

# Creating Mixed Income Neighborhoods: A Challenge to Chicago's Leadership

Workshop Proceedings  
April 1996

Great Cities Institute  
College of Urban Planning and Public Affairs  
University of Illinois at Chicago

A Great Cities Institute Working Paper



**UIC**





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**A Great Cities Institute Working Paper based on a workshop sponsored by  
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## The Great Cities Institute



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# **Creating Mixed Income Neighborhoods: A Challenge to Chicago's Leadership**

## **Executive Summary**

### **The Issue: Building Healthy, Mixed-Income Neighborhoods**

With the impending redevelopment of public housing at Cabrini-Green, Chicago faces a difficult and urgent challenge: How can we work with public housing to create viable, mixed-income neighborhoods? Efforts to plan such a community on the site of one of the nation's most notorious public housing developments have so far found no acceptable solution. Attempts to locate replacement housing in other communities have been stymied.

These concerns gave rise to a conference held in Chicago on April 19, 1996. **Creating Mixed-Income Neighborhoods: A Challenge to Chicago's Leadership** brought together national and local policy makers, developers and finance experts, neighborhood and civic leaders, and others to explore how Chicago can use public housing resources to create successful mixed-income neighborhoods.

### **The View from the City**

Mayor Richard Daley set the framework of the issue: the challenge of retaining a large and healthy middle class in the nation's urban centers. The middle class continues its march to the suburbs, increasingly leaving the cities to the very rich and the very poor. Any solution to the issue of mixed-income neighborhoods must therefore encompass both urban and suburban areas. The Mayor made a commitment to work with a wide range of interests and individuals to develop broad-based solutions.

### **The Evolving Role of the CHA**

The Chicago Housing Authority is ready and willing to redefine its role, said its Executive Director, Joseph Shuldiner. The proper mission of the CHA is not necessarily to build, own, provide, and manage public housing, but rather, to ensure that there are housing opportunities for low-income people. Beyond simply providing housing units, the agency must also consider where those units are and what kind of life they offer residents. The CHA can fulfill its role indirectly through the commitment of land, bonds, tax credits, and other vehicles that facilitate the development of healthy, mixed-income communities. But the agency cannot give away its long-term responsibility to the highly vulnerable population it serves.

### **The Transformation of HUD**

Bruce Katz, Chief of Staff at the U.S. Department of Housing and Urban Development, described the actions HUD must take to transform public housing across the nation:

1. Change the physical landscape of public housing by designing and building not just housing but also communities and the services that support them.

2. Take responsibility for troubled public housing authorities, forming partnerships or taking over entirely from dysfunctional management.
3. Help families achieve self-sufficiency by rewarding work and responsibility, attracting greater economic diversity, and providing links to social structures.
4. Impose tougher expectations on public housing residents, including tighter screening and eviction rules, so that all residents can live in peace.

### **Models of Success**

The panel discussion brought together five individuals who have helped create successful mixed-income neighborhoods in areas as diverse as Atlanta, Boston, San Francisco, and Montgomery County, Maryland. Among the lessons drawn from their experiences are these:

1. Multiple sources and layers of financing, uncertainty, and conflicting policy rules impede the process. We must streamline the financing operation and broaden the financing base.
2. Neighborhood development must be comprehensive in scope, encompassing not just housing but also streets and parks, jobs and job training, education, and social services.
3. The residents make a neighborhood work. Residents must be involved in the development process from the beginning and all along the way.
4. Public housing can--and must--be as attractive and well built as market-rate housing to attract middle-income residents.

### **Challenges and Opportunities for Chicago**

In smaller breakout sessions, conference participants focused on Chicago's response to the issues of financing, neighborhood development strategy, the built environment and physical design, and management of mixed-income developments. The discussions were summarized by George Latimer, Chief Executive Officer of the National Equity Fund:

1. The critical element for Chicago is the political will, embodied in the Mayor and the CHA.
2. A successful mixed-income neighborhood should include people at many income levels who share basic values.
3. Policies should target a broad constituency, even if this means giving support and subsidies to people who, strictly speaking, don't need them.
4. Race, class, and ethnicity do matter. The issues can't be ignored.
5. Residents must be engaged, at the center of the process, from its very beginning.
6. All stakeholders, including the private sector, should be engaged as full partners from the start. A business partner should be paid for its participation at the front end.

7. Mixed-income communities should begin in the city and eventually be developed throughout the metropolitan area.

8. HUD and the CHA don't necessarily have to manage the developments, but they must ensure delivery of the product and guarantee that low-income people receive a fair share.

**Where Do We Go from Here?**

Wim Wiewel, Special Assistant to the Chancellor at the University of Illinois, Chicago, proposed the next steps:

1. The discussions begun at this conference must be carried further. As a first step, the City, the CHA, and HUD will reconvene to discuss the Cabrini redevelopment decision and to further the process of creating mixed-income developments.

2. Chicago players also need to meet with and learn from those in other cities who have experience in working with residents and getting them involved in the process.

3. The Urban Land Institute--along with others who have been through the process of mixed-income development--offered to provide technical assistance on financing, legal arrangements, ownership structures, and other development issues.

4. This report is being issued as a public document in order to encourage and contribute to discussion, not only among the key decision makers, but also in the community, the City, and the entire metropolitan region.

**CREATING MIXED-INCOME NEIGHBORHOODS: A CHALLENGE TO CHICAGO'S LEADERSHIP****Introduction**

Public housing began during the Great Depression as a way to provide safe, decent, temporary shelter for those who could not afford market-rate housing. Today, much public housing no longer provides that safe and temporary shelter. Rarely does it help people move up and out and better themselves.

Recent research shows that poor people can benefit from programs that give them a chance to move out of segregated isolation into mixed-income areas. These programs have positive effects on peoples' economic well-being, their children's educational performance, and their chances to succeed in life. But as we all know, such programs have been small in number and usually in scale. They are often met with resistance, both from low-income residents who fear displacement and from middle-income people who fear the loss of property values. It is no wonder that transforming large public housing developments is a daunting task.

This is the challenge facing Chicago today: How can we work with public housing to create viable, mixed-income neighborhoods? The issue has come into sharp focus with the redevelopment of Cabrini-Green. Efforts to plan a mixed-income community on the site have been slow in taking off. None of the proposals received to date accommodates enough replacement housing to make it acceptable to the City, the CHA, and public housing residents. And efforts to locate replacement housing outside of minority concentration areas--as required under the Gautreaux ruling--have come up against the brick wall of race-based politics.

