

Confronting the barriers to capital

Social investment: new resource for housing

by Jean Pogge

For years, Wrigley's Spearmint gum has been advertised as the way to "double your pleasure, double your fun." Now a newly formed network, Midwest Bridges, A Social Investment Network, is encouraging investors to "double their returns" by choosing investments that offer both a financial and a social return. Its success could mean a substantial increase in the amount of money available for low income housing development.

Midwest Bridges began simply last September, when a diverse group of people met to discuss how to build awareness of social investment in the

Midwest. At that meeting, it became clear that there was serious interest in social investing among individual investors, foundations and community development organizations. Four co-sponsors, the Woodstock Institute, Julia Parzen (co-founder of Working Assets), Crossroads Fund, and South Shore Bank, took on the job of organizing an informal network to bring those interested in social investment together on a regular basis.

Network meetings have been held every other month since that first discussion and the group has taken form with a statement of purpose and the selection of a name, Midwest Bridges. Midwest Bridges has four

goals: to share information on social investment; to raise the visibility of social investment with the objective of leveraging more funds; to create a bridge between regional investors and investments, including alternative investment opportunities and socially screened standard investment vehicles; and to advocate for the investment of national dollars in the Midwest. Participation is open to anyone interested in social investment.

Social investment can take many forms. It can mean screening investments to avoid buying stock in companies whose policies do not fit with the investor's value system. It can mean using investment dollars to influence corporate decision making. And, most relevant to community development organizations, it can mean actively seeking investment opportunities which advance the social values of the investor. One major task of Midwest Bridges is to ensure that local community development projects are on the receiving end of social investment dollars.

Chuck Matthei calls this process "confronting the barriers to capital." Matthei, a national leader in the social investment movement, spoke at Midwest Bridges' April forum. He described how his organization, the Massachusetts-based Institute for Community Economics (ICE), started slowly drawing investors into community development projects. In ten years, ICE's revolving loan fund has grown to attract more than 300 investors from across the country, and has made loans to almost 200 community development projects. There are now several such "community loan funds," including

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Groups press housing court reform



A coalition of community groups met with Acting Mayor Sawyer in March to press for improvements in housing court. Its proposals, endorsed by 39 Chicago community groups, include demands for more aggressive prosecution of slumlords, a building registration ordinance and creation of a special hearing board to deal with minor code violations. Sawyer indicated support for the proposals. The group is now following up with city officials.

A MESSAGE FROM THE PRESIDENT

Mayor Washington remembered

by Juan Rivera

Harold Washington, "The Mayor," died on November 25, 1987.

We remember him as the most progressive mayor. As one who kept his promises and kept the dream of equitable government alive. And overall, as the most pro-neighborhood development mayor this city ever had.

After his death we read in the press and heard people talking about Harold's legacy, about his dream. But

what does this legacy and this dream mean to the progressive housing movement of this city? Is the dream still alive?

For the Chicago Rehab Network, Harold's dream of a decent and affordable home for every poor family is still alive. His legacy of managing government resources to make this dream a reality must be defended to guarantee equality for poor people.

Let's keep the dream alive and strong

in every neighborhood.

The dream will stay alive and strong as long as we continue fighting for an equitable use of government resources to end the housing crisis and redevelop the neighborhoods. And only if we continue struggling for a peace budget, less money for war and more money for housing, jobs and education. And above all, if we continue the struggle for housing as a right of the people and not as a privilege of a few.

*National housing task force calls for action*

Declaring that the United States is losing ground in the effort to house its citizens, the National Housing Task Force has recommended a 10-point plan that combines production, preservation, tax incentives and rental assistance to achieve the goal of providing fit, livable and affordable housing for all Americans by the year 2000.

The task force, composed of 26 representatives of the housing industry and state and local government, was

established last year as part of a congressional effort spearheaded by senators Alan Cranston (D-CA) and Alfonse D'Amato (R-NY), to reexamine the nation's housing policy. It was headed by developer James Rouse and Fannie Mae chairman David Maxwell. After six months of meetings, the task force released its report, "A Decent Place to Live," on March 28.

"Each passing month brings clearer evidence of a growing housing crisis,"

Cranston said upon release of the report. He promised to introduce housing legislation this summer based on the report's recommendations.

The task force recommends the creation of a "housing opportunity program" (HOP), a \$3 billion effort to stimulate federal, state and local housing initiatives. Half of HOP funds would be allocated to local governments, and half to states which provide

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New law tested in Uptown

Prepayment battle heats up

by Debbie Weiner

Congress recently passed legislation concerning HUD mortgage prepayments, and it looks like the first challenge to the new law will be here in Chicago.

Residents of 833 W. Buena are in the midst of an organizing campaign to halt the building's owner, Dennis Fields, from pre-paying his mortgage. Prepayment would allow Fields to raise rents substantially: his plans are for an immediate 20 percent increase (on top of last year's ten percent increase), with unspecified raises to follow. Many of the residents of the 209-unit Uptown building would be forced to move.

The newly-formed 833 Buena Tenants Association will attempt to stop Fields in court. The new law, which is part of HR 4, states that 221(d)3 and 236 buildings "cannot prepay without having a plan of action approved by HUD," according to Dan Burke, one of the attorneys for the tenants.

Burke explains that the building

owner must prove to HUD that there is available comparable housing in the community, and that prepayment will not have an adverse affect on minorities. Only if both those standards are met can the owner prepay. Also, the owner must present a proposal to HUD detailing federal or state financial incentives that would make staying in the subsidy program attractive.

Fields did not present HUD with any kind of plan. Instead, he is fighting the law on two counts. First, he claims that it doesn't apply to 833 Buena because the law was signed in February, and he filed to prepay the previous month. However, the legislation was made retroactive to November 1, notes Burke. Second, Fields argues that the law is unconstitutional because it imposes conditions on prepayment, even though the original contract allowed unconditional prepayment.

Burke and the tenants believe they have a strong case, and that the law will hold up in court. The earliest a decision can be expected is mid-June, says

Burke. Until then, the owner may not increase rents or initiate evictions. But in the meantime, the tenants are not relying solely on legal strategies to fight the prepayment. In February they went down to HUD to get the support of Regional Director Gertrude Jordan.

"HUD got so upset to see fifty tenants that they shut off the elevators!" said an Uptown Tenants Union (UTU) spokesperson. (UTU is providing organizing assistance to the tenants.) Shortly thereafter, a UTU representative met with HUD officials in Washington during the recent National Peoples Action conference.

However, as has been frequently the case over the past eight years, HUD has proven unresponsive to tenant concerns. As a result, the tenants' association is eyeing a number of other options to prevent the prepayment. The residents plan to approach both Acting Mayor Sawyer and Governor Thompson, who is a fellow resident of Up-

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What's new at the Network... the newsletter returns

We're back!

