

Local groups press Pres. Towers demands

by Tom Carlson

On October 22, more than 200 people demonstrated at the site of Presidential Towers, to call attention to the developers' misuse of public funds and to demand that they create low-income housing in exchange for favorable treatment from city and federal officials.

The Chicago Coalition for the Homeless, the Balanced Growth Coalition,

the Statewide Housing Action Coalition and the Chicago 1992 Committee participated in the action. Linda Haley, a spokesperson from South Austin, said the developers used taxpayer dollars to build luxury apartments for the rich, while demolishing housing for the poor.

Since McHugh, Levin and Shannon plan to construct a second phase — Presidential Towers II — the demonstrators aimed their demands at future

development. Presidential Towers II should not go forward, they say, unless the following conditions are met:

- Save the Major Hotel: This is the last remaining single-room occupancy hotel on the near west side, and is scheduled to be demolished by the developers. Instead, McHugh, Levin and Shannon should pay for its reha-

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Outcome of recent elections

Political climate right for housing fight

by Lisa B. Baum

In the wake of this year's elections, advocates for low-income housing can be more hopeful for change at the state and national levels, but must prepare for a major struggle.

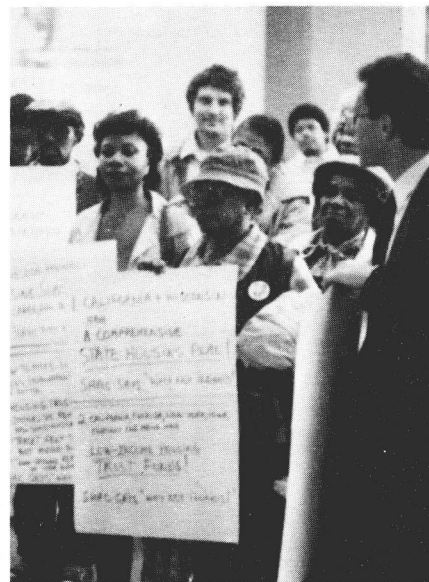
National level

On the national level, the big political news concerned the Democrats gaining control of the Senate. What will this mean for housing?

For the past six years, President Reagan has set the nation's housing policy, with the help of the Republican-controlled Senate. That policy has been to take the government out of housing.

"The Reagan Administration has argued that the private market can satisfy the adequate housing needs of the poor far more successfully than government," says Gary Orfield, a housing expert at the University of Chicago. Reagan "has succeeded in eliminating or drastically reducing most housing programs aimed at the poor."

In the last six years, the U.S. Department of Housing and Urban Develop-



ment (HUD) has suffered the largest budget cut of any federal agency. Since 1981, there has been a 65 percent reduction in all federal housing appropriations. According to Margary Austin Turner, of the Urban Institute in

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(continued on page 11)

State level

Although the need for state intervention in housing has never been more evident, Illinois housing activists face a tough battle, as shown by recent pre-election efforts of the Statewide Housing Action Coalition (SHAC). But while the state elections did not change the personnel much, there are indications that state officials are beginning to see the need to respond to the state's housing problems.

Before the November gubernatorial election, SHAC, a coalition of community-based organizations from around the state, called upon Gov. Thompson and candidate Adlai Stevenson to address the state's low-income housing crisis. Thompson's response indicated a conservative stance on the issue.

Thompson committed to issuing a comprehensive housing plan during his next term as governor. However, he refused to set a deadline for such a plan. He stressed the importance of public/private partnership and said that his plan would include all actors involved

(continued on page 8)

Network fest unites housing community

by George Arrington

On a special Friday November 7, 1986, at 7 p.m., the Chicago Rehab Network hosted its 10th anniversary celebration.

Using South Shore Country Club as an appropriate backdrop, this gala event was moderated by Chinta Strausberg of the Chicago *Defender* and attended by a rainbow of neighborhood residents from such communities as Woodlawn, South Shore, Pilsen, Westtown, Humbolt Park, Uptown, Rogers Park, Austin, Garfield Park and more. Government officials from city, state and federal levels, bankers, architects, contractors and other support groups were also there to celebrate their contributions during this last decade.

The more than 500 black, Hispanic and white attendees were treated to evening's highlights that included a rousing speech from Mayor Harold Washington, presentations of the first annual Jorge Hernandez "Development Without Displacement" Award honoring community activists, the rejuvenating sounds of the Sonlight band and an abundance of food and drink. Most importantly there was a fellowship between the people who help create affordable housing and the folks for whom this housing is created. This was the first time many of them had been in the same room together.