These were the immediate concerns that led to **Creating Mixed-Income Neighborhoods: A Challenge to Chicago's Leadership**. The conference, held in Chicago on April 19, 1996, brought together national experts, high-level Chicago policy makers, developers, financiers, neighborhood and civic leaders, and others to explore how Chicago can use public housing resources to create viable mixed-income neighborhoods.

There is, of course, no single answer that is right for every redevelopment project, or for every city. But some constants did emerge from the conference: The process of redevelopment requires the active participation of many parties. It requires each to understand the others' needs, their agendas, and their constraints. Above all, it requires a willingness to listen and a good measure of flexibility on all sides.

The issue of mixed-income neighborhoods is of critical importance to the people now living in public housing. It is also critical to all of us in Chicago and in the greater metropolitan region. In this age of interdependence, we cannot have one segment of the population living in circumstances that hold them back without having a negative effect on all of us--morally, socially, and economically.

The participants in this conference did not come simply to do good. We came because we recognize the importance of viable neighborhoods, a strong city, and a region that provides opportunities for all. Public housing is one element in that formula. This conference is one step toward its success.

**Workshop Proceedings**

David C. Broski, Chancellor  
University of Illinois at Chicago

**EXCERPTS FROM THE OPENING REMARKS BY MAYOR RICHARD M. DALEY****Building Healthy Communities with Public Housing**

I want to talk today about healthy communities--and I want to make it clear that I'm talking not only about the City of Chicago but about the entire metropolitan area. Because cities today are changing rapidly, and Chicago is no exception. A growing portion of "middle-class urban America" now lives outside the limits of our largest cities, leaving the cities themselves increasingly to the very rich and the very poor.

That's a dangerous trend for cities and suburbs alike. So when we speak of "healthy communities" and "mixed-income neighborhoods," we have to make it clear that whatever solutions we devise, they must encompass both urban and suburban areas.

What is a healthy community? It's a community that offers everything people need to live, to work, to play, and to raise families. A community where good jobs exist and home ownership is possible for working families. Where children have places to play and to learn. A healthy community has trees, sidewalks, streets, parking, public transit, and shopping. It has parks, libraries, and community centers where people can mix and mingle. It is safe and well-lit, so people don't have to live in fear. And the housing is diverse, affordable, and attractive to people across a broad range of incomes.

If we agree that these are the elements of a healthy community, is it any wonder that public housing is not healthy? What we have in public housing today are communities of isolated poverty. Communities without jobs, without safe places for children to play, without gathering places for seniors. We have people at the bottom of the economic ladder, who are caught in an environment they didn't create and are penalized when they try to seek a better way of life.

This is what happens when a distant bureaucracy, detached from the real needs of people, tries to run a community. It's what happens when the stakeholders in the community itself sit on the sidelines.

Today we have a tremendous opportunity to change that picture. Here in this room we have the talent, the resources, and the authority to make the necessary changes. The only question is, do we have the will?

I challenge everybody at this conference and throughout Chicago to be bold, to be creative, and to set a new standard--to rebuild these communities of despair into communities of hope. Everybody here today shares responsibility for contributing to this change.

I challenge the private sector to help create new opportunities and jobs. I challenge them to find new ways of financing homes that attract people of all incomes.

I challenge the federal bureaucracy to review every rule in the book that stands in the way of change. Do we really need rules that strip medical benefits away from residents who choose to work? Must we penalize residents for saving for their children's education? And why do we make it so hard to combine private and public resources to create mixed-income developments?

I challenge every public housing resident to take personal responsibility for their children, their property, and themselves. If you are on public assistance today, could you be going to school? Could you enroll in a job training program? Are you working each and every day toward a better future?

I challenge the community groups to look beyond our differences and find common ground. Bury your agendas today and come to the table prepared to work together to build healthy communities.

And I'm challenging my own administration to go further than ever by adopting a holistic approach to building healthy communities. Building housing is only one part of what is needed. That's why we're building parks and libraries and schools, repairing sidewalks and paving streets. That's why we're bringing the private sector to the table, to provide jobs and create the economic momentum that is necessary to every healthy community.

A few examples of what we're doing right now:

- At Cabrini-Green in the Near North area: We're moving ahead with a new library at Division and Orleans and an expansion of Seward Park; we're improving the local elementary schools; and mixed-income housing is being built at Mohawk North and Oscar Meyer.
- On the Near West Side: I've committed \$3 million for infrastructure work in the Henry Homer redevelopment project; a Parade of Homes is sparking market-rate development in the area; affordable housing is being built through our New Homes for Chicago program; the new Mable Manning Library is open; a new play lot is being built at Washington and Wood; a new Boys and Girls Club is planned; and commercial development is moving forward.
- In Kenwood-Oakland: We've built new senior housing; Kennicott Park is being expanded; we're helping commercial development move forward at 47th and Lake Park; a Parade of Homes and New Homes for Chicago have served as catalysts for development; and a school campus at King/Price will include a new football field, tennis courts, open green space, and a park area.

Tomorrow we begin our Clean and Green Program, bringing targeted city services to all 58 CHA senior buildings citywide. Across the City, we're working to build more senior housing and SROs, and to attract more companies to provide jobs for City residents.

These are all good examples of the progress being made throughout the City. But it's not good enough. Year after year, children are born and grow up in public housing, surrounded by crime, poverty, and hopelessness. Year after year, adults search for a way out of that cycle.

It's up to all of us--government, public housing residents, the private sector, everyone here today--to help find a way. There's no time left for excuses and finger-pointing, for inaction or delay. We can no longer accept government policies that are out of touch with reality. We can no longer accept dependence on public aid as a way of life. And we can no longer accept "business as usual." We must build healthy communities so that people living in public housing have the same pride and opportunities as everyone else in Chicago.

Today we have a unique opportunity to begin making real changes. Let's take full advantage of it.

**EXCERPTS FROM THE REMARKS BY JOSEPH SHULDINER, EXECUTIVE DIRECTOR,  
CHICAGO HOUSING AUTHORITY**

**A Challenge to Chicago and the Nation: From Concentrated Poverty to Viable Mixed-Income Neighborhoods**

In order to talk about the vision of the Chicago Housing Authority and where we want to go, you have to start with the mission of the organization. The CHA has recently adopted a new mission, one that better reflects what we want to accomplish. It's simple and straightforward: *to ensure the provision of affordable housing opportunities in viable communities for lower income households.*

Now, that may not sound radical. But it's different from the mission statements of other housing authorities, and it's quite different from how we've viewed ourselves in the past. The new statement reflects two very significant points.