This is the first *Network Builder* published in 1988. Sorry for the delay—our editor, Debbie Weiner, took a relaxing sabbatical from editorial duties in order to serve as Acting Director of the Rehab Network for awhile. But one can only take so much hanging around golf courses chatting with CEOs of major Chicago businesses and lending institutions, so here's our newsletter back again, just what you've been waiting for (and no complaints—we know you're receiving this free of charge).

There have been a couple of exciting changes at the Network over the past few months. As a result of our successful membership drive, we've expanded the Network with the addition of six new member organizations (see page 8). This is the largest growth period the Network has gone through in the last five years, and attests to the vitality of the neighborhood housing development scene in Chicago. Our

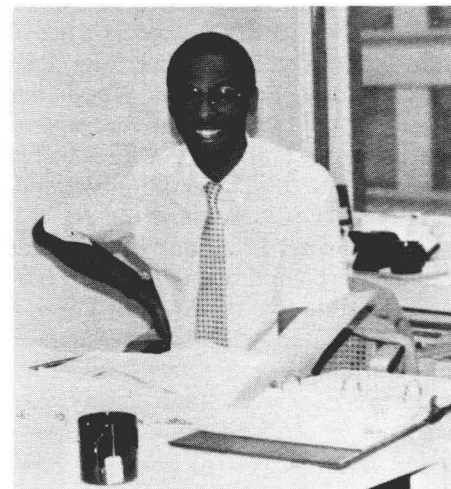
membership drive is still going on, so if your group is interested, give us a call.

In April, David Hunt came on board as our new Executive Director. David brings to the Network ten years of experience in the area of low income housing, in Philadelphia, Washington DC, and Chicago. Most recently he was the director of the Housing Services Center of Rogers Park. Staff and board are extremely glad to welcome David in his new role—we knew him already as an active board member for the past two years!

We had a highly successful board/staff retreat at the end of April, which managed somehow to be productive, relaxing and fun all at the same time. We've come back with some exciting goals and plans, which you will probably be hearing about in these pages. In the meantime, the organizing, rehabbing and networking go on —and such issues as single fami-

ly housing preservation, loss of the subsidized housing stock, creation of housing trust funds at the city and state level and dealing with a new city administration—continue to receive our attention.

We hope you find this latest newsletter interesting and useful.



David Hunt

SHAC convention builds state trust fund momentum

by Larry Pusateri

More than 150 representatives from 60 housing groups throughout the state of Illinois renewed their support and endorsements for the Illinois Affordable Housing Trust Fund at the Statewide Housing Action Coalition's (SHAC) third annual convention in Springfield in mid-April.

The Trust Fund was endorsed as part of a larger Affordable Housing Program for the state, which would combine several sources of revenue, including the Trust Fund, into a \$25 million program to assist low and moderate income housing efforts.

After endorsing the Affordable Housing Program, the members gathered at the Capitol for a housing rally in the Rotunda. Several legislators addressed the group, giving their support for the Affordable Housing Program and other items on the SHAC housing agenda. Representative Art Turner, chair of the House Select Committee on Housing, told the rally he would sponsor the Affordable Housing Program in legislation.

The Affordable Housing Program is the product of a series of working sessions initiated by SHAC to secure the adoption of its Trust Fund proposal for the state. Working group members included: SHAC; the Governor's Office; the Illinois Housing Development Authority (IHDA); the Department of Commerce and Community Affairs (DCCA); host Chicago United, an alliance of business and professional leaders; the City of Chicago's Office of Intergovernmental Affairs; the Chicago Equity Fund; the Woodstock Institute; the Local Initiatives Support Corporation (LISC); the Leadership Council; and the Chicago Equity Fund.

If it becomes state law, the Affordable Housing Program will include monetary commitments from IHDA and the state to supplement a \$13 million Trust Fund, which is to be financed by returning the real estate transfer tax to its pre-1979 level, when it was reduced from 50 cents per \$500 of property value to the current 25 cents per \$500. The Trust Fund would be administered by DCCA, while the overall Program

would be coordinated by an 11-member Advisory Commission appointed by the governor with a majority of members from community-based nominations. The Program would provide loans and grants for a variety of low and moderate income housing initiatives.

The Trust Fund/Affordable Housing Program endorsement came during a plenary session of the SHAC two-day annual convention. The next step in the Trust Fund campaign was mapped out, as representatives from community groups around the state pledged to go back to their communities and visit their local legislators, to acquaint them with the Program and gain legislative support.

Also during the convention, the SHAC membership renewed its commitment to fight HUD mortgage prepayments and Section 8 contract terminations; to work at several levels to promote tenant organizing in both private and public housing; to continue to promote single family housing affordability and homeownership; and to support the efforts of the Affordable Budget Coalition to keep utility costs affordable. The convention included several issue workshops on the above topics, as well as training workshops on

grantwriting, tenant organizing, housing financing and grassroots lobbying.

Conventioners also heard keynote presentations from two national housing leaders. Bud Kanitz, director of the National Neighborhood Coalition, spoke on the impact of recent federal housing legislation, proposals and policies. John Atlas, founder and president of the National Housing Institute, revealed the results of NHI's recent poll on national attitudes toward housing policy, which has been receiving press attention.

The convention energized housing activists around the state. Those attending were especially encouraged by the substantial growth in the representation of areas outside of Chicago, compared to last year's gathering. This increased statewide participation is crucial to the success of SHAC's proposals, especially the Trust Fund.

If your organization is interested in participating, or if you would like more information or a copy of the Trust Fund report produced by SHAC and the Woodstock Institute, contact SHAC, 220 S. State, Suite 800, Chicago, 60604, (312) 427-0712.

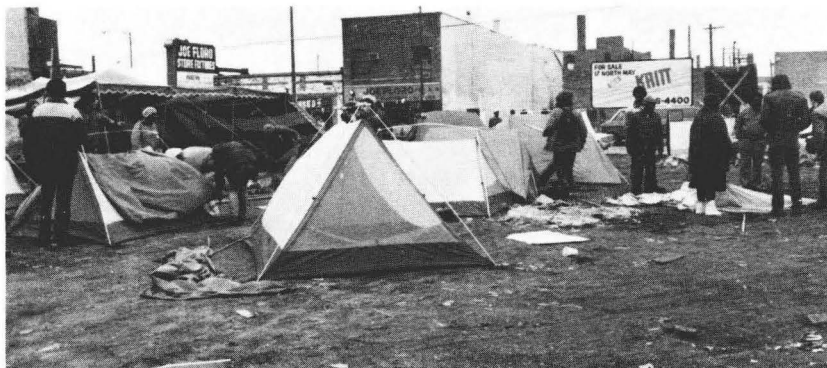
Larry Pusateri is Coordinator of SHAC.



