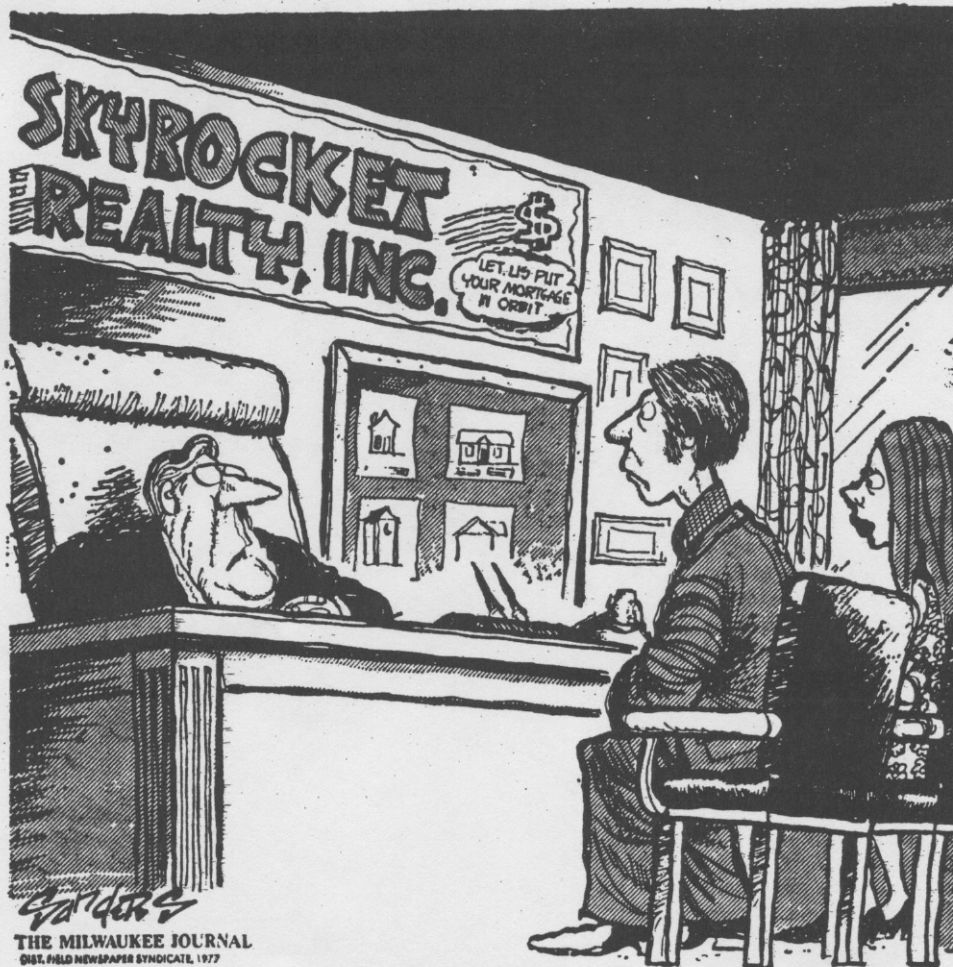
After three years of operation, what does the E.S.D.C. really have to show? Foundations, government officials and others constantly pose this question. No one in the private or public sector has succeeded in providing effective programs for low income housing and employment training, but not-for-profits in the neighborhoods are castigated for small impact. The E.S.D.C. has been forced to expand its scope of activities in order to make itself saleable because of this problem. It must walk the tightrope between creating a successful public image, and trying to cope with the harsh realities of organizational survival and extremely difficult objectives.

Conclusion: Are HDC's Viable?

To return to the first question posed in this article, is the Eighteenth Street Development Corporation a real alternative? Can it have any real impact on the problems that Pilsen confronts? It is apparent that

the E.S.D.C. will not stop the development of Pilsen. In fact, it is doubtful that this process can be stopped by anyone. However, it may be that these questions are ill-posed. The E.S.D.C. is dealing with several innovative and important issues: 1) bringing together employment and housing issues; and 2) attempting to develop democratic management and community control. The preservation of Pilsen may be lost in the long run, but a participatory style of development that can serve communities again is of great importance.

The social change necessary to change the priorities of the present urban development process must be viewed from a long term perspective. This is not to avoid present day issues, nor the issues of viability and effectiveness in the operation of HDCs, but, to emphasize the necessity for understanding the mountains that need to be moved and our sad lack of tools. Perhaps the true legacy of HDCs will be their commitment to experimenting with new concepts and styles of working together to make change.