Amid the "hoopla" and glitter of this extravaganza were the underpinnings of a serious movement that solidified its direction ten years ago, to address the issues of gentrification, redlining, displacement and disenfranchisement of inner city neighborhoods throughout Chicago. Community based neighborhood development groups exercised their right to self determination in taking housing development into their own hands and drawing the battle lines in the struggle

for decent housing.

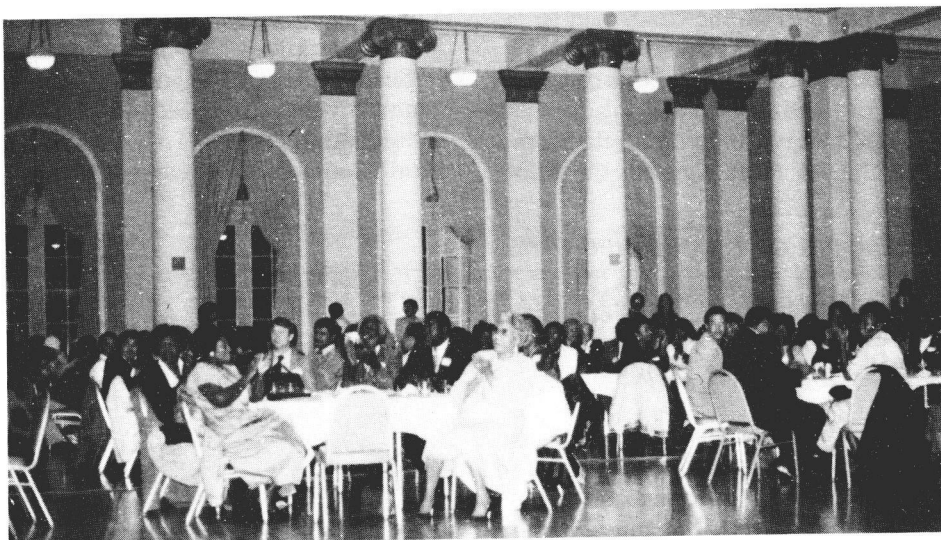
In keeping with this position the Washington administration, in the last four years, has opened new opportunities to communities victimized by previous administrations' urban policies. Thus, Mayor Washington was received enthusiastically by the folks who have directly benefited from his

policies.

The presentation of the first Jorge Hernandez Award to local activists—TACK of Woodlawn, LeClaire Courts Resident Management Corporation and the Lao Association of Uptown—was symbolic of the ongoing fight and determination of everyday people to gain control of their environment and create better living conditions.

The member groups of the Chicago Rehab Network are generally uncelebrated. On November 7, 1986, the celebration began, not to look back and relax, but to look forward to the next ten years and prepare for the hard days ahead.

KEEP UP THE GOOD WORK NETWORK MEMBERS!!!!