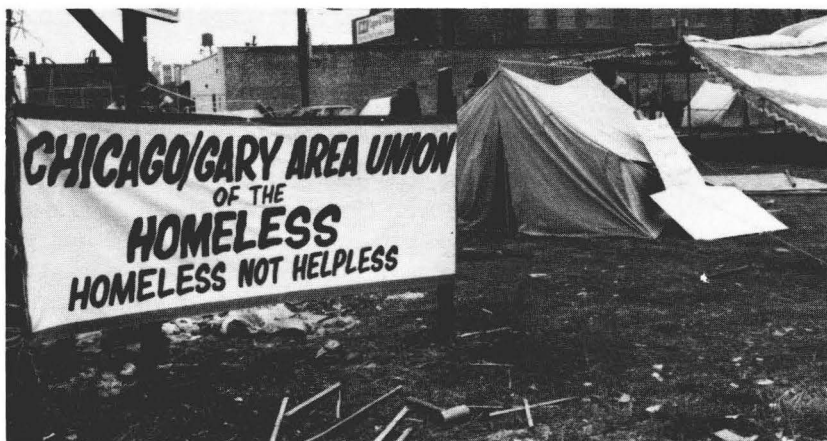
Photo by Otto McKeith

Tired but happy SHAC conventioners relax before heading home from Springfield.

Tent city blues



Photos by Debbie Weiner



The Gary-Chicago Union of the Homeless staged a week of housing protests in April, including a Tent City, which was eventually forcibly removed at the request of the owner of this vacant, rubble-strewn lot. The homeless are demanding more affordable housing, as well as more initiatives such as the Chicago trust fund.

City trust fund progress made

by Rob McKay

The Chicago Low Income Housing Trust Fund continues to inch toward reality, due to the persistence of local community groups and coalitions.

An ordinance detailing how the Trust Fund will be set up is being written by the city Law Department and will be introduced into the City Council shortly, according to Acting Mayor Eugene Sawyer. Mayor Sawyer reported on the status of the ordinance and declared his public support for the Trust Fund at a dedication ceremony for the Harold Washington SRO Apartments (formerly the Moreland Hotel) on Sunday, April 17. His announcement was the direct result of a meeting held early in April between the Mayor and housing advocates, who are pressing for action on the fund.

The Trust Fund has been two years in the making. As a result of several massive demonstrations at Presidential Towers, last year the City Council authorized negotiations to design a Low

Income Housing Trust Fund (LIHTF) to be capitalized by fees garnered from the Presidential Towers development. The negotiations, conducted between the Dept. of Housing and affordable housing advocates, including the Chicago Coalition for the Homeless, State-wide Housing Action Coalition, Chicago 1992 Committee and the Balanced Growth Coalition, were concluded last fall.

The resulting document established that the fund will be directed to meeting the housing needs of persons whose incomes are at or below 50 percent of the median income for the city. It was also agreed that the fund will be structured as an independent nonprofit corporation, directed by a commission which will be appointed by the Mayor. These appointees are expected to represent the total range of concerns in Chicago around the issue of low income housing. It was agreed that of the fifteen persons on the commission, equal representation would be given to three

groups: low income housing residents and advocates; business and philanthropic organizations; and representatives at-large, including public officials and religious leaders.

Support for this effort in City Hall was initially led by the late Mayor Harold Washington. "This is an historic agreement for Chicago," noted Mayor Washington in announcing plans for the new fund in March of last year. "It's the largest linked development ever negotiated between the City of Chicago and a major downtown developer. Imagine! Millions of dollars of seed money to meet the housing needs of citizens left out in the cold by the federal government. (The fund) grows out of Chicago's development; it's hammered out by Chicago's Dept. of Housing, the developer and low income housing advocates; and it's targeted specifically for Chicago's neediest residents."

Presidential Towers developers have

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Tenant training network advances the dream

Editor's Note: Chicago Rehab Network member groups are committed to community control of housing. Part of this goal is to involve tenants in the ownership and/or management of buildings that our groups acquire and develop. But resident management doesn't just happen—it involves training, education and hard work, for both residents and staff.

Almost all our member groups have community organizers on staff, who are responsible for working with the tenants to bring about resident control. In this article, Gloria Davis, community organizer at Peoples Housing, talks about a special tool that is helping her and her fellow organizers achieve their goals.

by Gloria J. Davis

Citywide Organizers Network of Chicago. That's the name I've attached to a diverse but dedicated network of community organizers, of whom I am so gratefully a part.

The name has appeared in my Peoples Housing Board reports, in monthly residents' newsletters and on flyers promoting workshops sponsored by the Organizers Network and developed for the residents of our local

organizations. At Peoples Housing, the Organizers Network has become the source of training information and support.

The group was "organized" two years ago by one of the Chicago Rehab Network's very own—Anne Conley. The Organizers Network has reaped the

lean on. Sensitive yet direct suggestions are offered. This, I believe, assures positive and effective resolutions to personal as well as job-related problems.

In the coming months the Organizers Network plans to tailor a new future direction: developing training curricula that will specifically address the needs

No member's shoulder is too narrow to lean on.
Sensitive yet direct suggestions are offered.

invaluable benefits of Anne's experience in grassroots organizing.

Another rewarding aspect of affiliation with the group is the genuine strengths each member brings to our monthly sessions. Topics range from drug-busting to legalization rights of residents to housing development to cooperative ownership. Not only do we exchange ideas on issues and organize training sessions within this group, we also inspire and give constructive criticism to one another. However, no member's shoulder is too narrow to

of each member in our efforts to train residents in the management and/or ownership of their buildings. We will focus on training and information in areas such as property management, project development, organizing and fundraising. Four times per year, a training curriculum will be presented to the Organizers Network by an organizer in need of assistance.

For the first time in the history of Peoples Housing, the dream of our very first resident-owned and managed

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Southeast Chicago housing group born

by Marianne O'Neill

The United Neighborhood Organization of Southeast Chicago is entering its eighth year of community organizing. In the midst of, and in spite of, a 35 percent unemployment rate, a 60 percent school drop-out rate, a high crime rate and deteriorating housing, UNO/SEC has brought millions of dollars of improvements coupled with hope and vision to the communities of southeast Chicago.

With the closure of the steel mills came the devastation to every facet of this blue-collar community—family structures, businesses, congregations and schools. While some old institutions are dying, UNO/SEC is helping to

create new ones for Southeast Chicago. As a result of our efforts, there is a new elementary school, a new legal clinic, a new health clinic, a multi-million dollar skills center and, most recently, the development of the Southeast Housing Association (SHA).

While other Chicago neighborhoods have had success in the construction and rehabilitation of homes and apartments, and have taken advantage of various government housing programs, Southeast Chicago's housing stock continues to deteriorate.