First, the CHA's job is to *ensure the provision* of affordable housing. Traditionally, public housing authorities have done it all themselves: they've had to build the public housing, own the public housing, manage the public housing, *be* the public housing. We want to go beyond that. We recognize that it makes no sense in terms of our own capacities or in terms of the housing opportunities we want to provide for our residents. We're not saying the CHA is going to be passive, but rather, that we will aggressively pursue our proper role: making sure housing opportunities exist, not necessarily providing them ourselves.

Second, our mission speaks of *affordable housing opportunities in viable communities*. This is the discussion we're going to have in great detail today. It means that public housing is not a numbers game, not simply a question of how many units you supply. It really does matter whether those units are in a viable community, a place where somebody would actually want to live, where they could raise their family.

There are two ways to offer housing opportunities in viable communities. One is to give people access to communities they haven't been had access to before. The other is to make the communities that they're in more viable. We are going to have to do both.

I'm here today to learn how we can achieve our mission with the assets we have available. And the CHA does have very critical assets. As you know, the housing authority has an offshoot corporation, Chicago Metropolitan Housing Development Corporation (CMHDC), that puts us in a good position to be a major partner in development. We have land, buildings, money, bonding capacity, tax credits, Section 8 certificates, and if anybody needs residents, we have a big supply of those. We're ready to use all these assets and work with you to radically transform public housing.

That transformation, as the Mayor has said, must go far beyond the buildings themselves. The issues for us have always been the *condition* of the buildings and the *concentration of poverty* in the buildings. And I am absolutely convinced that to address these issues we have to talk about mixed-income settings--integrating public housing units into the community around them, making

them indistinguishable from the community at large. The best public housing shouldn't be identifiable as public housing. And if that means the CHA doesn't get credit for it, that's fine with me.

Right now, in four developments -- Cabrini, Horner, Lakefront, and Darrow -- we're proposing the demolition of over 2,500 units *of* public housing and the construction of more than 1,700 units of public housing. It's a major undertaking -- and a major opportunity. It's an opportunity to build on what we've learned in the first 60 years of public housing. To put into action everything we know about what makes communities work. To integrate rental housing and home ownership, high-rise and low-rise, all income levels, all races. This is an opportunity to wipe the slate clean and radically change the geography, the physical setup, and the life of our public housing communities.

If this sounds idealistic to those of you who have spent most of your lives in Chicago, I want to remind you: public housing *can* work and does work. In New York City, for example, public housing anchors most neighborhoods that it's in. There are neighborhoods where public housing created a market on what had been vacant land--attracted developers and family homeowners and created a neighborhood.

That's starting to happen in Chicago, too. In Horner, public housing really is a major partner in the revitalization of the West Side. We're working with Habitat for Humanity, with the residents, with community groups, with the City, with BPI. We're talking about building 699 units in that community in this first phase. And if we do it right, when you drive through the streets, you won't know which units are public housing, which are the homes that Habitat for Humanity is building this summer, which are the Parade of Homes.

Now that specific model can't be replicated too many times, because it's using all the development dollars we had, through BPI, from HUD. But there are other ways to achieve the same goal. And I hope this conference will generate many ideas on how to leverage different kinds *of* money.

One thing the government can't do, however, is simply turn over land to developers and walk away -- as some proposals we've received seem to be asking us to do. We are responsible to a very well defined constituency: those people below 80 percent of the local median income. Government agencies like the CHA and HUD are responsible for protecting that constituency; because if we don't, no one else will.

Bruce Katz and I went through this experience together when Congress was attempting to eliminate HUD. We asked, what exactly is the role *of* HUD? The fact *of* the matter is, somebody else could send the checks; somebody else can screen tenants, collect rents, maintain properties, manage buildings. No matter how we started the conversation, we always came back to one point: the role of the federal government is to protect vulnerable populations who would not be protected by the locality if the federal government weren't there.

That's especially true in public housing. We have a responsibility to our constituents because in too many communities, if we weren't there pushing and shoving, they would not be served.

So when we talk about mixed-income communities, there is one central issue for CHA and HUD: there must be a guarantee that, 30 or 40 years from now, the housing will continue to be available for the low-income people who are our target population. Poverty isn't going to be eliminated in 30 or 40 years. And it's our responsibility to be there for the long term.

That's our bottom line. Everything else is on the table.

Now I'm eager to hear about some of the exciting things that are happening around the country, and to talk about how we can do even better in Chicago. I'm ready to listen, to learn, and to work with the City and with all of you as partners in getting this done.

## PANEL DISCUSSION

### How to Create Mixed-Income Neighborhoods

The panel discussion brought together five panelists with a variety of experience in the creation of mixed-income neighborhoods:

**Richard Baron** is President and Chief Executive Officer of McCormack Baron & Associates, a development firm based in St. Louis. The firm specializes in the development of low- and moderate-income housing and has developed 50 such projects in 17 cities.

**Betty Quarles**, a resident advocate, was a leader in converting the Columbia Point public housing project in Boston to the very successful mixed-income development, Harbor Point. Quarles is now President of the Harbor Point Protective Services, a non-profit organization providing security at Harbor Point.

**Howard Gong**, a city planner, is a principal in the San Francisco consulting firm of Devine & Gong Inc. and a commissioner on the San Francisco City Planning Commission. DGI specializes in complex, affordable-housing finance.

**Renee Lewis Glover** is Executive Director of the Housing Authority of the City of Atlanta. Under her direction, Atlanta was the first city to take advantage of HUD's Hope VI Plus development program, involving the government and a private partner in mixed income housing.

**Bernard Tetreault** is principal of BLT Consulting. From 1971 to 1995 he served as Executive Director of the Housing Opportunities Commission of Montgomery County, Maryland, which has financed the development of almost 25,000 housing units, most of them in mixed-income communities.

The panel was moderated by **Paul Brophy**, principal of Paul C. Brophy & Associates, a Columbia, Maryland consulting firm specializing in neighborhood improvement in American cities.

The purpose of the panel discussion was to offer examples of successful mixed-income developments across the country, to share the lessons learned in the process, and, ultimately, to fuel discussion in the breakout sessions on how to apply those lessons in Chicago.

Descriptions and technical details of several of the developments mentioned by the panel members can be found in the Great Cities Institute Working Paper, *Lessons from the Field: Three Case Studies of Mixed-Income Housing Development*, by Michael F. Schubert, Community Development Strategies, and Alison Thresher, Thresher Associates.

#### **Richard Baron:**

There are two major challenges facing us in the development of mixed-income neighborhoods:

1. *We need to streamline the financing process and broaden the financing base for mixed income developments.*

Financing and legal requirements currently segment the market and segregate the population, with different and incompatible streams of financing for low-income and market-rate housing. Those who are trying to develop housing have to go to five, six, seven different kinds of financing sources to make deals work.