Photos by Osbert Ray





Photo by Len Robinson

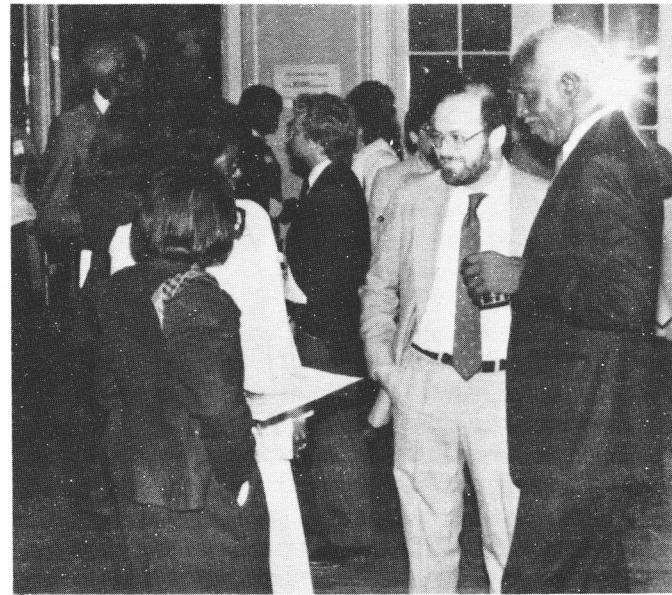


Photo by Osbert Ray



Photos by Osbert Ray

Photo by Roberta Warshaw



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Photo by Len Robinson

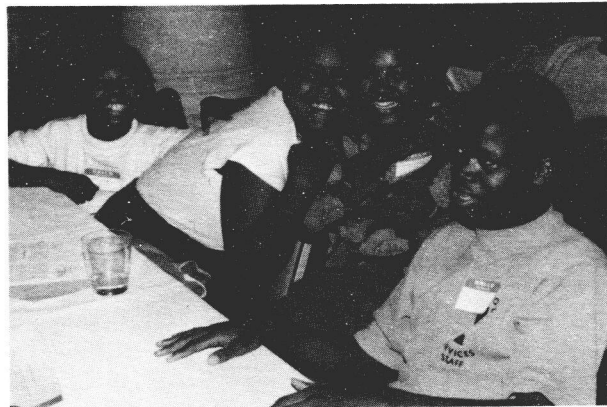


Photo by Osbert Ray

Photo by Osbert Ray



Photo by Roberta Warshaw

Jorge Hernandez (1951-1986)

We chose to name our “Development Without Displacement” award after Jorge Hernandez, a Boston community leader. Under Jorge’s leadership, Inquilinos Boricuas en Accion (IBA) became one of the most successful community development organizations in the country, and an example to other community groups in its stress on combining the struggle for decent housing with the strengthening of cultural identity.

Inquilinos Boricuas en Accion was organized in 1968 to fight the city of Boston’s plan to redevelop its neighborhood and displace the existing residents. By 1986 it had developed 857 units of housing for the Hispanic, black and elderly white residents of the neighborhood.

But IBA is more than just a

housing development organization. From the start, it has been concerned with the social and cultural development of the community as well. It places a special emphasis on strengthening the cultural identity of its ethnically and racially diverse community (primarily Puerto Rican, but with many Asians, blacks and whites). It has ventured into community-based theatre, visual arts, cable TV, music programs, festivals and a newly-created cultural center.

Jorge Hernandez, a long-time participant in the struggle against displacement, became IBA’s director in 1978. Jorge brought stability to IBA, and under his tenure it became known nationally for its development activity and its cultural programs. It has become a model for community development

groups nationwide.

Jorge was an ambitious person—not personally ambitious, but ambitious for his community. He was a person of great dedication and commitment. His death last March was a loss not just for Inquilinos Boricuas en Accion, but for the neighborhood housing movement in this country.

STATE & LOCAL TRENDS

Ohio

Cleveland has launched a program in which community development block grant funds are used to help financially-strapped homeowners avoid prosecution for housing code violations.

The city is making CDBG-funded financial assistance available in the form of low-interest and deferred loans to owner-occupants of one- and two-family homes who have been cited for housing code violations and have failed to correct them in the allotted time period.

"This system has the dual purpose of improving the city's housing stock while freeing the housing court to pursue absentee landlords and other more serious cases," states the city's community development director.

Cases are first screened to determine which ones can be resolved without court action. Homeowners who are deemed able to afford repairs are sent to housing court. Those who need financial assistance are urged to apply for government loans and grants. Loans have interest rates ranging from zero to seven percent, depending on the applicant's income. Repair work is done by private contractors who bid on specifications prepared by the city.

(From the *Housing and Development Reporter*.)

New York

New York City's largest housing co-op, Penn South, is pulling the plug on Con Edison, New York's giant utility.

The co-op made the decision in 1984 to outfit itself with its own energy-producing facility. The new, \$8 million co-generation plant, financed by the National Co-Op Bank, is now ready to go on line.

The new plant will provide full power for the electric, heat and air conditioning needs of Penn South's 2800 families. Savings on their \$3.8 million annual utility bill are expected to exceed \$1 million. Over the next ten years, Penn South's members expect to see their energy bills drop by as much as 30 percent.

(From the *National Co-Op Bank Newsletter*.)

Massachusetts

The Massachusetts Affordable Housing Alliance (MAHA) recently received a commitment from Gov. Michael Dukakis to support two bills currently on the state legislative agenda.

The bills contain a variety of housing initiatives, including \$100 million for loans for new public housing; \$85 million for renovation of existing public housing; \$60 million for a state Urban Development Action Grant to build affordable rental housing; \$5 million to finance tenant cooperatives; and \$100 million to subsidize mortgages for families earning \$20-\$30,000.

Combined, these two bills would make \$369 million available for housing. MAHA members point out that Massachusetts spends only 1.5 percent of the annual state budget on housing appropriations. Meanwhile, the state has a budget surplus of \$575 million. The state can and should do more, MAHA maintains, especially since the federal government has cut housing

funding more than 60 percent.

MAHA was formed in 1985 as a coalition of community, senior, tenant, labor, religious and nonprofit housing development groups. It works to increase state funding for affordable rental housing and homeownership opportunities.