In partnership with the South Chicago Savings Bank, the Claretian Religious Order and the City of Chicago, UNO/SEC obtained seed money to hire staff and develop a

strategy for a community based non-profit housing agency. Hence, last November, the Southeast Housing Association opened its doors.

In March, SHA held its first meeting at Our Lady of Guadalupe Parish. Eighty community residents encompassing a four block radius attended, showing that when a vehicle for change is made available to communities, energy and enthusiasm will surface.

A profile of the community's housing stock and possible solutions were presented to residents for reactions and input.

SHA staffperson Luz Sanchez helped facilitate the meeting. Residents were asked to identify community and hous-

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Austin residents fight single family abandonment

by Elce Redmond

The Austin area in the past few years has become infested with single-family abandoned HUD homes.

In our neighborhood alone, North Austin, there are more than 84 abandoned HUD homes. The residents of North Austin and the members of the Northwest Austin Council (NAC) were tired of living in fear wondering when one of the abandoned houses would go up into flames. They were tired of seeing drug traffickers setting up shop in these homes.

The residents knew that their only recourse was to ORGANIZE!! Last November, NAC held a leadership meeting with area residents. All who attended unanimously agreed to begin a neighborhood campaign against HUD.

The first phase of the campaign was to do the research to determine how many abandoned homes in our area were actually owned by HUD, and where all these buildings were located. Once the research was complete, NAC began to target specific blocks and held block meetings with neighborhood residents. We put together a petition for residents to distribute on their blocks, and more than 2000 residents signed it. Neighborhood meetings were held.

Hundreds of community residents attended these meetings, along with several public officials who demanded that HUD rehabilitate the abandoned HUD-owned properties in North Austin. NAC established the North Austin Housing Committee, composed of neighborhood residents, who pulled together three demands to be presented to HUD. They are:

- HUD should establish a pre-purchase counseling program in the North Austin area similar to the successful program in the Marquette Park neighborhood. The program requires potential homeowners to go through counseling so that they become aware of the financial resources necessary to purchase a home, and also learn the rights and responsibilities of being a homeowner.

- HUD should not end the assignment program, but should instead expand the program for delinquent homeowners and improve the notifica-

tion procedure for getting an assignment.

- HUD should agree to the establishment of a liaison group composed of NAC, HUD and local lending institutions, to develop a plan to rehabilitate the existing abandoned houses in the North Austin area.

Through community pressure and the threat of militant actions, NAC brought HUD Regional Director Gertrude Jordan to the bargaining table in February and presented her and the HUD staff with the community's demands. After a two-hour intensive bargaining session, Ms. Jordan agreed to the establishment of the liaison group, which would meet bi-monthly. HUD also agreed to tour the neighborhood with local residents in order to see first hand the impact of HUD housing abandonment in our community.

After additional community pressure NAC later won a meeting with HUD's Deputy Secretary of Single Family Housing, James Nesler, which was held in Washington during the weekend of the National Peoples Action conference.

The first liaison meeting was held in March. The two major issues were: the establishment of a mandatory pre-purchase counseling program in the greater Austin area, administered by HUD; and the re-establishment of HUD's successful repair and sell program in the Austin area.

Through the relationships established by the liaison group, NAC lob-

bied the lending institutions and public officials who attended the meeting to send strong letters of support for the pre-purchase program to Ms. Jordan. The banks who sent the letters were: St. Paul Federal Savings and Loan, Austin Bank, Pathway Financial and South Shore Bank of Austin.

Public officials who sent letters were Rep. Robert LeFlore, Rep. Anthony Young, Ald. Danny Davis, and the offices of Sen. Paul Simon and congressional Rep. Cardiss Collins.

The neighborhood tour, held in March, was a major success. More than 50 residents, several public officials and representatives of area banks were present. "The HUD representative was impressed with the housing stock," says NAC Director Leola Spann. "He said he could understand why we were concerned." The tour got immediate results for one building—the man from HUD went back to his office and ordered the building boarded up.

But NAC will be involved in this issue for the long term. The battle will of course be an uphill one, but we hope to get the support of other community organizations whose neighborhoods are suffering from foreclosed and abandoned houses, and who also see the pre-purchase counseling program as a strong organizing tool to fight and reduce foreclosures in their neighborhoods.

Elce Redmond is Lead Organizer of the Northwest Austin Council.



New Network members make their mark

The Chicago Rehab Network is pleased to welcome six new members into our coalition.

All of these groups have been accomplishing great things for their neighborhoods and their constituencies. Most of them are fairly new to housing development, although some have been around for a long time, working on various other issues.

They are a diverse bunch—geograph-

ically, ethnically and racially. But each one of them is an example of the commitment and struggle of neighborhood folks in Chicago to forge an agenda of self-determination and empowerment by taking control of their housing. This common denominator is shared by all members of the Network, and the addition of six new member groups should make the Network stronger in our

ongoing efforts to promote community empowerment; develop safe, decent, affordable housing; and contribute to the neighborhood housing movement in Chicago and in the nation.

The following is a brief description of our new members (some of whom have already received attention in past newsletters). You will be hearing about them in more detail in future issues!

ACORN

The *ACORN Housing Corporation* organizes residents on the south and west sides to take control of abandoned single family homes. By first squatting and then gaining ownership of the homes, ACORN members have shown that you don't need "permission" to create affordable housing. ACORN's homesteading program provides training for its members in housing rehab, since sweat equity is a necessary part of keeping costs affordable. ACORN is involved in a pilot program with the city's Dept. of Housing to provide legal transfer of ownership to the homesteaders.

CRCCC

The *Chicago Roseland Coalition for Community Control* is making great strides in addressing the housing problems of Roseland and surrounding communities on the South Side. After an intensive organizing effort, CRCCC won a \$20 million reinvestment agreement with the Beverly Bank, and is now working to ensure that the agreement translates into improved affordable housing in the neighborhood. Roseland has one of the highest rates of HUD-foreclosed, abandoned homes in the entire country, and CRCCC made sure that the reinvestment agreement specifically addressed this enormous problem. CRCCC is also starting to get involved in the development of multi-family buildings in Roseland.



Willie Lomax, Chicago Roseland Coalition



AIEDA's Bea Chevalier and Francine Elk.

AIEDA

The *American Indian Economic Development Association* strives to promote the empowerment of Chicago's American Indian community. Based on the North Side, AIEDA concentrates on increasing community self-sufficiency and economic power. Its first project was the creation of an American Indian-operated credit union. AIEDA is now in the process of acquiring and rehabbing its first multi-family building, which will be operated, cooperatively, by and for American Indians.