In fact, all housing development is dealing with one issue: shelter. There should be absolutely no differentiation in the financing of housing, regardless of the income level of the residents.

*2. Neighborhood development must be broader in scope than simply housing.*

We've all been trained, in our professional schools and our professional lives, to think vertically. Architects know a lot about design and very little about education or job creation; MBAs and lawyers understand covenants but not much about finance. The agencies that deal with housing issues are separate from the agencies that deal with public education, or parks, or streets, or utilities, or job creation.

But you can't redevelop neighborhoods vertically. The only way these areas will ever function successfully is if we start thinking and solving problems horizontally. The design and the reintegration of housing into a community has to be broad--it has to encompass streets and parks, jobs and education--so that the housing itself can begin to re-knit an area.

**Betty Quarles:**

At Harbor Point, we built a neighborhood, not just a development, by making sure residents were involved from the beginning. We chose the developer we did because they were the only ones that offered us, the residents, a 50-50 partnership. We had a little money, and we hired lawyers, architects, all of our own experts to advise us and help us run the road test.

But it's not the experts, it's the residents that make the difference. If residents are not involved, it's not going to work. And you can't just bring them in at the end; they have to be involved at the beginning and all along the way. At Harbor Point, residents oversee management on a day-to-day basis. We have our own lease and we oversee leasing. We have our own youth center.

Today we're a real community -- income isn't an issue. When we talk about our area, we don't say "low-income" or "market-rate," we say *residents*. If you come to our place, you won't know which apartments are which, or what the income is of the person who lives next door to you. Everyone has wall-to-wall carpeting, dishwashers, air conditioners. Volunteers from the community mentor the children who live here; they do a lot of things together. It's the residents who made that happen.

**Howard Gong:**

In regard to financing, there are three major issues that concern me.

*1. The uncertainty of the subsidy stream.*

When we began development of Almont Terrace in Los Angeles, we were planning 400 public housing replacement units and another 400 for-sale housing. The original game plan was to start

by securing a 15-year Section Eight contract and build on that. It all started to unravel when HUD stopped giving long-term subsidy contracts. The focus now is on creating multiple layers of debt that put a lot of different agencies at risk, from the City of Los Angeles to the federal government.

### *2. Multiple subsidies with conflicting rules.*

Non-profit development corporations are very good at putting together multiple funding sources because that's what they've had to do for the past 15 years. But that results in a financing package with multiple -- and sometimes conflicting -- rules and regulations. And, of course, every source believes that its concerns are preeminent. For example, to get a state or federal tax credit, you may have to form a partnership. But partnerships are tax-paying institutions, and that means you can't get the property tax exemption that the public housing authority may require. And of course, the rules are different in every state.

### *3. Conflicting policy requirements.*

This is something familiar to those of you dealing with tax credits. Because tax credit requests exceed the supply in most states, state allocating agencies generally award them according to a point system, in which you promise to deliver certain economic or social goods defined by the economic character of the project. In Washington state, for example, you get the most points if your project is **completely at 35 percent or less of \*\*\*CHECK THIS !!!\*\*\*** the area's median income. At the same time, the housing authority in the City of Seattle very much wants a mixed-income community. It's up to you to reconcile those goals.

Financing is important. However, it would be wrong to conclude that integration happens without some other characteristics. For example, rents for higher-income residents may start off substantially below market. But what happens when the rents rise to their true market level? What will keep market-rate people there? The fact is, it's not a pure economic decision. As Betty was saying, it's community. It's location. It's horizontal integration, community development -- everything the others have talked about today. These things do matter.

#### **Renee Lewis Glover:**

What we've done in Atlanta -- and what I think is the first thing that has to happen anywhere -- is to humanize the whole question. Don't focus on the fact that the public housing authority is bringing a development near you. That's sure to generate resistance. Focus on the people who need the housing.

And you have to remember that people need more than housing. Subsidies aren't going to last forever, they're going to keep going down, and there aren't enough subsidies in the world to assure housing for everyone in the long term. So we have to find a way to bring people's incomes up. That means improving their environment, it means jobs and education and opportunities. Again, it's not about a development project -- it's about people.

In Techwood, our model mixed-income development in Atlanta, we pulled together a Hope VI grant, tax credits, FHA mortgage insurance -- a lot of different parties to share the financial risk. And what brought them all together was a belief that mixed-income housing can work. We actually went to the state taxing authority and said, here's what we're trying to accomplish,

please reward those entities that are trying to create successful mixed-income communities -- and they did.

Techwood is a real mix: 40 percent public housing eligible, 20 percent tax credit eligible, and 40 percent market rate. But it's a real community, an apartment community, built to attract the high-end market. All of the apartments have the same amenities and opportunities; there are no apartments pre-designated for low-income or market-rate renters. And frankly, it's no one's business how anyone else is paying their rent. But you have to be able to attract the market-rate residents, because you're never going to be able to cover your operating costs with the rents from public housing eligible residents.

At the same time, you've got to be working with public housing-eligible residents to make sure that they in fact are getting their incomes up. That means that thoughtful, effective support services are a key element in any affordable housing. We've spent the past year and a half getting the word out, saying we need you to partner with us, to help us help our residents return to the mainstream, not only through housing but through education, job training, job opportunities, and so on. If you're not looking at all those pieces, creating a community full of opportunity, I think you aren't really planning well.

Finally, I want to say that we're also looking at the whole metropolitan area, not just Atlanta. It's important because of where the job opportunities are, because of dispersal, and because every community needs to do its fair share. It's not easy to get people thinking that way. But, again, if you humanize the issue, if you get people thinking not about the public housing authority but about customers who happen to be low-income customers, it can happen.

**Bernard Tetrault:**

What have we learned in Montgomery County from our experiences with mixed-income developments?

1. The number of assisted families in a particular development will vary according to the neighborhood's ability to absorb them. There can be large differences among developments in the percentage of assisted families without having an effect on market values.
2. Subsidies often come with restrictions.
3. When you're mixing incomes, you're mixing people. You need to keep in mind the people as well as the units. For example, we overpopulated one development because we didn't realize that while the market-rate units had one and two people per apartment, the lower-income units had three and four people per apartment. So we had a much greater presence of low-income residents in the neighborhood than anticipated.
4. We also found that the closer the incomes, the greater the resistance. We had a better acceptance of mixed-income developments in high-income neighborhoods than we had where there were only marginal differences. And yes, race does matter.
5. Finally, as several speakers have pointed out, the scope of these developments must be large enough to sustain them. You need to deal with security, education, and all the other issues. We're not only building bricks and housing units -- we're building people. So let's build an

environment that will sustain people in the long haul.