One of MAHA's member groups, the Tenants United for Public Housing Progress (TUPHP), has been organizing public housing residents on a city-wide level in Boston for the past three years. In addition to working within MAHA to get more state money for public housing, TUPHP local organizations have been fighting for asbestos clean-up and improved security in Boston's public housing developments. Recently, according to a TUPHP leader, "we forced the Boston Housing Authority to start cleaning (the asbestos) up; we threatened to hold our rent and do it ourselves."

(From *Disclosure*)

Two reinvestment agreements won

Two reinvestment agreements finalized over the past few months will bring \$37 million in housing loans to Chicago neighborhoods.

Continental Bank officially unveiled its home improvement loan program in October. The bank will commit \$20 million in loan funds over a five-year period, to be combined with a \$5 million loan commitment by the Illinois Housing Development Authority (IHDA). The city's Dept. of Housing has made a grant of \$500,000 toward administrative expenses.

Below-market loans of \$2500 to \$25,000 will be made toward rehab of one- to four-unit properties. Loans up to \$60,000 are available for rehab of five- to 12-unit buildings. Borrowers must fall under income guidelines: \$45,000 or less in low and moderate income neighborhoods, \$35,000 or less in the rest of the city.

The program will be operated by the

Neighborhood Lending Services, a division of the Neighborhood Housing Services. NHS will work with nine neighborhood groups to get the loans out.

This past summer, the Organization of the Northeast (ONE) announced that the Community Bank of Edgewater has agreed to provide \$12 million for neighborhood investment in the Uptown/Edgewater area.

The commitment includes \$4.5 million in loans for low-income first time homebuyers; \$3.5 million in loans for rehab and new construction of multifamily housing; and \$4 million for commercial loans to encourage small business development. Loans will be screened by ONE's development arm, the NorthEast Investment Alliance.

Both of the new loan programs came out of the Community Reinvestment Alliance's campaign to get banks to reinvest in the neighborhoods.

Letters to PRIDE: a view from the

It sometimes helps to be reminded about what neighborhood housing development is *really* all about. Caught up in meetings with DOH, committees to develop new strategies for building acquisition, debates between advocates of substantial and mod rehab, we sometimes lose track of the actual meaning behind the "business" of developing community controlled, affordable housing.

No one is better equipped to explain this meaning than the residents themselves. Tenants at PRIDE recently prepared a booklet which they distributed at PRIDE's Open House. In the booklet, they presented letters which tenants had written about living in PRIDE buildings. We think these letters describe, much better than any article could, the importance of the neighborhood housing movement.



PRIDE tenants Lorean Harris, Gwendolyn Brooks, Linda Haley and Paula Campbell listen to a presentation by PRIDE staffer Mike Rohrbeck.

Photos by Thom Clark

To the staff of P.R.I.D.E.

When I was renting from slumlords, in their condemn buildings, I was in fear of the followings. No smoke alarms to warn of possible fires. Being attack and robbed by junkies and women's dwelling in the corridors. Apartments that were severely infested with rodents and roaches, etc. And complaining to the slumlords about broken windows and doors, falling ceilings, broken and stopped up toilets, tubs and sinks. No heat or hot water and pests, were a waste of time and effort. And the fear of eviction, if I refuse to pay rent, until they did their jobs. And believe me trying to pay Beverly Hills rent on low-income. And living in fear and under foul conditions can be very shameful, depressing and disgusting.

Now I am writing to personally say "THANK YOU" for choosing me as a tenant and freeing me from such disgrace. I am and feel very proud to pay my rent each and every month,

on time. And obeying my duties as a tenant because you all have been keeping your part of the contract, by being dependable, responsible and concerned landlords, about your buildings as well as your tenants. I am proud of where I live and in such clean and safe conditions. It is such a grand feeling to live in decent affordable housing and rent from landlords not slumlords. Again, "THANK YOU" for changing my life around in a positive manner. I now feel stable and secure with my apartment and now I can concentrate on reaching other prosperous goals in my life. Again, "THANK YOU" for helping to put some, P.R.I.D.E. back into my life.