WECAN

Woodlawn East Community and Neighbors has recently entered into housing development after several years of organizing on issues in the South Side Woodlawn community. WECAN first got into housing when it became a receiver under the city's HAP program. WECAN helped organize the Tenants Association and Cooperative on Kimbark (TACK), the first HUD-foreclosed building in Chicago to become a low income housing co-op. WECAN now owns the six-flat adjoining TACK's building, and is acquiring other buildings through the Tax Reactivation Program. WECAN also works for the economic development of Woodlawn, operating a telephone answering service which trains and employs neighborhood residents.

Lakefront SRO

The Lakefront SRO Corporation is in the process of developing the first nonprofit single room occupancy hotel in Chicago: the Harold Washington SRO Apartments (formerly the Moreland Hotel). This pioneering effort is occurring in Uptown, which has the largest concentration of SRO housing in the city. LFSRO organizes to save SRO housing from extinction, while also working to meet other needs of SRO residents to help them become self-sufficient. LFSRO plans to develop and/or manage more SROs in North Side neighborhoods in the coming years.



Photo courtesy of Access Living

Access Living

Access Living has been fighting for the rights of disabled people for many years. A city-wide group, its advocacy and programs are aimed at helping disabled people live independently, determine the direction of their own lives, and meaningfully participate as members of society. Its housing program started out as a referral and

counseling service, but, confronted with the severe lack of housing in Chicago that is both accessible and affordable, Access Living has decided to get more actively involved in housing development. It plans to develop a co-op that would house both disabled and non-disabled residents.

Goodbye "Old Mo"

*From early days of trolley cars,
plus guesting famous movie stars.
The Moreland did quite see it all
standing here so squat
but so very, very tall.*

*Fighting off depression days
and seemingly impervious
to man's own destructive ways.
But sheer neglect will have effect,
rot and decay did come to stay.
This once grand place fell from the grace
and the death knell resounded down the hall.*

*Aroused citizens came forth with battle cry
vowing this establishment's time was not to die.
Our leader, hearing this plaintive call,
granted reprieve, thus "Old Mo" did
escape the demolition ball.*

*Through litigation, rehabilitation,
a new life has begun.
We say goodbye to Moreland,
and welcome the Harold Washington.*

*—by Gene Hill, resident,
Harold Washington SRO Apartments
(formerly Moreland Hotel)*

Social investment movement grows

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one in the Midwest (see sidebar).

Social investing is not a new concept. In one way or another it has been going on for hundreds of years, particularly the screening of undesirable investments. In the late sixties, social investing entered the broader political arena when a New York community organization, working with Saul Alinsky, used a proxy battle as an organizing tactic. Subsequently, proxy battles and shareholder resolutions became an accepted way to try to influence corporate decision making for labor unions, church groups and some individual investors.

The best known use of social screening to influence corporate policy is the South African divestment campaign. But not only has the campaign achieved victories in the fight to stop economic support of apartheid, it has also served to bring the concept of social investment to a broad range of individuals, churches, universities, municipalities and other institutions. It has heightened awareness of social screening as part of an investment strategy. Investments are now screened for a wide range of social criteria, which include concerns about the environment, nuclear weapons, labor relations and discrimination, as well as South Africa.

The burgeoning social investment movement has created a demand for information and tools to help screen investment opportunities. There are now a variety of mutual funds and money market funds that offer social screening, information services that

investments. This aspect of the movement has also gained momentum in recent years. There are two ways investors can actively promote their own social goals. They can target traditional investment opportunities that fit with their values, or they can invest in what are termed "alternative investments."

Alternative investments include community development loan funds, low income housing projects, credit unions,

brokers who help their clients achieve social investment goals. Midwest Bridges hopes to distribute the guide widely to investors and investment advisers.

The second project is designed to develop a social investment vehicle such as a community loan or equity fund to capture investment dollars from individual investors and channel them into alternative investments like low income

While the social investment movement has had its greatest impact so far in screening *out* undesirable investments, its greatest potential lies in screening *in* worthwhile, positive investments.

community business ventures and South Shore Bank's Development Deposit accounts. Not only are investors looking harder to find alternative investments but growth in the number and sophistication of community development organizations has led to an increased need for capital and more social investment opportunities.

Despite its very recent beginnings, Midwest Bridges launched two projects in 1988. Both projects will raise the visibility of social investing in the Midwest and promise to leverage more dollars for community development projects.

The first project is a guide to socially responsible investment opportunities in

housing projects in the Midwest. Through an interactive process, this project will identify the best way to match individual investor resources with the needs of community development projects.

A relatively small number of community development organizations, most of which are church based, have begun to approach individuals for below market loans and equity investments in their projects. Organizations like Bethel New Life, Inc. and Peoples Housing have found that there is money available from individual investors for low income housing development. In addition, these investors are often willing to take a lower rate of return or a higher degree of risk which provides the gap financing needed to make many projects work.

Several Chicago Rehab Network members believe that an effort to promote social investment will result in more dollars for local development projects. "There are a lot of individual investors out there who are not connected to existing funds," observed Mary Nelson of Bethel New Life at Midwest Bridges' April forum.

She sees such investment fitting into a special niche in Chicago's array of funding sources. Current funders, such as the Neighborhood Lending Program banks, LISC and the Chicago Equity Fund, tend to be somewhat conservative in their criteria for selecting pro-

"Social investment can enable us to have the working capital we need before permanent financing is arranged."—Donna Smithey

provide advice for social investors, and some financial planners and stock brokers who help clients meet social investment goals.

While the social investment movement has had its greatest impact so far in screening *out* undesirable investments, its greatest potential lies in screening *in* worthwhile, positive in-

the Midwest. Due to be published this summer, the guide will list and describe opportunities that include community development organizations that accept loans and/or equity from individuals, community development credit unions, socially responsible banks, socially screened mutual funds and money markets, and financial planners and stock-

jects, she said.

A community loan fund, or other such social investment vehicle, should be more flexible. For example, there should be "a willingness to use creative collateral—to help figure out ways to secure these loans." Often, community groups have problems getting that first crucial financial commitment to a deal that involves many funding sources. "If you can get your first piece in, you can make it work," Nelson noted.

Peoples Housing Director Donna Smithey agrees. Social investment can

"enable us to have the working capital we need to acquire and develop properties before permanent financing is arranged," she said. Peoples Housing has recently set up its own internal revolving loan fund that gives a limited rate of return. Money is solicited from friends of Peoples Housing for a certain specified period of time. "Some people need to see that it's a good investment," says Smithey, "but others are satisfied with a lower rate of return, knowing that the money is being used for a good purpose."

The few brokers and financial planners in the Midwest who offer social screening to their clients are optimistic about the potential of alternative investments attracting significant dollars from individual investors. They describe clients who are very interested in investing in community development in the Midwest but are unsure about how to identify and evaluate the opportunities that may be available.

Kay Berkson, a member of the board of the Crossroads Fund, agrees with

(continued on next page)

Loan funds fill the gap

A community loan fund is a pool of money from individual and institutional investors that is loaned out to community development projects.

