
Partnership **Update**

✦ *for the Advisory Committee of The Partnership for New Communities*

June 2004

Bank of America Commits \$250,000 to The Partnership; CEO to Join Committee

Bank of America has notified The Partnership that it has committed \$250,000 to be paid over two years. The Bank's grant brings total commitments to The Partnership to \$3.55 million.



In addition, Terry Perucca, President of Bank of America, Illinois, has accepted Don Stewart's and Jonathan Fanton's invitation to join the Advisory Committee.

"I will gladly serve on the Advisory Committee and look forward to representing the Bank in this important effort," he said.

Terry has served as president of the Bank's Illinois operations since 2000. In addition, he has maintained his previous role as head of Banc of America Equity Partners, the private equity investing group for Bank of America, a position he held since 1996.

Terry began his career at Security Pacific Bank in 1966 as part of its finance department. He joined the legacy BankAmerica during its merger with Security Pacific in 1992, becoming part of its San Francisco-based corporate development department. He assumed responsibility for managing the unit in 1993.

Terry is a member of the Civic Committee of the Commercial Club of Chicago, the Board of Trustees of the Museum of Contemporary Art, and After School Matters.

Consistent with The Partnership's procedure for taking action between Advisory Committee meetings, the Executive Subcommittee, consisting of Co-chairs Jonathan Fanton, Don Stewart, and David Vitale, will formally approve Terry's membership on the Advisory Committee's behalf.

Attention Committee Members:

July 1 Set for Tour of Retail Sites Identified in Partnership-Supported Study

Partnership Advisory Committee members are invited to participate in a tour of sites identified as potential development opportunities by the Mixed-Income Retail Investment (MIRI) project, which was funded by The Partnership and Bank One. The Financial Research and Advisory Committee (FRAC), which spearheaded the project, is organizing the event for retailers, developers, and others who served as MIRI advisers.

The July 1 tour will depart at 8 a.m. from the Chicago Housing Authority (CHA) offices at 626 West Jackson Boulevard and will return to the CHA at 11 a.m.

FRAC and a team of consultants from the Boston Consulting Group targeted six locations as promising retail sites in areas surrounding six of the CHA's mixed-income developments. The project was designed

MIRI TOUR

**Thursday, July 1
8:00 a.m. to 11:00 a.m.**

Departing from and returning to
the CHA, 626 W. Jackson

RSVP: Vanessa Johnson
The Partnership for New
Communities
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to attract catalyst retail near Hilliard Homes, Stateway Gardens, Robert Taylor Homes, Madden Park-Wells, Lake Park Crescent, and Rockwell Gardens.

The MIRI project aims to:

- ensure the presence of attractive retail as the new mixed-income developments come on line
- bring the goods and services community residents expect to have available in their neighborhood
- support local entrepreneurs, ensuring their presence in key retail clusters.

In addition to identifying suitable retail sites, the MIRI study estimated current market demand and projected the future demand expected to be generated by the new mixed-income developments. The MIRI project also examined challenges to development and potential solutions to overcome those challenges.

You can expect to hear more about FRAC's findings and key recommendations at the July 27 Advisory Committee meeting.

'Transformation is real' Mayor, Community Leaders Celebrate Plan's Midpoint

Calling the CHA's Plan for Transformation "a national model of public housing for the new century," Mayor Richard M. Daley recognized the significant progress being made as the 10-year Plan approaches its halfway point.

"The rebirth of public housing and its transformation into mixed-income communities where people can realize their dreams is real, and it is happening in Chicago, family by family. In simplest terms, our commitment is to make public housing residents an integral part of Chicago in all its dimensions – socially, culturally, and economically," he said.

The mayor spoke to CHA and community leaders gathered for the June 14 unveiling of *Taking Shape: the CHA's Plan for Transformation* at the Chicago Historical Society. (See sidebar.)

The mayor pointed out that the CHA has:

- built or rehabbed nearly 50 percent of the 25,000 units to be renewed through the Plan
- successfully relocated 3,500 families into other CHA developments or other communities
- linked some 4,000 residents to new jobs in both the public and private sectors.

"After five years, our 10-year Plan for Transformation remains the most ambitious urban rebuilding plan in the country – and it represents a bold new chapter in Chicago's history," he said.

But much remains to be done, Daley said. To deliver on its commitments, the mayor said the city must:

- Get the public housing units built on time and on budget
- Make sure the market-rate units get sold, so the mixed-income strategy becomes a reality
- Continue to bolster the service connector program, so the needs of families and children are not ignored
- Bring new business into these neighborhoods to create thriving commercial centers
- Ensure that other critical anchors in these neighborhoods – schools, parks, libraries, and police stations – meet the needs of these communities as they change and grow
- Continue to build bridges between the people of public housing and the city as a whole.

Exhibit Offers 'Inside' Look at Mixed-Income Developments

An exhibit called *Taking Shape: the CHA's Plan for Transformation* opened to the public on June 19 at the Chicago Historical Society, 1601 N. Clark Street.

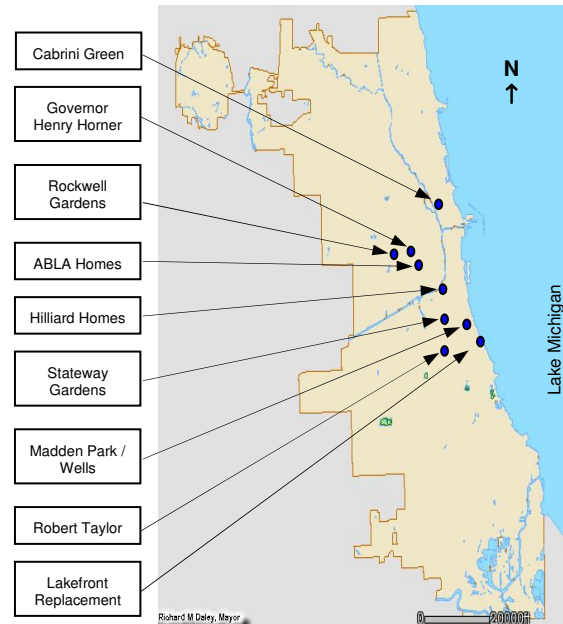
The exhibit showcases the mixed-income communities, using architectural models and computerized animation offering visitors virtual walk-throughs of the new housing units.