Sincerely
Linda Haley

inside

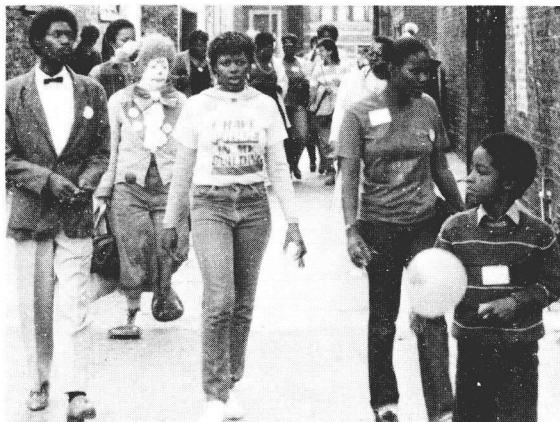
Dear Thirlese,

I would like to take this opportunity to express my sincere gratitude to you for your thoughtfulness towards my family. Over a year ago I came into P.R.I.D.E.'s office in dire need of an apartment. My family was separated. I was living with a relative due to the fact that our home had been destroyed by fire. You were very kind and understanding of my situation. I truly thank God that in this fast-paced world that there is such an organization such as P.R.I.D.E. with people on it's staff who in the midst of business can still display the quality of kindness & understanding towards people in need of housing. May God richly bless you, Duwayne, Mike & other staff members in your endeavors to supply nice places for people to live.

Sincerely,
Mrs. Dollie M. Shelton



Alice Young, Dollie Shelton and Debra White dish up home made specialties to Open House guests.



PRIDE's Open House in October offered an opportunity to celebrate PRIDE's work in the South Austin community.

To: Pride Staff,

I am writing this letter to thank you for the ~~help~~ help that you have given me.... I never thought much about landlords until I moved in a Pride building, you have given me something to look forward to such as coming home to a warm apartment, getting up on cold mornings I really feel good having a nice apartment to live in. I also look forward to our tenant meetings, workshops, and conferences.

My daughter and I can go to sleep warm and wake up warm.... Again I thank you Pride for your help and I thank God to you have done a lot of good for the tenants and for the community.

Sincerely yours,
— Jessie Stinson

Mr. Johnson:

I would like to take this opportunity to congratulate you and your staff for the work you are doing. I am so glad that I have lived long enough to see the day when someone like you care enough to do what you are doing for our neighborhood.

I know sometime you feel like giving up, but every day I thank God that you have the will and strength to keep striving.

We pledge our physical, moral and spiritual support in your every endeavor to improve our city and make it a better place in which all of us may live....

Jessie Harris

President, Royale Gardens

State political climate

(continued from page 1)

in housing. The state would not be the chief actor. Thompson said that he would "consider" the idea of a low-income housing trust fund and pointed out that the Illinois Housing Development Authority (IHDA) has already provided \$8.2 million in grants and loans for low-and moderate-income projects. He neglected to add, however, that the majority of the \$8.2 million was in the form of loans for moderate-income housing.

Thompson recently demonstrated his conservatism on housing issues: when HB 3340, the Illinois Mortgage Foreclosure Law, was given to him for approval, Thompson removed provisions for mortgage counseling and a homeowners mortgage assistance fund.

Thompson cites IHDA as having provided low-income housing for Illinois in the past. However, IHDA currently has no strategy for providing low-income housing in light of tax reform and decreased federal subsidies. IHDA offi-

Study cites housing trust fund problems

State housing trust funds are becoming increasingly common as state officials around the country seek solutions to the shortage of affordable housing.

But many of these states are having problems with their trust funds. According to a report, "Housing Development Trust Funds in New Jersey," state housing programs often lack two necessary features — mandatory contributions and permanent dedication of funding. The report analyzed data from 44 states to determine the economic, legal and political feasibility of a permanent dedicated revenue source for a pilot New Jersey housing trust.

The report found that state legislatures are reluctant to pass laws that dedicate revenue from a tax or a fee to programs that subsidize the home mortgages, rents or repairs of their less powerful constituents. In efforts to make a political "hot potato" more palatable to those who would pay the taxes or fees, the structures of HTFs are often half-baked — participation is

cial have refused to set policies which would guarantee a certain level of funding for low-income housing. SHAC has met with the IHDA board, which was entirely appointed by Thompson, hoping to develop such policies. As of yet, no progress has been made. Recognizing that Illinois has no state agency

Bowman believes it will take a couple of years before state policies will even make a dent in the housing problems that exist in Illinois.

responsible for developing and implementing low-income housing policies, the IHDA board recommended that SHAC turn its attention to the state legislature.

The margin of Democratic control of

voluntary, no specific revenue is dedicated or the law itself is skewed. The report points out that annual budget appropriations to state housing trusts are an uncertain funding source, likely to be cancelled from one year to the next.

New Jersey passed a law in 1985 that created a statewide demonstration housing trust funded from real estate transfer taxes. The governor and legislature are now studying the feasibility of making the fund permanent. The report, while it did not advocate the establishment of an HTF, pointed out the present federal environment does not offer many other options. However, its findings have proved controversial: the state agency which commissioned it blocked the report's release for six months.