**Paul Brophy:**

I think the implicit message from all our panelists is that mixed-income neighborhoods can and do work. It's challenging, especially in the financing and regulatory arenas. But when it works, it works very, very well.

## BREAKOUT SESSIONS

### Summary of the Breakout Sessions

*George Latimer, Chief Executive Officer of the National Equity Fund, discussed the findings of the breakout sessions with the moderators of each session and summarized their results for the full conference in the following eight points. (A more detailed account of the issues raised by each breakout session follows this summary.)*

1. The most critical element in Chicago's ability to successfully create mixed-income neighborhoods is the political will. The most powerful tools for exercising that will are in our hands now: the Mayor's clear understanding of the value of mixed-income communities; the current market; and the CHA's move away from over-concentration.
2. A successful mixed-income neighborhood should include not only market-rate and very low-income households, but a gradation, a rich blend of people at many income levels with a shared set of values. One such value is a striving for home ownership.
3. Achieving this rich blend requires symmetry in policies, rather than the rigid targeting that produces an over-concentration of the very poor. Policies that target a broader constituency may end up giving subsidies to people who, strictly speaking, don't need them; but that may be a price worth paying for the values received: the avoidance of stigmatization and a broader base of political support.
4. Race, class, and ethnicity do matter. The issues can't be ignored.
5. Creating a successful mixed-income community requires the engagement of residents, at the center of the process and from its very beginning.
6. Indeed, creativity requires that *all* stakeholders, including the private sector, be engaged from the start. The business community should be viewed not as a barrier to be overcome or as the source of resources to extract, but as a full partner. They should be paid for their participation at the front end. True partnership leads to creativity.
7. Ideally, mixed-income communities should be developed throughout the metropolitan area. But they need to begin at the home base, the city.
8. No one, including HUD and CHA themselves, wants those agencies necessarily to fill the role of manager. Yet HUD and public housing authorities must play a role. They are there to ensure delivery of the product and, at a fundamental level, to make sure that low income people receive justice and a fair share.

### Session 1: Financing Mixed-Income Development - A

*Moderator: Frances Grossman, Bank of America*

*Resource person: Howard Gong, San Francisco, California*

Elements that are critical to success:

Location

- More private funding sources, with the private sector and Fannie Mae stepping up to the plate

- More long-term certainty in funding
- Coalitions of all parties presenting a united voice to Congress in support of affordable housing subsidies
- Clarifying who/what the driver is: the public housing authority or the mixed-income goal

Other possibilities worth considering:

- Inclusionary zoning, rewarding developers for mixing income densities
- Increased emphasis on home ownership
- Public housing authorities might demand a smaller number of low-income units from developers
- Offer a better deal to market-rate residents; make it more attractive for people to live near public housing

Positive changes and existing assets that should be called upon:

- Class 9 tax abatement program in Chicago, which helps for-profit developers by lowering the rate of assessment on multi-family properties
- HOPE VI, a HUD program that could be tapped into by private developers
- Ability to provide public housing to individuals who make as much as 80% of the area median
- Demolition of high-rise housing and the need to spread housing over a wider area is creating opportunities for developers

Present barriers to success:

- Operating subsidies for public housing are falling
- Withdrawal of multiple-year Section 8 subsidies
- Different leaders are committed to different populations; no agreement on who is the "vulnerable population"

## **Session 2: Financing Mixed-Income Development - B**

*Moderator: Mary Decker, First Chicago NBD Corporation*

*Resource person: Barbara Beck, Local Initiatives Support Corporation - Chicago*

"Mixed neighborhoods" implies various kinds of mixing: races, income levels, ownership of the land and the units. Unresolved questions in these areas include:

- How do locally determined racial mixes affect housing?
- Should home ownership be an option in public housing? It may be good for a community, but it may also put vulnerable populations at risk. How do we determine the ultimate ownership of the land?
- Who should control the use of the property in a mixed development--who gets to vote the shares? Developers? Residents?

HUD willing to consider any interesting housing proposal

- Open to wide range of ideas regarding income mix, sale of land, long-term land leases

Financing risks:

- Will lenders make a commitment?
- Will HUD buy back non-marketable units?
- Can developers get insurance to help buy the development in case the project fails?

**Cautions:**

1. Don't rush to take one large action for all public housing.
  - Take advantage of market forces where possible to allow neighborhoods to develop naturally -- for example, the Cabrini-Green area, where there is a huge demand.
  - In contrast, the market would be slower to move into the Homer Homes area.
  
2. It's important to consider factors besides market value: the people who will live here, their schools, the community as a whole.

**Next steps:**

- Get counties more involved, willing to participate. For example, developers can pressure counties to work with them on public housing issues.
- Need to address questions of gentrification and economic displacement resulting from mixed-income development

**Session 3: Mixed-Income Housing as Part of a Neighborhood Development Strategy - A**

*Moderator: Thomas Lenz, Great Cities Institute*

*Resource person: Betty Quarles, Dorchester, Massachusetts*

Residents play a crucial role: "It's the residents that make it work." At the outset: Address the present population's need for shelter, their fear of displacement.

- Residents must make a commitment to the process.
- There is a need for good organizing, good leaders.

**In the development process:**

- Bring residents to the table at the start
- Give them the necessary resources (such as their own attorneys) and clout (that is, a stake in the deal).

**Continuing:**

- Residents should exercise authority over rental decisions, other tough calls.
- True resident participation/democracy may only come after conflict.

**Need for the broader community to be involved as well:**

- Currently, funding mechanisms separate people by income.
- To achieve economic integration, market-rate residents must understand the need for mixed-income housing, bring commitment to living in a diverse community.
- Use community organizing to identify common interests, change local attitudes.

**The need to change perceptions, starting with the media:**

- Acknowledge that public housing is an asset.
- Get past the "hidden perceptions" of public housing residents as irresponsible.
- Recognize that social problems are not limited to poor communities.

**Social infrastructure -- the need for funders and others to think horizontally:**

- There must be a range of services: education, day care, health care, drug counseling, etc.
- There must be a job linkage strategy, with economic self-sufficiency as the goal.

- Address the mismatch between skills of residents and jobs available.

Involve the suburbs:

- Address suburban housing barriers, too.
- Build homes for workers in the suburbs, where jobs are.

Funding and financing concerns:

- Resist federal cutbacks.
- Does HUD have too much baggage to function as the lead agency?