There are more than 30 such funds around the country. Some are church-based; most operate within geographic boundaries and are locally controlled. Not all community loan funds solicit individual dollars. For example, the Wisconsin Partnership for Housing Development is capitalized with bank and government investments. On the other hand, the Boston Community Loan Fund has been very successful in soliciting individual investor dollars.

The National Association of Community Development Loan Funds (NACDLF), formed in 1986, acts as a national resource center for community loan funds. NACDLF has 28 member loan funds, 23 of which make housing loans. Most of these loan funds have been started within the last three or four years, but their growth has been impressive. According to NACDLF, collectively by the end of 1987, member loan funds had made 1,200 loans totaling almost \$30 million.

NACDLF is staffed by the Institute for Community Economics (ICE), a Massachusetts-based center which provides technical assistance to community loan funds as well as community development organizations around the country. ICE also operates its own revolving loan fund, which lends to projects nationwide.

Eighty-five percent of the ICE Revolving Loan Fund's 300 investors are individuals, and the rest are institu-

tions, mostly churches. Interest rates range from 0 to 9 percent, depending on the arrangement made with the lender.

Most of ICE's loans are made for the acquisition and development of land and housing, but some go to worker-owned businesses and other community ventures. Most of the loans are short-term and revolve rapidly, and they are often used to leverage additional financing. Of the \$9.5 million loaned so far, representing 200 loans, only \$2,500 has been written off, and no lenders have lost any money.

The Chicago area has one community loan fund, which currently supports primarily economic development projects. The Anawim Fund of the Midwest is a revolving loan fund supported by 56 nonprofit and church-related member organizations from Illinois, Iowa, Wisconsin and Minnesota. It lends to projects throughout the Midwest, and is based in Chicago.

Members have contributed \$550,000 to be loaned out to credit worthy businesses and organizations serving or operating in low-income communities. For example, the Fund lends money to projects that support seniors, women, minorities and people from rural areas. The Anawim Fund seeks to support businesses and organizations that promote equal distribution of power and encourage involvement, such as cooperative enterprises and worker-owned businesses.

Recent Anawim approved loans include:

- Sunshine Studios, a business partnership composed of three American

Indians that operates a graphics company. The \$30,000 loan provides financing for inventory, and eventual building acquisition.

- Martha's Cleaning employs persons with handicaps to provide residential and commercial cleaning services. The \$15,000 loan provides financing for cleaning and computer purchases, and the buy-out of a car lease.

- Employee Owned and Operated Printing Co. is a worker cooperative in the process of purchasing their business from a retiring owner. The \$30,000 loan provides debt financing for the first two years of operation.

- El Tamarindo Latin Grill & Carryout is a for-profit subsidiary of Hispanic Women's Development Corp. The \$50,000 loan provides for equipment purchases and operating revenue of this start-up business.

All loans have a term of no more than five years and full collateral is expected. The interest rate is indexed to prime. New loan programs are available to finance the purchase of seed, fertilizer and equipment for farmers; operating expenses and office equipment for nonprofit organizations; and the purchase of shares in a housing or worker co-op.

For more information contact: Anawim Fund of the Midwest, 1145 W. Wilson Ave., Suite 2424, Chicago, IL 60640, (312) 989-6233.

For more information on ICE or NACDLF, contact the Institute for Community Economics, 151 Montague City Road, Greenfield, MA 01301, (413) 774-7956.

Uptown residents fight prepayment

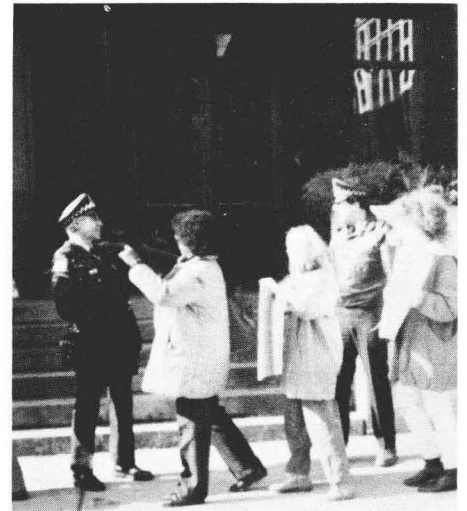
(continued from page 3)

town. "With him being in the neighborhood and down the street, he should be concerned," says Felecia Mitchell-Bute, of UTU.

Two other buildings in Uptown are scheduled to reach prepayment dates within the next year: 4827 N. Gunnison and 5020 N. Marine Drive. UTU has started organizing in both buildings. One Lakeview building, 3639 N. Pine Grove, will also come up for prepayment soon, and the Lakeview Tenants Organization has begun efforts

there (see *Network Builder* issue 15).

The fate of these buildings, and thousands of other affordable units in Chicago, could rest on what happens with 833 Buena. In fact, tenant groups from HUD-subsidized buildings all over the country will be watching closely, because Chicago's test case could have nationwide impact. After eight years of Reagan-era frustration for housing advocates, the recent legislation, if upheld, could be a sign of better things to come.



Tenants from 833 W. Buena visit HUD.

Social investment

(continued from page 11)

their assessment. At the April forum, Berkson said that she had been interested in the social investment concept for many years, but had not discovered a way to act on her interest. "Significant changes can occur when communities have access to capital, and therefore control," she observed. "I frankly cannot think of any better investments."

There are several reasons why low income housing projects can be particularly attractive to socially conscious investors. First of all, investments in real estate projects are relatively straightforward and can be compared with mainstream investments in housing. This means that the investor or the investment adviser is familiar with the investment vehicle and the method of projecting risk and return. Second, low income housing development produces tangible social benefits. After a building is rehabilitated, people move in and live there. Third, and perhaps most important to the socially responsible investor, low income housing is badly needed and makes such a big difference in the quality of life of the tenants as well as for the neighborhood as a whole.

Midwest Bridges hopes to increase the volume and the diversity of socially screened investment dollars in the Midwest. As that happens, low income housing projects are sure to benefit.

Jean Pogue is Executive Vice President of the Woodstock Institute.

Chicago trust fund nears

(continued from page 5)

contributed more than \$3.8 million to the Trust Fund to date. Total payments from this project should reach \$14-17 million over the next 40 years. The Trust Fund commission is charged with developing future funding from a variety of public and private sources.

"We've come a long way since the first demonstrations almost two years ago. But there's a lot more to do," says Chicago Coalition for the Homeless Director Patricia Blackburn. "The first

few million are in the bank waiting to be used. Now we need fast action by the City Council to approve the Trust Fund in the form negotiated; by the Mayor to appoint a governing commission that can get the job done; and by the Dept. of Housing and the commissioners to expand the fund's capital base to meaningful levels."

Rob McKay is Program Associate with the Chicago Coalition for the Homeless.