It will be on display at the Historical Society until July 24, then moves to the first-floor concourse of City Hall for a six-week run. Later, the exhibit will be displayed in neighborhoods throughout the city.

New Names for Developments Replacing CHA High-rise Complexes

Henry Horner...Robert Taylor...Rockwell Gardens. These and the names of other CHA sites are well known to Chicagoans. But as the Plan for Transformation's mixed-income developments continues, those names are being replaced along with the housing that once stood on those sites. Below is a list of both the old and the new names at this point in the Plan.

Original CHA Site	New Mixed-Income Development
ABLA Homes	Roosevelt Square
Cabrini Extension Housing	North Town Village, Renaissance North, Mohawk, Old Town Square, Orchard Park, Domain Lofts, River Village, Old Town Village, Old Town Square
Henry Horner	Westhaven Village, Westhaven Park
Lakefront Replacement	Lake Park Crescent, Jazz on the Boulevard
Rockwell Gardens	West End
Stateway Gardens	Park Boulevard, Pershing Courts
Robert Taylor	The Quincy, Legends South
Madden Park/Wells/Darrow	Oakwood Shores
Hilliard Homes	Hilliard Center
Washington Park	St. Edmund's Meadows



Mixed-Income Forum Focuses on Economic Development: Jobs and Retail

Economic Development was at the forefront at the Metropolitan Planning Council's (MPC) second forum in its series "Building Successful Mixed-Income Communities" on May 26. National and local experts and policymakers shared their ideas about the key role of jobs and retail as basic components in the development of mixed-income communities.

Successful mixed-income communities begin with housing, said CHA CEO and Partnership Advisory Committee member Terry Peterson. "But a good neighborhood is much more... Seven thousand families of every income will be moving into the Mid-South Side. For business, that means one thing – opportunity," he added. "This is a chance for large and small businesses to get in on the ground floor."

Jeremy Nowak, President and CEO of The Reinvestment Fund, Philadelphia, Pa., offered the national perspective. The Reinvestment Fund has combined community organizing and successful financial development. In nearly 20 years, it has built, renovated, or preserved over 9,300 homes; created or retained over 18,000 jobs; and created, renovated, or preserved over 3.5 million square feet of commercial space.

Some of Nowak's key points:

- Mixed-income communities succeed when at least one of their basic markets (business location market, real estate market, job market) is competitive.
- The simultaneous investment in quality businesses and labor, both through people-based and place-based strategies, is important to the community's competitiveness.
- The early development and sustainability of mixed-income communities requires economic logic and predictability for developers, and amenity premiums for consumers.

“Mixed-income communities will be the difference between our cities making it or not making it”, Nowak concluded.

Providing a local business perspective was Phyllis Martin, Executive Director of the Financial Research and Advisory Committee (FRAC). Martin discussed the Mixed-Income Retail Investment (MIRI) project being sponsored by The Partnership and Bank One. Some of the factors that drive retail investment into a community, she said, include significant public and private residential investment, market forces moving toward the area and the existence of unmet demand. Some of the challenges to retail investment are the retailers’ aversion to risk, the limited amount of suitable land for retail, difficulties in estimating economic conditions, and existing competition.

MPC’s first forum in the “Building Successful Mixed-Income Communities” series, sponsored by the MacArthur Foundation, highlighted the relationship between healthy mixed-income communities and high-performing schools. An article on that session appeared in the February *Partnership Update*.

Study Links Disparities in Grocery Store Locations to Race

Race and geography appear to be major factors in determining grocery store locations, according to research recently released by the Metro Chicago Information Center (MCIC).

The study, *Race and Place Matter for Big Chicago Area Grocers*, was the subject of a forum sponsored by Women in Planning and Development on June 2. MCIC’s analysis showed that many communities, including those of special interest to The Partnership, are untapped markets for grocery stores, branch banks and other mainstream products and services.

These business opportunities often go unrealized, says the *Race and Place* report, because of one or more of the following factors:

- Stereotypes, prejudice and lack of connections to local market players
- Bad data
- The wrong data
- The wrong business location model.

Some 60 percent of Chicago’s 86 “major player” grocery stores (Jewel, Dominick’s, Cub Foods and Aldi) are located on the North Side, even though the population distribution between the North and South Sides is roughly equal. Eight aldermanic wards in the city have no “major player” grocers, and all of those wards are predominantly minority. Six of those wards are on the South Side. Of those wards, five are predominantly African-American; one is predominantly Latino. Both North Side wards with no “major player” grocers are predominantly Latino.

The report suggests that store siting decisions don’t necessarily support consumer purchasing patterns or preferences. A recent study by the Food Marketing Institute showed that African-American consumers make more trips to the grocery store than the average shopper, prefer full-service chain grocery stores to smaller grocers, and spend more per week on groceries than the average consumer.

“It’s quite possible,” MCIC concludes, “that both Big Business and communities are worse off for business location decisions driven primarily by race and place. Better information sets and greater dialogue might generate a win-win opportunity for both sides of the equation.”