Importance of partnership and commitment:

- Must have a political commitment from the City and its agencies to make this work.
- Partners must have a real stake in the decisions

#### **Session 4: Mixed-Income Housing as Part of a Neighborhood Development Strategy - B**

*Moderator: Hipolito (Paul) Roldan, Hispanic Housing Development Corporation*

*Resource person: Bernard Tetreault, Montgomery County, Maryland*

In a successful mixed-income community:

- The mix will vary according to the health and stability of the neighborhood.
- Should not be able to distinguish low-income from market-rate residences.
- Risk is shared by the public sector (through the provision of incentives) and the private sector (through investments).

What attracts market-rate residents to mixed-income neighborhoods?

- Timing is important, with integration at all phases.
- Hold meetings in schools and churches, so neighbors can get to know one another.
- Must look like a market-rate development, fit into the neighborhood.
- Same unit-per-acre density as market-rate developments
- High quality housing
- Standardized amenities throughout
- Good management; empower the residents to manage or to select the management.
- Economic incentives
- Selling and renting below cost
- Increasing the public contribution to infrastructure
- Deferring or forgiving real estate taxes

The broader social context -- thinking horizontally:

- The desire to live in a diverse neighborhood
- Good schools; develop teachers from the community
- Security, public safety, police
- Social services
- Parks and libraries
- Job programs, GED programs
- Businesses in the community (construction itself also creates jobs)
- Classes for home buyers (for example, homebuyers' clubs)

Present barriers to success:

- Middle-income residents' fear of the poor
- Fear of property values decreasing
- Current residents' fear of displacement
- Low-income residents' fear of losing subsidies
- Many agencies at play, leading to confusion for residents, developers
- Distrust of the CHA

Conclusion: Many people want to live in cities. City living must be built on the principles of civility and respect, shared responsibility, recognizing interdependencies.

### **Session 5: The Built Environment and Physical Design**

*Moderator: Greg Hummel, Urban Land Institute - Chicago District Council*

*Resource person: Renee Lewis Glover, Atlanta Public Housing Authority, Georgia*

The physical environment and design are critically important:

- It can produce apartheid (like Chicago's high-rises) or community.
- Shelter, whatever its design, has a significant cost; it can't be done on the cheap and function successfully.
- Any residence must fit into the context of the neighborhood.

Other elements that are critical to success:

- Resident education and involvement
- Bringing the business community to the table
- All parties must live up to promises.
- Include broader communities in the planning process to find out what people want to see happen; try to reach consensus.

Other possibilities worth considering:

- Create stability through home ownership.
- Modify the tax credit program, and use it to create opportunities for ownership within 5 years instead of 15 to 20.

Positive examples locally:

- New Homes for Chicago program: effectively a grant program, it was used successfully in the Austin area.
- North Lawndale area: used focus group to help determine design, so units would fit into the neighborhood and provide what the market wants.

Present barriers to success:

- Chicago's lack of progressive tools for builders and developers
- Current tax credit policies
- Difficulty of identifying real resident leaders
- Lack of communication among business community, residents, and government
- Current public housing residents' feeling, supported by HUD rules, that this is their land only; their fear of losing it
- Issues of race and class

### **Session 6: Managing Mixed-Income Developments**

*Moderator: Marina Carrott, Commissioner, Chicago Department of Housing*

*Resource person: Richard Baron, St. Louis, Missouri*

What should the role of CHA be in a mixed-income community?

- Protect vulnerable populations.
- Manage assets; serve as a holding company, a financial conduit.
- Monitor program compliance, assure consistency, quality, and continuity of services to the target population.

What should the role of the property managers be?

- Recruit and screen for people who share the values of the community.
- Help people fit in, feel welcome in new environment.
- Help people of different income levels understand and accept one another.
- Provide supportive services to enhance life skills and community building.

What is the role of residents in managing their community?

- Management responsibilities bring low-income and market-rate residents together around common interests, such as tenant selection, day care.
- Residents should play an important role in tenant selection, but should not run the management office.
- Involve residents in defining "mixed income."

Other important elements in mixed-income developments:

- A mechanism for ownership
- Graduated levels of income

What's good in HUD?

- Section 8
- HOPE VI
- Increasing flexibility, willingness to grant waivers

**HIGHLIGHTS FROM THE PRESENTATION BY BRUCE KATZ, CHIEF OF STAFF, U.S.  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT****The Transformation of Public Housing**

Public housing is a tangible response to the private market's failure to provide sufficient housing at affordable rates. It provides a stable supply of rental housing that is affordable to people with very low incomes. But there is no question that public housing today suffers from deeply rooted, systemic problems. Among the most pressing problems are these:

- **Public housing concentrates the very poor.** The average income of families living in public housing today is about 17 percent of the area's median income--an average of \$6,100. In 1980 the average income of public housing residents was more than twice that high.
- **Public housing itself is concentrated in high-poverty neighborhoods.** It is difficult to bring in or sustain a business in such neighborhoods. As a result, they lack jobs, economic opportunities, and basic amenities.
- **Much of public housing has been designed as dense living environments.** Such environments create their own social and physical problems.
- **Federal laws provide disincentives for public housing residents to work.** Through income ceilings and rent structures, these regulations discourage unemployed residents from working and employed families from staying in public housing.
- **Federal rules and regulations discourage creative solutions.** The public housing system is driven by federal rules and regulations that govern every aspect of the system, discouraging residents and private entrepreneurship from bringing new solutions to the system's problems.

To address these and other problems in the public housing system, HUD has embarked on the most ambitious structural change since public housing began some 60 years ago. The transformation of public housing brings together locally driven strategies, administrative and legislative action at the federal level, and new ideas about income mixing and creating viable neighborhoods.

HUD's vision of reform in public housing involves four major steps:

**1. Transform the physical landscape of public housing.**

We have begun to expedite the demolition and replacement of the nation's densest, most isolated, and most infamous public housing -- such as Chicago's Cabrini-Green. In their place we need to design and build not just housing, but communities, with traditional street grids, attractive townhouses and garden-style apartments, and space strategies that enhance safety and social interaction in the community.

HUD is pursuing two tracks to accomplish these ends. Existing program and funding rules (including the one-for-one replacement rule) have been relaxed to speed the reconstruction of public housing. And HUD has implemented HOPE VI, an initiative aimed at providing localities with greater and more flexible funding to reshape public housing neighborhoods and provide

supportive services. Both tracks encourage the leveraging of federal dollars with additional investment by the private market, foundations, and other non-profit entities.

## **2. Take responsibility for troubled public housing authorities.**

We must have zero tolerance for dysfunctional management. When basic management is not happening--when residents are not being screened, rents are not being collected, repairs are not being made--HUD will step in. We have formed innovative recovery partnerships with, and in some cases taken over for, the nation's worst-performing public housing authorities. And we are starting to turn them around.