The *Network Builder* is published bi-monthly and is available to individuals and organizations concerned with the continuing supply of decent housing opportunities for low- and moderate-income residents of Chicago. Inquiries should be addressed to: The Chicago Rehab Network, 53 W. Jackson, Suite 520, Chicago, IL 60604; (312) 663-3936.

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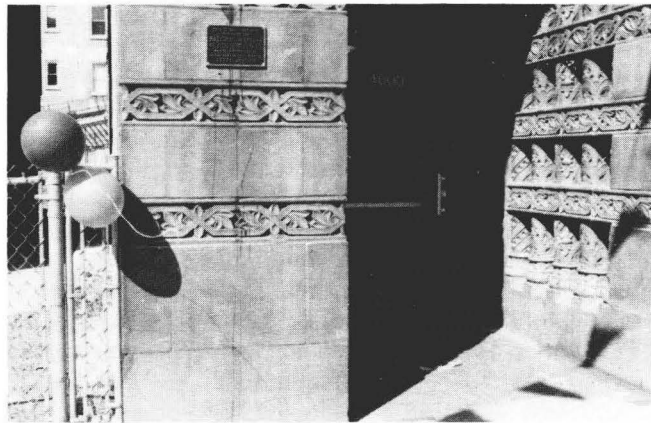
Bethel New Life, Bickerdike Redevelopment Corp., Chicago Roseland Coalition for Community Control, Circle Christian Development Corp., Coalition for United Community Action, Covenant Development Corp., Eighteenth St. Development Corp., Heart of Uptown Coalition, Howard Area Housing Services Center, Kenwood/Oakland Community Organization, Lakefront SRO Corp., Latin United Community Housing Association, Midwest Community Council, Near North Development Corp., Northwest Austin Council, Peoples Housing, Inc., People's Reinvestment and Development Effort, South Shore Housing Center/The Neighborhood Institute, Voice of the People, Woodlawn East Community and Neighbors

Associate Members: Access Living, Center for Neighborhood Technology, Center for New Horizons, Inc., Community Renewal Society, Jewish Council on Urban Affairs, Metropolitan Housing and Development Center

Congratulations, Bethel!



Photos by Debbie Weiner



Bethel New Life celebrated the opening of Guyon Towers early this spring. The Guyon, Bethel's largest project to date, contains 114 units of affordable housing. It benefited from nine different financing sources, making its completion truly a miracle!

Southeast Chicago organizes for housing

(continued from page 6)

ing needs. Low-interest home improvement loan availability, low to moderate income housing development, youth recreation facilities on vacant lots, and improved city services (alley and street cleaning, garbage pick-up) were the issues raised.

Were these issues important enough to continue to meet on a regular basis to develop a strategy for next steps? Were residents committed enough to immediately take advantage of city programs available through the Dept. of Housing? These and other questions were raised by the staff of SHA.

Residents were then asked to show their commitment by signing up for the city's weatherization program. The response was overwhelming. To date, sixty residents have begun the process of applying for the program through SHA.

The many accomplishments of

UNO/SEC and the efforts of the Southeast Housing Association show how organized and committed community residents can bring about many positive changes to the life and stability of their community. Through organiz-

ing and development, SHA plans to have a major impact in Southeast Chicago.

Marianne O'Neill is the Coordinator of the Southeast Housing Association.

Tenant organizers

(continued from page 6)

cooperative will soon become a reality! The formation of this limited equity co-op signals an important time in the lives of the residents involved.

While a core group of Peoples Housing residents knows the basics of cooperative management, it is imperative that this group be involved in the development from start to finish. These residents will participate in an ongoing skills development and training program.

This program will be presented at the

next Organizers Network meeting. At that time the organizers in the Network will make suggestions on improving and fine-tuning the Peoples Housing Cooperative Management Program. Training will include topics such as: ownership structures, bylaws, screening potential members and record keeping.

Taking this a step forward we hope not only to network as organizers, but as organizations of people realizing their dreams through patience, determination to succeed and a desire to develop their skills.

National housing initiatives proposed

(continued from page 2)

matching funds. States would develop their own criteria for distributing the funds.

Ten percent of the HOP funds would be set aside for nonprofit community-based housing developers, and 25 percent would go to public housing authorities. HOP would replace several existing HUD programs: Rental Rehab, HODAG, Section 8 Mod Rehab, Section 235 and Section 312. The task force estimates that HOP could produce up to 200,000 units annually.

The federal government should establish a nonprofit organization, the Housing Opportunity Corporation of America (HOCA), to support and encourage housing delivery, the report says. HOCA would serve as a vehicle for spreading information and providing technical assistance to local

housing efforts. HOCA should administer a privately-financed national loan fund, says the task force.

The task force makes a range of proposals addressing public housing, including federal funds for modernization, rental assistance for displaced tenants and replacement of lost units. Efforts to involve tenants in project management should be encouraged, says the report, although sale of the public housing stock should occur only under special circumstances.

The federal government should take immediate steps to maintain the supply of federally assisted housing, the task force says. In addition, funding for rental assistance programs should be increased. The report also includes the use of tax policy to promote low income housing. It contains a number of homeownership initiatives, including increased access to FHA mortgage in-

surance by lowering down payment requirements and raising mortgage limits.

The Mortgage Bankers Association, the National Association of Realtors and many members of Congress have pledged support for the task force report. HUD Secretary Sam Pierce issued a statement that said, "the Task Force recognizes that the nation's housing needs cannot and should not be met solely by the federal government, but require the active involvement and commitment of state and local governments, as well as the need for private investment." Pierce did not address any of the report's specific recommendations.

The report is available from the National Housing Task Force, 1625 Eye St., NY, Suite 1015, Washington, DC, 20006.

(From the *Housing and Development Reporter*.)

THE PLUMB LINE

There's no possible way to catch you up on all the juicy gossip that's happened since our last Plumb Line so many months ago. So we'll just have to hit the highlights (lowlights?) . . .

BABY-TIME: Several babies managed to get themselves born over the last few months, among them Ezra Samuel Kaplan (whose father is named Jack). Jack will be following wife and child to Iowa pretty soon, to spend a year watching corn (and baby) grow. Then he'll be back, much wiser, we're sure.

This business of having a baby and then leaving town seems to be somewhat of a trend (as you know, TPL is a great trend-spotter) . . . Juan Rivera and wife Vicky Isaza had a baby girl in December, and shortly thereafter went to Puerto Rico for two weeks to visit the folks—or did Juan have another agenda in mind? As several people commented, Juan's trip coincided with Acting Mayor Sawyer's Puerto Rican sojourn. A strange coincidence or part of some devious plan? We can only speculate. . . .

