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Partners in Transformation
Partnership for New Communities
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Welcome and good morning. My colleagues on the advisory board of the Partnership for New Communities want to thank the Donors Forum for co-sponsoring this morning's discussion.

I will say a few words to introduce you to the Partnership, followed by Terry Peterson from the Chicago Housing Authority, who will talk about the Plan for Transformation. Then we will hear from our panelists – Lew Collens, President of the Illinois Institute of Technology; Terry Perucca, President of Bank of America Illinois; Quintin Primo, co-chairman of Capri Capital; and Don Randal, President of the University of Chicago.

We are delighted to talk with you today about an exciting collaboration underway in our city. The Partnership for New Communities is a story of how leaders from government, business, and private foundations are all working together to realize the vision of one of the boldest urban initiatives anywhere in the country -- Chicago's plan to transform its high-rise public housing ghettos into vibrant mixed-income communities.

The Plan is the most extensive redevelopment program underway in the country. It is the largest transformation of Chicago's urban landscape since the Great Fire -- a once in a century opportunity to turn around long-neglected neighborhoods and have a positive effect on the lives of tens of thousands of people.

One of the architects of the Plan is with us today: Sharon Gist Gilliam, the Chair of the Board of Commissioners of the CHA. I would like to recognize other members of the Partnership who are in the audience: Jack Greenberg, the former CEO of McDonald's; Francis Cardinal George, Archbishop of Chicago; and Nicholas Goodban, Special Assistant to the President of the McCormick Tribune Foundation; and Desiree Rodgers, from Peoples Gas.

Early on, the Mayor, Sharon, and various civic leaders recognized that to fully realize the transformation on the scale, scope, and complexity as they had outlined, they would need the help of business and philanthropy. And so a number of us got together to form what we call The Partnership for New Communities to maximize the Plan's benefit to the city and its residents.

We are now entering the sixth year of the 10-year Plan. More than 75 percent of the high-rise buildings are down. Attractive new neighborhoods like Oakwood Shores, West Haven Park, and Jazz on the Boulevard are taking shape. The mix of market-rate condominiums and town homes with affordable apartments is already re-invigorating these communities. By 2010, 25,000 homes for low-income families and seniors will be completed.

The Partnership's goal is to help strengthen these new neighborhoods, encourage people of diverse means to live there, and generate economic opportunities for lower-income residents. Those opportunities were in short supply when public-housing dominated these sites, which isolated residents from the economic and social mainstream. We want to help keep these communities connected.

And so almost three years ago, we established a donor-advised fund at the Chicago Community Trust. I want to acknowledge Donald Stewart, the Trust's past President, who was instrumental in establishing The Partnership. Terry Mazany has joined us as one of the three co-chairs and has continued the Trust's active involvement.

The Partnership has four tasks.

- 1) First, we expect the Fund to disburse \$15 million over a few years to support the new communities and their residents. Our priorities are to assist with economic development, help give residents the training they need to get and keep jobs, and to nurture a sense of community in the nine mixed-income neighborhoods being created under the Plan.

Nearly \$3 million has already been awarded for things like commercial revitalization along Cottage Grove, a childcare business initiative, employment for CHA residents, and building Centers for Working Families in several neighborhoods.

- 2) But financial support is only part of what we do. Outside of the Fund, our institutions are working directly by helping public housing residents find jobs, implementing employer-assisted housing programs that encourage our own employees to live in the new neighborhoods, and offering pro-bono services to further school improvement, small business expansion, and commercial development.

- 3) Criticism is inevitable, and so we will be there to bear witness to the complexity of the undertaking, and to give a fair assessment of its progress.
- 4) As a group, we meet on a quarterly basis with Terry Peterson, the head of the Chicago Housing Authority and an *ex-officio* member of The Partnership. We are a sounding board and a resource for him as he takes on one of the toughest jobs in the country.

Terry is here to talk about the progress underway. Those of us on the Partnership's advisory board have come to know Terry and the challenges he faces very well over the past several years. What we have seen has left us convinced that he is one of the nation's most passionate and effective public servants – and a man deeply dedicated to the future of Chicago.