New Jersey's state Supreme Court has ordered local governments to provide nearly 6000 new units of low- and moderate-income housing by 1993.

(From *Crain's City & State*.)

the legislature appears unchanged by the November elections. According to unofficial results, 31 Senate seats will be held by Democrats and 28 by Republicans. The Democrats will keep their sixteen-seat edge in the House with 67 Democrats and 51 Republicans. According to Rep. Bowman, he and Rep. Ar-

thur Turner (D-18) are attempting to put low-income housing issues on the Democratic agenda. Bowman is hoping that the issues will be defined within the next few months so that bills can then be drafted.

But even with the Democratic majority in the legislature, Thompson, like Reagan, continues to dominate state policy making. Indeed, unlike Reagan, he has both a regular and an amendatory veto, which means that Thompson has the choice of vetoing an entire bill or part of a bill. Thompson has demonstrated that he is willing to use the power. Not only did Thompson amendatorily veto HB 3340 after the legislature passed it, but he also vetoed other social assistance programs such as an increase in public aid grants.

Thompson's vetoes occur despite an overwhelming need for state action. In 1983, subsidized housing units made up only 4.4 percent of the total housing stock in the state, while 11.3 percent of Illinois households had incomes below the poverty level. According to the U.S. Census Bureau, in 1983, Illinois had the second highest foreclosure rate in the nation and was first in defaults. A 1984 HUD report estimated that there were



15,000 to 25,000 homeless people in Chicago alone. With the cuts in federal assistance, Illinois housing advocates believe that the situation has only gotten worse in the last two years.

Bowman believes it will take a couple of years before state policies will even make a dent in the housing problems that exist in Illinois. The task for low-income housing advocates is to gain

greater influence in the legislature. During the fall veto session members of SHAC went to Springfield in an unsuccessful attempt to gain an override of Thompson's veto of HB 3340. This typifies the problems facing Illinois housing advocates at the present time and presumably into the future.

Statewide groups such as SHAC are organizing all over the nation, trying to

get their states to allocate resources to housing. In Illinois, it will be a struggle. On the positive side, there is a growing awareness in the legislature that housing problems need to be addressed. Besides, fighting is not new to social welfare advocates, nor to the politicians they will be seeking to persuade.

(Lisa B. Baum is a policy specialist for United Charities of Chicago.)

IHDA to become developer?

by Debbie Weiner

The Illinois Housing Development Authority is currently outlining plans to change its role from lender to landlord.

IHDA, spurred by changes in the tax code, is studying the possibility of "eliminating the middle man" by becoming its own developer. As a developer, IHDA would purchase land, and contract with private firms for the construction and management of the housing it would own.

IHDA traditionally has helped private developers by providing low-interest mortgages. But the new tax code limits the amount of tax-exempt bonds IHDA can sell to raise mortgage money for private developers. However, the amount of government bonds it can sell to finance publicly owned buildings is virtually unlimited. "Getting new housing stock in the state could depend on programs like this," claimed IHDA assistant director Ken Marshall at IHDA's November board meeting.

"This may be the most efficient way to structure deals at the lowest possible cost," stated Marshall in a recent *Tribune* article. "That translates into the lowest possible rents."

But without subsidies, most housing experts doubt that rents would be affordable to low- and moderate-income people. According to the *Tribune* article, rents approaching \$1000 per month for a two-bedroom apartment could be expected. A recent *Sun-Times* article estimated rents would be in the \$500 to \$600

range.

At IHDA's October board meeting, where the plan was first revealed, little mention was made of the proposal's impact on low-income housing. IHDA staff appears more concerned with the need simply to create new housing stock, regardless of the rent levels that would be needed to make projects feasible. "What if Honda builds a plant and there's no housing around?" said IHDA spokesman Woody Mosgers in the *Sun-Times* article.

But housing activists around the state question if such a need exists. Groups such as SHAC maintain that the private market is capable of providing middle- and upper-income housing without using state resources, which are limited. The real need, as identified by IHDA's own 1984 study, is for housing affordable to low- and moderate-income people. The state has not yet begun to address that need (see accompanying article). With the limited resources available, says SHAC, the state should first address the most pressing housing problems.

But IHDA has claimed it lacks the resources to provide a substantial amount of low-income housing without federal assistance. While it has been more receptive lately to non-profit developers who request financing for individual affordable housing projects, it has consistently refused to develop a low-income housing policy or guarantee dollars for low-income housing, pleading a lack of funds. At the same meeting where the new plan was first unveiled, SHAC members were told that

IHDA could not possibly designate a set amount of funds to low-income housing. Nevertheless, IHDA Chairman A.D. Van Meter has been enthusiastic about IHDA's ability to become a developer, saying that only two or three public agencies in the country have the resources to begin to look at such an idea.