NEW FACES AND OLD: Welcome to Ashanti Chandler, who is the new

director of Rogers Park's Housing Services Center. She takes the place of David Hunt, who as you may have noticed has become the boss here at the Network (congratulations?? good luck!!). David's one regret is having to trade black bean soup lunches in the 'hood for Big Macs in the Loop. (TPL happens to prefer Popeye's. . . .)

Welcome also to Munir Umrani, who joined the SHAC staff in March and was immediately put to work organizing SHAC's third annual convention, which was a smashing success. Ace crossword puzzlers Audrey Lyon, Danny Kadden, June Torres and Josh Radinsky were among the throng spotted down in Springfield. Also spotted at the SHAC bash were West Siders Otto McMath, Tressa Bone, Cynthia Williams, Denise Phillips and Jessie Stinson. But where was Mrs. Drummond?

Goodbye and good luck to Elspeth Revere, who will be departing Chicago this summer for Guatemala, where her husband will be doing research. . . . and congratulations to Jean Pogge, who will be taking over Elspeth's job as head honcho at the Woodstock Institute.

SPORTS SECTION: At the great CRN retreat, Linda Greene, Alan Goldberg and Judy Beison showed that our members are no slouches when it comes to athletic prowess on the softball field. However, they also showed that they have no "Scruples" . . .

Speaking of softball, fans everywhere are wondering if big Lee Smith will still be on the field at Chase Park this summer after being traded to DuPage County over the winter. . . . and Bob Vondrasek wants everyone to know that he did *not* play professional basketball before becoming a community organizer, as rumor has it. . . .

AND FINALLY: Congratulations to Tom Lenz, wed recently in Los Angeles. And while we're on the marriage topic, evidently the hot rumors circulating last year (and started by us) concerning Dan Burke and two other young lawyers turned out not to be true, since Dan is getting married this summer to Margo McMahon. This is not a retraction, since we didn't say anything *definitive* about Dan's behavior, but let it be said that you can count on TPL to set unfounded rumors to rest!

Rent control opponents make gains

Long frustrated at the federal and local level, opponents of rent control are taking their case to the states—and winning.

Anti-rent control forces have launched an ambitious lobbying campaign to prod state legislatures to pass laws prohibiting localities from enacting rent control ordinances. The campaign is led by the Washington-based National Multi-Housing Council, which was founded in 1981 specifically to combat rent control.

In the past three years, their efforts have helped add four new states (North and South Carolina, Georgia and Texas) to the list of eight other states that already had some form of state pre-emption on the books. Michigan is currently considering a pre-emption bill, even as local tenants' groups are fighting for enactment of a rent control ordinance in Ann Arbor. NMHC officials say they have four more Midwestern states fixed firmly in their sights.

(From *Governing*)

Minnesota

Legislation has passed both houses of the Minnesota legislature that would establish a housing trust fund to be administered by the state housing finance agency. It is estimated that the fund would receive approximately \$750,000 per year from the requirement that interest from real estate escrow accounts be deposited into the fund.

The legislation requires that at least 75 percent of the units supported through the fund be used for households whose incomes are at or below 30 percent of median. An eight-member advisory committee would administer the fund.

(From *The Housing Trust Fund Project*)

Georgia

Early this year, the Georgia legislature passed legislation establishing a Housing Trust Fund for the Homeless, but opponents successfully kept an increase in the real estate transfer tax from becoming the revenue source to

capitalize the fund.

While legislation creating the fund passed easily, the proposed revenue source never saw the light of day. Opposition from realtors, the municipal association and homebuilders kept the bill from being introduced for a vote. The Georgia Housing Coalition will continue to advocate for trust fund dollars.

(From *The Housing Trust Fund Project*)

Maine

The Maine State Housing Authority is preparing to launch a new program that will provide loans and grants to physically handicapped persons to finance permanent improvements that increase the accessibility or livability of their residences.

The agency has set aside \$250,000 for the new program, which will provide assistance in the form of grants or 15-year no-interest loans of up to \$10,000. Persons with annual incomes of up to 200 percent of federal poverty level will be eligible for grants, while those with higher incomes will be eligible for loans. The funds will be available for improvements to both ownership and rental housing units.

(From the *Housing and Development Reporter*.)

D.C. UPDATE

Housing bill for nonprofits introduced

Rep. Joseph Kennedy has introduced national legislation to authorize \$500 million annually in development grants for low income housing. The grants could write down costs for co-ops, mutual housing, rental or homeownership housing developed and/or controlled by nonprofits.

The bill, HR 3891, would allow cities and states to distribute most of the funds competitively, though HUD

The state of Maryland is implementing a pilot \$2 million rental allowance program for the homeless or those threatened with homelessness.

The program provides emergency monthly rental assistance payments for up to six months to low income households while they utilize various social services or seek employment to become self-sufficient.

The payments cannot be used for beds in emergency shelters, since the intent is to facilitate the movement of persons from temporary housing to more permanent living arrangements. Recipients' income levels must be at or below 30 percent of median. A typical recipient is a white female-headed household with children.

(From *The States and Housing*)

California

After several months of discussion, the California legislature passed and governor has promised to sign legislation putting on a referendum ballot the provision of \$600 million in state general obligation bonds for housing. The money would be used to provide housing for the homeless, first time homebuyers, the elderly, the disabled and working people and families.

"This was a hard earned victory for housing and homeless advocates throughout the state," said Marc Brown of the California Rural Legal Assistance Foundation. The measures must still be approved by the voters, but proponents are optimistic.

(From *Low Income Housing Round Up*)

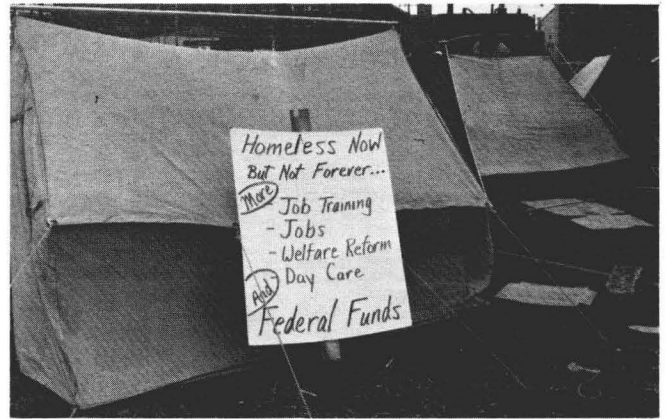
would directly allocate ten percent of the funds. The bill also provides for up to \$10 million annually for capacity-building grants, which would include operating and training costs.

Hearings on the bill are expected this summer. For a copy of the bill, contact Kennedy's office or the National Low Income Housing Coalition, 1012 14th St. NW, Washington, DC 20005.

(From *Mutual Housing Network News*)

Homeless demand housing

Homeless activists dramatized their plight by setting up a Tent City early in April. More on page 5.



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