THE MILWAUKEE JOURNAL
DIST. FIELD NEWSPAPER SYNDICATE, 1977

"Something in the \$25,000 range? Sorry, we don't handle slum housing."

The following is a list of our membership, including the name, address and phone number of each organization, the contact person(s), the community(s) which is the target area of the programs and a brief listing of the organization's programs and services in the housing area. This is a purposefully brief list, meant to introduce Network member organizations, and therefore does not deal with past accomplishments or future projects. In following issues of the Newsletter, a column will be devoted each month to an indepth focus on a Network member organization, in which individual groups will have an opportunity to describe and discuss their activities, goals, problems, etc. If you would like any further information about any of the Network members, feel free to contact them at the phone number or address listed below.

A word should be said about the use of "Community" in the list. This merely indicates the area in which programs are concentrated and not the geographic boundaries or limits of the programs or organization.

BICKERDIKE REDEVELOPMENT CORPORATION
1347 West Erie St.
Chicago, Ill. 60622
312-666-3430
Contact: Joe Leary, Chuck Colver,
 Roberta Rothstein

Community: West Town

Programs & Services: Delegate agency of Dept. of Urban Renewal in administering Chicago Financial Assistance Plan (CFAP) which enables owner-occupants of 1-4 unit dwellings to do major rehabilitation; operates senior citizen-handicapped minor home repair program; housing counseling and pre-purchase program; currently developing tenant-landlord service.

* * * * *

CHRISTIAN ACTION MINISTRY
3932 W. Madison St.
Chicago, Ill. 60624
312-826-9300
Contact: Kate Lane & Clay Collier

Community: West Garfield and Austin

Programs & Services: Housing management corporation; property management service in target area.

COMMUNITY HOUSING EDUCATION CORPORATION (CHEC)
1815 N. Humboldt Blvd.
Chicago, Ill.
312-252-7140
Contact: Bob Schmidt

Community: West Town, Logan Square, Humboldt Park

Programs & Services: Buy, rehab, maintain, and manage multi-family buildings in target area; tenant education; currently rehabbing 6 apartments with the Rehabilitation and Employment Training Program (city of Chicago).

* * * * *

18th Street Development Corporation
1900 S. Carpenter
Chicago, Ill. 60608
312-733-2287
Contact: Bob Giloth

Community: Pilsen

Programs and Services: Rehab of abandoned single and multi-unit buildings for low-moderate income homeowners and tenants; construction training involving shop and work experience; job placement in union apprenticeships or with private contractors; currently rehabbing a building containing a community center and emergency housing for Las Mujeres Latinas en Accion.

* * * * *



KENWOOD-OAKLAND COMMUNITY ORGANIZATION
(KOCO)

4618 S. Lake Park
Chicago, Ill. 60653
312-548-7500

Community: Kenwood and Oakland
Contact: Bob Lucas

Programs & Services: organize and educate tenants on their rights and responsibilities; assistance to landlords in bringing their buildings up to housing code requirements; information and referral on housing services and available apartments; currently managing and rehabbing 8 multi-unit buildings together with tenants in each building.

* * * * *

LOGAN SQUARE NEIGHBORHOOD ASSOCIATION/
ECONOMIC REDEVELOPMENT CORPORATION
(LSNA/ERC)

2641 N. Milwaukee
Chicago, Ill. 60647
312-384-4270 (227-6949 eves.)

Contact: Paul Levin

Community: Logan Square and Avondale

Programs & Services: Purchase, rehabilitation and resale of 1-4 unit buildings to neighborhood residents or owners willing to live in building, using conventional financing;

* * * * *

NEIGHBORHOOD HOUSING SERVICES

Northwest Office
2412 N. Western Ave.
Chicago, Ill. 60647 312-489-0383

Contact: Mike Schubert

Community: Logan Square and West Town

Englewood Office
7032 S. Wood
Chicago, Ill. 60636

312-737-9454
Contact: Bruce Reid

Community: Englewood

Programs & Services: Provides loan counseling, assistance in obtaining financing and rehab assistance to residents of the

target area. Rehab assistance includes site inspections, preparation of job specifications and cost estimates, contractor referrals and inspections of contractor work.

* * * * *

SOUTH AUSTIN REALTY ASSOCIATION

5082 W. Jackson Blvd.
Chicago, Ill. 60644
312-378-3755

Contact: Robert Lynch

Community: Austin

Programs & Services: Building management and ownership; rehab of single and multi-unit buildings through both private and Dept. of Urban Renewal financing; tenant management program, sharing management duties with tenants.

