
Partnership **Update**

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

September 2004

Advisory Committee Members Share Partnership Vision, Progress with Mayor Daley

The Partnership's Advisory Committee met August 12 with Mayor Richard M. Daley to acquaint him with The Partnership's vision, mission, activities and progress as well as to hear from the mayor about his vision for the transformation of public housing developments into viable, thriving communities.

- **Jonathan Fanton** discussed The Partnership's origins, strategic objectives, recent grants and \$15 million fundraising goal.
- **Mayor Daley** emphasized need to focus on social services to prepare families for life in mixed-income communities or outside of public housing if they opt to use a housing choice voucher. He also stressed the need to prepare people for work, create jobs and develop thriving community businesses, particularly minority-owned businesses, to promote long-term sustainability.
- **Quintin Primo** described a project to further analyze the retail investment potential of the five sites proposed as part of the Financial Research Advisory Committee's Mixed-Income Retail Investment Project, which was funded by The Partnership. The Emerging Leaders Program, launched this year to attract young minorities to the real estate profession, is an 18-month internship for recent MBAs sponsored by five firms, including Capri Capital and Bank of America. As part of their internship, the group has examined the location, market, site assemblage, amount of public subsidy/support that will be required in order to extract the required risk-adjusted rate of return for potential investors and the appropriate mix of local and national retail tenants.
- **Don Randel** discussed the police services being provided by the University of Chicago's Police Department to the larger community encompassing a significant portion of the Mid-South area.
- **Lew Collens** outlined Illinois Institute of Technology's employer-assisted housing program in which IIT is offering down-payment assistance to employees who purchase homes in the new Park Boulevard mixed-income community replacing the Stateway Gardens public housing development.
- **Terry Peterson** told the mayor that in addition to focusing important resources in support of the Plan for Transformation, The Partnership and its Advisory Committee provides valuable counsel to him and CHA leadership.

Forum to Assess Housing Transformation Impact on Residents

Advisory Committee members are invited to a special forum examining how HOPE VI residents have fared in Chicago and across the nation. The Urban Institute event, "**An Improved Living Environment for HOPE VI residents: Policies and Realities,**" will be hosted by the John D. and Catherine T. MacArthur Foundation at its offices at 140 S. Dearborn St., from **10 a.m. to 11:30 a.m., Friday, September 17.**

Jonathan Fanton will open the forum, which will be moderated by *Chicago Sun-Times* reporter Kate Grossman. Panelists include: Kathryn Edin, University of Pennsylvania; Meghan Harte, Chicago Housing Authority; Mary Patillo, Northwestern University; Susan Popkin, Urban Institute; and Sandra Young, a resident leader.

To respond, e-mail paffairs@ui.urban.org or call 202-261-5283.

Building the Fund

Campbell & Company to Assist with Partnership Fundraising

Campbell & Company will be working with The Partnership in further developing and implementing its strategy to raise \$15 million for strategic initiatives to support the success of the Plan for Transformation by strengthening neighborhoods containing public housing.

As authorized by the Advisory Committee in July, Partnership staff sought proposals from three well respected Chicago-area companies with strong track records and impressive client lists.

Campbell Vice President Sarah Wagner will serve as the firm's lead consultant in this engagement. With 24 years of professional development experience (13 of them at Campbell), Sarah has worked with many Chicago-area cultural, educational, environmental, social service, health-related and religious institutions.

Before joining Campbell, she served in senior development positions at Lyric Opera of Chicago, The Museum of Science and Industry, The School of the Art Institute of Chicago and Chicago City Ballet. Sarah graduated from Amherst College in its first class of women. She serves in leadership volunteer positions at her alma mater, church, local schools and the Evanston Community Foundation, and is a frequent guest lecturer on issues in philanthropy.

WGN Highlights IIT Employer-Assisted Housing

Illinois Institute of Technology's Employer-Assisted Housing (EAH) program was featured on the WGN-TV Channel 9 News in early August. (The story was also re-broadcast several times on CLTV.)