Many of the skills Terry brings to the CHA were honed during his time as an elected official, an alderman for the 17th ward, with concern for the full range of human and community development issues. Before that, he worked directly for Mayor Daley on community redevelopment, including early efforts in neighborhoods where the Plan for Transformation is now unfolding.

--- Mr. Peterson's remarks are available at www.thepartnershipfornewcommunities.org. ---

Thank you, Terry. I think that story demonstrates why the members of the Partnership are so committed to the Plan for Transformation. It has the vision and the leadership to profoundly change Chicago for the better

Time won't allow me to name all the members of the Partnership, but I should note that it operates with a small, efficient, experienced staff led by Marcia Hibbs. They propose strategic direction, develop projects, raise funds, and coordinate with the CHA and various partners.

So what has the Partnership accomplished, together and individually, through our initiatives?

Let's hear from our panelists about what they and their organizations are doing.

Before we open up for questions, perhaps I should highlight some of the work being done by Advisory Board members that are not here with us today.

I will start with the quiet leadership of Linda Wolf at Leo Burnett. Her firm has helped the CHA remake the housing authority's image and identity by improving its communication with groups across the city. The new agency identity is now reflected on billboards and buscards and on marketing brochures for new housing in new mixed-income communities, as well as in newsletters and a cable TV program directed to the residents of public housing.

A second example relates to jobs and job training. The Bank of America, the Illinois Institute of Technology, the University of Chicago, and the Partnership itself have all set aside entry-level jobs for public housing residents -- jobs that pay good wages and come with health benefits.

The MacArthur Foundation has stepped in to help the city obtain financing for the Plan. Private developers are taking some risks by constructing market-rate housing side-by-side with affordable and public housing units in once-blighted neighborhoods. Because this construction is speculative, conventional financing sources were unwilling to lend solely on the basis of the future property taxes pledged by the City. MacArthur was asked to consider how we could help. The Foundation decided to make a program-related investment providing a \$15 million loan guaranty, which helped the city get the funds it needed.

MacArthur also helped the CHA build a tracking system so that it can follow every family it relocates, and we commissioned the National Opinion Research Center to survey the families to see how they felt about relocation and their new homes. I am happy to report promising results: two-thirds say they are in better housing in better neighborhoods.

As residents make the transition into these new neighborhoods, the Archdiocese of Chicago is working with parishes throughout the city and suburbs to support them. Cardinal Frances George is a member of the Advisory Committee and, through him, parishioners have been mobilized to help residents feel welcome and find their way around their new communities.

And finally, although integrating new residents into the communities is crucial, it is equally important to integrate these communities into the broader social and economic fabric of Chicago. Helping entrepreneurs and investors understand the untapped commercial potential in these neighborhoods is a first step. Part of the challenge is getting good information. Last week you may have read about the study called "Chain Reaction" that was just published by the Metro Chicago Information Center and funded by the Partnership. The study documented the uneven distribution of grocery stores

around the city – the poorer a neighborhood, the less likely it is to have a major grocery store and the greater the demand for those services. Using knowledge like this to attract investment to these communities is critical, as Quintin Primo’s efforts have shown.

These examples illustrate how a collaborative approach enables government, business, universities, community groups, faith communities, and philanthropy to work together in new ways. That is the real force for change behind the Plan for Transformation.

Chicago’s most recent and visible example of civic collaboration is just across the street. The civic spirit that built Millennium Park must now be marshaled to enliven and sustain all of Chicago’s neighborhoods.

The Plan for Transformation will improve the lives of tens of thousands of families. It will build vibrant mixed-income communities where low-income Chicagoans have lived in isolation for decades. And it will make Chicago a better place to live for all its citizens.

This is a truly historic and unparalleled opportunity for all of us committed to Chicago’s future to get involved in projects and investments that will change our neighborhoods – and our city – for the better. I hope you will join us.

Thank you.