The CHA is one example of this initiative. Joseph Shuldiner, in partnership with the Mayor, has already had an impact on this troubled system: tougher admission and eviction policies are in place, community policing has been implemented, and the system is becoming financially more sound, providing a foundation for long-term recovery.

## **3. Create a new social dynamic to help families achieve self-sufficiency.**

Central to the idea of creating viable neighborhoods--communities that can be sustained over time--is a public housing system that builds positive incentives, rewards work and responsibility, attracts greater economic diversity, and provides links to other social structures.

Among the positive incentives are new admission preferences for working families, along with changes in rent rules so that working families are not penalized as they earn more income. We also need to put families on the road to self-sufficiency by linking residents to jobs and schools and expanding their access to other supportive services like child care and job training. We are turning selected public housing developments into "Campuses of Learners," where adults and youths can access computer-based learning, educational opportunities, and job advancements.

## **4. Impose tougher expectations.**

What public housing residents say they want most is tighter screening and eviction rules -- the same rules as the private sector. Public housing residents have the same rights as other Americans to live in peace, free from fear, intimidation, and abuse.

Steps toward tougher expectations include providing management with more complete criminal and drug histories so they can screen out those who would abuse and intimidate other residents. The President's "one strike and you're out" policy is also part of this effort. HUD is working in partnership with the FBI, ATF, DEA, and local law enforcement officials to crack down on gangs, drugs, and violent crime in public housing. And we are seeking to expand community policing and resident-driven crime prevention programs.

These four steps are essential. But I must warn you that they are endangered by the current mantra in Congress to "balance the budget." Budget cuts hit disproportionately at low income programs, and public housing appropriations have already been cut substantially.

The best way to get funding is to showcase success. It worked with HOPE VI, and it can work here, too. Your solutions may not look exactly like the models you saw here today; the solution will be different for every city and for every project. But it can be done.

And be sure of this: What you do here does have an impact on the national scene. If you can form successful partnerships -- despite the many local issues you have to contend with -- and turn things around in Chicago, if you can show measurable progress here, it could galvanize the public housing debate. It could turn Washington around.

**EXCERPTS FROM THE WRAP-UP BY WIM WIEWEL, SPECIAL ASSISTANT TO THE  
CHANCELLOR, UNIVERSITY OF ILLINOIS AT CHICAGO**

**Next Steps**

One thing we've all learned today about the subject of mixed-income neighborhoods is that we're just beginning to scratch the surface. The discussions in the breakout sessions were a good start -- but just a start. More than anything, they showed all of us how much we need more of this kind of dialog.

So where do we go from here?

The first step for all of us collectively -- and for several of the sponsoring organizations in particular -- is to create a mechanism that will enable us to continue these discussions in different formats. I know that the City, the CHA, and HUD are committed to reconvening quickly in order to move this process further. Initially, their discussions will center on the Cabrini redevelopment decision, which we hope will be made shortly. I know today's deliberations will feed into that decision as well as the ongoing dialog.

Some other commitments have been made as well. For example, the Urban Land Institute--both the national organization and the Chicago District Council--stand ready to provide technical assistance on the various components of the process. There's clearly a need for us in Chicago to learn the technical details of financing, legal arrangements, ownership structures, and other development issues. And there are many people who have been through those processes and are more than willing to teach us what they've learned.

We also know this is not just a matter of getting the technicians together. We have a lot to learn from other cities' experience in working with residents, getting them involved in the process. It will serve us well to get together with groups who have done that successfully and to learn more about their experiences.

Finally, the report on this conference is being issued as a public document, so that we can encourage and contribute to discussion not only among the key decision makers, but in the community as a whole, the City as a whole, and ultimately, the metropolitan region as a whole. I have no doubt that we will be seeing more--and more successful--mixed-income developments in the Chicago area. The only question is, what paths will we take to get there?

## APPENDIX A

### Biographical Sketches

#### **RICHARD D. BARON**

Richard Baron is the president and chief executive officer of McCormack Baron and Associates, Inc., a development firm that specializes in the development of low and moderate income housing, with an emphasis on historic properties and central city neighborhoods. The firm has been the developer of fifty projects in seventeen cities with a development cost approaching \$500 million.

Mr. Baron has also been a Commissioner of the National Commission on Severely Distressed Public Housing, a consultant to the Urban Institute in developing a research design for the Study of Effective Public Housing Management Practices by the U.S. Department of Housing and Urban Development, and a frequent consultant to HUD and local public housing authorities.

Prior to starting McCormack Baron and Associates in 1973, Mr. Baron was director of the Housing Division of the Legal Aid Society of the City and County of St. Louis and a partner at Liberman and Baron, a law firm specializing in housing, civil rights, and public interest subjects. Mr. Baron holds degrees in political science from Oberlin and the University of California-Berkeley and a J.D. from the University of Michigan. Among his civic engagements, Mr. Barron is a Trustee of the National Trust for Historic Preservation, and a former Commissioner of the National Commission on Severely Distressed Public Housing.

#### **PAUL C. BROPHY**

Paul C. Brophy is the principal and owner of Paul C. Brophy & Associates, a Columbia, Maryland-based consulting firm whose clients include local governments, national foundations, banks, and non-profit and for-profit businesses primarily involved with neighborhood improvement in American cities. From 1988-1993, Mr. Brophy was President and then Vice Chair of The Enterprise Foundation, a charitable organization building a national system of housing for low-income people. Immediately prior to joining The Enterprise Foundation, Mr. Brophy was Vice President for Development with Massaro Properties, a Pittsburgh-based real estate development company. From 1977-1986, Mr. Brophy held positions in City of Pittsburgh government, first as Director of the City's Housing Department, and then as Executive Director of the Urban Redevelopment Authority.

Prior to joining the City of Pittsburgh, Mr. Brophy was Executive Director of ACTION-Housing Inc., a Pittsburgh-based civic non-profit housing development and research agency working on housing for low-and-moderate income people. Mr. Brophy is currently an Adjunct Professor at the School of Public Affairs at the University of Maryland, and previously was an adjunct professor at the School of Urban Affairs, Carnegie Mellon University and at the Graduate School of Public and International Affairs, University of Pittsburgh. Mr. Brophy is co-chair of the Maryland Commission on Neighborhoods, serves on the board of The Enterprise Foundation, is president of the National Center for Lead Safe Housing, and serves on the board of the Development Training Institute.