David Baker, IIT's vice president, External Affairs, and Metropolitan Planning Council (MPC) Housing Director Robin Snyderman explained how EAH benefits not only employers and employees, but also the communities in which participating employers are located.

IIT is providing down-payment assistance of \$7,500 in the form of a forgivable loan to qualified employees who wish to purchase a home in Park Boulevard, the new mixed-income development replacing Stateway Gardens near the IIT campus.

The Partnership is supporting MPC's work to launch an EAH program designed to attract buyers for the market-rate and affordable units in the new mixed-income developments.

The mayor's office has also become involved in helping MPC market EAH to other employers. Mayor Daley is sending letters to select employers urging them to sign on to the program.

CHA Mixed-Income Exhibit Moves to City Hall

The exhibit *Taking Shape: the CHA's Plan for Transformation* has been on display in the first floor concourse of City Hall since early August.

The exhibit made its debut on June 19 at the Chicago Historical Society, and remained there until The Partnership's Advisory Committee meeting on July 27.

The display features the CHA mixed-income developments, using architectural models and computerized animation.

It is expected to remain at City Hall until the end of September. The exhibit will then move to neighborhoods throughout the city.

Centers for Working Families Seek to Purge ‘Parasitic Economy’

A “disconnect” between working families without bank accounts and mainstream financial institutions carries a huge price tag, according to a recent Brookings Institution essay by Bruce Katz, vice president and director of Brookings’ Metropolitan Policy Program.

A “parasitic economy” of check cashers, payday lenders and tax-refund advance firms thrives on low-income customers and fills the demand for financial services. The essay cites the following statistics:

- A worker earning \$12,000 annually pays about \$250 of that to cash checks at a local check-cashing outlet.
- Payday loans carry an average annual percentage rate of 474%.
- In 2001, \$32.4 billion in Earned Income Tax Credit refunds were issued, but \$1.9 billion of that went to loan fees, tax-preparation services and filing fees.

“Studies have shown that ownership of a bank account directly correlates with access to credit, like mortgage loans,” write Katz and Jackson. “So, the costs of this parasitic economy particularly hinder the key stepping stone to the middle class: homeownership.”

Ending the reliance on such services and encouraging low-income people to build assets are two key objectives of Centers for Working Families (CWF). At its July meeting, the Advisory Committee approved a grant to the Local Initiatives Support Corporation to establish CWFs in the Mid-South and Near West Side communities.

The Plan for Transformation requires CHA residents who wish to retain their public housing benefit to meet higher standards in the areas of lease compliance, self-sufficiency, family stability, and community integration. In order for families to meet these requirements, they must connect to the economic mainstream.

The CWF approach recognizes that the working poor are struggling from paycheck to paycheck to pay for food, housing, clothing, and other basic necessities. CWFs offer an *integrated* set of services designed to increase families’ incomes and reduce “money draining” behavior while they gain work experience and acquire the skills necessary to compete for higher-wage jobs.

CWFs will:

- help families access those public benefits for which they qualify in order to increase their income.
- advise families on how to manage their money and avoid high-cost financial services.
- counsel families on the best financial products and services available.
- build and oversee partnerships with banks and credit unions to make these products accessible and affordable to low-income families.
- encourage families to save money for education, home ownership, retirement, and other assets as family incomes begin to increase.
- provide job placement, retention, re-placement, and career advancement services through LISC’s existing employment network.

Mixed-Income Forum Focuses on Community Facilities

Community facilities were featured at the Metropolitan Planning Council’s (MPC) third forum in its series “Building Successful Mixed-Income Communities” on August 25. “Community Space and Stability: Parks, Community Centers and Recreational Facilities.” A panel of national and local experts and policymakers shared their ideas about the role public spaces can play in fostering community in mixed-income developments.

Other forums in the “Building Successful Mixed-Income Communities” series, sponsored by the MacArthur Foundation, highlighted schools and retail development.