While IHDA officials are very positive about the endeavor, the plan is still in the early stages. It has received criticism from various sources. Rep. Woods Bowman (D-4) worries about the possibility of misuse of contract privileges. "There's no effective oversight at (the agency) to begin with. This could open the door to the kind of misbehavior we saw on the McCormick annex," he told the *Tribune*.

A recent *Tribune* editorial charged that "without public subsidies, the authority may well find itself in the same position as private developers who would rather house the rich than try to build affordable housing for low- and moderate-income renters . . . (it) probably will do less to ease the woes of the poor than fill the pockets of building contractors who have good connections."

IHDA will take up such policy questions as whether the plan will include low-income housing at its December meeting. No public review or legislative changes are needed for IHDA to embark on this scheme. SHAC hopes that Gov. Thompson, in drawing up his promised comprehensive low-income housing plan, will keep in mind IHDA's role in providing affordable housing to Illinois citizens who are in desperate need.

Presidential Towers

(continued from page 1)

bilitation.

- 620 low-income housing units: The developers should either provide these units in Presidential Towers or fund neighborhood nonprofits to develop the units.

- Jobs: There must be an affirmative action plan for both construction and permanent jobs. The plan must include quotas for city residents, minorities and women. There must also be a strong affirmative action plan for construction and commercial contracts resulting from the new development.

- Public review process: The city must provide a public review process involving neighborhood hearings on all major, publicly-subsidized developments.

The demonstration has led to meetings with officials from the Mayor's office and the city's Dept. of Housing. The developers are currently in negotiations with the city to purchase additional land for the project's expansion. Coalition members are also pressing for a meeting with the developers. If there is an inadequate response to demands, coalition members have vowed to stage repeated actions.

The coalitions involved in the demonstration bring a number of different concerns into the effort. The Coalition

for the Homeless has been fighting for the past two years to save SROs, which are a rapidly-disappearing affordable housing option for lower-income single individuals. SHAC is working statewide to expand affordable housing. The 1992 Committee has watchdogged Presidential Towers and protested the misuse of public resources.

The Balanced Growth Coalition is a newly-formed effort on the part of Chicago community-based organizations to redress the imbalance in Chicago's economy so that neighborhood growth and development receives as much attention as downtown development.

Chicago's Central Business District is booming. Many are pointing to this explosion of new development, calling it economic revitalization. But simple growth in one area of the city does not make a healthy city, say coalition members. Not when there are disenfranchised communities who suffer with the reality of boarded-up housing, empty storefronts and manufacturers gone elsewhere.

There is no doubt that bold steps must be taken to improve Chicago's economy. But redevelopment should be balanced in a way that enables Chicago residents to build communities where they can live and work. The Balanced

Growth Coalition members met during this past summer to draft the following platform:

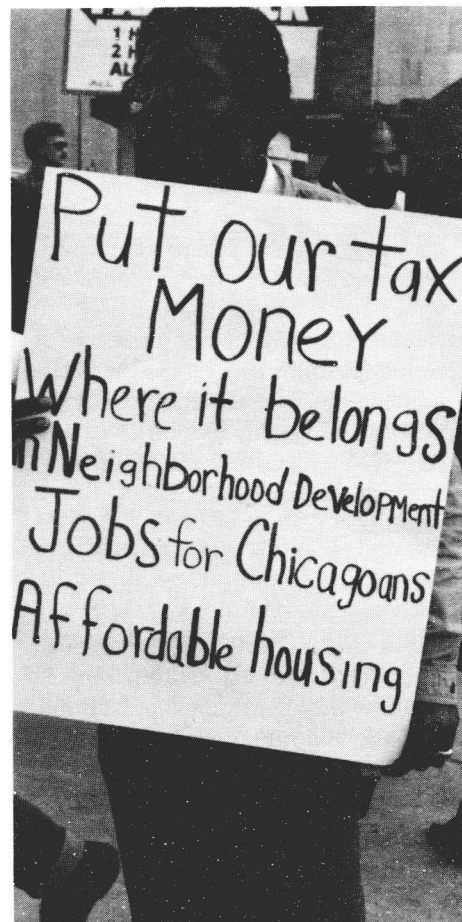
- *Local economic development:* That a fair share of capital improvements and other public subsidies be targeted to low- and moderate-income neighborhoods to support the creation of jobs and affordable housing.