#### **RENEE LEWIS GLOVER**

Renee Lewis Glover is currently the Executive Director of the Housing Authority of the City of Atlanta. Before her appointment, Ms. Glover was Chair of the Board of Commissioners of the Housing Authority. The Housing Authority owns and operates approximately 15,000 units of housing in 42 developments. Prior to her work with the Housing Authority, Ms. Glover was a practicing attorney specializing in general corporate law, securities law, corporate finance, and municipal finance.

As Executive Director of the Housing Authority, Ms. Glover has assembled a winning coalition of excellent managers and housing professionals from the private sector to support her vision for creating a new paradigm for public housing. This paradigm envisions developing mixed-income, economically viable communities, homeownership, family self-sufficiency and economic independence for residents. Ms. Glover is reorganizing the Housing Authority to improve the operations so that the agency becomes a high performing agency. Ms. Glover's vision for the Housing Authority is excellence, professionalism, success, and customer service.

#### **HOWARD GONG**

Howard Gong is a principal in the San Francisco based consulting firm of Devine & Gong Inc. DGI specializes in affordable housing finance, with a particular emphasis on HUD insured and subsidized multi-family projects, public housing redevelopment, and tax credit subsidized housing developments. Mr. Gong has been an active participant in the field of affordable housing development since 1974. Prior to co-founding DGI in 1985 with Richard Devine, Mr. Gong worked in several nonprofit housing development corporations in New York City and California where he developed a number of affordable new construction and rehabilitated housing projects.

Since 1987, Mr. Gong has provided consulting services to the National Equity Fund. As the Fund's representative for Northern California, Oregon and Washington, he has provided services in both project underwriting and investor relations. He is a recognized expert on the Low-Income Housing Tax Credit Program and a frequent speaker at housing conferences. A resident of San Francisco, Mr. Gong was recently named by Mayor Willie Brown as a member of the City Planning Commission. He is a graduate of UC Santa Cruz and holds a Masters degree in City Planning from UC Berkeley.

#### **BRUCE J. KATZ**

As Chief of Staff to Secretary Henry Cisneros, Mr. Katz is responsible for "pulling it together": making sure that the Department's budget, legislative and administrative initiatives are consistent with the Secretary's priorities and vision and are implemented in a timely fashion. He advises the Secretary on policy and program initiatives and serves as the Department's principal liaison with the White House and the Office of Management and Budget on a range of issues.

Prior to becoming Chief of Staff, Mr. Katz was the Staff Director of the Senate Subcommittee on Housing and Urban Affairs, chaired by Senator Alan Cranston of California. Mr. Katz played a key role in the development and drafting of such major legislation as the Housing and Community Development Act of 1992, the Intermodal Surface Transportation Efficiency Act of 1991, the National Affordable Housing Act of 1990, the HUD Reform Act of 1989, the Housing and Community Development Act of 1987, and the McClintock Homeless Assistance Act of 1987. Mr. Katz was also responsible for provisions contained in bank and thrift legislation that promote community reinvestment and affordable housing.

**GEORGE LATIMER**

Since November 1995, Mr. Latimer has been the Chief Executive Officer of the National Equity Fund, a syndicator of financing for affordable housing. He is also a distinguished visiting professor of urban studies, Macalester College, Saint Paul, Minnesota. From 1993 to 1995 he was Director, Office of Special Actions, United States Department of Housing and Urban Development (HUD). From 1990 to 1993, Mr. Latimer was Dean of Hemline University School of Law, Saint Paul, Minnesota. From 1976 to 1990, Mr. Latimer served as the Mayor of the City of Saint Paul, Minnesota. Mr. Latimer is a member of the Board of Directors of Piper Jaffray Investment Trust and the Board of Directors of Payless Cashways, Inc.

**BETTY QUARLES**

Betty Quarles was born in North Carolina and moved to Boston, Massachusetts in 1949. Ms. Quarles moved to Columbia Point Housing Project in 1965 (today the mixed income Harbor Point development). She has seven children, all raised in Columbia Point. In addition, she has 20 grandchildren. Ms. Quarles has been a parent advocate for day-care services, an active tenant organizer and member of the Columbia Point/Harbor Point Task Force since 1978. She serves as President of Olde Harbour Protective Services, a private, non-profit security company that patrols Harbor Point. Ms. Quarles has worked for Housing Opportunities Unlimited, a resident services organization, since 1983. She was instrumental in easing the transition of Columbia Point to Harbor Point by ensuring old residents that they would be guaranteed units in the newly developed Harbor Point.

**JOSEPH SHULDINER**

Joseph Shuldiner, Chief Executive Officer of the Chicago Housing Authority, is a recognized expert in turning around troubled housing authorities in 1993. His coast to coast reputation earned him an appointment as Assistant Secretary for Public and Indian Housing for the U.S. Department of Housing and Urban Development (HUD). Prior to his work with HUD, Mr. Shuldiner was Executive Director of the Housing Authority of the City of Los Angeles. There, his innovative, fiscally-sound and respected methods resulted in tremendous growth of resident involvement and the creation of a citywide alliance to bring relief to the area's growing homeless population through a Section 8 rental assistance program. Mr. Shuldiner has also served as General Manager of the New York Housing Authority and in a number of capacities at the New York Department of Housing Preservation and Development. Early in his professional career, he was a public school teacher. Over the years, Mr. Shuldiner has shared his formula for success with others through work on community and housing boards including the Council of Large Public Housing Authorities, the Housing Authority Risk Retention Group, and the Edna McConnell Foundation's Program for Homeless Families.

**BERNARD L. TETREAU**

Bernard L. Tetreault served as Executive Director of the Housing Opportunities Commission (H.O.C.) of Montgomery County, Maryland from August, 1971 through June, 1995. Tetreault and a staff of more than 300 administered a housing portfolio of 24,459 units from single-family and multi-family properties financed by the commission to mixed-income communities and public housing developments owned by the Commission. Mr. Tetreault was responsible to a seven-member Board of volunteer commissioners who set policy for the Commission. The agency's FY 1996 annual operating budget was \$68.3 million. Prior to joining HOC, he served as

the Municipal Administrator of South Brunswick Township, New Jersey (1969-71) and as Executive Assistant to the City Manager of Rockville, Maryland (1964-1969). He holds a Master Degree in Public Administration from Cornell University and a B.S. in Civil Engineering from Worcester Polytechnic Institute. Mr. Tetreault is Vice President of the National Housing Conference, a member of the Council of Large Public Housing Agencies, and co-founder and Past President of the Association of Local Housing Finance Agencies.

## **APPENDIX B**

*SEE:*

*Lessons from the Field: Three Case Studies of Mixed-Income Housing Development*, by Michael F. Schubert, Community Development Strategies, and Alison Thresher, Thresher Associates

Published as a Great Cities Institute Working Paper, GCI-96-4.