* * * * *

SPANISH COALITION FOR HOUSING

2150 W. North Ave.
Chicago, Ill. 60647
312-276-0084

Contact: Betty Tenorio

Community: West Town, Logan Square, Humboldt Park, Austin

Programs & Services: Housing counseling including pre-purchase counseling, relief from default on HUD owned properties, assistance in securing financing of home, liaison with HUD through HUD certified counselor.

* * * * *

VOICE OF THE PEOPLE

4927 North Kenmore
Chicago, Ill. 60640

Contact: Thom Clark & Barbara Beck

Community: Uptown

Programs & Services: Ownership and management of multi-family apartment buildings; tenant management; currently rehabbing 9 unit building, employing HUD Section 8 rent subsidies and conventional financing; home maintenance demonstration workshops for tenants and owner-occupants with job training component.

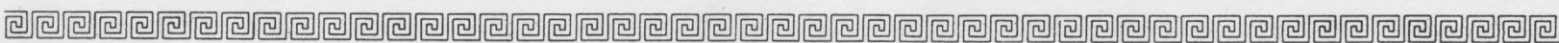




REHAB: the Housing Resource Center is a comprehensive, one stop center providing technical assistance to neighborhood groups and individuals who are rehabilitating housing in Chicago. The purpose of REHAB is to provide the technical services necessary to initiate a rehab project when "up-front" funds are not available for these services. The types of services available from REHAB include: architectural, work write-ups, cost estimating, construction management, assistance in obtaining financing, property management assistance and legal services.

Lower income homeowners and not-for-profit organizations in Chicago can seek assistance from REHAB. (If you are not sure you qualify, please give us a call.)

In addition to technical services, REHAB has other resources of interest to housing groups. These include a housing library, information about and maps of the various housing programs in Chicago, and educational workshops. Three of these workshops have already been held. The focus of the first was a visit from the Association of Neighborhood Housing Developers in New York. The second dealt with neighborhood home repair, specifically, the "Repair and Painting of a Double-hung Window". The third workshop, entitled "Fund-raising for Neighborhood Housing Groups" covered the information and issues involved in seeking private funds for housing for not-for-profit organizations. As the workshop topics demonstrate, REHAB deals with a variety of information needs in housing.



REHAB staff are available for outreach with neighborhood organizations who are considering a rehab project. We would also welcome the opportunity to meet with your organization to speak on housing rehabilitation and how REHAB can help.

For more information or to make a request, contact Bob Brehm at 663-3936 or write:

REHAB: THE HOUSING RESOURCE CENTER
53 W. Jackson St.
Chicago, Ill. 60604

For all its accomplishments, REHAB has not been in existence for very long. After two months of operating with a skeleton crew, REHAB is now staffing up for full operations. Two new staff members are: Jess Gill, Property Manager and Clive Bedell, Construction Manager. They join Fidel Lopez, Director, Bob Brehm, Project Coordinator, and Shirley Russell, Office Manager.

>> E V E N T S <<

MEETING OF AD HOC WORKING COMMITTEE--
GROUP STUDYING CHICAGO BUILDING
CODE IN REGARDS TO REHAB

NOV. 7 AND NOV. 21 12:15 P.M.

ARCHICENTER
111 S. DEARBORN AVE.

CALL FOR INFO.: 737-9454

COALITION OF CHICAGO NEIGHBORHOODS MEETING

NOV. 9 12 NOON

LEADERSHIP COUNCIL FOR METROPOLITAN
OPEN COMMUNITIES
407 S. DEARBORN AVE.
CONFERENCE ROOM

CALL FOR INFO.: 341-1470

NEIGHBORHOOD ENGINEER TRAINING WORKSHOP
SPONSORED BY CENTER FOR NEIGHBORHOOD
TECHNOLOGY

NOV. 14-17

OPERATION BROTHERHOOD
3745 S. OGDEN AVE.

CALL FOR INFO.: 492-5684

STEERING COMMITTEE MEETING FOR REHAB:
THE HOUSING RESOURCE CENTER

NOV. 17 4:30 P.M.

REHAB: THE HOUSING RESOURCE CENTER

53 W. JACKSON

CALL FOR INFO.: 663-3936

SEVENTH CONGRESSIONAL DISTRICT
CONFERENCE

DEC. 10

UNIVERSITY OF ILLINOIS AT
CHICAGO CIRCLE

MORE INFO. TO FOLLOW

(Unless otherwise specified, all events
take place in Chicago.)

CHICAGO REHAB NETWORK
4927 North Kenmore
Chicago, Ill. 60640

**inside ----- the first CHICAGO REHAB
NETWORK newsletter**