- *Jobs:* That all publicly-subsidized development projects adopt a "First Source" hiring policy, offering Chicago residents a first crack at filling jobs created by the project.

- *Housing:* That the city enact a mandatory Linked Development program, with funds designated for affordable housing. That more public funds be targeted for low-income housing.

- *Neighborhood empowerment:* That neighborhood residents gain greater authority in setting priorities for local economic planning.

- *Anti-displacement:* That new development must not displace existing housing or jobs (directly or indirectly).



Democrats gain Senate control

(continued from page 1)

Washington, federal rent subsidies serve less than 20 percent of the very low-income households in the nation.

But the "private market" has not filled the gap. In Chicago, the Section 8 rent-subsidy program has a waiting list of nearly 80,000 families and senior citizens. The National Association of Housing and Redevelopment Officials reports that more than one fourth of the nation's households live in physically deficient or overcrowded conditions, and/or have to spend an unreasonable (more than 30 percent) share of their income on housing.

House Democrats, led by Rep. Henry Gonzalez (D-TX), have worked to keep low-income housing on the national agenda. This year the House passed an authorization bill for housing programs (HR 1) three separate times. But the legislation died when the Republican-dominated Senate failed to pass a similar bill (SB 2507). The Majority Leader, Republican Robert Dole of Kansas, under the pressure of his GOP colleagues, chose not to bring SB 2507 up for a vote after it was reported out of the Senate committee on Banking, Housing and Urban Affairs.

As a result of the Democratic gains in the election, there will be a new Majority Leader—Robert Byrd (D-WVA). He will now control what bills are presented to the Senate for a vote. Byrd is considered a moderate Democrat, but must respect the desires of the liberal wing of the party.

The shift in Senate control also mandates a shift in the chairmanship of Senate committees. William Proxmire, a fiscally conservative but socially concerned Democrat from Wisconsin, will soon replace Jake Garn, an extreme conservative from Utah, as chairman of the Senate Banking, Housing and Urban Affairs committee. Garn has "abysmally abdicated" his responsibility on housing issues, Gonzalez recently charged. With Proxmire as chair, the outlook for new housing legislation is somewhat brighter.

According to a spokesperson for Sen. Paul Simon (D-IL), Senate Democrats strongly support the reaffirmation of a national policy regarding the nation's housing needs. Senate Democrats will

attempt to see that federal housing assistance does not take a disproportionate budget cut, he maintains. In addition, newly elected Democratic senators from hard-pressed rural areas will need the votes of their urban colleagues for new federal farm assistance, giving urban senators a chance to extract housing aid increases in return.

While both houses now appear more inclined to address low-income housing issues, housing advocates should not be overly optimistic. The Senate majority is not as great as the House majority, and many of this year's gains were made by moderate-to-conservative Southerners. The House Democrats hold a majority of 259 to 176, while the Senate's is only 55 to 45. Senate Democrats will not have an automatic majority and will have to "reach across the aisle" for help on some issues.

Moreover, moderate Republicans appear to want to abdicate national responsibility for low-income housing. In a recent proposal, Sen. David Durenberger (R-MN), no extreme conservative by any means, outlined a new federal/state role whereby the federal government would pay more health and welfare costs such as Medicaid and AFDC in exchange for the elimination of various federal housing and community development programs, including CDBG. Durenberger advocates the shift of responsibility for housing and

community development programs from the federal government to state government. This suggests that at best, housing support will end up as a Reagan Administration bargaining chip to be traded off against other vital social spending programs.

President Reagan's personal popularity, his veto power and his control of the federal bureaucracy indicate that his administration will presumably continue to dominate public policy. While Congress will be more inclined to pass social legislation, Republican use of housing as a bargaining chip will have some impact. Also, with Reagan's firm stance on housing and the budget limitations that Congress has imposed on itself with Gramm-Rudman, it appears to many policy makers that the responsibility of providing low-income housing will continue to be moved from the federal level on to the shoulders of state and local governments.

Thus the need for state-level advocacy is pressing, according to Joanne Yerkes of the National Low Income Housing Coalition (NLIHC). The NLIHC is attempting to encourage statewide housing coalitions. Illinois State Rep. Woods Bowman (D-4) echoes Yerkes's belief that there is a need for state organizing. According to Bowman, "by default, Springfield is going to be where the action is for low-income housing issues in Illinois."

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 818, Chicago, IL 60604; (312) 663-3936.

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NETWORK CELEBRATES!



More than 500 people gathered to join in the festivities as the Chicago Rehab Network celebrated ten years of development without displacement. Story and more pictures starting on page 2.

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